AGM 2025
2025-10-15

Presentation

John Mullen

[Presentation]

Thank you, and a very good morning to everybody, and welcome to our 2025 Annual General Meeting of Treasury Wine Estates. My name is John Mullen, and I am delighted to address this meeting as your Chairman. A quorum is present, and I, therefore, declare the meeting open.

Today's meeting is being held in person at the Grand Hyatt in Melbourne and virtually via the Computershare platform, where shareholders and their proxies can ask questions and submit votes online. This meeting is also being webcast online.

Let me begin by introducing your directors and management who join me here today on the stage. On my immediate right is Stuart Boxer, our Chief Financial and Strategy Officer. Next to him are Non-Executive Directors, Colleen Jay, Leslie Frank and Nigel Garrard. On my immediate left is Alex Lorenzi, our Company Secretary. Next to her, Garry Hounsell, Chair of our Wine Operations and Sustainability Committee; Lauri Shanahan, Chair of our Human Resources Committee; and Mark Weldon. Toni Korsanos and Judy Liu, 2 of our Non-Executive Directors are unfortunately unable to join us in person here today. Toni, unfortunately, had an accident on Monday, meaning that she could no longer fly to Melbourne. And Judy has an immovable prior commitment. Judy, however, has prerecorded her election address, so you'll be able to hear from her during the meeting.

Also in attendance in Melbourne here are members of our executive leadership team as well as Penny Stragalinos, who is our lead audit partner from KPMG.

Before we begin, may I ask you to make sure your mobile phones are switched to silent while the meeting is in progress. I'll check my own for that. I also ask that you note where your nearest exit is in the unlikely event that it becomes necessary to evacuate the building. I think it's off. In the event of such an emergency, do please follow the instructions of the venue staff.

Now I encourage shareholders to ask questions during the meeting. I will introduce each item of business, then take questions on all items of business together at the end. If you're attending the meeting in person, only shareholders, proxies and corporate representatives who are given a blue or pink voting card are entitled to ask questions.

When I call for questions, please move to a microphone, show your admission card to the microphone attendant, who will note your name and introduce you when it is your turn to speak. In order to ensure that all shareholders are given an opportunity to be heard, I do ask that you limit your questions to one at a time. — ***Operator Instructions*** — And we encourage you to start submitting your written questions now. But please note that I will not address them until the relevant time in the meeting.

Shareholders were also invited to submit questions in advance of the Annual General Meeting, and I will address those questions as well during the question period. In order to be as transparent as possible in this hybrid environment, questions will only be moderated in limited circumstances. For example, where the content is profane or if the substance of the question is repetitive or is a question already asked.

Today, voting will be conducted by way of a poll, and to provide you with enough time to vote, the poll is now open. For those attending the meeting using the online platform, a voting icon is now available on your screen and selecting this icon will bring up a list of resolutions and present you with voting options, and you are free to submit your votes at any time up until the poll closes.

To cast your vote, simply select one of the options. There is no need to hit submit as the vote is automatically recorded, but you may change your vote at any time up until the poll closes. For shareholders, proxy holders and corporate representatives attending the meeting in person, you may also vote at any time up until the poll closes by completing the blue voting card that was provided to you upon admission. Before you leave the meeting, please place your voting cards in one of the ballot boxes that you will find near the exit. The poll will remain open for 5 minutes after the close of the meeting to allow you to finalize your votes.

I'm holding open proxies in my capacity as Chairman, and it is my intention to vote those proxies in favor of the resolutions that will be put to the meeting today. And the final results of the polls will be available later today on the ASX website and the company's website. If you have any difficulty in completing your voting card during the course of the meeting, Computershare staff are here to help you.

So given that we are in the midst of a CEO transition with Tim Ford having retired from the business on 30th September, and Sam Fischer starting on 27th of October, this year, we will only have one AGM address, that being for myself. So I'd like to reflect briefly on TWE's performance over fiscal 2025, covering both operational and financial highlights. I will also address our first quarter trading performance and the outlook for fiscal 2026, including the market update that we released on Monday.

Now turning first to fiscal '25. During what was a very difficult year for the whole wine industry, TWE delivered top line, bottom line and margin growth, a performance that puts the company ahead of the sector as a whole. Our luxury portfolio now represents 85% of total group earnings, demonstrating the success of our luxury led transformation over the last 5 years.

NSR grew 7% to $2.9 billion, and EBITS grew 17% to $770 million, driven by continued growth for Penfolds and the full year contribution of DAOU. Pleasingly, NSR per case increased 10% as well and EBITS margin expanded 2 percentage points, reflecting the continued shift in our portfolio mix to luxury wine. Return on capital employed improved 0.5 percentage point to 11.9% driven by the growth in EBITS. And net profit after tax increased 15.5% to $470.6 million and earnings per share grew 10.8% to $0.58 per share. And the Board declared a final dividend of $0.40 per share, 70% of which were franked, which represents a payout ratio of 69%, which is at the top end of our target payout range and is an 11.1% increase on the prior year.

So turning now to TWE's key divisional highlights. I'll begin with Penfolds. Penfolds' performance was once again a highlight, driven by the successful expansion of the distribution of our Australian portfolio in China and continued positive momentum across other key Asian markets. Our long-term commitment to China deepened during the year with the acquisition of a 75% equity interest in Stone & Moon Winery in Ningxia, establishing a scalable base for our locally sourced luxury wines.

NSR and EBITS grew 7% and 13%, respectively, driven by the strong growth in Bin & Icon portfolio shipments to China as part of the return of the Australian portfolio to that market along with the price increases that were taken across the Bin & Icon portfolio. So while China was the priority from a wine allocation perspective in the year, we continued to deliver strong depletions growth in Asia, Australia and EMEA with Penfolds continuing to build its strength as the leading luxury wine brand across a number of those markets.

Treasury Americas consolidated its position as the leading luxury wine supplier in the U.S. A cornerstone achievement was successfully completing the integration of DAOU Vineyards, complementing the division's unrivaled portfolio of luxury brands, also including Stags' Leap, Beringer and BV.

NSR and EBITS grew 17% and 34%, respectively, driven by the full year contribution of

DAOU and another year of growth for Frank Family Vineyards. This was partially offset by declines across other key luxury brands as we saw some softness in the wine category in the second half.

In our Premium Brands division, an operational highlight was the continued momentum behind the priority brand portfolio and ongoing innovation. And a key milestone during the year was the commissioning of our dedicated no and low alcohol production facility in the Barossa Valley. This represents a step change in our ability to scale innovation in NoLo wine, a category that continues to grow as consumers look for more choice across more occasions.

