

Endeavour Group Limited, AGM 2022

2022-10-18

Presentation

Peter Hearl

Ladies and gentlemen, fellow shareholders, good morning. My name is Peter Hearl, and I'm Chairman of the Board of Endeavour. Before we commence today's meeting, I would like to introduce Auntie Donna Ingram to deliver the Welcome to Country. Auntie Donna's First Nation family connections are the Wiradjuri of Central West New South Wales and she was born and raised here in Sydney on Gadigal land.

Auntie Donna is proud to be a Cultural Representative of the local indigenous community in Sydney and has worked in aboriginal affairs, government and community organizations for the last 35 years, predominantly in education. I thank Auntie Donna for making the time available to be with us here today. Auntie Donna, please come up.

Donna Ingram

Good morning, everyone. It's my great pleasure to be here with permission from my elders, and on behalf of the Tribal Warrior Association to offer you Welcome to Country for the Endeavour Group AGM 2022.

It gives me pride to represent my community in this important cultural protocol. It shows respect for and recognition to the unique position of Aboriginal and Torres Strait Islander people in Australian culture and history.

We are gathered on the traditional land of the Gadigal, who are one of 29 clans of the Eora Nation, which is bordered by the Hawkesbury, the The Georges and the Nepean Rivers.

I'm an Aboriginal woman who proudly identifies with the Wiradjuri Nation from Central

West New South Wales. I was born on Gadigal land and I've had the privilege to live, work and raise my 4 children on this land for most of my life.

My family has grown, and I'm now a proud grandmother to Aaliyah, Aaloji, Kody, Olivia, Jake Junior and Aki, with another one arriving next year. My wish for my grandchildren is to grow up happy and healthy in a safe and inclusive society and that they believe that their dreams can come true.

I acknowledge the Gadigal, their spirits and ancestors, who will always remain with the land mother Earth, and I thank them for their ongoing custodianship. I pay my respects to our elders, both past and present, and we must never forget the sacrifices made by our leaders to create a better future for Aboriginal people.

I did this as a reminder and as a tribute to elders and those who have gone before us to fight for land rights, justice and equity for our communities. I extend my respects to Aboriginal and Torres Strait Islander people from all clans and nations who are present this morning.

I also recognize our non-Aboriginal sisters and brothers who walk beside us to bring people together. I now offer you a warm and sincere welcome to the land of the Gadigal of the Eora Nation, wish you a safe stay on the land and safe travel from the land.

On behalf of the Tribal Warrior Association and the Gadigal, I wish you a successful and productive day to share your successes and challenges over the past year and hear about focus areas for the year ahead to further support your purpose of creating a more sociable future together.

In closing, we remember that this is, was and always will be Aboriginal land. Thanks, everyone. Have a fantastic day.

Peter Hearl

Thank you, Auntie Donna for that Welcome to Country. I think you and I might be in a race for the number of grandchildren we might have. I hope you win. I, too, acknowledge the Gadigal people and pay my respects to their elders, past, present and emerging. I also extend this acknowledgment to any First Nations people who are joining us on the call or who are in the room today.

On behalf of my fellow directors, I welcome all shareholders to Endeavour's Annual General Meeting. You may recall that our first AGM in 2021 was held virtually. Today, our Board and management are delighted to be able to meet with you here in person.

As we have a quorum, I declare the 2022 Annual General Meeting open. For those who are not able to be here in person, we're pleased that technology allows us to connect with you through a live webcast as well as the online platform and by telephone.

Instructions to participate in today's meeting via online platform and telephone, including how to vote and ask questions are in the virtual meeting guide available on our website. If you have issues during the meeting, please call Link on 1 (800) 990-363. This number is also in the virtual meeting guide.

Before introducing my colleagues, I will outline the procedures for today's meeting. Only shareholders and proxies and corporate representatives may speak and vote during the meeting. All others are welcome observers.

A number of shareholders submitted questions prior to the meeting. I will endeavor to cover most of the issues raised by shareholders as we get to each relevant agenda item.

I will introduce each item of business separately and then invite questions and comments. I ask the questions and comments be confined to the business of the meeting. If your question relates to a particular item of business, I will address the question when we

come to that item, even if you have submitted your question earlier in the meeting.

For specific questions relating to your experience as an Endeavour customer, I ask that you contact one of our customer service representatives at the desk located in the foyer outside this room.

To ensure that all shareholders and proxy holders have an opportunity to comment and ask questions, I will take one comment or question at a time. Please be concise as possible with your comments and questions and limit your questions to no more than 2 per item of business.

For each item, I will take questions in the room first, then move to telephone questions. And finally, I will take online questions. If you are in the room and wish to ask a question, please move to one of the microphones. There are 6 of them around the room, and one of the attendants will introduce you. — ***Operator Instructions*** — Questions can be submitted online at any time.

I'll endeavor to answer all relevant questions during today's meeting. However, I reserve the right as Chairman to determine that questions on a certain topic have been answered adequately and should no longer be asked.

Following discussion on each item of business, valid, direct and proxy votes will be displayed on the screen. I will then ask you to vote on the item. You can vote at any time once the poll is open.

Shareholders, proxies and corporate representatives can vote by marking for, against or abstain on the voting card you were handed upon registration or through the online portal.

For those in the room, yellow cards are for shareholders and proxies who may speak and

vote. Blue cards are for shareholders who may speak but not vote. All other attendees with a red card are welcome but may not address the meeting or otherwise participate. As Chairman, I intend to vote all available undirected proxies on and in favor of all items.

The voting exclusions for items 3 and 4 are set out in the Notice of Meeting. Voting on the resolutions will be conducted by way of poll, which I now declare open. The poll will close 10 minutes following the meeting's closed.

Please place your voting card in the poll box as you leave the room, or if you are voting online, click the submit vote button to lodge your votes. As the results of the poll will not be available before the meeting closes, they will be released on the ASX later today and on our website.

Every effort has been made to ensure the meeting runs smoothly. If we experience a significant technological issue during the meeting, I will call a short recess of the meeting until we're able to recommence. Or if we're unable to recommence within a reasonable time, I'll adjourn the meeting to another day and time.

We will provide shareholders with details of the adjournment via the ASX. I'd now like to introduce your board and the Company Secretary. From my far right or your left, we've got Colin Storrie, Anne Brennan; and Taryn Morton, the company secretary.

To my immediate left and your right, we have Steve Donohue, Managing Director and Chief Executive Officer; Joe Pollard; Duncan Makeig, and Holly Kramer.

Bruce Mathieson Jr, currently a director awaiting regulatory approvals, also joins us today with members of Endeavour's management team who are seated in the front rows of the room. Taralyn Elliott from our auditor, Deloitte, is available to respond to any specific questions you may have on the conduct of the audit.

A notice of meeting has been distributed, and I will take it as read. The agenda for today's meeting is as follows: firstly, I will address the meeting, Steve Donohue will then speak. And after Steve's address, we will proceed to the formal items of business as set out in the notice of meeting.

F '22 has been a year of great significance for Endeavour, given that it was our foundational year as a standalone listed entity. At the beginning of F '22, we executed one of the largest demergers in Australian history.

We've built on the foundations we laid going into our demerger, living our culture, purpose, values and ways of working, reinforcing our corporate infrastructure and governance and embedding our customer-focused strategy. These foundations have helped us navigate a financial year in which disruption was the only constant.

I want to publicly congratulate and thank Steve and his entire team for delivering a strong financial result and making progress against our strategy in a year marked by natural disasters, lockdowns, supply chain disruptions, labour shortages and incredibly unpredictable market conditions.

In light of these challenges, I am particularly proud of the progress we've made in delivering our sustainability commitments. Despite the challenges of the year, the business maintained group sales while growing group earnings before tax and interest by 2.8% versus F '21.

We delivered a group profit for the year after income tax of \$495 million, an increase of over 11% on F '21, and an operating cash flow of \$949 million dollars. We also delivered a final dividend of \$0.077 per share, taking the total dividend for the year to \$0.202 per share, fully franked.

