



21 February 2023

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Manager,

LEAH WECKERT TO BECOME COLES GROUP LIMITED CHIEF EXECUTIVE OFFICER

Please find attached for immediate release to the market.

This announcement is authorised by the Board.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniella Pereira".

Daniella Pereira
Company Secretary



ASX Release

21 February 2023

STEVEN CAIN TO RETIRE AND LEAH WECKERT TO BECOME COLES GROUP LIMITED CHIEF EXECUTIVE OFFICER, EFFECTIVE 1 MAY 2023

The Board of Coles Group Limited (ASX: COL) (**Coles** or **Company**) today announced that Leah Weckert has been appointed as Managing Director and Chief Executive Officer of Coles with effect from 1 May 2023, upon the retirement of Steven Cain.

Over the period since 2011, Ms. Weckert has held the positions of Chief Executive, Commercial and Express; Chief Financial Officer; People and Culture Director; and, State General Manager, Victorian Supermarkets, as well as being a senior member of the Executive Leadership Team since the demerger of Coles from the Wesfarmers Group in 2018. Ms. Weckert holds degrees in Engineering and Science from Adelaide University and a Master of Business Administration from Harvard University. Ms. Weckert's prior business experience includes roles at McKinsey & Company and Foster's Group.

The Chairman of Coles, James Graham, said "Leah has an outstanding track record of leadership and driving change inside Coles across key operating areas of the business. I am confident that Leah will maintain the focus of Coles in driving our strategy, building trust with all stakeholders and growing long term shareholder value. Leah has personal and professional qualities which together with broad business experience uniquely qualify her for the role as our next Chief Executive.

On behalf of the Board, I wish to recognise and thank Steven for his leadership of Coles since joining in 2018. Steven successfully steered the Group through demerger; developed and pursued a strategy which has seen it become one of the most trusted brands in Australia; and built an outstanding management team with an elevated focus upon technology; sustainability; smarter selling; and, diversity and inclusion.

Steven's leadership through the challenging Covid period saw Coles play a most important role in meeting essential community needs, increasing our reputation with key stakeholders and keeping customers and team members safe. In addition during these last five years we have seen significant development of our portfolio with the material expansion of our online business, the reshaping of

supermarkets' store formats and the expected near term completion of the sale of Coles Express.

With Leah Weckert's appointment I am confident that the Coles Group is well positioned to continue to drive long term competitive and sustainable performance and to ensure that we deliver quality products and services to our customers. There are many exciting opportunities for growth over the period ahead."

Regarding his retirement from the Company, CEO Steven Cain said "I would like to thank the Coles Board, team and our many partners for their support, insights and resilience – particularly during Covid, bushfires and floods. I would like to congratulate Leah on becoming my successor and I wish Coles continued success, and know that the best is yet to come."

CEO-Elect Leah Weckert said "I am very honoured to be appointed as the next CEO of Coles, which has been such an important part of Australian retailing for more than 100 years, and play a part in its ongoing contribution to the Australian community. We have a transformational strategy that, through the hard work of our 130,000 team members, will deliver better experiences for customers and create value for shareholders. I am excited by the many opportunities and look forward to bringing them to fruition over the years ahead."

Following transition of Coles' leadership to Ms. Weckert in May, Mr. Cain will remain with the Company for an interim period to assist in an orderly transfer of executive responsibility. Mr Cain's entitlements on leaving Coles are as previously disclosed in the Company's 2022 Remuneration Report.

The material terms of Ms. Weckert's appointment are set out in Attachment 1 to this announcement.

For more information:

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This announcement was authorised for release by the Board.

Attachment 1:

Set out below is a summary of the material terms of Ms. Weckert's appointment.

| | |
|---------------------------------------|--|
| Position | Managing Director and Chief Executive Officer |
| Commencement date | 1 May 2023 |
| Term | No fixed term. Ongoing until terminated by either party in accordance with the Employment Agreement (see 'termination of employment' below). |
| Total Fixed Compensation (TFC) | \$2,000,000 per annum (including superannuation), reviewed annually. |
| Short Term Incentive (STI) | <p>Ms. Weckert will participate in the FY2023 STI plan as outlined in the Company's 2022 Remuneration Report, except that:</p> <ul style="list-style-type: none">• the STI opportunity will be increased to reflect the higher TFC (pro-rated from the commencement date);• the Board will provide new KPIs applying from the commencement date, which will be applicable to the new role; and• 50% of the STI outcome will be deferred into Restricted Shares which will be restricted for a period of two years and granted subject to shareholder approval at Coles' 2023 Annual General Meeting. <p>Participation in, and the operation of, future year STI awards is subject to Board discretion.</p> |
| Long Term Incentive (LTI) | <p>Ms. Weckert will participate in the FY2023 LTI as outlined in the Company's 2022 Remuneration Report.</p> <p>For FY2024, the LTI opportunity will increase to 175% of TFC recognising the new role and duties. It will be granted subject to shareholder approval at Coles' 2023 Annual General Meeting.</p> <p>Participation in, and the operation of, future year LTI awards is subject to Board discretion.</p> |
| Termination of employment | <p>Either party may terminate the Employment Agreement by giving 12 months' notice. The Company may require Ms. Weckert to serve out the notice period or may elect to pay in lieu of working out the notice period.</p> <p>The Company may summarily terminate Ms. Weckert's employment without notice in certain circumstances (including serious misconduct).</p> |
| Post-employment restraint | A 12 month restraint provision applies. |