NSR and EBITS declined by 6% and 28%, respectively, driven by lower commercial and premium wine shipments, as the lower price segments of the category continue to face challenges. We did see improvement in second half performance as a result of operating model changes, though, that were implemented in the first half. Pleasingly, we also saw continued momentum behind key brands, including Squealing Pig and Rawson's Retreat driven by some outstanding in-market execution.

Alongside these divisional highlights, TWE remains committed to a sustainable future with responsible business practices underpinning everything that we do. Our ambition remains deliberately bold, to cultivate a brighter future for everyone who touches our business and our products and the communities in which we operate. In fiscal year '25, we made strong progress advancing key priorities in areas such as environmental stewardship, climate resilience, world-leading innovation and building a diverse and inclusive workforce.

Milestones included achieving 100% renewable electricity across our global operations, installing smart water meters across all high- and medium-risk sites, delivering targeted water preservation projects and advancing viticultural research with the CSIRO to develop a new generation of grapevines to adapt to a changing climate while reducing the need for chemical inputs.

Our talented global team is at the heart of our business, and their safety remains our #1 priority. Pleasingly, we achieved a 40% reduction in the 3-year rolling Serious Safety Incident Frequency Rate, reflecting the success of our Build Safe campaign, and an unwavering focus on health, safety and wellbeing. These achievements not only demonstrate meaningful progress against our ambition, but they also reinforce the role that sustainability plays in strengthening resilience, creating long-term value and ensuring that our actions today contribute to a better tomorrow.

Turning to Board succession and leadership. This year we welcomed Judy Liu, Nigel Garrard and Mark Weldon to TWE's Board as independent, Non-Executive Directors, who bring deep expertise in luxury, digital, FMCG, wine and global markets. At the end of this meeting, we will farewell Lauri Shanahan, whose contribution since 2016 has been invaluable, particularly through her leadership on the Human Resources Committee. On Behalf of the Board, I thank Lauri sincerely and wish her every possible success in the future.

2025 is also a year of leadership transition for TWE. At the end of this month, Sam Fischer will step into the role of CEO and Managing Director, succeeding Tim Ford, who has retired from the role. Sam is an experienced leader with a global track record in beverages and consumer goods, and we look forward to him making – taking TWE forward with great energy, focus and success.

I want to also take this opportunity to thank Tim for his enormous contribution over 14 years, including 5 as CEO. He has guided the company through a period of transformational change, and the business is stronger for his leadership.

Turning now to our first quarter trading update and fiscal 2026 outlook. TWE's new operating model came into effect on the 1st of July. Our strategic focus under this model is clear: 2 outstanding luxury brand divisions, Penfolds and Treasury Americas, complemented by Treasury Collective, our new global division that combines Treasury Premium Brands and Treasury Americas Premium portfolio brands.

As I mentioned earlier, this week, TWE provided the market with an update in relation to our performance expectations for Fiscal year ’26. This included changes to our expectations for Penfolds, Treasury Americas and as a result, expectations for the whole TWE Group.

Starting with Penfolds, first quarter shipments were in line with expectations, coming off the back of another successful Penfolds Collection release in August that was very well received by customers and consumers in our key markets globally.

At our results update in August, we noted, though, that we were seeing softness in our depletions in the China market as a result of the evolving consumption dynamics within the alcohol sector, which were impacting large-scale banqueting occasions. We, therefore, noted that a critical decision point would be the sales trends resulting from the mid-autumn festival in China occurring in early October.

We then saw some improvement in August and actually a return to growth into September. However, this growth was short of our plans with the broader alcohol market impacted by the changes in Chinese consumption.

Unfortunately, therefore, the early signs of improvement were not sustained. And while we do not yet have definitive numbers from the festival sales period, it’s becoming clear from the preliminary data that our depletions in China for fiscal ’26 are going to fall well below expectations if these trends continue. As a result, TWE no longer believes it is appropriate to retain the guidance previously provided in relation to Penfolds performance for fiscal ’26 and ’27.

We will now actively pursue opportunities to reallocate product to other markets, but we’ll do so with caution to ensure that it doesn’t increase the risk of parallel imports into the China market. And we will continue to track the trends and provide updates as appropriate.

Despite these headwinds, it is important to note that Penfolds depletions performance has been very positive of late as evidenced by the growth in fiscal ’25 in Asia, excluding China, in Australia and in EMEA. And we remain very confident in the long-term growth potential for Penfolds in China and globally.

For Treasury Americas, the luxury brand portfolio is performing well outside of California with depletions growing ahead of the luxury category, up more than 5% in the first quarter, led by DAOU, Frank Family Vineyards and Stag’s Leap. In California, first quarter depletions were impacted by the distributor transition in this market as expected.

As part of our full year results, we noted that the expectation for modest EBITS growth in fiscal ’26 for Treasury Americas was contingent on mitigating the impact of reduced shipments in California through negotiations with RNDC, our distributor, who is Treasury Americas’ incumbent distributor in California at the time and who had announced the closure of their operations in the state effective the 2nd of September.

These negotiations are ongoing, and we’re still working through a number of factors, including the management of inventory. We provided a disclosure on this at our full year results in terms of the excess of shipments over depletions in Treasury Americas in fiscal ’25 and some additional disclosure in relation to California inventory this week.

TWE maintains its objective of achieving a settlement that mitigates the full impact to fiscal ’26 EBITS associated with RNDC’s closure in California. At this time, however, there is increased uncertainty that this will occur. And therefore, we no longer believe it is appropriate to retain the guidance for modest EBITS growth in Treasury Americas in this year.

As a result of the revised expectations in relation to Penfolds and Treasury Americas, TWE has formed the view that it is also no longer appropriate to retain its guidance for EBITS growth at a group level in fiscal ’26. Additionally, the on-market share buyback announced as part of the fiscal ’25 results update in August will be paused until there is greater clarity around trading conditions and expectations. And this is a prudent course of action under these circumstances, noting that TWE retains a strong and flexible capital structure to navigate the current environment and deliver on its strategic priorities.

While near term our business has been impacted by disruptions in 2 of our key markets, we’re nonetheless taking the appropriate steps to mitigate their impact. Importantly, against a backdrop of difficult economic conditions in the wine industry, TWE’s long-term fundamentals remain strong. We have a strong balance sheet, world-class brands and assets, exceptional people and a clear long-term strategy built around luxury leadership and disciplined execution, which underpins our confidence in our future.

So I will now move to the items of business to be considered at this meeting. The first item is to receive and consider the consolidated financial report of the company as well as the reports of the directors and the auditor for the financial year ending 30th of June ’25. This item does not require a resolution to be put to the meeting but does provide an opportunity for discussion on these reports. KPMG, the company’s auditor, is available to address questions relevant to the audit.

