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File Title: AUSTRALIAN COMPETITION AND CONSUMER COMMISSION v
WOOLWORTHS GROUP LIMITED (ACN 000 014 675)
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.

Form 59
Rule 29.02(1)

Affidavit

No VID 974 of 2024

Federal Court of Australia

District Registry:

Victoria

Division: General

Australian Competition and Consumer Commission

Applicant

Woolworths Group Limited (ACN 000 014 675)

Respondent

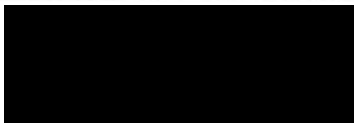
Affidavit of: **Sam Edward Woodcock**

Address: 1 Woolworths Way Bella Vista NSW 2153

Occupation: Head of Pricing – Everyday Value, Woolworths Group Limited

Date: 25 November 2025

Signed:



Taken by:



Filed on behalf of Woolworths Group Limited, the Respondent

Prepared by Peta Stevenson
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I, SAM EDWARD WOODCOCK, of 1 Woolworths Way Bella Vista NSW 2153, of Woolworths Group Limited (**Woolworths**), affirm:

- 1 I am currently the Head of Pricing – Everyday Value for the Woolworths Supermarkets business at Woolworths, the Respondent in this Proceeding.
- 2 In preparing this my affidavit, I have been provided with a copy of the Affected Product pricing and sales data (Annexure C to the Statement of Agreed Facts filed 13 June 2025 (referred to as **Annexure C**)) and the Agreed Sample List (filed on 13 June 2025).
- 3 Unless otherwise stated, this affidavit is based on my own knowledge.
- 4 Shown to me at the time of affirming this affidavit is an electronic bundle of documents marked '**Confidential Exhibit SEW-1**'. The documents are sourced from Woolworths' books and records. References to document identifier numbers in this affidavit are references to documents by that number in 'Confidential Exhibit SEW-1'.

Experience and qualifications

- 5 In 2008, I obtained a Bachelor of Science (Economics) from the University of Southampton. I am currently studying for a Master of Business Administration from the University of New South Wales.
- 6 Before working at Woolworths:
 - (a) between October 2009 and January 2014, I worked as a Buyer at retail hardware chain B&Q in the United Kingdom; and
 - (b) between January 2014 and April 2015, I worked as a Buyer at Tesco Supermarkets in the United Kingdom.
- 7 In June 2015, I commenced employment with Woolworths as a Category Manager – Paint Accessories & Housewares in Woolworths' Masters Home Improvement business.

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8 In around November 2016, I became an Assistant Category Manager – Coffee in the Woolworths Supermarkets business.

9 In around June 2017, I became an Assistant Category Manager – Soft Drinks in the Woolworths Supermarkets business.

10 In around February 2019, I took up a secondment into the role of Category Manager – Freezer in the Woolworths Supermarkets business.

11 In around September 2019, I became the Category Manager – International Foods in the Woolworths Supermarkets business.

12 Between April 2021 and around the end of August 2022, I was the Category Manager - Breakfast Cereals, Muesli Bars & Spreads in the Woolworths Supermarkets business at Woolworths.

13 From around July or August 2022, while I was still the Category Manager - Breakfast Cereals, Muesli Bars & Spreads, I started transitioning into the role of Category Manager – COGS and Pricing in the Woolworths Supermarkets business. I remained in this role until February 2024. In this role, my day-to-day duties involved:

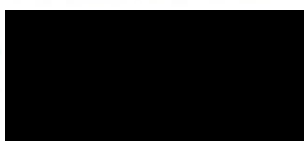
- (a) developing best practice processes for cost price increase negotiations with suppliers and coaching Category Managers on such negotiations; and
- (b) attending weekly cost forum meetings held by the Commercial Director – Grocery Foods, who at that time was Ewan Shearer.

While my title in this role was “Category Manager”, I did not have responsibility for any supermarket category in the role of Category Manager - COGS and Pricing.

14 In February 2024, I started my current role as Head of Pricing – Everyday Value for the Woolworths Supermarkets business. In this role, I am responsible for overseeing:

- (a) development of strategic approaches for the Woolworths Supermarkets business to compete on price in the marketplace, including strategies for seasonal price campaigns, promotions and lower shelf price programs;
- (b) tracking and strategic analysis of competitor pricing;
- (c) processes for tracking and recording data in relation to supplier cost price increase requests and the final outcome of those requests; and

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- (d) development of simulator tools that Category Managers can use when assessing supplier cost price increase requests.

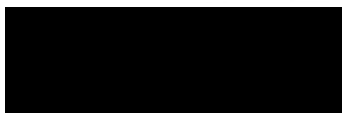
Role as Category Manager – Breakfast Cereals, Muesli Bars & Spreads

15 In the remainder of this affidavit, I address events that occurred when I was in the role of Category Manager – Breakfast Cereals, Muesli Bars & Spreads between April 2021 and August 2022. Except where otherwise stated, the processes and practices of suppliers and Woolworths that I describe are those that were adopted in that period.

16 As Category Manager – Breakfast Cereals, Muesli Bars & Spreads:

- (a) I was responsible for a portfolio of about 1,000 products sold in Woolworths Supermarkets in the Breakfast Cereals, Muesli Bars & Spreads categories, which included managing the profit and loss and had overall accountability for these categories;
- (b) I was responsible for ranging decisions across the category, by which I mean making decisions, as part of formalised processes, in relation to which products in the category were to be sold in Woolworths Supermarkets (including decisions about product deletions). Part of this responsibility included conducting range reviews and conducting negotiations with suppliers in relation to their range of products in the category;
- (c) I was responsible for negotiating with suppliers in relation to any conditions on which products in the category would be placed on a promotion or pricing program such as the Low Price program or Prices Dropped program with a red price ticket, including the extent of any supplier funding that may be provided to support the placement of a product on one or other of these programs;
- (d) I was responsible for retail pricing decisions across the category within certain guardrails set by the Woolworths Supermarkets business. Those guardrails included product-specific guardrails such as maintaining competitiveness with Coles and Aldi, guardrails specific to particular programs like the Prices Dropped Program (which I describe in more detail below), and achieving the profit and loss KPIs that had been set for the Category. While I would have regard to a supplier's recommended retail price (**RRP**) and a supplier's views as to the possible prices for promotional activity retail pricing remained in Woolworths' absolute discretion;

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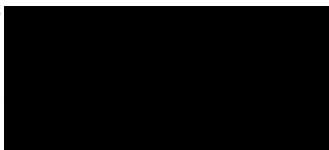


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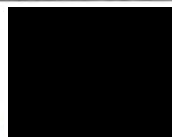