We know that the culture of Endeavour is key to continuing to build on our success in this

first year. Our purpose, values and ways of working define that culture.

We're currently striving to build a culture that activates our purpose of creating a more sociable future together, and we're dedicated to anchoring our values and our ways of working in everything we do and leaving a positive imprint on each other, our customers and the broader community.

Our purpose guides us to focus our strategy on what matters most: bringing people together to share memorable moments. Our vision is to create those moments by becoming the leader in enabling social occasions.

We aim to deliver strong returns for our shareholders by operating as an interconnected group using our assets, customer understanding and industry partnerships to achieve this vision.

Our strategy is to achieve our vision via 3 core pillars: one, creating leading customer offers, two, driving an efficient end-to-end business, and three, building partnerships that grow our industry. Understanding, connecting with and meeting the needs of our customers are all key to our strategy.

We'll continue investing in our digital, data and insights capabilities to help us understand our existing and our emerging customers. These insights help us drive engagement and create leading customer brands, omnichannel experiences and product trends.

By optimizing our business end-to-end, we create customer and shareholder value and deliver a better, more connected team experience. Our partnerships with suppliers, other industry players and our communities will unlock outcomes that benefit our customers and drive growth across the industry.

These strategic pillars are supported by a continuous focus on acting as one team, living

our purpose and values to create a positive and sustainable imprint.

This brings me to our sustainability strategy. We're passionate about creating a more sociable future and equally passionate in our belief that the way we create this future really matters.

Our first independent sustainability strategy launched in October 2021, shared our ambition and plans plan to make a positive, lasting imprint in the areas of Responsibility and Community, People and Planet with long-term goals and actionable commitments to keep us on track.

We follow that strategy with the recent launch of our inaugural sustainability report and modern slavery statement and are making progress in each of the 3 pillars of our sustainability strategy. Our commitment to responsibility and community is a cornerstone of our business.

We know that our social license to operate relies on our continued commitment to demonstrating leadership by advocating responsible choices in our communities and supporting positive change in our industry.

This year, we continue to demonstrate leadership in the responsible service of alcohol and gaming, going above and beyond regulatory obligations by training and mobilizing our team of over 28,000 to enable that leadership in responsibility. 92% of all team members, including those in support office roles, are now trained in Leading in Responsibility.

In addition, based on industry-leading practices and latest research, we've developed and rolled out additional training modules for our Hotels team in the responsible service of gambling, and for hotel managers, advanced responsible service of gambling training.

We're committed to ensuring that our products end up in the right hands. Our ID25 pro-

gram and supporting awareness campaigns helped dissuade attempted purchase of alcohol by minors.

We also aim to help our customers make responsible choices. We now range over 340 low and zero alcohol products. We partnered with DrinkWise in an Australian-first pilot to investigate the role of in-store layout, category positioning and product marketing plays in changing awareness, consideration and purchase behaviors.

The trial put zero, low and mid-strength products at the front and center of store design in BWS stores, improving awareness of and access to lower alcohol by volume and zero alcohol products available on the market.

We're also rolling out market-leading technology to help support and identify gaming customers who display potentially risky patterns of play and making voluntary precommitment available on all of the gaming machines that we operate in mainland states and territories.

In the area of People, we are focused on building a positive, safe and inclusive workplace, one team with a shared purpose. Our people are listening and learning from each other, and those in our communities to make meaningful strides towards true inclusion and working collaboratively to protect human rights in our operations and supply chain.

For our shared Planet, we are making progress towards decarbonization, and remain committed to building climate resilience through innovation and energy efficiency throughout our operations.

In F '22, we're focused on getting the foundations right in this area as we work towards the targets we set in our sustainability strategy, including sourcing 100% renewable electricity to power our business by 2030.

We now have 104 sites with solar panels installed. And our Chapel Hill and Oakridge vineyards and wineries are sustainable, Winegrowing Australia certified, something we aspire to achieve in all our Australian vineyards. While we are proud of what we've been able to achieve in our first 12 months. We don't have all the answers.

Earlier this calendar year, we established the Darwin Community Advisory Committee, a locally-based panel of diverse community leaders in a market with potentially vulnerable customers. This is just one example of our collaborative approach, addressing priority areas we can influence and emerging issues that we can address.

We will continue to learn, refine and adapt our approach along the way and ensure our strategy and commitments align to community expectations and priorities.

During the year, we've continued to embed our corporate governance framework and have spent significant time on developing our sustainability strategy and reporting, developing our risk management practices and fostering a strong corporate culture of responsibility and accountability.

We've also had a couple of changes to the Board. In April, Catherine West stepped down from the board. And Joe Pollard, who is seeking reelection today, took over the role as Chair of the People, Culture and Performance Committee.

In June, Bruce Mathieson Sr. retired from the Board, and we welcomed Anne Brennan. Anne is seeking election today. She is an experienced public company director with deep financial and business experience across a wide range of industries. She assumed the role of Chair of the Audit Risk and Compliance Management Committee in August 2022.

Looking to the future, we announced in June 2022 that Bruce Mathieson Jr. will join the Board once his regulatory approvals have been received. As we said at the demerger, we are focused on adhering to the highest standards of corporate governance.

This includes our Board having the appropriate diversity and skills being comprised of a majority of independent directors. To this end, we'll appoint an additional independent director to the Board and are currently undertaking an externally facilitated search to identify suitable candidates for our Board.

In closing, I would again like to thank Steve, his management team and indeed all 28,000 members of the Endeavour team for delivering a successful first year for Endeavour as a listed company. I'd also personally like to thank my fellow directors who have been so generous with their time in this first very busy year of operations.

We had originally scheduled 13 Board meetings in F '22. But in order to ensure we had a fit-for-purpose governance structure and to ensure we were collectively educated in Endeavour's operations, we actually held 20 Board meetings in F '22, a measure, I think, of the dedication and commitment of your Board to both lead and set the right time.

Finally, but most importantly, I want to thank our customers, the communities we're part of and you, our shareholders, who have continued to choose to invest with us as we work on creating a more sociable future together. We expect F '23 to be another year of both challenge and progress for Endeavour.

As a company, we have a clear purpose, a team of exceptional people, a customer-focused strategy and a disciplined approach to financial management. We are well placed and stand ready to deliver for all stakeholders and all shareholders.

Thank you for your time and attention so far, and I look forward to answering your questions shortly.

I'll now ask our CEO, Steve Donohue, to address the meeting. Thank you.

Steve Donohue

Thank you, Peter, and good morning, everyone. I'd also like to acknowledge the traditional owners of the land on which we are meeting today and pay my respects to elders, past, present and emerging.

As Endeavour's CEO, I'm honored to lead this business for you. I'm also immensely proud to share with you today what Endeavour's achieved throughout this first year.

The 2022 financial year has been a memorable one for the group, establishing ourselves as a standalone listed business and navigating the continued impact of COVID-19 while delivering strong results.

During our foundational year, we've progressed our strategic agenda and delivered earnings growth while investing in necessary corporate infrastructure and investing for future growth.

Simultaneously, we've progressed our imprint journey by launching our first Sustainability Strategy and releasing our first Sustainability and Modern Slavery reports. Like many businesses, COVID-19 impacted our operations significantly in the first half of the year, with nationwide trading restrictions and lockdowns in New South Wales and Victoria.

However, the business' resilience, the commitment of our team and the natural hedge between our Retail and Hotel segments supported us achieving strong results despite these challenges.

As the Chair has highlighted, we delivered group sales of \$11.6 billion, in line with last year, while increasing net profit after tax by 11.2% to \$495 million for the period.

Our popular retail brands and our investment in innovation, particularly in endeavourX and Pinnacle Drinks, supported customers' accelerated demand for digital engagement and new product discovery.

This helped us deliver Retail results in line with the elevated F '21 levels despite retail demand softening as hospitality venues reopened in the second half of the financial year.