The next item of business is the election and reelection of directors. At today’s meeting, with the exception of Lauri Shanahan, who will be retiring from the Board following today’s meeting, all Non-Executive Directors are standing for election or reelection in accordance with the company's policy that all Non-Executive Directors will seek reelection annually. Details of each of the directors' qualifications and experience are set out in the Notice of Meeting.

The company has adopted a process whereby 1/3 of the Board will speak to their election or to reelection at each Annual General Meeting. For this year, you will hear from Nigel Garrard, Judy Liu and Mark Weldon.

Item 2(a) is the election of Nigel Garrard as a Non-Executive Director, and I'll now ask Nigel to briefly address the meeting.

Nigel Garrard

Thank you, Chairman. Good morning, ladies and gentlemen. This is my first AGM as a Director of Treasury Wine Estates after being invited to join the Board earlier this year. By way of background, I'm a qualified chartered accountant, having started my career at KPMG, albeit some – actually many years ago now.

Since that time, I've had the privilege of being involved in a number of food-based businesses, where brands, product development and distribution were all key success factors as they are here at TWE. Those companies include Chiquita, SPC Ardmona and most recently, Coca-Cola Amatil.

I was CEO of an ASX-listed company for approximately 20 years and have a strong understanding of ASX listing and governance requirements as a result. My last CEO role was at Orora Limited, where I led the demerger from Amcor and through that business, became familiar with TWE and its packaging requirements through the supply of glass bottles and closures to the business. Having grown up in South Australia, I have had a close affiliation with the wine industry and the history surrounding the Penfolds and other TWE brands.

Today, I'm also Chair of 2 ASX-listed companies, ALS Limited and Ansell Limited, both of whom are global businesses operating in many countries, as does TWE. I have enjoyed my initial 6 months on the TWE Board and look forward to continuing to work with my Board colleagues and the excellent management team as we go forward. I have both the time and commitment to actively contribute to TWE as we continue to develop our business across various geographies in which we operate, and I look forward to your support. Thank you.

John Mullen

Thank you very much, Nigel. Item 2(b) is the election of Judy Liu as a Non-Executive Director. As I noted earlier, Judy is unable to attend the meeting in person today, but she has, however, prerecorded her election address, which we will play for you now.

Judy Liu

Good morning, ladies and gentlemen. My name is Judy Liu and it's a true honor to join the Board of Treasury Wine Estates and to have this opportunity to introduce myself to you today. I'm an entrepreneur, C-suite executive and Board member with over 20 years of leadership experience in digital and luxury consumer industries. Over the course of my career, I have focused on digital transformation, e-commerce, brand building and cross-border business development, particularly in Asia's luxury market.

In 2013, I cofounded CuriosityChina, a market leader in digital marketing and technology solutions for global luxury brands. In 2018, CuriosityChina was acquired by Farfetch as a strategic investment the same year the company successfully listed on the New York Stock Exchange. Following the acquisition, I joined the Farfetch executive team as Executive Board member and later became the President of Farfetch Asia Pacific. In this role, I led the rapid expansion of the business across Greater China and Asia Pacific, scaling the regional platform over USD 1 billion sales and establishing it as 1 of the region's leading luxury fashion retail platforms.

Prior to that, I was Vice President of Groupon China, a JV with Tencent, where I helped launch the business in over 80 cities across China and support its path to IPO on NASDAQ. Currently, I serve on the board of Acne Studio, a global luxury fashion brand, and ShangXia, a Chinese luxury brand originally owned by Hermès and now part of Exor Group. I also act as a strategic adviser to Trinity Asia, a marketing and data company connecting international brands with Asian luxury consumers. Since January 2025, I have had the privilege of joining the Board of Treasury Wine Estates and serving on the Audit and Risk Committee.

I have always believed that the success of a brand depends not only on outstanding products but also on building deep connection with consumers and maintaining a long-term commitment to sustainability. With my background in the digital and luxury sectors, together with my direct-to-consumer expertise and understanding of the Asia and China macro environment. I hope to bring a fresh perspective and contribute meaningfully to TWE's continued growth.

Treasury Wine Estates is the company I deeply admire for its heritage, quality and innovation. While the global wine industry continues to face both headwinds and opportunities, I'm confident that TWE's talented team, global reach and brand strength were – allowed us to turn challenges into drivers of growth. I look forward to work closely with the Board and the management team to support the company's long-term vision of becoming the world's most desirable luxury wine company. Thank you very much for your trust and support.

John Mullen

So item 2(c) is the election of Mark Weldon as a Non-Executive Director. And I will now ask Mark to briefly address the meeting.

Mark Weldon

Good morning. Thank you, Chair, and good morning, shareholders and owners of Treasury Wine Estates. It's a privilege for me to be here today and an honor to offer myself up for election as a Non-Executive Director of Treasury Wine Estates. In terms of my relevant background, I'll try not to bore you. I began my career as a commercial and M&A lawyer at a firm called Skadden Arps in New York, followed that with a number of years at a company called McKinsey & Company, again, in New York City, where I worked across a range of both branded goods and financial capital market type institutions.

I returned to, if you didn't guess from the accent, returned to New Zealand to take a job running the New Zealand Stock Exchange, which I did for 10 years. It was an incredibly challenging macroeconomic period, but we came through that with both substantial growth in the capital markets and very significant financial returns for shareholders in that company over that decade running that organization. Since that point in time, I've had a range of commercial and governance roles across agriculture and brands, primarily in New Zealand and in the United States.

Alongside that and my passion for the last 13 years, I have a premium Pinot Noir producing vineyard in Bannockburn, New Zealand. It has been very hands-on role. It's a viticulture, wine direction, winery, branding, sales, all parts of the value chain. And what that has given me, and I hope to bring to the Board, is really understanding how each part of the value chain in the wine industry works together and how when one part of it gets out of whack, it can compound. So hopefully, you support my view that this combination of legal, strategic capital markets background with practical knowledge and experience in the wine industry positions me well to contribute to Treasury and its next chapter.

Treasury, it's complex, regulated global business. It's undergoing significant change. There's change in the markets, but it has an extraordinary portfolio of brands that I personally – when I think about Australia, I think about the [ANZ]. I think about sport and I think about your quite incredible wine brands and the heritage that's associated with them. Along with the brands, there are incredible opportunities.

I'm particularly energized by the strategy that the Board and management have put together, the clarity of that strategy and the focus on premiumization and also a long-term view on sustainability. And so if elected, I look forward to working with the Board and management to deliver lasting value for shareholders. If not elected, I think, John, my tenure started on October 1. So I would challenge Liz Truss for a very short tenure in the role. So I appreciate the opportunity to speak with you today. Thank you.