- (e) I was responsible for reviewing and negotiating cost price increase requests made by suppliers concerning products in the categories that I was responsible for. However, before approving or making any decision about a cost price increase request, I sought the alignment of my Merchandise Manager at the time, Sanjay Kapoor and then I had to seek final sign-off from a more senior manager. I recall that up until at least the first quarter of 2022, I also had to seek such sign-off from Ewan Shearer, the Commercial Director – Grocery Foods, during a Cost Forum meeting that he held each week. At some point after the first quarter of 2022, this process was varied with the effect that I was able to seek sign-off from my Merchandise Manager, Sanjay Kapoor, for decisions in relation to cost price increase requests up to a particular value (although I can no longer recall the precise amount). Before the onset of the COVID-19 pandemic, there were few cost price increase requests from suppliers. However, after the onset of the COVID-19 pandemic, particularly from early 2021 onwards, I received many cost price increase requests from suppliers in the course of my Category Manager roles in International Foods and then Breakfast Cereals, Muesli Bars & Spreads. During November and December 2021 alone I had ten active requests from suppliers for cost price increases in respect of their groups of products; and
- (f) I was responsible for supervising Assistant Category Managers and Category Assistants who supported me in my role.
- 17 The Assistant Category Managers were Zoe Harris until October 2021, Marcus Anderson from October 2021. I also supervised Erin Bray who was an Assistant Category Manager in training. The Assistant Category Managers who reported to me were responsible for, amongst other things, negotiating promotional plans with suppliers in relation to the products in their categories. Promotional plans typically were negotiated and agreed with suppliers twice a year. These plans described whether, and the frequency at which, a product would be placed on promotion with a yellow ticket and the maximum price point at which the product would be promoted. The promotional plan also included any supplier funding for the promotion or pricing program, which was usually by way of scan deal funding although it could also involve deferred deals or cooperative funding (also referred to within Woolworths as “coop” funding).
- 18 The Category Assistants who reported to me at various points while I was in this role were Brooke Hanson, Sharna Haddad and Lili Fiorino. They were responsible for

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administrative tasks undertaken at my direction or the direction of the Assistant Category Managers.

Carmen's Fruit & Nut Value Pack

- 19 As part of my responsibilities as Category Manager – Breakfast Cereals, Muesli Bars & Spreads, I was responsible for the management of the Carman's range of Breakfast Cereal and Muesli Bar products.
- 20 My responsibilities in this respect included the Carman's Bar Traditional Classic Fruit & Nut Value Pack product with article number 31158-EA. The article number is a unique product reference number that Woolworths assigns to each product in its systems. Based on my review of the Affected Product Schedule, this is the product listed at row 22 of the Schedule as "Carmans Muesli Bars FrNut Bars 12pk 540g (31158-EA)" (**Carman's Fruit & Nut Value Pack**). Based on my review of the Agreed Sample List, I understand that this product is one of the representative sample products for the purposes of this proceeding.

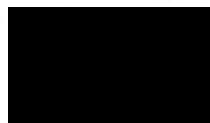
Supplier negotiations concerning promotional plans and cost price increase requests

- 21 During my role as Category Manager – Breakfast Cereals, Muesli Bars & Spreads, I received from time-to-time internal assessments of commodity price movements and raw materials cost movements prepared by the Woolworths Supermarkets Cost Team (also sometimes referred to as the Better Buying team). It was my practice to review these assessments when I received them. I recall that after the COVID-19 pandemic, particularly during 2021 and 2022, I observed from these internal assessments that there had been significant increases in several commodity prices and raw material costs such as grain and energy. I considered this information relevant to my understanding of the cost pressures that suppliers in my categories were facing from time to time.
- 22 During this period of commodity price inflation, particularly from early 2021 and into 2022, I recall that I received many more cost price increase requests from suppliers than I had ever received previously in my time as Category Manager (regardless of the category). I recall that although suppliers are not required by Woolworths to provide reasons for a cost price increase request, during this period many often did so and referenced the inflation of commodity prices and other input costs as the reason for their cost price increase request.
- 23 When I refer to "cost price" in this context, I am referring to a concept within the Woolworths Supermarkets business that comprises several elements. At the time when I

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was Category Manager – Breakfast Cereals, Muesli Bars & Spreads, I understood these elements to be as follows:

- (a) the supplier's list price per unit of a product, also known within Woolworths as "First Cost";
 - (b) "Invoice Cost" which reflects the First Cost less various deductions such as:
 - (i) various supplier-level trading term allowances deducted from the First Cost; and
 - (ii) other product-specific deductions; and
 - (c) the "Net Cost," which is the cost price to Woolworths after further discounts and deals (such as volume rebates, marketing allowances and deferred deals) have been deducted from the Invoice Cost and is the amount paid by Woolworths to a supplier per unit (or e.g. carton).
- 24 Other types of supplier funding support for a particular product (such as scan funding and coop funding), do not form part of the amount invoiced to Woolworths or the Net Cost for supply and are separately accounted for. The resultant cost is sometimes referred to as "Absolute Net Cost".
- 25 Neither the Net Cost or Absolute Net Cost account for Woolworths' own costs of doing business.
- 26 During my time as Category Manager - Breakfast Cereals, Muesli Bars & Spreads, it was my understanding that, under the Grocery Code, when a supplier sent Woolworths a cost price increase request, Woolworths was obliged to notify the supplier within 30 days of whether it:
- (a) accepted the price increase;
 - (b) accepted a price increase but not the amount of the price increase proposed by the supplier; or
 - (c) did not accept the price increase.
- 27 If Woolworths accepted the price increase (but not the amount) or did not accept the price increase, the supplier could request Woolworths to enter negotiations about an increase in price for their grocery products.

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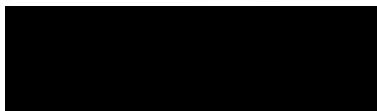


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- 28 If Woolworths entered negotiations with a supplier about a cost price increase, it was and continues to be my understanding that the Grocery Code obliged Woolworths to conduct those negotiations in good faith and to take all reasonable steps to conclude its position on the negotiations without delay. Within Woolworths, there was an internal guideline that cost price increase negotiations should ultimately be concluded within 90 days. Category Managers would be flagged by internal governance processes if CPI negotiations had not been finalised within that timeframe. It was also common for suppliers to specify a 90 day effective date when they provide a CPI request, and a consequence of that is that Woolworths risks the products not being supplied if no agreement can be reached within that time.
- 29 Having regard to my understanding of these Grocery Code obligations, it was my practice when a supplier sent me a cost price increase request to promptly analyse and form an initial view about the proposed increase. My usual practice in this regard typically involved the following steps:
- (a) I would consider the impact of the cost price increase on the sales and gross profit for the affected products in Woolworths Supermarkets. Woolworths Costs team typically prepared an Excel spreadsheet “simulator” to model the effect of the proposed cost price increase on sales and gross profit (both at an individual product level and across the supplier’s range of products in the category), and I would review that document and its outputs;
 - (b) I would review the cost price increase request and any other information provided by the supplier alongside the request, such as the supplier’s revised proposed RRP’s for the relevant products and any revised proposed promotional plan for those products;
 - (c) I would consider whether assumptions as to future sales volumes provided by the supplier were realistic having regard to the sales history of the affected products and my experience; and
 - (d) I would take into account any reasons given by the supplier for the cost price increase request.
- 30 When considering the sales and gross profit impact of a cost price increase request it was important for me to do this by reference to the promotional plan or any pricing program that would apply to the affected products once the cost price increase became effective. This is because the volume of sales typically increases when a product is on