Retail sales of \$10.1 billion were 0.91% below F '21, while Retail EBIT of \$666 million was 0.41% below the prior year. This was supported by gross margin expansion and somewhat offset by standalone technology investments and some inflationary pressures.

Our Hotels business recovered strongly, and we successfully welcomed back enthusiastic patrons back into our hotels as restrictions eased. Previous hotel renewals, fleet upgrades and strategic partnerships across our hotel portfolio strengthened our overall proposition and enabled a 6.6% increase in sales to \$1.5 billion and a 20.7% increase in EBIT to \$315 million.

We achieved this result in a year in which we had only 231 days when all hotels were open.

We delivered this year's result by focusing on progressing across our strategic pillars: creating leading customer offers, driving efficient end-to-end businesses and building partnerships that grow our industry. And as always, we remain focused on acting as one team, living our purpose and values and creating a positive and sustainable imprint.

We continue to build on our market-leading customer propositions and customer engagement across all businesses, growing our active My Dan's membership base to 4.5 million members and increasing Voice-of-the-Customer scores across Dan Murphy's, BWS and ALH Hotels.

We improved our digital capabilities to better engage with our customers, while also gaining insights to further improve their overall experience. Over 70% of customer transactions at Dan Murphy's come from My Dan's members, and the BWS app-enabled Cooler campaign was the most successful we've executed to date.

Meanwhile, strategic technology partnerships have also enabled the rollout of tap, order and pay at table convenience across our hotels. We've now seen more than 3.7 million order-and-pay at table transactions following the rollout of the service earlier in the year.

We invested in our existing network, executing over 120 renewals in Hotels and Retail, which included developing innovative formats such as Dan Murphy's, The Cellar, and upgrading more than 2,000 gaming machines.

We also expanded the network, adding 32 net new retail stores and 5 hotels. And welcomed Josef Chromy Wines to our fine wine portfolio, expanding our collection of premium award-winning wineries, which we call Paragon Wine Estates.

We continued innovating to maintain trend leadership, with 40% of our Retail sales coming from drinks that didn't exist 8 years ago. Our Pinnacle Drinks brand portfolio has been key to ensuring we keep pace with fast-changing customer product preferences with a variety of successful product launches across all categories.

We remain focused on optimizing our business across the value chain. We continue to build structural resilience into our margins, investing in advanced analytics capabilities and have started on the path to building future-focused, scalable and flexible technology platforms to support future growth.

We believe that growing our business relies on deep partnerships across our industries. We've remained focused on continuing to strengthen those relationships reflected in our positions as the #1 and #3 retailer to do business with as voted by our suppliers. And we continue to broaden our partnership base, adding 496 mostly small suppliers in F '22.

We're also focused on evolving our arrangements with Woolworths Group to maintain a strong partnership for joint long-term growth in areas such as supply chain and logistics while beginning to invest in our own standalone capabilities in areas such as technology

and people services.

Importantly, our continuous focus on sustainability and our team underpins our strategy and all of our business operations. Throughout the 2022 financial year, we've built on a culture that lives our purpose of creating a more sociable future together and supports our aspiration to leave a positive and sustainable imprint.

We've worked hard to attract, retain and develop a talented team to unlock our growth ambitions and were pleased that our team recognized that with a Voice of Team engagement score of 76%.

We also work closely with our team to develop the sustainability strategy. It lays out our plan for the next stage of our imprint journey and builds on the efforts to lead in the responsible service of alcohol and gambling.

I'm proud of the achievements of all of our teams over the last year, and I sincerely thank everybody for their constant agility and resilience. We certainly couldn't have navigated the volatility of COVID-19 as well as we did without the effort and energy that our team provided their customers, their communities and one another.

Looking forward, we're excited and we're ready to continue creating a more sociable future together. After 3 turbulent and volatile COVID-19-affected years, we anticipate the continued normalization of both the Retail and Hotels markets in F '23.

But also recognize that we now face evolving operating environments with new challenges. Inflation and team shortages are both factors across the economy, and we'll continue to work hard to mitigate both.

While these pressures create a complex environment for everyone in the industry, we're well positioned with a competitive cost base, efficient businesses and strong margins.

Moreover, we're continuously focused on cost management and the optimization of our operations. We're focused on unlocking value in our property portfolio and continuing to improve our retail stores and hotels.

Much of our progress with improving customer experience also relies on our core technology and digital technology capabilities, and these are also important priorities for us in the years ahead. And finally, delivering progress on our sustainability ambitions, particularly leadership and responsibility, all of which is delivered by our committed team.

While it's difficult for any of us to accurately predict what lies ahead. We remain focused and committed to being agile and responsive to every challenge, and we're deeply committed to helping our customers across Australia enjoy their much-needed social occasions with family and friends..

To conclude, I'd like to once again recognize our team for their efforts and their passion, and I'd also like to thank our Board for their support and guidance in this first year. And of course, thank you to all Endeavour Group shareholders for your continued support.

And now I'll hand back to Peter.

Peter Hearl

Thank you, Steve. We'll now move to the first formal item of business, which is to discuss the financial report, the director's report and the auditor's report for the year ended June 26, 2022. While there is no resolution for this item, it is an opportunity for shareholders to ask general questions.

I'd highlight that this is the time for questions on the reports, excluding the remuneration report, which we'll deal with separately, the management and operations of Endeavour generally as well as the conduct of the audit. Prior to taking questions, I will respond to a number of questions and comments raised by shareholders prior to this meeting.

First question is, will the Board be implementing a dividend reinvestment plan or DRP? In response, I advise the Board will review the implementation of a DRP when it next considers paying a dividend and when considering paying dividends thereafter.

Any decision to implement a DRP will align to our disciplined approach to capital management and seeking to optimize returns to our shareholders. Activation of any DRP will be announced to the ASX, along with details of how shareholders can participate.

Another question high on shareholders' minds was, why did the Board give a nil vesting to the Leading in Responsibility measure in the long-term incentive plan this year? For those who did not join us last year, I will take a brief moment to recap on this important measure in our long-term incentive plan.

Our leading and responsibility measure is our commitment to advance the responsible sale, service and consumption whole of alcohol and the responsible conduct of gambling to operate a sustainable business for the long term.

The commitment is measured by the advancement of initiatives that go beyond legal compliance and advance the industries in which we operate as well as managing compliance with alcohol and gambling regulations and our own high standards.

In assessing the measure this year, the Board acknowledged there has been strong early progress made in our responsibility initiatives, in managing compliance and in the implementation of industry codes and practices. Board is very proud of the commitment shown by all levels of the business and its momentum and passion to lead the industry in responsibility.

On balance, however, the Board believed that a 12-month period was simply too short to demonstrate a clear leadership position in responsibility. And conservatively, we decided that a nil vesting was appropriate for our first year of operation.

A position, I'd add, that was fully supported by management. Management has laid solid groundwork to enable the vesting of this measure in future grants should the businesses momentum and progress continue.

Another question asked was, how are you confident that Endeavour is not going to face the same troubles as casinos? Well, there are significant differences in the operations and environments of casinos compared to pubs.

We operate hotels that largely offer electronic gaming machines, along with some sports wagering and keno. Our gaming rooms are far smaller than casinos, meaning we have a different set of options for player observance and interaction.

Our customers are very different. We did not operate in the high-roller market that international distillations like casinos do. We're focused on our range of responsible gaming initiatives, such as advanced training and new technology, which are detailed in our sustainability report.

As we've done in the past, we'll continue to engage constructively with regulators on the areas of responsible service of alcohol and responsible conduct of gaming.

I now invite you to ask a question or make a comment. As I indicated, the commencement of meeting, I'll take questions from those in the room first, followed by the telephone and then those online.

For those in the room, if you have a comment or a question, please move to the closest microphone. Okay. We'll take microphone 2 first.

Question and Answer

Executive

Chairman, I would like to introduce to you, Julian.

Attendee

Sorry. Julian [Mills] from the [ASA]. Money laundering has been a significant reputational regulatory and financial problem for the Australian casino industry and their shareholders as illustrated by Crown & Star and the \$100 million fine.