John Mullen

Thanks, Mark. I think we're extremely lucky to have 2 new directors of such – or 3 with Judy, of such fantastic backgrounds.

Item 2(d) is the reelection of Leslie Frank as a Non-Executive Director. Item 2(e) is the reelection of Garry Hounsell as a Non-Executive Director. Item 2(f) is the reelection of Colleen Jay as a Non-Executive Director. Item 2(g) is the reelection of Antonia Korsanos as a Non-Executive Director. And Item 2(h) is the reelection of myself as a Non-Executive Director.

So that covers all of the resolutions regarding the election and reelection of our directors. The Board, with each director abstaining as to their own election or reelection, recommends the election and reelection of each of the Non-Executive Directors.

Item 3 on the agenda today is a nonbinding advisory vote for the adoption of the remuneration report for the financial year ended 30th of June 2025. The remuneration report is contained in the annual report, which is available on the company's website. It includes details of the company's policy on the remuneration of directors and executives, a discussion of the relationship between that policy and company performance, and details of the performance conditions associated with the remuneration of the Chief Executive Officer and key management personnel.

The resolution on this item of business is advisory and does not bind the company, although the Board's Human Resources Committee will take the results of the vote and the discussion on this resolution into account when it is considering the future remuneration arrangements of the company. And the directors recommend that shareholders vote in favor of the resolution.

I'll now move on to item 4, which is for the grant of sign-on awards to our incoming Chief Executive Officer, Sam Fischer. At the time of Sam's appointment in May, the company announced that it would issue Sam a $4 million sign-on award comprised of $750,000 of cash and $3.25 million worth of deferred share rights in order to compensate Sam for the incentives foregone with his previous employer.

Again, while not strictly required as Sam is not yet a director of TWE, approval is sought for this equity portion of the sign-on award for good governance and transparency. A summary of the proposed grant is set out in the Notice of Meeting, and the directors recommend that shareholders vote in favor of the resolution.

Item 5 on the agenda is for the grant of performance rights under the company's long-term incentive plan to Sam Fischer. A summary of the proposed grant, including the performance criteria and hurdles for each performance condition, are set out in the Notice of Meeting and explained in the remuneration report. Similar to item 4, though Sam is not yet a director of TWE, approval for this LTIP grant is sought voluntarily in the interest of good governance and transparency. And again, the directors recommend that shareholders vote in favor of the resolution.

I'll now move on to item 6, which is a proposal to increase the maximum number of directors provided for under our constitution from 9 to 10. The Board considers that the proposed increase allows for flexibility and adding critical new skills and provides for effective transition arrangements that are fundamental to a high-performing Board. This is a special resolution and requires 75% of votes to be cast in favor to be passed. The directors recommend the shareholders vote in favor of the resolution.

Item 7 is a proposal to increase the aggregate maximum yearly amount that can be paid to Non-Executive Directors from $2.5 million to $3 million. There was no increase in directors' fees in fiscal '25 and the requested increase is mainly to be able to afford the inclusion of an additional director if appropriate. The directors recommend that shareholders vote in favor of the resolution.

And the final item for approval today is the reinsertion of the proportional takeover provisions into the company's constitution. These provisions enable the company to refuse to register shares acquired under a proportional takeover bid unless shareholders approve the bid. The current proportional takeover provisions cease to have effect this month, and the directors consider that it is in the interest of shareholders to continue the proportional takeover provisions for a further 3 years.

An explanation of the proposal is included in the Notice of Meeting. This is a special resolution and requires 75% of votes to be cast in favor to be passed. The directors recommend that shareholders vote in favor of the resolution.

Details of the proxies received on each of the resolutions are now displayed on the screen, and based on the proxy results, it appears that the resolutions will pass.

Question and Answer

John Mullen

I will now take questions on each of the items of business. I'll first take questions from those physically present at the meeting followed by audio questions from participants who have joined the meeting online and finally, written questions submitted in advance of the meeting and from online shareholders.

And for those shareholders present in person today, if you'd like to ask a question, please move to a microphone. Show your admission card to the microphone attendant, who will note your name and introduce you when it is your turn to speak. Do please limit yourself to one question at a time as to give other shareholders a chance to ask questions. — ***Operator Instructions*** —

And a reminder again that the poll will remain open for 5 minutes after the conclusion of the meeting to allow you the opportunity to hear responses to the questions asked before finalizing your voting.

With that, I'll now take questions from the floor.

Attendee

Chairman, introducing [Peter Ed] from the ASA.

Shareholder

Chairman, I'm today here representing approximately 28 – sorry, 228 shareholders who hold 636,000 shares. Following Monday's announcement of a revised performance expectations and cessation of the buyback offer, there was a 12% drop in Treasury Wine's share price to below $6, as you're aware. Given the challenges facing the global wine industry, the depressed Chinese market as well as potential trade and tariff effects, can you please comment on TWE's strategy to address these following items, specifically initiatives to mitigate the expected impact in China in financial '26, financial impact of the Californian distribution changes including the treatment of the remaining inventory currently held by RNDC, and what the share buyback pause indicates? That is are you less confident in the value of your shares or do you believe in preserving cash at this time. Or is this announcement that the global wine environment may become worse?

John Mullen

Thank you. Rather a lot in there. I'll try and remember all that. But starting with what are we doing about it. Obviously, these 2 events that we have highlighted and spoken about were external events that we have befallen, and we have to deal with those as best we can. I would underline that I don't think either of those events in any way weakens TWE as a company, and I think our potential in the future remains strong as it always has specifically.

I think I mentioned briefly in my speech regarding China, we obviously can't control the Chinese consumption, but I'm confident that, that will continue to grow, albeit perhaps at a slower level than we had first anticipated. And in the interim, we will be doing our best to reallocate stock to other markets in the world, which incidentally, Penfolds management did very well when the tariffs came in a few years ago. So I'm very confident that they will do the same thing there.

Secondly, your question about what are we doing with the U.S. Well, that's really a moving feast at the moment. We only had our first meeting with RNDC last week, and clearly, those discussions are going to continue for some time. As I think you saw in my speech, our underlying depletions growth in the U.S. is strong at 5%, which is ahead of category, just as Penfolds is ahead of the category in China, where I should add that I think the market consensus is that volume has dropped some 20% in China, and the fact that we're still growing shows that we're well ahead of the market. So we – as again as I mentioned, we'll be seeking full redress from RNDC, who canceled our distribution agreement and breach of contract in California. And I'm hopeful that, that will end in a positive outcome.

And I think – and then the next part of your question was around inventory. And that –

obviously, every year, there's always a different balance between the amount you ship and the amount that is depleted. It goes up and down. I think we mentioned there was 200,000 cases supplied over depletions last year, and we will work through that in the coming years.