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promotion or a pricing program compared to when a product is sold without any promotion or pricing program applied and therefore is an important factor in assessing the overall likely impact of the cost price increase request. It is also one of the incentives for suppliers to support the placement of products on promotion or pricing programs. Accordingly, when a supplier sent me a cost price increase request, it was my practice to ask the supplier to also submit their proposed revised promotional plan and any proposal for inclusion on a pricing program for the products affected by the increase if they had not already included this with the cost price increase request.

31 During my time as Category Manager – Breakfast Cereals, Muesli Bars & Spreads, Woolworths used a standard Excel spreadsheet template known within the Woolworths Supermarkets business as a “deal sheet” for recording product promotional plans. These deal sheets also recorded the cost price structure associated with the product, including any discounts or deals associated with any promotional plans or pricing program, and the product’s current and proposed RRP. It was typical during this period for suppliers to submit their proposed promotional plans to Woolworths in the form of these deal sheets. However, suppliers could also enter their promotional plan and cost structure information directly into Partner Hub. It was common for suppliers to do both. By “Partner Hub” I am referring to a Woolworths supplier management portal for managing Woolworths’ administration for its interactions with suppliers.

32 Once I had analysed and formed an initial view about a supplier’s proposed cost price increase, my practice was to seek the requisite internal approval (which I described above at subparagraph 16(e)), and then communicate Woolworths’ decision back to the supplier within the required 30 day period.

33 In the overwhelming majority of instances, the decision I communicated back to the supplier was that their proposed cost price increase “Accepted - Amount not agreed” (being the option I described in paragraph 26(b) above). This typically resulted in further negotiation with the supplier in relation to the size of the cost price increase for their products.

34 As Category Manager - Breakfast Cereals, Muesli Bars & Spreads, I typically did not negotiate with existing suppliers the vendor-level trading terms (being the deductions off First Cost that would apply to their products across all categories). Instead, my focus during a cost price increase negotiation with a supplier typically concerned negotiating the level of the cost price increase itself, along with any deductions off the First Cost or Invoice Cost relevant to the affected products such as Volume Spend Discounts or

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Deferred Deals, or any other deductions applied after goods are sold to consumers such as Scan Deals that typically are provided as part of any promotional plan.

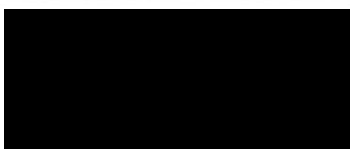
- 35 The way in which a cost price increase negotiation with a supplier occurred during the period I was Category Manager - Breakfast Cereals, Muesli Bars & Spreads varied from supplier to supplier. In the majority of cost price increase negotiations, I would negotiate over the Net Cost, and once that was agreed, the supplier and I would work backwards to agree the appropriate Invoice Cost to then reach the First Cost (being the supplier's list price). In other cost price increase negotiations, I would start with the First Cost, or Invoice Cost, and negotiate discounts or deals (such as deferred deals) off these costs separately. The negotiation also typically included a negotiation over the scope and structure of the promotional plan or pricing program that would apply to the products affected by the cost price increase going forward, because as I describe at paragraph 30 above, this was a key input into a product's expected sales and profitability.

The Prices Dropped Program

- 36 When I was Category Manager - Breakfast Cereals, Muesli Bars & Spreads, it was my understanding that when a product was placed on the Prices Dropped Program it was to be offered for sale at a lower price than it had been previously with a red Prices Dropped Ticket. This red Prices Dropped Ticket had the following features:

- (a) the words "Prices Dropped" as part of the red border;
 - (b) a price in bold black font, being the Prices Dropped Price;
 - (c) a "Was" price or "Range Was" price, being the price at which the product was previously sold immediately before being placed on the program; and
 - (d) a "Was Date" or a "Range Was Date", being the date at which the product was last sold at the Was Price or Range Was Price.
- 37 Based on my experience as an Assistant Category Manager and Category Manager from November 2016 onwards, the reduction in shelf price consequent upon a product being placed on the Prices Dropped Program was typically at least partly funded or financially supported by the supplier. Such funding could take a variety of forms. For instance, it could be a Deferred Deal claimed on each unit purchased, or a different kind of discount off the Invoice Cost. In some cases, it was provided as a reduction in the First Cost (which may be, depending on the supplier, a reduction in the supplier's list price for the product), but this was not common.

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- 38 When I was Category Manager - Breakfast Cereals, Muesli Bars & Spreads, it was not my practice to propose a product for inclusion on the Prices Dropped Program unless the supplier was agreeing to provide at least some supplier funding or some other form of financial support. This was because without supplier funding or financial support, the profitability of Woolworths selling the product at the Prices Dropped Price typically would not have been sufficient to meet the targets that had been set for my categories. The exception to my general practice was for own brand products.
- 39 If supplier funding for a Prices Dropped product was withdrawn, it was my understanding that in the absence of other factors the product should be removed from the Prices Dropped Program and that its shelf price should be reverted to the white ticket price (being the Was Price), which also typically reflected the product's RRP.
- 40 When I was Category Manager - Breakfast, Cereals, Muesli Bars & Spreads, I was also aware that Woolworths had internal guidelines in relation to the Price Establishment Period for inclusion of products on the Prices Dropped Program. By "Price Establishment Period" I mean the period during which a product had to be offered for sale at a price before it could be placed on the Prices Dropped program at a lower price with the previous price as the "was" price.
- 41 Although I cannot recall precisely when, I recall that at some point during the period between December 2021 and February 2022 I became aware that the guideline on the Price Establishment Period for including a product on the Prices Dropped Program had become the product's inter-purchase interval (or IPI), subject to a minimum of 3 weeks and a maximum of 6 weeks. By inter-purchase interval I mean the average purchase frequency for customers in the sub-category to which the product relates. I recall that during this period, it was my understanding that the inter-purchase interval for the Muesli Bar category was 4 weeks.