There's reportedly a problem with money laundering in pubs and clubs in New South Wales with an inquiry currently underway by the New South Wales Crime Commission. Endeavour is the third largest owner of poker machines in Australia through their pubs and clubs.

How does Endeavour manage any potential money laundering issues? Is it raised to Board level? And have there been any incidents? I've actually got 3 questions, sorry. Three questions. So do you want me to run through them?

Peter Hearl

Let's take them one at a time. Well, look, firstly, the Board and management are very focused on our operational risk management in general and including any risks associated with anti-money laundering and counterterrorism finance. As a Board, we spend time on regularly discussing AML issues.

With regards to AML, we have an extensive program involving policies, training and controls, and this program is independently reviewed every 2 years by an outside audit firm. And since becoming a listed company, all directors have been through endeavours of very comprehensive AML and counterterrorism funding training.

As recently as last Friday, in fact, we, as a Board, spent 2 to 3 hours, being updated on the status of our responsible gaming activities and increasing our knowledge in the areas of money laundering and counterterrorism.

Attendee

So sir, have you had any money laundering incidents that you know of?

Peter Hearl

Not that I'm aware of. Steve? They have certainly not been reported through to the Board. And we do track those stats regularly, and we have close contact with AUSTRAC in terms of any suspicious activities within our gaming rooms.

Attendee

Second question. Endeavour acknowledges that AGMs face a potential risk reputational and financial returns for the company. Given this, the ASA would like to know, why you don't report the revenue from AGMs?

Peter Hearl

Sorry, I missed that last part.

Attendee

Sorry, the question is, why you don't report the revenue from AGMs?

Peter Hearl

Well, we report the revenue in accordance with accounting standards. We have 4 main streams of revenue within our hotel operations: food, beverages, gaming and accommodation, but we also have events and entertainment. In fact, pre-COVID, we were the biggest booker of live music, which includes bands and DJs in Australia.

For competitive reasons, we do not disclose the breakdown of these streams. And the treatment of gaming revenue and taxes, as I've said, is in accordance with accounting standards. The revenue is reported net of any gaming taxes.

Other operations like casinos reported differently, and we'll continue to review our disclosures to ensure that we inform our stakeholders appropriately. But right now, we're

complying with the accounting standards, and we'll probably continue to do so.

Attendee

Just one more question around that. Cashless gaming machines are being trialed in New South Wales clubs. Do you see this as an option for Endeavour?

Peter Hearl

You said facial recognition?

Attendee

Cashless gaming machines.

Peter Hearl

Oh, cashless, sorry. Yes, we're a supporter of the digital wallet that the New South Wales government is trialing. We have an application in to participate in that trial and look forward to it. We think there's going to be operational efficiencies and obviously greater harm minimization outcomes. So yes, we're supportive of it.

Okay. I think we've got a question over here. #6?

Executive

I would like to introduce Jean Marks, a shareholder.

Shareholder

Look, I'd just like to say I'm so thrilled that you have 4 women on the Board, and I'd also like make a suggestion, could we meet at 10 next time, not 9. It's just a bit hard when peak hour.

Peter Hearl

Okay. Thank you for your comments, and we'll certainly look at the timing for next year. We chose 9, I guess, because we weren't sure how long this was – this meeting was going

to go.

We want to make sure everybody had a chance to participate in the meeting before we serve refreshments, but your point is well noted. And thanks for the comment about the diversity, we're very proud of the focus we've got on diversity, currently 3 of our 6 non-executive directors are women, and long may that continue. I'm a card-carrying feminist.

It doesn't look like there's any – sorry, my apologies, Microphone 1.

Executive

Chair, I'd like to introduce Sue, a shareholder to the meeting.

Shareholder

Just interested in looking at the business segment results and the quite different profile of your Retail versus Hotels business.

I'm wondering to know what your future capital expenditures sort of allocation is between those businesses and what the main emphasis will be in each side, whether it's efficiency or growth?

Peter Hearl

Well, it's a little bit of both. We've got a strong growth agenda for both our retail outlets and our hotel networks. We see opportunities in both Retail and Hotels to upgrade our facilities.

We've got an aggressive program of remodeling underway in both Retail and in Hotels, which are yielding good results. We also want to expand the number of retail outlets and hotels we have, and that's about making very wise and decisive choices around where we invest.

We have a model around the types of demographics we go after and the types of trade

zones that we look at. We're also focused investing in online experiences, growing our digital platform.

And then we've got Pinnacle, our own brand of products, both alcohol and low no-alcohol products. And that's – we're looking to increase the penetration of those in our retail stores and in our hotels.

So we're not opportunity-limited. And roughly, we'd be splitting the CapEx on – between Retail and Hotels, probably 50-50 over the next 12 months or close to it. We have a bit of catch-up to do in the hotel space. I mean under [Woolly's] ownership, there was a deliberate conscious decision not to invest a lot of money in the hotels, which quite frankly, need some upgrading a bit of TLC.

Under Bruce Jr.'s leadership and now Mario Volpe, our new Managing Director for Hotels, they have ramped up that focus since we've been a standalone company, and I'm very confident that we're going to get good returns out of those. And we've got a very disciplined approach to investment-making decisions. Thank you.

It doesn't look like there's any more questions in the room. So I might turn to – I'm sorry, there is one – so we hand back. Julian is back.

Attendee

This time, I am going to be not talk about gambling. The ASA wants to congratulate you on the endeavourX, impressive growth and in that your digital platform the enormous amount of data that comes with this as an asset with real benefits for the company.

Can you explain the controls in place around customer privacy and cyber risk? How is it smartly managed? And how does it get raised to Board level? And are you still dependent on very much on the Woolworths IT system?

Peter Hearl

Well, thank you for your question. Look, we're very alert to the evolving threat of potential cyber attacks and data breaches. In fact, at our Board meeting last Friday, we spent a good part of the time being educated on exactly where we're at with that given the recent breaches that have occurred with Optus and most recently with one of Woolly's platforms.

We've got dedicated resources that are focused on risk assessments with respect to our systems in so far as it concerns customers, team members and assets. We have a cyber security program, which is led by our Chief Cybersecurity Officer.

This program is reviewed and tested regularly via a range of activities, which includes technical control, secure coding practices, security monitoring, vulnerability and threat management and cyber threat intelligence networking with like-minded organizations throughout Australia.

Look, we know we've got to be constantly focused on this, and I think it's public knowledge that large Australian organizations have been constantly bombarded with cyber attacks. And fortunately, we feel relatively confident that we've got everything in place to protect our customers' data and privacy, and we're forever vigilant.

All right. Are there any other questions in the room? It looks like we might have one down in the back there. Okay. Microphone 6.

Executive

Yes. Chairman, I'd like to introduce Aileen Hysa, a shareholder.

Shareholder

We are fairly recent shareholders, and reading some of this report has left me feeling very positive. I feel that you're enthusiastic, you're energetic. So attending the meeting was

important for me.

And here, listening to you, I feel those same things. I'm positive. I feel that you're enthusiastic, yet you're balancing that with being measured and considered, and that's what we want for long term – long-term shareholders of your company. So I'd just like to make that comment.

For me and yes, from my husband too, this is very important. We don't go in and out of shares. We exit if we feel it's necessary with the guidance of our financial advisor, and I think perhaps many others would operate in a similar way. So I go out feeling this is a dynamic company. This is how we have to live, and it all goes well for the future. Thank you.

Peter Hearl

Thank you, Aileen, for those comments. I share your investment philosophy, pick and stick. And really appreciate the kind words, and we'll try and live up to your expectations of us. So I can assure you that the passion and energy within this business, whether it's at the board level or the management team level or down in the folks that really make it happen in our stores and hotels. There's an incredible passion for these businesses. I mean Steve grew up in this business. Bruce Jr. grew up in this business. And they bring an enormous amount of energy and background to it. So thank you. We're not related, are we... Can you – Eileen, can you go to the microphone? It's a bit hard to...