And lastly, I think you asked about the pause of the share buyback. I think that's just prudent fiscal management of the company at a time when there is a great deal of uncertainty. Balance sheet is strong. Yes, we could physically afford to do it, but I think any rational person would agree that at a difficult time like this, just sit on the hands for a bit and see how things develop before restarting it.

Shareholder

Do you expect to make a change to that decision, say, by the end of the year?

John Mullen

I can't put a date on it, but I can assure you we'll be reviewing it continually. And probably by the half year results, we may be in a position to give a further update then.

Shareholder

Do you mind if I have a second? The – last year, we expressed concern about your workload as you were the Chairman of 3 listed companies. You indicated that you would shortly be standing down from the Chair of Telstra, but then you talk on the Chairmanship of Qantas.

When my fellow ASA monitors met with you prior to this AGM, you indicated that as you were currently acting as CEO, it was not a good time to make further changes. Given the turbulent times in the wine industry, will you indicate what future plans you have with regard to your commitment to this company? And how will you manage your workload? We are currently unable to support your reelection.

John Mullen

Well, thank you for that. But first, I can assure you my commitment to this company is absolute, and I can also assure you that I have and am devoting adequate time. And I can also assure you that my colleagues here wouldn't put up with me for 5 minutes if I wasn't, so – and that will ultimately be the judgment.

But honestly, so I have to say, the company is going through an extremely difficult time. We've got 2 brand-new directors. We don't have a CEO, and the ASA and ISS think that's a good time to recommend we don't have a Chairman as well. To me, that is a triumph of box ticking over common sense.

Attendee

Chairman, introducing [Spiro O'Cusis].

Shareholder

Just listening to our fellow shareholder there, I'd have to say, John, you're doing an outstanding job in many areas that you are, and you wouldn't have taken those jobs on. We have 7 days a week, 24 hours a day, and I'm sure that you fulfill every minute fixing and managing all the areas that require attention. So you have many of us backing you in that area.

John Mullen

Thank you, sir.

Shareholder

Right now, we're seeing that the shares have dropped, and by no means I'm here to complain about anything. We know that there's issues globally with wine sales. Part of that is we can't just rely on China. As much as you're building a relationship there, I think we also need to look at how we can build other markets globally but have a dedicated team to be pushing that to equal the business that we are doing with China.

So I just would like to encourage the Board and of course, Mark and Nigel, welcome. And I'd like to see if that can be transitioned over the next 12 months to really work on that 24 months to pick up the business. I know historically, I've tried to work pretty closely with Treasury Wine Estate to export wine to a country, and at that time, all the orders were fulfilled. But I'm sure, hopefully, in the future that, that can change and improve.

Right now, where the shares are sitting, would it not be a good idea now to put that $200 million in on the buyback so we can stabilize and hopefully, when we see the confidence, to see those shares move back up? Because a lot of us would have been very fortunate to be able to make a sale and buyback, as Tim has done previously at a very good price. So if there's a little bit of empathy for us insofar as where things are at, if I can encourage the Board to do a buyback sooner rather than later.

John Mullen

Thank you for all your comments. Right on the money. Thank you [for your] empathy. I think when you say us, includes us. We're all shareholders, too. Yes? I recently bought a whole lot more shares, which – so I know I feel your pain as well. And I can assure you there is no greater priority for us to try and get those shares back up. And that's obviously going to depend on the success we have of rebuilding some of these markets, like you've mentioned.

So then specifically to your point about balancing, the company does a pretty good job of that already. I think in Penfolds, while the highlight has been slowdown in China, that's overshadowed the very considerable strong performance that's being achieved in pretty well every other market, I think, Tom, we've done it. Yes. I mean, certainly, Australia, the U.K., Scandinavia and other Asian countries, sales going well. So I'm pretty sure that the Penfolds management team, in whom we have great confidence, will find ways of offsetting this latest setback.

And that said, of course, we need to keep it in perspective. I think you only get one China in a lifetime, and we've never seen anything like this economically. It's more like the emergence of the United States 100 years or 150 years ago. It is an enormous market, and it is growing. And although, yes, it was hard for the Penfolds team to estimate exactly when the tariffs were removed and suddenly the market was reopened to estimate exactly what would be consumed when, it's pretty difficult task. They did a fantastic job of supplying, again, huge demand initially.

We slightly, obviously, enthusiastically projected that trend to continue. The trend of growth is still continuing. So China will continue to grow. And I think in a perfect world, you wouldn't have any market that was more than sort of 10% or 15% of your business. I think it's always going to be a challenge to do that unless you want to restrict sales in a market like China.

But your point is absolutely valid and noted. And I think we're lucky actually that we do have the Americas – Treasury Americas. We do have Collective here in Australia, and we do have Penfolds in other regions. So we're probably a better defense against that through the diversity of our businesses around the world than a company that's just producing one brand in one country.

Shareholder

So it's fairly balanced at the moment? You can see it's fairly balanced?

John Mullen

It's fairly balanced. I would say China is probably slightly an imbalance, but it's a good imbalance.

Shareholder

Yes, yes. Well, I'm looking forward if we can improve not just the work that we're doing with China but opening up other markets that we haven't explored before. But I'd like to thank you, John. You've been doing a great job and keep up the great work to you and the Board.

John Mullen

Thank you so much. Appreciate it.

Attendee

Chairman, introducing [Ron Guy].

Shareholder

Yes. I'm from the regional trade unions, a human rights shareholder group, and I'll probably change the note of the conversation a little bit here. But the concern that some of our members have had is around packaging and incineration. I note that there's a – Treasury Wines as a company does a fantastic job on their recycle of their waste. But I guess a little bit of opinion here, but forgive me for my – since it's not my question. And it's based around any and all plastic burnt in waste incinerators, waste-to-energy incinerators forms cancer-causing dioxins, which are not scrubbed from – which are not scrubbed from the stack.

The pollution from waste-to-energy incinerations is recognized by 3 international treaties to which Australia is signature: the [Mato] Convention, the Stockholm Convention and the Basel Convention. And these are – the package, sorry – so does the company oppose the household and commercial waste incinerators in the so-called waste energy plants, which will pollute farmlands, waterways and air with cancer-causing dioxins, asthma-producing fine particulate matters and 3 tonnes of greenhouse gas per tonne of plastic [dirt].

These plants are abandoned in New South Wales and Canberra, phasing out in Europe but starting up in Victoria. So I guess that's the concern with what's happening in Victoria with this issue. And I imagine that the fact that you try to limit the amount of plastics that are recycled that you won't be involved, but there's probably traceability, we'd imagine, that they'll probably be in. Some end up going down that line. So I hope that was relatively clear where I was going with that.