Negotiation of a Joint Category Plan with Carman's

- 42 On 19 April 2021, I received an email from my predecessor in the Category Manager – Breakfast Cereals, Muesli & Spreads role, forwarding an email that had been sent to Carman's concerning a kick off meeting for negotiating a Joint Category Plan in relation to its range of Breakfast Cereals and Muesli Bar products sold in Woolworths supermarkets. A copy of this email is at **[MPL.0003.0011.1203] of Confidential Exhibit SEW-1.**

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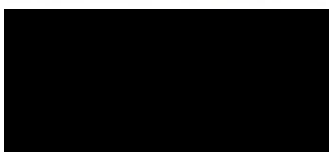


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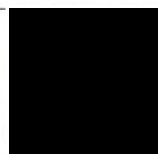


- 43 A Joint Category Plan is a non-binding agreement that Woolworths sometimes enters with a supplier that includes targets and commitments by both parties in relation to that supplier's product range within a particular category. At the time this email was sent, there was no Joint Category Plan agreed between Carman's and Woolworths.
- 44 My calendar records an entry on 8 June 2021 for a Joint Category Plan kick off meeting with Carman's. Although I cannot recall the meeting, I believe the meeting took place. At **[MPL.0002.0016.8507] of Confidential Exhibit SEW-1** is a copy of a slide deck titled "Joint Category Plan – FY 22 – KICK OFF Woolworths: Carman's Fine Food" dated 8 June 2021. Although I cannot recall discussing this document with Carman's, I believe it was provided to them. At **[MPL.0081.0001.0549] of Confidential Exhibit SEW-1** is a copy of a further slide deck titled "Joint Category Plan – FY 22 – KICK OFF Woolworths: Carman's Fine Food". I believe this slide deck superseded the first one.
- 45 I believe the discussions with Carman's during this period took place virtually.
- 46 On 1 December 2021 at 5:26pm, I sent Tim Shepherd an email. A copy of this email is at **[MPL.0002.0004.8316] of Confidential Exhibit SEW-1**. Tim had attended the Woolworths Supplier of the Year Event in Sydney the night before on 30 November 2021. In this email I asked him to send the current "deal templates" for the entire Carman's range so that I could propose a framework for the Joint Category Plan that we had been discussing. My reference to deal templates was a reference to the deal sheets that Woolworths uses for the purpose of recording promotional plans.
- 47 One of the objectives for the framework that I described in this email was "Early alignment on objectives for the future CPI conversation". By "CPI" I meant "cost price increase". I recall that before Carman's sent its formal cost price increase request (which I describe below at paragraph 64), Tim had flagged with me informally that there would be a cost price increase coming. However, I do not recall precisely when he told me this.
- 48 The next morning, on 2 December 2021, Tim Shepherd replied to my email, stating that he would work on this in the background and that he was meeting with my team later that day to hopefully finalise "H2 plans". The phrase "H2 plans" was a reference to the core promotional plan for the Carman's range in the Breakfast Cereals and Muesli Bars sub-categories for the period January to July 2022 that Tim was currently negotiating with one of my Assistant Category Managers. As I describe at paragraph 17 above, in my experience at Woolworths, it is standard practice for promotional plans across a supplier's range within a category to be negotiated and agreed twice a year. A copy of this email is at **[MPL.0002.0004.8316] of Confidential Exhibit SEW-1**.

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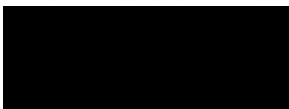


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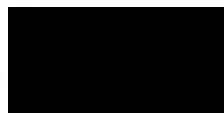


- 49 On 8 December 2021, Tim Shepherd emailed me the deal sheets for Carman's Breakfast Cereals and Muesli Bars range that set out the then current cost structure, promotional plan and RRP for their products and their proposed cost structure, RRP and promotional plan (which did not take account of the subsequent cost price increase conversations with Carman's that I describe in paragraphs 73 to 101 below, and ultimately changed in light of those conversations). A copy of this email is at **[MPL.0002.0004.8316] of Confidential Exhibit SEW-1**. The attached deal sheets are at **[MPL.0002.0004.8317]**, **[MPL.0002.0004.8318]**, **[MPL.0002.0004.8319]** and **[MPL.0002.0004.8320] of Confidential Exhibit SEW-1**. The deal sheets he attached to his email were in the form of Woolworths' standard deal sheet template.
- 50 The deal sheet with filename "WW Deal Proposal Template Original – Carmans Nut Snacks DEC 2021" (a copy of which is at **[MPL.0002.0004.8320] of Confidential Exhibit SEW-1**) refers to the Carman's Fruit & Nut Value Pack. In this deal sheet:
- (a) the figures recorded in the column titled "Proposed" in the "Cost Structure" table were the current cost structure for the Carman's Fruit & Nut Value Pack at this time, and included a standard █% Off Invoice deal (in this instance refers to Carman's █% warehouse allowance) and a █% Volume Spend rebate that applied across the Carman's range, but no Deferred Deal;
 - (b) the table labelled "Proposed", which has rows for "Shelf" and "Promo Levels", recorded the proposed promotional plan; and
 - (c) the reference to \$9 at a "Frequency" of 52 weeks was a reference to the (at the time current) Prices Dropped Price for the Carman's Fruit & Nut Value Pack and the fact that at this time the plan was for it to remain on the Prices Dropped Program for the duration of the promotional plan. Although \$9 is shown in the deal sheet as the "shelf price", this was the Prices Dropped Price at the time. I was not involved in the previous negotiation or agreement to place this product on the Prices Dropped program at this price.
- 51 The fact there was no Deferred Deal on the Carman's Fruit & Nut Value Pack does not necessarily mean there was no supplier financial support for the inclusion of this product on the Prices Dropped Program. Although I do not know what deal was agreed originally with Carman's for the inclusion of this product on the Prices Dropped Program, it is possible that Carman's provided financial support through a reduced list price (or First Cost) or by way of some other agreement. I would have been surprised if there was not

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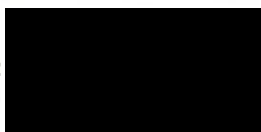
some kind of supplier support for the Carman's Fruit & Nut Value Pack while on Prices Dropped.