Shareholder

Maybe Mike, questions about the hotels should be directed later to Steve because maybe other people know all about it. I don't.

Peter Hearl

You can ask a question now on hotel operations.

Shareholder

Well, I just was wondering, I don't know the names of the hotels in Sydney and New South Wales. And is it in the book or somewhere. But I think maybe Steve is – someone of his name has mentioned, we had something to do with the family and with hotel. It has though...

Peter Hearl

Look, that's a good point. I believe we do have the list of all of our hotels on our website, but I'll let Steve respond.

Steve Donohue

Yes, certainly. Certainly, all of our hotels can be seen on the alhgroup.com.au website, and I have no personal association with any other hotel in Australia other than our own.

Peter Hearl

Thank you. We've got microphone 1.

Executive

Chairman, I'd like to introduce Mr. Alex — *indiscernible* —, shareholder.

Shareholder

What are the areas of future growth, the significant growth that you see for the business within Australia? And then are you considering overseas investments? I know you've just been spun out, but just...

Peter Hearl

Well, I'll go back to the answer I gave previously. We're not opportunity-constrained. We've got opportunities to improve our existing network through remodeling, reformatting of our existing outlets. We've got a lot of opportunity to grow additional outlets, either in retail or hotels through acquisition. We've got opportunities to continually im-

prove our customers' experiences in store and in hotels. We've got our e-commerce platform, which during COVID, did a great job for us in being able to keep our customers supplied with their drink requirements. And then we've got Pinnacle, which is an incredible business for us, and it's – goal there is to continue to penetrate a whole range of alcohol, low alcohol, 0 alcohol, products across a range of price points and products. So we're not opportunity-limited here in Australia.

In terms of overseas, we have no current plans to look at overseas. I mean never say never. But right now, that's not on our radar screen. Our focus at the moment is to make sure that the mothership is well looked after, and we grow that first so that we maybe, one day earn the right to expand into other jurisdictions.

Okay. This side of the room needs to lift its game. We've got microphone 6.

Shareholder

Chairman, I'd like to introduce [Alan Liffmann], shareholder.

Attendee

Sorry. My name is [Alan Liffmann]. I had the opportunity this morning to speaking with your CFO, Shane Gannon, One of the things I was my patronage of Dan Murphy's at Manly Vale. I have – for the last 53 years, I've been great fan of Australian wines. And I discussed with him, and he said that there are some tastings of Australian wines that are offered at your outlets, and I just like to encourage the company to continue to support the Australian wine industry by perhaps offering the opportunity when you come into the store. And I am familiar with the wine, I'm unfamiliar with Pinnacle to be able to taste before we buy. Thank you.

Peter Hearl

Okay. Thank you, that suggestion. I don't know, Steve, do you have any comment on that

one?

Steve Donohue

Yes. Alex, I appreciate the comment on tastings. We were challenged through COVID, and Savara is not being able to offer tasting. So as soon as we are able to, we reactivated tastings across, particularly the Dan Murphy's network. And we're very active supporters of the Australian wine industry. We have a strong association with Wine Australia, and we're the largest purchaser of Australian wine, I think, anywhere in the world and certainly offer it through all of our outlets. We're also actively working on opportunities, to the Chair's earlier point as it relates to export of Australian wine. So we're deeply committed to the Australian wine industry.

Peter Hearl

Thank you. All right. I've got to take a chance and say that there's no more questions in the room, and we'll go to telephone questions now. Are there any...

Operator

There are no questions on the telephone at this time.

Peter Hearl

There are no telephone questions. Are there any online questions?

Executive

Chairman, the first question online is from Mr. Stephen Mayne. Victorian Law limits hotel operators to 35% of the state's hotel pokies, yet The Sunday Age recently reported that the Mathieson family are now up to 42% for Endeavour and Bruce Mathieson Sr.'s daughters, Jody and Deborah, who are both married to top 10 Victorian hotel pokie operators. Could Bruce, Jr. comment on whether he too is going to personally get into the pokies business, competing with Endeavour? And could the Chair and CEO comment on how

these conflicts and regulatory breaches are managed?

Peter Hearl

Well, Mr. Mayne, thank you for your question. There are 2 or 3 questions within that question. I'm going to respond and Bruce Jr. doesn't need to respond to the question. But look, we comply with the 35% cap in Victoria. As Bruce, Sr. and Bruce, Jr. had past executive roles in ALH and Endeavour, ALH and Endeavour are combined for the purpose of 35% cap. The cap does not include the extended Mathieson family, i.e., Bruce's sisters or other members of their immediate family. And we were not in a position to comment and won't comment on any Mathieson family personal interests outside of Endeavour.

In terms of managing conflicts, we have a quite rigorous and extensive protocols around conflict management, not just for the Mathiesons, but for the Woolworths folks as well. If there's a particular matter that we are going to discuss within the boardroom that is particular to the BMG Group, then the Mathieson representative is recused from those discussions. And likewise, if we have an issue or a discussion around Woolies relationship matter, then Holly, and if necessary, Colin Storrie are excluded from those discussions as well. So we have very rigorous protocols around those sorts of things.

Are there any more online questions?

Executive

Chairman, the next question is also from Mr. Stephen Mayne. The 2021/'22 Woolworths' annual report states that it has 374,275 shareholders, but Endeavour's inaugural annual report in 2020/'21 claimed we had 466,897 shareholders. This year, it is down to 439,192 shareholders, a drop of 27,715 or 6%, which includes 133,240 with an unmarketable parcel down from 140,716 last year. Are we overstating the shareholder figure? Or is Woolworths understating theirs? And when are we going to launch a mop-up offer to unmarketables as an obvious cost saving measure?

Peter Hearl

Well, thank you, Mr. Mayne, again for your next 2 questions. Look, I can't comment on information that [wars] have included in their report. The number of shareholders disclosed in Endeavour's annual report was sourced from our share registry, and we have no current plans in relation to unmarketable parcels. Thank you for your questions.

Are there any more online questions?

Executive

Chairman, the next question is from Mr. Kevin Daly. What is your long-term goal for Pinnacle Drinks? For example, would a craft brewer or small distiller be a suitable acquisition?

Peter Hearl

Look, our plan with Pinnacle is just to continue to grow it, where it makes sense and we're going to respond to genuine customer needs. It gives us agility. It gives us the opportunity to respond quickly to new trends in the marketplace. And we don't have a specific target. We just want to continue to grow as we do want to grow all aspects of our business. I'll let Steve, perhaps comment on the craft brewer or small distiller potential.

Steve Donohue

Yes. Thank you, Chair. And thank Kevin, for the question. I think the Chair has answered it well. We don't exclude any opportunity, I suppose. So we're always thinking about what the prospects are for us to produce more products that meet those customer needs, and that would include considerations of craft brewing and distilling. At the moment, the way we approach those 2 categories is through partnerships in the industry. So our Pinnacle portfolio does include some small distilled products and brewed products, beer and spirits that we work with others to create. So that's a relatively capital-light means of creating products for us at the moment, but we'll certainly keep it in our consideration

set.

Peter Hearl

Thanks, Steve. Are there any other online questions?

Executive

Chairman, the next question is from Mr. [John Sovyak] and is a customer question. Why is there no telephone number available on the Dan Murphy's website to address customer inquiries when the chatbot Dan Murphy is unable to address a specific stock matter? How does this benefit customers? How do customers without Internet access make inquiries at Dan Murphy's?

Peter Hearl

Okay. Well, that got resonated a little bit. Look, I want to ask Steve to respond to that one. This really is a customer experience question, but it's an important one, obviously. And Steve?

Steve Donohue

Yes. Thank you for the question. The transition away from running contact centers as a consequence of the reduction in demand for phone calls that we've received over a long period of time. What we've done is followed the trend that a number of other retailers have done domestically and globally, and that is to provide access to real people, our team via digital platforms. There is a number that you can call that we can share that should get you through to somebody should you want to talk to them. But generally speaking, people prefer to use the digital platforms. It's important to note too that whilst the chatbot starts out as an AI-enabled capability, you will be able to connect directly with somebody – with an actual operator who can hopefully answer your question as well. So I recognize the question, and I'm happy to provide to the shareholders and any shareholder the means by which they can access the contact.