John Mullen

Yes. No problem. I'll have a go. Look, I actually – I feel really privileged to work at a company like TWE where sustainability, climate change and these other issues are real practical day-to-day considerations. You can work in industries where, okay, you can see what would happen if global warming follow route A or B and would I have to move my factory or something, but it's all in the future. In TWE, we're dealing with every single day and I think the skill and the farsightedness of the management team looking after that part of our business is second to none.

And we've mapped vineyards all around the world. We overlaid potential temperature changes on those vineyards and what will that mean 3 years, 5 years out. Do we start planting warmer grapes, the Shirazes and things where we used to have Pinot Noir and Chardonnay? How long will this vineyard potentially last if temperatures do the following? It's a thing of beauty. It's absolutely amazing. I've spent some time being shown around by the team, and it blows you away. We're living and breathing that every day.

I think I mentioned in my speech as well, some quite innovative ideas around water conservation and covering reservoirs, even the potential of growing grapes under glass or under shade and all sort of stuff going on. So I think from that point of view, the company is a real market leader.

Packaging is always a challenge for us I think, and we're making good progress on things like plastics, et cetera. The biggest challenge, can you tell me if I'm wrong, I think is probably glass bottling because people still expect wine to be in glass bottles. The idea of drinking Grange out of a sort of cellophane packet or something is – not cardboard but container is going to be hard to convince people.

And so it's not so much in our use of the glass. It's in the production of the glass. That's where the emissions challenge comes. But we're right across that, the screw tops versus corks. Again, some of – all those sort of considerations are being dealt with it. While we can't fix the world overnight, I'm very confident that the team is really good at what they're doing and that we will continue to lead the industry in that respect.

Shareholder

Yes. Well, as you say, you're leaders in this area, so I hope that you can encourage other companies to pursue the same agenda.

John Mullen

We'll do our best. Thank you.

Attendee

Chairman, introducing [John Savucek].

Shareholder

I just had a query around your commercial brands portfolio, which you were looking at selling. And I was quite surprised to see Wolf Blass in that area because I'm sure I'd be sad to see the Browns and the Grays and the Black Labels and the Platinums go elsewhere. And I'm surprised that at those price points, they're not in your premium portfolio rather than looking at being sold off to somebody. Could you outline what's happening with those brands, please?

John Mullen

Yes. Look, I'll do my best. Firstly, I think most people know the wine market is sort of split into 3 main tranches of what are termed commercial wines, which is sort of $10 and below; and then premium $10 to $30; and luxury above $30. Those are pretty broad sort of categories, but that's largely how they are grouped today. And if you look at global trends, and Australia is no different, commercial wine is in decline, material decline. And I think that's structural. I don't think that's going to change. So any wine company that has stocks in those areas is going to see continuous decline.

If you look at the premium section in the middle, I think I'm right, guys. The top end of it is still growing, but a lot of the bottom end of it is also declining. Fortuitously, luxury is still growing, not as fast as it was, but it is still growing. So I think management has done a very good job of shifting the focus away from premium and commercial, which it was only a few years ago, to 85% luxury. So we're – our future is in the right segment that's growing.

And then when you look at specifically your question, I'm old enough to remember, Wolf Blass Black Label was the Grange of the day. I can only ever afford the Yellow. But yes, it indeed was a luxury wine. And today, I think most people would say the Black and Platinum are still very fine wines, but the bulk of Wolf Blass' production is more in the commercial and premium end, and that's how the company is seeing them.

If you and I owned it, you might have – on our own, and that's what you did, you might have a different view, but we have to be very objective and look at the returns that we can generate for shareholders from all these brands. And there is an increasingly low return from the bottom end of those commercial brands, and therefore, I think it makes sense that we dispose of them.

That said, we're not – they're not losing money. They're just not returning an adequate return on the capital that's tied up in them. So we're not just going to sell them for any old price to get rid of them. So we did try to sell some of those brands. The offers that we received were underwhelming, and we felt we were better off retaining them, and that will continue until such time we get an offer we think is fair. Then we will continue to move some of those commercial brands on. But until that happens, we will work hard at making them do better.

Shareholder

Just a quick follow-up question as well. I have a whole bunch of bottles where the labels say I can get $0.10 back on them, but the Victorian government refuses to accept them. Can we do something about that?

John Mullen

Well, your Board's power is considerable but not to influence the Victorian government. Any more questions from the floor? Yes.

Attendee

Chairman, introducing [Peter Ed].

Shareholder

I have a few questions for you. The ASA does not support sign-on awards as has been discussed with you previously. And your new CEO has a sign-on award. But recognize – we recognize that they may be unavoidable to compensate for loss of incentives from a former employer. In such cases, ASA supports a sign-on benefit as deferred equity-based payments that vest upon meeting a 3- to 5-year performance hurdles. Can you please advise why there are no performance hurdles for the incoming CEO?

John Mullen

Yes, no problem. So sign-on bonuses are not bonus. Although they end up being called bonuses, they're not a bonus. They are merely to recompense the CEO who has to walk away from another job and lose the entitlements that he already has in that other job to join us. And unless we were prepared to meet that, he's not going to walk away for $4 million to join us. So all we are doing is replacing what he lost. There's no bonus. There's no gain. There's no upside to him beyond that.

And we did make – I think from memory, 1/3 is cash. The balance is in deferred equity, which is, I think, appropriate. But the fraction of time is the key criterion there because, again, we are reimbursing him what he's lost. We're not setting him a target to achieve X or Y for that. We're just reimbursing him.

The second item on the agenda where we issue annual incentive stock to managers, that obviously is all performance-based and as his will be too. I hope that's clear. Clear?

Well, it looks like we've exhausted the floor. So as there are no further questions, I'll now move to audio questions. Operator, do we have any audio questions?

Operator

Chair, there are currently no questions on the phone.

John Mullen

Excellent. Okay. As there are no further audio questions from online, I'll now take written questions. To start with, we have received some questions in advance of the meeting, which I'll address first, and then I'll respond to any questions submitted live during the meeting from online shareholders. So please proceed with the first question received in advance of the meeting.

Executive

Thank you, Mr. Chairman. The first question is from shareholder, Mrs. [Helen Haysom]. When will the company reduce payments and bonuses to senior executives and the Board to no more than 10x the wage of the lowest paid employee or contractor?

John Mullen

Look, attracting and retaining high-caliber executive leadership is critical to the success of every company. And Executive and Director remuneration is, therefore, benchmarked independently against the comparable ASX-listed companies and others to ensure that we are competitive. It – underlying with shareholder interest. And we do not set pay by reference to some arbitrary multiple of pay somewhere else.

