



Super Retail - Successfully coping with lockdowns

Company/ASX Code	Super Retail Group (SUL)
AGM date	Wednesday 20 October 2021
Time and location	11:30 am, held online
Registry	Link Market Services
Webcast	Yes, virtual AGM
Poll or show of hands	Poll on all items
Monitor	Peter McNally and Kelly Buchanan
Pre AGM Meeting?	Yes with Chair Dr Sally Pitkin and Robert Wruck, Head of Investor Relations

The individual(s) (or their associates) involved in the preparation of this voting intention have shareholdings in this company.

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

Despite lockdowns and COVID-19 disruptions the 2021 results have shown the group's management and board supervision capabilities are functioning without problem. Overall group sales increased 22% to \$3.45 billion. Online sales were up 43% to \$415.6 million. Normalised earnings per share (EPS) grew from 78 cents to 133.4cents.

The final fully franked dividend was 55 cents, an increase from the 19.5 cents paid in 2020. The 2021 interim dividend was 33 cents.

In divisional results, the company has four powerful brands. All increased sales growth including like-for-like and online. Trading rebounded during the lock-down. The company has both home delivery and click-and-collect as on-line channels.

It benefits from an active club membership base. All brands provide Club membership. Success is evidenced in that 63% of total sales were contributed by members thereby giving the business a competitive advantage.

Supercheap Auto is creating Dedicated Service Areas (DSA) in selected stores. Here team members provide the do-it-yourself customers with the advantage of fitments and services (e.g. bulbs, blades and batteries)

The 2020 capital raising gave the company a strong balance sheet, no bank debt and security to secure stock supply. The company was able to repay the Australian Government JobKeeper wage support.

Ms Diana Eilert has retired as a director. In oct 2021 it has been announced that the replacement NED is Ms Judith Swales. This keeps the female board representation is at 29%.

In Sept 2021 the CEO of Macpac resigned. His replacement has been named. At the executive leadership level the female balance was 27%. The new Macpac CEO being female will improve this balance. Macpac is headquartered in Christchurch NZ.

The company proudly publishes a Sustainability Report. It proudly cares for the environment meeting UN Sustainable Development Goals showing it is on the path to a regenerative future.

(As at FYE)	2021	2020	2019	2018	2017
NPAT (\$m)	301	154.1	152.5	145.3	101.8
UPAT (\$m)	308	135	162.55	145.3	135.8
Share price (\$)	12.95	8.05	8.23	8.10	8.20
Dividend (cents)	88c	19.5	50c	49c	46.5c
TSR (%) *	68.24	4.52	7.6%	5.1%	-2.5%
EPS (cents)	133.4	58.8	75.6c	73.2c	68.4c
CEO total remuneration, actual (\$m)	3.35m	\$1.993m	\$1.578m	\$1.504m	2.485m

For 2021 the CEO's total actual remuneration was **35.9 times** the Annualised Australian Full time Adult Average Weekly Total Earnings (from the Australian Bureau of Statistics) \$93,444

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>

*Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking by the share price at the start of the year.

Item 2	Adoption of Remuneration Report
ASA Vote	For

Summary of ASA Position

CEO rem. framework	Target* \$m	% of Total	Max. Opportunity \$m	Max. % of Total Opportunity
Fixed Remuneration	1.15	40%	1.15	28.6%
STI - Cash	0.805	28%	1.208	30%
STI - Equity	0.345	12%	0.518	12.8%
LTI*	0.575	20%	1.15	28.6%
Total	2.875	100.0%	4.026	100%

* for 2021 LTI grant covers 2021 and 2022 with the framework being returned to in 2023

The CEO has ensured that the Group delivered an excellent trading performance, understanding consumer demand, coping with COVID-19 restrictions and lock-downs.

The omni-retail strategy and digital capacity gave flexibility to meet shifts in consumer behaviour.

The results led to above target STI's and LTI measures exceeded the hurdles for 100% vesting.

Executive STI's are paid at 70% cash and 30% equity. This falls short of ASA guideline of at least 50% STI's in equity.

LTI's were impacted by the 2020 capital raising. This negative effect was partly compensated by exceptionally low interest rates. The result still exceeded the 100% vesting requirement. The vesting of LTI's at 50% for 3 years and 50% for 4 years is still less than the ASA recommended policy of 4 to 5 years.

The remuneration report clearly sets out targets and results. It uses understandable tables.

The Group, at present, is reviewing MD and CEO remuneration levels and target remuneration mix for 2022 and beyond.

Item 3.1	Re-election of Dr Sally Pitkin, AO, as Director
ASA Vote	For

Summary of ASA Position

Dr Pitkin has been a non-executive director (NED) since 2010. She was appointed Chairperson in 2018. Her shareholding at 59,605 shares meets the ASA guidelines for minimum shareholding requirements for directors at the end of three years.

She discloses she is a non-executive director of ASX listed companies The Star Entertainment Group and Link Administration Holdings.

Her coping with wages underpayment of retail management and centre team members that occurred in the period up to 2019, the replacement of the CEO in 2019 and the COVID-19 and lockdown restrictions in 2020 has proven her Chairperson qualities. She has diversified background experience in business supervision and control.

The company has an active Board regeneration policy. It recognizes ASA guidelines that after 12 years a Director is no longer regarded as independent.

Dr Pitkin plans to step down following her upcoming term and believes there are suitable candidates already on the board that can step into her very big shoes.

Item 3.2	Re-election of Mr Peter Everingham
ASA Vote	For

Summary of ASA Position

Mr Peter Everingham has been a non-executive director since 2017. As Chair of the Human Resources and Remuneration Committee he has produced an understandable remuneration report. His shareholding at 40,000 shares meets the ASA guidelines for minimum shareholding requirements for directors after three years on the board.

He has past experience in strategy and digital technologies. He is a non-executive of two corporations not ASX listed.

Item 4	Proportional Takeover Provisions
ASA Vote	Yes

Summary of ASA Position

The ASA prefers full takeovers so that shareholders are not left with deciding whether a change of controlling shareholder is beneficial to their own holdings so it supports the resolution

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