Peter Hearl

Okay. Well, let's make sure we just follow up with John and enable him to have access to a telephone number or whatever.

Are there any other online questions?

Executive

Chairman, the next question is from Mr. Stephen Mayne and contains multiple connected questions, which I will read out as submitted. Could Holly Kramer as the Woolworths nominee on the Endeavour Board comment on whether Woolworths is committed to retaining its 14.6% stake in the company, even after Gordon Cairns retires as Woolworths share next week? Could you also please comment on the prospects of Woolworths lifting its stake to 15.08%, matching the move by the Mathieson family to lift their original 14.6% stake last year? If the strategy was to match and balance the Mathieson stake, why isn't Woolworths keeping up with them?

Peter Hearl

Well, Mr. Mayne, that's, I think, your fifth, sixth or seventh question and I will respond to it. And I'd also just highlight that any further questions on this particular aspect of our business or the annual report in general, I'm happy to have those offline and we can respond to you in person so we can move the meeting forward.

Look, we don't comment on market speculation other than to say we are rightly not privy to any Woolworths' discussions on this topic. Decisions on shareholding for those shareholders to consider and comment upon. We have a strong corporate governance framework appropriate for an ASX-listed entity, including our policy on managing conflicts of interest. So I think that's all I have to say on that matter. Are there any other online questions from anybody other than Mr. Mayne?

Executive

Chairman, the next question is from [Henrik Kay]. How about a person with a disability as a director on the Board?

Peter Hearl

Well, thank you for your question. Look, we have a robust process in place for selecting directors. They're aligned to all relevant corporate governance requirements and guidelines, including additional requirements due to the industries in which we operate. The composition of the board reflects a diverse range of skills and deep industry experiences. We regularly review the optimum mix of those skills and experiences, and it's certainly not our intention to ever exclude somebody with those skills who has a disability if there was a person of the right skills and experience and they had a disability that would never inhibit them from being a member of the Board. Thank you for your question. Are there any other online questions?

Executive

Next question is also from Mr. [Henrik Kay] and is a customer question. I would like to ask if Auslan training for staff be introduced for staff as this will help dealing with customers?

Peter Hearl

I'm not familiar with Auslan. Steve, are you?

Steve Donohue

Yes, I am. It's a sign language. We'll certainly take the question on notice, I think, and give it consideration in due course if it's something – to be honest, it's not something that has been on our agenda, and I appreciate the question, and we'll take it into consideration.

Peter Hearl

Thank you. Are there any other online questions?

Executive

Chairman, the only other online question is for Mr. Stephen Mayne.

Presentation

Peter Hearl

Well, I think I've responded to Mr. Mayne, and I'm happy to take his – any other questions. He can send to our Company Secretary, who will respond separately.

There being no other general business questions. I'll now move to the next item on the agenda. Agenda item 2 is the reelection and election of 3 directors. The resolutions will be dealt with separately. The notice of meeting contains details of each director's background and experience, and I won't repeat all of those details today. Each director will briefly address the meeting regarding their candidacy.

Item 2A is the reelection of Duncan Makeig, who in accordance with the constitution retires as a director and offers himself for reelection. Duncan has been a Director of Endeavour since June 2021 and is a member of the Nominations Committee, the People, Culture and Performance Committee and the Audit, Risk and Compliance Management Committee. The Board believes that his broad knowledge of the alcohol and fast-moving consumer goods industries, together with his legal and governance expertise brings an informed and balanced viewpoint to the Board. The Board considers Duncan to be an independent director. The Board, except for Duncan recommends the reelection of Duncan Makeig. I now invite Duncan to address the meeting.

Duncan Makeig

Thank you, Peter. And good morning, shareholders. I'm grateful for the opportunity to speak to you today on my candidacy for reelection to the Endeavour Board.

Over a 30-year period, I've had functional and executive management roles in the fast-

moving consumer goods industry and the alcohol industry, working with companies such as Lion Nathan and PepsiCo, both within Australia and internationally. I have also served on a number of public and private boards, including as Chair of Heineken Australia; and as Chair of Athletic Greens Inc., a U.S.-based online direct-to-consumer unicorn, as well as a deep understanding of the industries in which Endeavour operates. I believe that the legal and governance expertise gained from my previous role brings a considered and balanced view to the Board's deliberations.

I have a strong sense of community as demonstrated through my current chairing of Curing Home Sickness Limited and my past commitment to the Sydney Children's Hospital Foundation Limited for which I was chair for 10 years, having recently retired in August this year. I was honored to have chaired – has served as Audit Risk and Compliance Committee Chair for the first year of Endeavour's operation as a listed entity, and I look forward to continuing my contribution to the work of that committee. I'm proud to be part of this Board, and if reelected today, will continue to represent the interest of you, our shareholders and of those of our broader stakeholder groups at the Board table.

Peter Hearl

For Duncan Makeig. Are there any questions on the reelection of Duncan Makeig. We'll take questions in the room first. Okay, there doesn't appear any in-room questions. Are there any questions on the telephone?

Operator

No telephone questions at this time.

Peter Hearl

Okay. Are there any online questions?

Executive

Chairman, there is an online question. Just one moment. Chairman, the question – the online question is from Mr. Stephen Mayne. Duncan Makeig was the Chair of Good Spirits Hospitality until May this year. Wasn't this always a conflict of interest helping a competitor and did he quit to address this conflict of interest? Also does Duncan still have private interests in New South Wales pokie venues? And if so, is he also proposing to divest this interest in order to focus exclusively on Endeavour within the broader hospitality sector?

Peter Hearl

Well, I'll respond on behalf of Mr. Makeig but – at least on the first part of the question. Good Spirits was a New Zealand-based company. We don't compete on the pub front in New Zealand, so there's no conflict there. In terms of the private interest, Duncan has, I believe he has an interest in 2 hotels in New South Wales that have poker machines. And I don't believe he's got any intention to divest those, but I'll let him respond to that shortly.

I can just reiterate my earlier comments around conflicts of interest. Whenever there's an interest like this comes up and the topic is discussed that may impact on the conflict, a director is recused from those discussions and we take our responsibilities around conflict visions very seriously. And when Duncan was appointed as a Board of Director, he had an interest in one hotel, which we're aware of, and we deemed it not to be a conflict. He's recently invested in a second one with some other partners. He made us aware of that before he invested in it. We screened it and cleared it. It's not a pub that we would have been interested in acquiring.

So Duncan, I don't know whether you've got anything further to add to that.

Duncan Makeig

I even have very small minority interest, and I don't take part in the management of those businesses.

Peter Hearl

Okay. Thanks. Are there any more online questions?

Executive

Chairman, there are no further online questions for this item at this time.

Peter Hearl

Okay. Well, as there are no further questions, I'll now put the resolution to the meeting.

Displayed on the screen are details of the direct and proxy votes received in relation to this resolution. For those on the phone, the display confirms that we have received 98.07% of votes in favor of the resolution. Please now mark your voting card in relation to item 2A, Duncan Makeig's reelection.

I'll now move to item 2B. Item 2B is for the reelection of Joe Pollard, who in accordance with the constitution retires as a director and offers herself for reelection. Joe joined the Board in June 2021. She is the Chair of the People, Culture and Performance Committee and a member of the Audit, Risk and Compliance Management Committee as well as the Nominations Committee. Joe brings to the Board extensive marketing expertise, customer management expertise and deep knowledge of organizational transformation. The Board also considers her to be an independent director. The Board, with the exception of Joe, recommends the reelection of Joe Pollard.

I now invite Joe to address the meeting. Joe?