- 52 Further, I recall understanding at around this time that Carman's was seeking to move away from Deferred Deals altogether. This was my understanding because when Carman's later made a cost price increase request on 21 December 2021 and proposed a revised promotional plan (which I describe below at paragraphs 64 to 72), it removed Deferred Deals from all its products. This meant that when I assessed each Carman's product in the cost price increase request and revised promotional plan, I had to assess the product's overall sales and profitability across the applicable cycle, which included when it was on and off promotion or on and off any pricing program.
- 53 On 13 December 2021, I sent an email to Tim Shepherd setting out the start of a proposed Joint Category Plan framework for his review. This email was to be the basis for negotiations with Carman's on a Joint Category Plan as well as the ranging of new Carman's products. A copy of this email is at **[MPL.0003.0007.1509] of Confidential Exhibit SEW-1.**
- 54 I recall that later in December 2021, probably close to Christmas although I cannot recall precisely when, I agreed a working framework for the Joint Category Plan (as referred to in paragraph 53 above) with Carman's. This framework set out Woolworths' gross profit targets for product sub-categories within the Carman's range and became known as the "agreed framework".
- 55 Although the agreed framework was agreed in principle in December 2021, final alignment between Carman's and Woolworths on a formal Joint Category Plan was not ultimately agreed until a meeting I attended at Carman's offices in Melbourne on 9 June 2022 which I attended with Sanjay Kapoor, my Merchandise Manager. A copy of the final Joint Category Plan agreed with Carman's is at **[MPL.0081.0001.0548] of Confidential Exhibit SEW-1.**

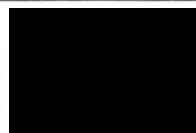
Range review for Breakfast Cereals, Muesli Bars & Spreads

- 56 On 3 September 2021, I instructed my Category Assistant, Shana Haddad to send letters to suppliers in the Breakfast Cereals, Muesli and Oats category and the Muesli Bars category concerning range reviews in these categories that were to commence shortly. Both these categories included Carman's products. The stated effective completion date for both these reviews was 27 December 2021. A copy of the letter sent to suppliers in the Breakfast Cereals, Muesli and Oats category is at

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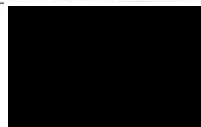
[MPL.0003.0009.7304] of Confidential Exhibit SEW-1 and a copy of the letter sent to suppliers in the Muesli Bars category is at **[MPL.0003.0009.7307] of Confidential Exhibit SEW-1**.

- 57 A range review is a process that a Category Manager typically undertakes every 6 to 12 months to review all products sold in Woolworths Supermarkets within a particular sub-category to determine which products will be ranged going forwards (including new products) and which products will be de-listed.
- 58 The key criteria that I typically considered when conducting a range review as a Category Manager were product sales performance (by value and volume) and profitability, the product trajectory (by which I mean its sales trend), and the extent to which the product was substitutable for other products in the category (which may be a factor that favours de-listing).
- 59 My typical process for conducting a range review included engaging in discussions with individual suppliers about their products under review. I recall that as part of these range reviews for the Breakfast Cereals, Muesli & Oats and Muesli Bars categories in September 2021, I had several interactions with Tim Shepherd at Carman's regarding the performance of the Carman's product range and the possibility of ranging new Carman's products.
- 60 On 20 December 2021, I sent a letter to all existing suppliers in the Muesli Bars category (including Carman's) notifying them that the completion date for the Muesli Bar range review was to be pushed back to 31 January 2022. A copy of my cover email is at **[MPL.0003.0007.1062] of Confidential Exhibit SEW-1** and a copy of the letter I attached to that email is at **[MPL.0003.0007.1063] of Confidential Exhibit SEW-1**.
- 61 On 23 December 2021, one of my Category Assistants sent an email to Tim Shepherd of Carman's notifying him of the results of the Breakfast Foods, Muesli & Oats range review for Carman's. She attached letters notifying him of the new products that were accepted, the new products that were not accepted, and the existing products that were to be delisted. A copy of that email is at **[MPL.0003.0006.8892] of Confidential Exhibit SEW-1**, and copies of the attachments are at **[MPL.0003.0006.6892]**, **[MPL.0003.0006.6893]** and **[MPL.0003.0006.6894] of Confidential Exhibit SEW-1**.
- 62 On 1 February 2022, one of my Category Assistants sent an email to David Smart of Carman's notifying him of the results of the Muesli Bar range review for Carman's. She attached a letter notifying him of the existing products that were to be delisted. A copy of

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that email is at **[MPL.0003.0006.7451] of Confidential Exhibit SEW-1**, and copies of the attachments are at **[MPL.0003.0006.7452] of Confidential Exhibit SEW-1**. Later that day, I forwarded a copy of this email and the attached letter to Tim Shepherd of Carman's. A copy of my email is at **[MPL.0003.0006.7440] of Confidential Exhibit SEW-1** and a copy of the letter attached is at **[MPL.0003.0006.7441] of Confidential Exhibit SEW-1**.

- 63 On 7 February 2022, one of my Category Assistants sent a further email to David Smart of Carman's notifying him of the results of the Muesli Bars range review for Carman's. She attached a letter notifying him of the new products that were accepted. A copy of that email is at **[MPL.0003.0006.6449] of Confidential Exhibit SEW-** and a copy of the attachment is a **[MPL.0003.0006.6450] of Confidential Exhibit SEW-1**.

Initial CPI Request Notification and Decision

- 64 On 21 December 2021 at 4:22pm, I received an email from David Smart, the General Manager Sales at Carman's, formally notifying Woolworths of a cost price increase for the majority of Carman's products from 21 March 2022. A copy of this email is at **[MPL.0002.0004.9104] of Confidential Exhibit SEW-1**.
- 65 David's email attached two documents that I reviewed upon receiving the email:
- (a) a letter advising that the cost price increase would take effect on 21 March 2022 and was the result of *'increases in some of our products' cost of goods'* and in particular, referred to *'raw material ingredient costs, packaging (both board and film) and freight'*, a copy of which is at **[MPL.0002.0004.9105] of Confidential Exhibit SEW-1**; and
 - (b) a spreadsheet recording the proposed new cost prices, a copy of which is at **[MPL.0002.0004.9106] of Confidential Exhibit SEW-1**.
- 66 Row 10 of the spreadsheet referred to "Muesli Bar Value Pcks**". I understood that this product category included the Carman's Fruit & Nut Value Pack, and that for the products in this category:
- (a) the "Current RRP" was \$10 and the "New RRP" would be \$11;
 - (b) the "Current Net Price" was \$█ and the "New Net Price" would be \$█; and
 - (c) the two asterisks against the product sub-category referred to a note below the table which stated, "Current "Red" Lines to return to "Red", once a new base

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price established”, which I understood to be a reference to the products on the Prices Dropped Program being removed from the program and offered for sale for a period at an increased shelf price (which I assumed would be the new RRP) before being placed on the Prices Dropped Program again.