Executive

The next question is from shareholder, Mr. [David Brass]. How confident is the company that the no and low alcohol strategy is going to work in this new beverage environment?

John Mullen

That's a really interesting one. Look, we think that we have very considerable expertise and brand strength to lead this wine category actually. It's small today, but it is a growing segment of the market. We now have a dedicated no and low alcohol winemaking facility in the Barossa Valley, and we're combining the latest technology with an award-winning winemaking credentials to create really great tasting no and low alcohol wines. Now this is a $15 million investment, and I think it makes us leaders in innovation in response to that increasing global demand for no and low wines.

So even though we've been making NoLo wine since, I think, 1993, this facility is a real quantum leap forward in quality as the market-leading technology that we're employing enables us to overcome the big challenge of flavor loss in conventional dealcohol processing. The facility will produce the next generation of wines for key brands, including Squealing Pig and Pepperjack. I'm very optimistic it's going to be a success.

Executive

The next question is from shareholder, Mr. [Andrew Fitzsimmons]. What is being done to become more resilient to climate change?

John Mullen

Look, I think I've largely covered that already. I think the company is an absolute market leader in its preparations and adaption for climate change. And also a multiregional sourcing provides flexibility to source grapes from diverse regions, growers and partners unlike a wine company that can only source from one place at one time. Building on this, we are enhancing resilience in 3 main ways: I think, firstly, through long-term climate insights, as I've mentioned, using our climate model to conduct site-based risk assessments and identify specific challenges at each vineyard location; secondly, through deploying tailored responses to local conditions, again, like I mentioned, the water management, varietal selection through to canopies and down coverings; and thirdly, through data and technology, [using] tools such as long-range forecasting and increasingly AI to predict better yields, optimize harvest timings and manage seasonal variability.

Executive

The next question is from shareholder, Ms. [Norma Donaldson]. Would the company consider scrapping net 0 policies?

John Mullen

No is the answer. TWE is inherently climate exposed, as we've discussed, and reducing emissions while adapting our operations is essential if we're going to protect the long-term business resilience. We remain firmly committed to a net 0 target by 2030 and for our Scope 1 and 2 emissions, a target that underpins both vineyard resilience and operational efficiency. Having a credible climate action plan is now a baseline expectation from customers, partners, regulators and increasingly shareholders as well, positions TWE very competitively, I think, in global markets.

Executive

The next 3 questions are each from shareholder, Mr. [Gregory Barresi]. Mr. [Barresi's

] first question is what is going so desperately bad to cause the share price to drop over 40%.

John Mullen

Well, I'm sure that you'll be aware that these trends are global and almost all acholic beverage companies around the world have seen similar declines. Young people, in particular, are drinking less wine than the previous generation, my generation, and commercial and premium wine volumes, as I mentioned earlier, are declining worldwide. In TWE's case, this has been exacerbated firstly by the evolving consumption dynamics within the Chinese market, as we have explained; and secondly, by the impacts from Californian distribution changes; and then thirdly, our CEO transition. None of those have helped in the background of a difficult time anyway.

Executive

Mr. [Barresi's] second question is how can you still award remuneration to staff when performance is so bad.

John Mullen

Well, I, with respect, reject that. Actually, performance in fiscal '25 was not bad at all. In fact, it was a complete opposite. At a time when most of the industry was going backwards, we delivered 7.2% growth in sales revenue, nearly 11% growth in earnings. We've shown a 17% growth in EBITS. So the company, we delivered top line, bottom line and margin growth during what was an exceptionally difficult year for the whole industry. And I think the performance puts the company ahead of almost everyone else in the sector.

Executive

Mr. [Barresi's] third question is why does the company still promote itself on LinkedIn as having continual staff parties when performance isn't there.

John Mullen

I'm not sure that our profile promotes continual staff parties. If it does, I haven't been invited to all of them. Our social media activity, specifically on LinkedIn, is a deliberate part of the strategy to position TWE as an employer of choice and a trusted business partner and somewhere that's fun to work. Importantly, it features a wide range of content from sustainability initiatives and industry engagement, product achievements and the celebration of our people and our consumers, all of which we believe help build our reputation and competitive position. Showcasing our culture and successes on LinkedIn is about demonstrating the values and the environment of our business that attract and retain talent that we require to execute on strategy.

Executive

The next question is from shareholder, Ms. [Celestine Ecori]. Why award a sign-on award to a KMP who is yet to perform. This is totally unjustified along with the bonus structure applied to other KMP?

John Mullen

I think I've already answered that. It's a pretty common practice in the market to provide the sign-on awards. And as I said before, it is merely recompensing the person for what they have lost. It is not a bonus in addition.

Executive

That concludes the written questions received in advance of the meeting.

John Mullen

Great. Okay. Can we then proceed with the written questions received live during the meeting from online shareholders if there are any?

Executive

The first question is from Mr. [Robert Zu]. What is forecast for the next 3 years, especially next year?

John Mullen

I assume that you're referring to financial performance, and I think, hopefully, we've explained adequately. But right now, we're not in a position to make those sort of long-term forecast. However, as and when trading and conditions become clearer, we will update guidance eventually and when the time is appropriate. But right now, we feel it better to get on top of these challenges before we do that. Is that it?

Executive

Sorry, another one, Mr. Chairman. Is this just cyclical with wine demand and a weaker economy in China or likely a longer-term structural demand decline?

John Mullen

Okay. Hopefully, I answered that as well. I think the – what we've seen in China is not – is more cyclical. It's the result of changes in that market, and we have great confidence in the future of China. We do believe, though, that some – as I mentioned, some of the lower-end consumer wines in the commercial area, that's probably structural. Kids are drinking less. Tastes are changing. People are drinking less but better. And that's why we've positioned the company in the sector that is growing rather than continuing as some other companies are in the lower-end wines.

Executive

Thank you, Mr. Chairman. Sorry, I should have mentioned that was from Mrs. [Kimberly Williams].

Our next question is from shareholder, Mr. Stephen Mayne. How many full-time equivalent staff do we currently have? And is this likely to fall over the coming 12 months with the rapid rollout of AI? Which parts of our business and operations are the most prospective for AI productivity gains? And how energetically are we embracing those opportunities?

John Mullen

Thank you, Stephen. I was hoping you'd – I would see you somewhere, but online is good. So how many staff do we have at the moment? I think it's about 2,500 team members. The impact of AI is a really interesting one. It's emerging, of course, but my view is very much that it represents opportunity more than a threat. Obviously, AI is going to change the way that everybody works in the future, but today, I think it offers huge potential to – in that whole sustainability area that I was talking about, the mapping of our vineyards, understanding yields from different grapes in different areas, altitude, temperatures, all of these things, where the masses of data, which is what AI, I think, it's most suitable for, crunching those huge amounts of data and extracting usable strategies from it. So I think AI will actually power us to move further ahead in an area where we're already strong. So I'm very optimistic and enthusiastic about it.