Joanne Pollard

Thanks, Peter. And good morning, everyone. I'm delighted to be standing before you today seeking reelection as a director. I bring over 30 years media, marketing and business transformation experience to the Endeavour Group Board. This experience was gained in leadership roles at Nike, Nine Entertainment Company and Telstra. During this time, I

also spent 16 years overseas, which has given me a broad ability to bring customer – the customer voice perspective to the boardroom.

Secondly, great people and strong culture at the heart of any successful business. So I'm honored to Chair Endeavour Group's People, Culture and Performance committees. I have a strong interest in our sustainability strategy in areas where we can influence our leadership and responsibility. Responsibility forms an essential part of our remuneration framework, and I'm committed to aligning the right behaviors of our people with the appropriate reward. The hotel business has had a big influence on me as my dad owned the hotel – the Royal Hotel in Armidale in the '60s, '70s and '80s. It was an early education for me in business fundamentals, the importance of great customer experience and entrepreneurialism.

Finally, I'm very passionate about Endeavour's multifaceted business and its future growth. And I'm focused on creating sustainable long-term value for you, our shareholders. With your support, I look forward to continuing to serve as a director on the Board. Thank you.

Peter Hearl

Thanks, Joe. Are there any questions or comments from those in the room regarding this resolution? Okay. There are no in-room questions. Are there any questions on the telephone?

Operator

There are no questions on the telephone at this time.

Peter Hearl

Are there any online questions?

Executive

Chairman, the question is from Mr. Stephen Mayne and contains multiple connected

questions, which I will read out as submitted. As the new Chair of the People and Culture Committee, could Joanne Pollard explained why her predecessor in this important position, Catherine West, quit the Endeavour Group Board without explanation after less than a year on the Board? Catherine West is still serving on other public company boards, such as Nine Entertainment, Peter Warren Automotive and Monash IVF. Why did she quit Endeavour? Did she have a problem being associated with Australia's biggest poke machine operator with the cultural concerns?

Peter Hearl

Well, thank you for your question again, Mr. Mayne, probably 3 or 4 questions in there. I'll respond. Catherine simply left to concentrate on other activities and any further question around her motivation to leave should be directed towards Catherine, not us. I'm not privy nor any other of my colleagues privy to any other reasons, and Catherine decided that she had – she wanted to spend time doing other things and balancing her work-life commitments accordingly. Thank you.

Are there any other online questions?

Executive

Chairman, the next question is also from Mr. Stephen Mayne. The annual report lists Duncan Makeig as owning 7,042 shares whilst Joanne Pollard only has 7,500. These stakes are worth less than 55,000, yet Duncan was paid \$280,000 in cash in 2021, '22, and Joanne was paid \$245,000. Fund Manager, John Wiley is currently pushing a plan for Australian nets to have much greater skin in the game. Why don't we adopt a formal plan to require our nets to hold bigger shareholdings? And can Duncan and Joanne explain their investment plans with the stock to get more skin in the game?

Peter Hearl

Thank you for your question, Mr. Mayne, and I'll respond. Look, to align the interest of

the Board with shareholders and nonexecutive directors and Endeavour's key executive management personnel, we're all required to have a minimum shareholding in Endeavour. This requirement is to be met within 5 years of listing or appointment to the Board as relevant. Progress against the minimum shareholding requirements for executive key management personnel is set out in our corporate governance statement and available on our website. And Joe and Duncan on track to be able to meet their 5-year commitment. Thank you for your question.

Are there any other online questions? Okay.

Executive

Chairman, there are no further online questions for this item of the business at this time.

Peter Hearl

All right. Thank you. There being no further questions, I'll now put the resolution to the meeting. Details of the direct and proxy votes received in relation to this resolution are displayed on the screen. For those on the phone, the display confirms that we have received 98.07% of votes in favor of the resolution. Please mark your online voting card in relation to Item 2B, Joe Pollard's election.

Item 2C is for the reelection of Anne Brennan, who in accordance with the constitution retires as a director and offers herself for election. Anne joined the Board in June 2022. She's the Chair of the Audit, Risk and Compliance Management Committee and a member of the People, Culture and Performance Committee and the Nominations Committee. Anne has significant business and financial acumen and considerable listed company experience. She brings these competencies as well as strong governance to the Board's deliberations and to her role as Chair of the Audit Risk and Compliance Management Committee. Anne is also regarded as an independent director by the Board. The Board, with the exception of Anne, recommends the reelection of Anne Brennan.

I now invite Anne to address the meeting.

Anne Brennan

Thank you, Peter. And good morning, ladies and gentlemen. As the newest director to be appointed to the Board, I'm excited to join in the second year of Endeavor Group being a listed company. During my executive career, I've held a variety of senior management roles in large corporations and professional services firms. These included being a Finance Director of the Coates Group and CFO at CSR. I was also a partner at KPMG, Anderson and Ernst & Young.

From these roles, I bring solid financial and business experience to my Endeavour Board role. I've been a listed company director for over 13 years across a broad range of industries, including retail, entertainment, gaming, property, infrastructure, investment and financial services. I believe this breadth of experience, coupled with my independent perspective, enables me to provide a strong contribution to Endeavour's strategic discussions and support effective governance of the group.

I'm currently the Chair of the Audit and Risk Committee at Argo Investments, Chair of the Audit Committee at the Lottery Group, and I'm also a member of GPT's Audit Committee. Previously, I was the Audit and Risk Chair for Tabcorp, Spark infrastructure and Charter Hall. I'm also a member of the People and Remuneration Committee at a number of the Boards that I serve on. These roles, together with my commercial and financial experience, provide relevant experience to chair the Audit, Risk, Compliance and Management Committee at Endeavour. Thank you for the opportunity to address you today. If elected, I'd be honored to serve your Board. Thank you.

Peter Hearl

Thank you, Anne. Are there any questions or comments from those in the room? Okay. There don't appear to be. Are there any questions on the telephone?

Operator

There are no questions on the telephone at this time.

Peter Hearl

Are there any questions from online?

Executive

Chairman, the first question is from Mr. Stephen Mayne. Why did it take until June this year for Anne Brennan to be formally appointed to the Board when her proposed membership was first announced in 2021, also as a former Director of Casino company Star Entertainment, where money laundering was clearly ramping for years, could Anne explain what steps she has taken to assure herself that money laundering is minimized at Endeavour's 300 poker machine venues, where gamblers are losing more than \$1.5 billion a year?

Peter Hearl

Well, again, Mr. Mayne, you've done it again. You've got 3 or 4 questions into one. Well done. Look, I'm going to answer the question. Anne was also the Director of Tabcorp, which was going through a split, and that required us to have that split take place before she could be actually appointed to the Endeavour Board. Plus like anybody else, who joins our board, she has to go through all of the usual probe exercises, so that takes time. As I've mentioned already, we're waiting on Bruce, Jr.'s property diligence to be completed.

In terms of her Star entertainment history, that's over 8 years ago, and I think it's irrelevant in the context of this. She certainly wasn't involved in any of the recent doings of Star.

And in terms of money laundering, I've already addressed the meeting earlier about the diligence and training that the Board goes through, management goes through to ensure

that we're absolutely compliant with AML and counter terrorism funding. And I've also outlined our – the seriousness with which we take our leading and responsibility of gaming activities. So thank you for your question. Are there any further online questions?

Executive

Chairman, the next question is also from Mr. Stephen Mayne and also contains multiple connected questions. When Anne Brennan served on the Tabcorp and Star boards, both publicly disclosed gross gaming revenue, which is standing in a practice for ASX-listed gaming companies, Woolworths' CEO, Brad Banducci understanding pokie revenue when announcing the demerger, and Endeavour has budgeted ever since. As Audit Committee Chair, could Anne Brendan please confirm Endeavour's annualized gross gaming revenue is expected to exceed \$1.5 billion in calendar 2022? Could the auditor also explain the ongoing failure to disclose?