67 Based on the information in this spreadsheet, I therefore understood that insofar as the Carman’s Fruit & Nut Value Pack was concerned, Carman’s was proposing that:

- (a) its net cost price increase to \$[REDACTED];
- (b) its RRP increase to \$11 (from \$10, which was its current “Range Was Price”); and
- (c) at some point after these increases were implemented, it would return to the Prices Dropped Program at a lower retail price.

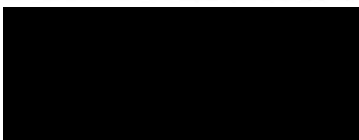
68 About five minutes after receiving David Smart’s email, I sent a reply email informing him that due to leave arrangements over the December and January holiday period:

- (a) Woolworths would not be able to fully evaluate each of the proposed cost price increases and provide an initial response within the 30 day time period required by the Grocery Code; and
- (b) I therefore would likely have to provide an initial response of ‘Accepted - Amount Not Agreed.’ A copy of this email is at **[MPL.0003.0007.1575] of Confidential Exhibit SEW-1.**

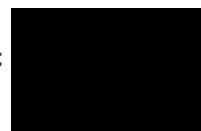
69 My comment, “As per your note below, please can you make this submission into Partner Hub ASAP”, was a reference to the last comment in David’s email’s, “Top line details of changes are in the attached, we will enter the detail into Partner Hub tomorrow for you”. I understood this to mean that Carman’s would upload into Woolworths’ Partner Hub system both the information in the spreadsheet as well as Carman’s new proposed promotional plan based on the cost price increases, being the information typically supplied in deal sheets.

70 At the time, it was my view that I needed this detailed information concerning Carman’s new proposed promotional plan for several reasons. First, I needed information about Carman’s proposed promotional plan after the cost price increase to evaluate the impact of the cost price increase request on Woolworths across the Carman’s range. Second, I needed this information for the purpose of completing my analysis in the range reviews I

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was conducting within the Breakfast Cereals, Muesli Bars & Spreads categories. Third, I needed this information for the purpose of continuing to negotiate the proposed Joint Category Plan with Carman's.

71 On 22 December 2021, David Smart sent me an email informing me that Carman's had uploaded the new cost pricing for its entire range and new proposed promotional plans for its Breakfast products into Partner Hub, and was still to upload the new proposed promotional plans for its Muesli Bar products. A copy of this email is at **[MPL.0003.0007.0515] of Confidential Exhibit SEW-1.**

72 On 18 January 2022, I emailed David Smart to confirm that Woolworths' initial response to Carman's cost price increase request was 'Accepted - Amount Not Agreed'. A copy of this email is at **[MPL.0003.0006.8337] of Confidential Exhibit SEW-1.** This meant that while Woolworths accepted that there would be a cost price increase in some form, we were still negotiating the amount of the increase, including the revised promotional plan.

Further Negotiations and Agreement to Cost Price Increase Request

73 On 20 January 2022 at 7:58am, I emailed David Smart (and copied Tim Shephard) asking urgently for the revised deal sheet for the Carman's muesli bar products, which at that time still had not been uploaded to Partner Hub. A copy of this email is at **[MPL.0003.0006.8398] of Confidential Exhibit SEW-1.**

74 Later that morning, Tim Shepherd emailed me copies of the deal sheets recording the updated proposed promotional plan for the Carman's Muesli Bar products in light of the cost price increase request. A copy of the email is at **[MPL.0002.0004.8607] of Confidential Exhibit SEW-1,** and copies of the attached spreadsheets copies are at **[MPL.0002.0004.8608] and [MPL.0002.0004.8609] of Confidential Exhibit SEW-1.**

75 The spreadsheet titled "WW Deal Proposal Template Original – Carmans Nut Snacks JAN 2021", being document **[MPL.0002.0004.8609] of Confidential Exhibit SEW-1,** refers to the Carman's Fruit & Nut Value Pack. In relation to this product:

- (a) the figures recorded in the "Cost Structure" table in the column headed "Current" reflected the current cost structure at the time, and the figures in the column headed "Proposed" reflected the proposed cost price increase in First Cost from \$ [REDACTED] to \$ [REDACTED] per unit;

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- (b) the increase in the Net Cost per unit from \$ [REDACTED] to \$ [REDACTED] was consistent with the cost price increase spreadsheet that David Smart had originally emailed me on 21 December 2021;
- (c) there was no proposed change in the existing deal structure in terms of discounts, rebates, offsets, allowances, adjustments or supplier funding on this product, because Off-Invoice deals (in this instance a warehouse allowance) were to remain [REDACTED]% and the Volume spend rebate was to remain [REDACTED]%; and
- (d) the table labelled "Proposed", which has the rows for "Shelf" and "Promo Levels", was used for describing the proposed promotional plan for a product. For this product, based on the structure of the plan (i.e., 52 weeks) and the price in the "Shelf" row of \$10 (which was lower than the proposed new RRP of \$11 in spreadsheet I received from David Smart on 21 December 2021), I understood that Carman's was proposing that both the Carman's Fruit & Nut Value Pack and the Carman's Fruit Free Value Pack ultimately would be placed back on the Prices Dropped Program at a recommended price of \$10. I do not generally describe products on the Prices Dropped Program as being part of the "promotional plan" because the Prices Dropped Program involved lowering the price of a product for a sustained period whereas I think of promotions as short term in nature. Nevertheless, it was not unusual in my experience for suppliers to use this section of the deal sheet in this way to reflect the fact that a product was (or would be) on the Prices Dropped Program.

76 During the same day, Tim Shepherd and I exchanged further emails in which I sought more information, and Tim sent me further spreadsheets. In particular:

- (a) at 9:57am, I sent Tim an email requesting accurate deal sheets for cereals, muesli and oats products (a copy of which is at [MPL.0003.0006.8405] of **Confidential Exhibit SEW-1**). My statement that "I have very little flex in how this process is run, so it's vital I get all the info ASAP" was a reference to the strict timelines for ranging decisions in the range review process that I was still undertaking at the time;
- (b) at 9:59am, I sent Tim an email requesting that he complete a Woolworths cost submission template. A copy of this email is at [MPL.0003.0006.8403] of **Confidential Exhibit SEW-1** and the attachment is at [MPL.0003.0006.8404] of **Confidential Exhibit SEW-1**;