Executive

Thank you, Mr. Chairman. We have 2 questions on the same topic, so I'll read them both out together. The first is from Mr. [William Homes] and Mrs. [Linnette Homes], and the question is why was the former CEO's employment not extended to have a changeover period to the new CEO's commencement with Treasury. And the second question on the same topic is from Mr. [Robert Zu] and his question is why is there a large gap from outgoing CEO and incoming CEO.

John Mullen

Well, actually, there is no large gap. It's only a month. And we work with Tim quite extensively. He very generously extended his stay right through until the end of September when he could have left us earlier. And the reason we did that was to allow us not to have a large gap in between the 2 appointments. So I think 30 days is not going to harm the company, but multiple months would have done. And so Tim very generously agreed to stay on to resolve exactly that issue.

Executive

The next question is from shareholder, Mr. Stephen Mayne. Thank you to Lauri Shanahan for her 9 years of service on the Board. It is always helpful for investors to have access to some exit perspectives from retiring independent directors. In her final contribution as TWE Director, could Lauri please comment on what she regards as the best 2 board decisions made during her time on the Board, and does she have any regrets?

John Mullen

Stephen, I think it's a bit unfair to put that on one individual director, even though I'm sure, Lauri, you can answer it very eloquently. Why don't I give Lauri your phone number, and she can have a chat with you after this meeting about her time on the Board?

Executive

The next question is from shareholder, Mr. Stephen Mayne. Thank you once again for voluntarily putting up all directors for election. It would have been better if the proxy votes were disclosed early with the formal addresses. But could Chair John Mullen disclose what sort of proxy protests he has suffered this year related to the over Boarding issue? Apart from ASA, which of the other proxy advisers recommended against his reelection?

I'm a shareholder in TWE, Qantas and Brambles, and I'm curious as to which of these 3 big complex multinational chair roles is currently taking up the most of his time and which is taking up the least amount of his time. Can John point to any other person in recent history who has simultaneously chaired 3 ASX 100 companies? And will the situation be fixed by the time we get to next year's AGM?

John Mullen

Lucky lad, Stephen. Look, I think I'll do it in – I tried to address most of that already, but I'll have another go. So ISS and the ASA voted against my reelection. I have to say I scratch my head, at a time when the company is going through everything that it's going through that they would think it's in shareholders' interest not to have a Chair as well as not to have a CEO and 2 new Board of Directors and be fighting the changes in China and everything else. That makes me scratch my head. But anyway, that's their decision. Those are the only votes, recommendations against.

In terms of other commitments, look, again, I think I said, yes, I'm very busy. I enjoy being busy. It's actually nowhere near as busy as being a CEO. I can tell you that. You do that your own and no one ever says you're working too hard when you're a CEO, do they? I will continue to do it for as long as I think it is appropriate, until at least TWE is in a better position, and we have further enhancement around the Board table. And not being flippant but there are some directors who shouldn't be a director of 1 company, let alone 3. And the other directors, myself with plenty of other who are directors of many companies and do a very good job.

So I think you have to look and judge the individual accordingly. So if shareholders or my colleagues say I'm doing a bad job, that's a different matter. Then I should move on. But just because a number of boxes ticked goes over some arbitrary limit set by someone who's probably never been a director, I don't think that's appropriate.

Executive

The next question is from shareholder, Mr. [Robert Zu]. Why isn't there a CFO report in this meeting? Where are the company executives? Why only Chairman himself to answer all questions?

John Mullen

Well, we don't normally make a CFO report. The financial performance of the company is usually dealt with in more detail in the CEO's address. But as you're aware, we are in an interregnum period without a CEO. Therefore, we try to sort of combine the traditional Chairman's speech with a bit more financial data than would normally be the case in order to compensate for the lack of the CEO speech and the senior management role here, I'm looking at them in front of me.

Executive

Thank you, Mr. Chairman. We have another question from shareholder, Mr. Stephen Mayne. Last of my 4 questions. The annual report says that we have 87,793 shareholders, but less than 2,000 were bothered to vote at today's best practice hybrid AGM. Will the chair follow the new practice you have embraced at Qantas and disclose how many shareholders voted for and against each item in the poll similar to what happens with the scheme of arrangement? This would provide a better gauge of retail shareholder sentiment, including on important issues like the remuneration report and the Chair's reelection. Even our own share registry provider, Computershare, does this at its AGM, so I'm puzzled why you are still resisting. Is the Chair hiding the fact that his workload problem is making him the least popular TWE director amongst retail shareholders?

John Mullen

Well, I'll start with that. I didn't know I'd receive that accolade, the least popular director amongst retail shareholders. That's disappointing if it's true, but I'm not 100% sure it's true. Look, I'm not particularly wedded actually to this whole point. It comes up every year and in some companies, including Qantas, do. What I do absolutely sympathize with is that retail shareholders tend to come to these meetings. The big institutional shareholders don't. And I can well understand that retail shareholders feel what value is my vote because I vote left or right and then you see this – the proxies go up on the screen with 98% from the institutional shareholders, so sort of makes my vote less relevant. And

I really sympathize with that. And there's a lot of debate about how you deal with that.

Unfortunately, every vote is equal. And if an institution has 6 million shares and you've got 1,000, you're never going to prevail, obviously. But think the move to hybrid is one of the things we've tried to do, and I think we have every intention of continuing that, where that allows more people to have a say and join than it would be if you just have a physical meeting. And certainly, we'll look at that again, Stephen. I know you've raised it before, and I don't think there's any real reason why you can't or don't. So we'll have another look at that.

Executive

Thank you, Mr. Chairman. That concludes the written questions received live during the meeting from online shareholders.

John Mullen

Great. Thank you very much, [Mims]. So as there are no further questions, that concludes our discussion on the items of business. Thank you all very much for your questions.

Voting will close shortly. And if you've not done so already, please cast your vote on all resolutions now.

That covers all of the business before the Annual General Meeting. So thank you very much for your attendance and participation, and I hope that this has been an opportunity for you to learn a little bit more about Treasury Wine Estates and its exciting future.

As mentioned earlier, the final outcome of the polls will be announced by notice to the ASX later today and placed on the company's website. For shareholders attending in Melbourne, refreshments, including wine, will now be served in the foyer. And our directors, members of the executive leadership team and senior management will be available to introduce themselves to you.

Although the business of the meeting is finished, there will now be a 5-minute period during which you may finalize your voting, and the meeting will close at the end of that period. Thank you again for your attendance.