Peter Hearl

Well, Mr. Mayne, thank you for your question. And I'll indulge you again, and I'll give a response on behalf of Anne. Look, I can't speak for Woolworths for a start, so I'm not going to address the question around Brad Banducci and what he has at least have done or not done. But I want to make it very clear that our income in hotels comes from 4 very different primary areas: food, beverage, gaming and accommodation. We also have event and entertainment revenue. And as I mentioned earlier, pre-COVID, we were the biggest booker of local music, which was bands and DJs in Australia. For competitive reasons, we do not disclose the breakdown of those streams.

And in terms of the gaming revenue and taxes, we report that in accordance with accounting standards, and we report it net of any gaming revenue collected. We'll continue to review our disclosures and ensure that they inform our stakeholders and comply it with the regulators. And I don't think I need to ask the auditor to comment on the other

inferred implied allegation in your question. Thank you. Are there any other online questions?

Executive

Chairman, there are no further online questions for this item of business at this time.

Peter Hearl

There being no further questions, I now put the resolution to the meeting. Details of the direct and proxy votes received in relation to this resolution are displayed on the screen. For those on the phone, the display confirms that we have received 98.98% of votes in favor of the resolution. Please mark your online voting card in relation to Item 2C, Anne Brennan's election.

The next 2 items on the agenda relate to remuneration matters. The first of those is the adoption of Endeavour's remuneration report for the year ended June 26, 2022. The remuneration report is included in Endeavour's 2022 annual report. The report outlines our remuneration framework and how it is governed. It also details how we determine reward outcomes for key management personnel for the F '22 year.

Endeavour's remuneration framework has been designed to attract and retain talented individuals and to align executive rewards to the delivery of the Group's strategic priorities. The remuneration framework for executives, with its mix of fixed remuneration and short-term and long-term incentives, aims to driving business performance in a sustainable and responsible way. We take our responsibility obligation seriously. We've embedded our ways of working into our assessment of individual executive performance and have included a specific leading and responsibility assessment into our long-term incentive plan.

In striving to balance the needs of shareholders leave a positive imprint on customers

and the broader community and ensure our team are proud advocates of Endeavour, the Board believes that these are the right things to focus on in our reward framework. If anyone has any questions relating to this advisory resolution, please ask them now. Are there any questions or comments from those in the room? There don't appear to be any in-room questions. Are there any questions on the telephone? Are there any online questions?

Executive

Chairman, there is one online question at this time from Mr. Stephen Mayne and contains multiple connected questions. Billionaire pay at public companies ranges between the Packer Family commendably never taking any salary to the Murdochs taking more than \$1.5 billion since 1999. Why was billionaire Bruce Mathieson, Jr. included in the Endeavor incentive scheme? And why does the REM report list him as receiving a termination benefit when he only quit to join the Board? Also, why didn't Bruce Jr. need regulatory approval to be CEO of ALH when he requires this to serve on the Endeavour Group Board?

Peter Hearl

Well, thank you, Mr. Mayne, for your 15th question. Look, first of all, the regulatory approvals are duplicated between being an executive and a Board member. Even though Bruce was cleared through all the property as an executive, when he stepped down from being an executive and when we decided to ask him to join the Board, he has to go through that same process like any other nonexecutive director.

Going back to the earlier part of your question, Bruce Jr. was remunerated consistent with our remuneration framework, and it was reflective of the role and contributions he's made. The termination benefit is, by definition, all amounts of – that an employee receives when they leave the business. The amounts you reference reflect that service

and his contractual entitlements. ALH is a separate legal entity and the regulation requires approval for each entity. So hopefully, that answers your question. Thank you.

Are there any more online questions?

Executive

Chairman, there are no further online questions for this item of business at this time.

Peter Hearl

There being no further questions on the remuneration report. I now put the resolution to the meeting. On screen are details of the direct and proxy votes received in relation to this resolution. For those on the phone, the display confirms that we have received 97.99% of votes in favor of the resolution. Please mark your voting card in relation to Item 3, adoption of the remuneration report.

Item 4 is for the grant of performance share rights under the long-term incentive plan to the CEO, Steve Donohue. The long-term incentive plan aims to focus the efforts of participants on achieving superior performance for Endeavour's key stakeholder groups, being you, its shareholders, its customers and the community. Shareholder approval is sought to grant a maximum of 371,839 performance share rights to Steve under the long-term incentive plan as part of his financial year 2023 remuneration arrangements. While approval is being sought for the maximum potential award, Steve will only receive value from these performance share rights after the 3-year performance period and only if the performance conditions are met. Any vesting of performance rights will be assessed by the Board as at the 1st of July 2025.

As always, vesting is subject to Board discretion. If circumstances warrant, the Board may adjust vesting outcomes, including if they are not considered reflective of actual performance. The performance measure and weightings and vesting conditions are described

in detail in the notice of meeting. However, in summary, 40% of the award is subject to a relative total shareholder return measure against the comparative group of 100 of Australia's largest companies over a 3-year performance period.

40% of the award is subject to a return on funds employed calculated by dividing Endeavour's EBIT by the average funds employed over the 3-year performance period, both before significant items. And finally, 20% of the award is subject to a leading and responsibility assessment by the Board against the progress of the initiatives implemented that enhance the responsible sale, service and consumption of alcohol and the responsible conduct of gaming and management of regulatory transgressions.

The Board considers that the grant of rights to the CEO is an integral part of effectively rewarding the CEO in a manner that aligns with shareholder interest and recommends with Steve abstaining that you vote in favor of this resolution.

Are there any questions in the room on this resolution? There don't appear to be any questions in the room. Are there any questions on the telephone?

Operator

There are no questions on the telephone at this time.

Peter Hearl

Are there any online questions?

Executive

Chairman, the first question is from Mr. Stephen Mayne. Given the interesting discussions across a range of topics today, including this CEO LTI grant, could the Chair undertake to make an archived copy of the webcast, plus a full transcript of proceedings available on the company's website as commendably occurred after your inaugural AGM last year?

Peter Hearl

Thank you for your question, Mr. Mayne. Look, we – as you know, we published the 2021 transcript with the AGM and the webcast on our external website. And we plan to do the same for F '22's AGM or 2022 AGM, I should say.

Are there any other online questions?

Executive

Chairman, the next question is from Mr. Stephen Mayne and contains multiple connected questions. Best practice is moving with proxy disclosure with companies such as NAB, Afterpay, TPG Telecom and AusNet lodging the proxies with the ASX along with the formal addresses. Why did we withhold proxy voting disclosure until after the debate on all items today? Will we disclose them to the ASX ahead of next year's AGM? And has there been any material protest vote against this proposed LTI grant to the CEO? If so, what issues did the proxy advisers raise?

Peter Hearl

Well, look, thank you for your questions. Similar to most other large companies, proxy results will be released at the meeting. We want to encourage debate with shareholders. If results are already known, we believe it may inhibit that discussion. We appreciate that some companies do release proxy results ahead of their AGMs, but it's not common or standard practice to do so.

Are there any other online questions?

Executive

Chairman, there are no further online questions for this item of business at this time.

Peter Hearl

Okay. There being no further questions, I now put the resolution to the meeting. On the

screen are details of the direct and proxy votes received in relation to this resolution. For those on the phone, the display confirms that we have received 98.37% of votes in favor of the resolution. Please mark your voting card in relation to Item 4, approval of grant of performance share rights to the CEO for the F '23 long-term incentive plan.

Shareholders, that now concludes discussion on all items of business on today's agenda. I declare that the poll will close 10 minutes after the meeting closes. Please complete your voting card for each resolution and submit it in the online portal or place it in the poll box with the share registry representative as you leave the room.

[Voting]

Peter Hearl

As mentioned earlier, the results of the polls will be released to the ASX later today and published on our website. A transcript of today's proceedings will also be available on the website in due course.

On behalf of the Board, I would sincerely like to thank you for your support and your attendance here today. For those of you here in Sydney, my fellow directors and I welcome you to join us and Endeavour senior executives for some light refreshments in the foyer. For those attending virtually, I want to thank you for your participation in our meeting today.

I now declare the meeting closed. Thank you.

Copyright © 2022, S&P Global Market Intelligence. All rights reserved