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- (c) at 11:14am, Tim sent me an email attaching the deal sheets for the breakfast cereals products. A copy of the email is at **[MPL.0002.0004.8604]** of **Confidential Exhibit SEW-1**, and copies of the attached deal sheets are at **[MPL.0002.0004.8605]** and **[MPL.0002.0004.8606]** of **Confidential Exhibit SEW-1**;
- (d) at 11:16am, I sent an email in reply to Tim, observing that I only wanted the “cost” information in the “master” CPI request spreadsheet I had circulated at 9:59am, not the “commodity” information. A copy of this email is at **[MPL.0003.0006.6724]** of **Confidential Exhibit SEW-1**;
- (e) at 11:17am, Tim sent me an email saying, “No problem, next on the list”, a copy of which is at **[MPL.0003.0006.6726]** of **Confidential Exhibit SEW-1**; and
- (f) at 3:25pm, Tim sent me a further email attaching the completed master CPI request spreadsheet. A copy of the email is at **[MPL.0002.0004.8602]** of **Confidential Exhibit SEW-1**, and a copy of the spreadsheet is at **[MPL.0002.0004.8603]** of **Confidential Exhibit SEW-1**.
- 77 On 21 January 2022, I shared a slide pack with Ewan Shearer and Sanjay Kapoor setting out the CPI Objectives of Carman’s. A copy of my email and slide pack are **[MPL.0003.0006.6015]** and **[MPL.0081.0001.0546]** of **Confidential Exhibit SEW-1**. The slide pack sets out my initial analysis of and objectives for Carman’s CPI request.
- 78 I recall that over the next couple of months until both the Carman’s cost price increase and the promotional plan for its Breakfast Cereals and Muesli Bars range had been agreed, I had regular telephone discussions with Tim Shepherd about the cost price increase, promotional plan, the implementation of the range review and the proposed Joint Category Plan that we were also discussing. During this period, I do not recall the Carman’s Fruit Free Value Pack, or the products that were on the Prices Dropped Program, being the focus of our negotiations or conversations. My focus during this period was on other, less profitable Carman’s product lines, which were of more concern to me due to their lower profitability.
- 79 On 7 February 2022, I received an email from Tim Shepherd summarising the annualised net value and net change involved in the cost price increase request and attaching all the deal sheets for the Carman’s range and the master CPI request spreadsheet. A copy of this email is at **[MPL.0002.0004.8666]** of **Confidential Exhibit SEW-1**, copies of the deal sheets are at **[MPL.0002.0004.8667]**,

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[MPL.0002.0004.8668], [MPL.0002.0004.8669] and [MPL.0002.0004.8670] of Confidential Exhibit SEW-1, and a copy of the master CPI request spreadsheet is at [MPL.0002.0004.8671] of Confidential Exhibit SEW-1. The Carman's Fruit Free Value Pack is referred to in the deal sheet with the filename "WW Deal Proposal Template Original – Carmans Nut Snacks JAN 2021" at [MPL.0002.0004.8668] of Confidential Exhibit SEW-1. I cannot recall why Tim sent me fresh versions of the deal sheets and the master CPI request spreadsheet at this time.

80 On 10 February 2022, I sent an email to Tim Shepherd setting out in writing my feedback on the Caman's cost price increase proposal at that time. A copy of this email is at [MPL.0003.0006.6876] of Confidential Exhibit SEW-1. In that email I noted several concerns I had based on my analysis of Carman's current cost price increase proposal and proposed promotional plan at that time. In particular:

- (a) I had calculated the "net cost ask" as \$ [REDACTED] by which I meant the net cost change to Woolworths excluding scan funding, and the "absolute net impact" as \$ [REDACTED] by which I meant the net cost change to Woolworths including scan funding;
- (b) my analysis based on experience on what forward looking sales volume would be was indicated that sales across the Carman's range would potentially decrease by 3% and Woolworth's profit would potentially decline by [REDACTED]% once Woolworths' retail price increased as a result of the cost price increase; and
- (c) my analysis based on my experience and historic data (including sales, units and gross profit history for similar products at similar price points) indicated that although Woolworths' gross profit across the Carman's range would increase by [REDACTED]%, this would fall well short of the framework that Woolworths and Carman's had agreed in principle for the purpose of a Joint Category Plan.

81 As to "next steps", I said in my email that I would be happy to invest time in coming up with a realistic counter proposal if "you believe you can get there", by which I meant achieve the gross profit percentages in the agreed framework that was to be the foundation of the Joint Category Plan. I also pointed out that until the cost price increase was resolved, "All NPD will be only accepted on the basis of the cost in the acceptance letter", by which I meant Woolworths would only range Carman's new products (i.e., the New Product Development) on the basis that Carman's would honour for 12 months the cost price at which Woolworths had agreed to range those new products.

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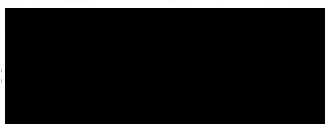
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- 82 On 11 February 2022, Tim Shepherd sent me an email in reply setting out his analysis of the sales (by value) and gross profit impact of the cost price increase and revised proposed promotional plan for the existing Carman's Breakfast Cereals and Muesli Bar range (excluding the new products). A copy of this email is at **[MPL.0002.0004.7877]** of **Confidential Exhibit SEW-1**. Tim also attached adjusted versions of the deal sheets, copies of which are at **[MPL.0002.0004.7878]**, **[MPL.0002.0004.7879]**, **[MPL.0002.0004.7880]** and **[MPL.0002.0004.7881]** of **Confidential Exhibit SEW-1**. The Carman's Fruit & Nut Value Pack is referred to in the deal sheet with the filename "WW Deal Proposal Template Original – Carmans Nut Snacks JAN 2021" at **[MPL.0002.0004.7879]** of **Confidential Exhibit SEW-1**.
- 83 Between 15 February 2022 and 21 February 2022, I exchanged further emails with Tim Shepherd regarding the Carman's Cost Price Increase proposal and revised promotional plan in which Tim made further adjustments. Copies of these emails and their attachments are at **[MPL.0003.0006.5541]**, **[MPL.0003.0006.5058]**, **[MPL.0003.0006.5145]**, **[MPL.0003.0006.4217]**, **[MPL.0003.0006.4213]**, **[MPL.0002.0004.8983]**, **[MPL.0002.0004.8984]** and **[MPL.0003.0006.4203]** of **Confidential Exhibit SEW-1**.
- 84 On 22 February 2022, Tim Shepherd sent me an email informing me that he had made an amendment to the Indulgent Bars bundle to "to improve margin" for the Carman's Muesli Bars range and attached a further version of the deal sheet for those products. There was no change in respect of Carman's Fruit & Nut Value Pack. A copy of this email is at **[MPL.0002.0004.8967]** of **Confidential Exhibit SEW-1** and a copy of the deal sheet is **[MPL.0002.0004.8968]** of **Confidential Exhibit SEW-1**.
- 85 On 27 February 2022, I sent Tim Shepherd an email setting out my feedback on the Carman's cost price increase proposal revised promotional plan at that time. I informed Tim that based on my analysis, the gross profit that Woolworths would achieve across the various product categories in the Carman's range was still well short of the framework we had agreed for the purpose of agreeing a Joint Category Plan. A copy of this email is at **[MPL.0003.0006.4262]** of **Confidential Exhibit SEW-1**.
- 86 On 1 March 2022, I sent Tim Shepherd an email containing a counterproposal that sought to deliver both a sizeable cost price increase for Carman's whilst also achieving the framework we had agreed. I provided my counterproposal by adjusting the deal sheets that Tim had sent me. Key changes I made included increasing the frequency at which some products were placed on a high-low "Yellow" ticket special and reducing the

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level of discount on certain promotional price points for some products. However, I did not make any change to the proposal for the Carman's Fruit & Nut Value Pack. A copy of this email is at **[MPL.0002.0004.8022] of Confidential Exhibit SEW-1**, and copies of the attached deal sheets are at **[MPL.0002.0004.8023]**, **[MPL.0002.0004.8024]**, **[MPL.0002.0004.8025]** and **[MPL.0002.0004.8026] of Confidential Exhibit SEW-1**.

87 On 2 March 2022, I sent Tim Shepherd an email attaching a spreadsheet that rolled up both my counterproposal and the current Carman's proposal for its cost price increase and revised promotional plan across its Breakfast Cereals and Muesli Bars range. A copy of this email is at **[MPL.0003.0006.2290] of Confidential Exhibit SEW-1** and a copy of the spreadsheet is at **[MPL.0003.0006.2291] of Confidential Exhibit SEW-1**.

88 On 4 March 2022, Tim Shepherd sent me an email attaching a revised version of the spreadsheet that I sent him on 2 March, which updated the Carman's proposal section to include numbers from his model. A copy of this email is at **[MPL.0003.0006.5388] of Confidential Exhibit SEW-1** and a copy of the spreadsheet is at **[MPL.0003.0006.5389] of Confidential Exhibit SEW-1**.

89 On 7 March 2022, I sent Tim Shepherd an email in response to his 4 March 2022 proposal, attached an extract of the framework we had previously agreed and said his latest proposal was still well short of the framework. A copy of this email is at **[MPL.0003.0006.3535] of Confidential Exhibit SEW-1** and a copy of the extract of the framework is at **[MPL.0003.0006.3536] of Confidential Exhibit SEW-1**.

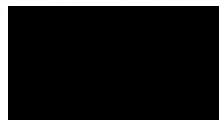
90 On 8 March 2022, I had a video conference with Tim Shepherd during which we discussed the current versions of the competing proposals concerning the Carman's cost price increase and revised promotional plan. After that video conference, I sent Tim Shepherd an email setting out my primary concerns with Carman's current proposal at that time. I also proposed two possible options, the first being to extend the effective date of the cost price increase to allow further time to negotiate, and the second being for Woolworths to accept the cost price increase without a revised promotional plan having been agreed. I said this was a "worst case", because without a promotional plan agreed, I expected that it would mean consumers would pay more for the Carman's products, Woolworths' pricing would be uncompetitive in the marketplace, and this would be bad for Carman's. A copy of this email is at **[MPL.0049.0003.1693] of Confidential Exhibit SEW-1**.

91 On 11 March 2022, Tim Shepherd sent me an email attaching further revised versions of the deal sheets and the master CPI spreadsheet. A copy of this email is at

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[MPL.0002.0004.8790] of Confidential Exhibit SEW-1, copies of the attached deal sheets are at **[MPL.0002.0004.8791]**, **[MPL.0002.0004.8792]**, **[MPL.0002.0004.8794]**, **[MPL.0002.0004.8795]** of Confidential Exhibit SEW-1, and a copy of the master CPI spreadsheet is at **[MPL.0002.0004.8793]** of Confidential Exhibit SEW-1.

92 The Carman's Fruit & Nut Value Pack is referred to in the deal sheet with the filename "WW Deal Proposal Template Original – Carmans Nut Snacks MAR 2022" at **[MPL.0002.0004.8791]** of Confidential Exhibit SEW-1. In relation to the Carman's Fruit & Nut Value Pack:

- (a) the figures recorded in the "Cost Structure" table are the same as those that had been recorded in the previous versions of the deal sheet that Tim had circulated since 20 January; and
- (b) the description of the plan for this product differed from the previous versions of the deal sheet that Tim had circulated, and in particular:
 - (i) the price stated in the "Shelf" row of the table titled "Proposed" was \$11.00 at a frequency of 4 weeks; and
 - (ii) the price stated in the "Promo Level 1" of the table titled "Proposed" was \$10.00 at a frequency of 48 weeks;

93 Although I do not recall why the description of the plan for the Carman's Fruit & Nut Value Pack changed, I do not recall thinking at the time that there had been any change to the substance of the plan for this product. That is, I had understood from when I first reviewed the Carman's cost price increase request spreadsheet on 21 December 2021 that this product was to have a new RRP of \$11, would be taken off the Prices Dropped Program for a period, and then placed on the Prices Dropped Program again with a price lower than \$11. I had also understood from the first deal sheet I saw containing the revised plan for this product in January 2022 that when it returned to the Prices Dropped Program, Carman's was recommending a Prices Dropped price of \$10. The structure described in this revised deal sheet was consistent with a plan for the product to be taken off the Prices Dropped Program for four weeks before being placed on the Prices Dropped Program again.

94 On 15 March 2022, I sent an email to Tim Shepherd informing him that the latest proposal still got us nowhere near the framework we had agreed for the purpose of agreeing a Joint Category Plan. A copy of this email is at **[MPL.0003.0006.0574]** of Confidential Exhibit SEW-1.

Signed

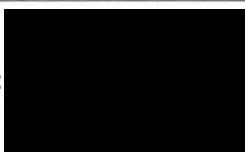


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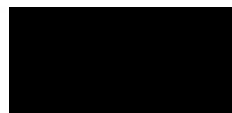


- 95 On 16 March 2022, I sent Tim Shepherd an email setting out my analysis of the latest Carman's cost price increase proposal and revised promotional plan. A copy of this email is at **[MPL.0003.0006.1039] of Confidential Exhibit SEW-1**. In particular:
- (a) my statement that, "Based on my calcs your plan would deliver a 2.5% sales growth ...", was a reference to calculations that I had performed which indicated that the current Carman's proposal would deliver 2.5% sales growth by value overall;
 - (b) the table set out the results of my margin calculations based on the current Caman's proposal;
 - (c) the column headed "Target GP%" referred to the gross profit percentages in the framework that I had agreed with Tim for the purposes of negotiating a Joint Category Plan;
 - (d) the column headed "Current" referred to the gross profit percentages that had been achieved across the various sub-categories of the Carman's Breakfast Cereals and Muesli Bars range;
 - (e) the column headed "Latest Proposal" referred to the gross profit percentages I calculated would be achieved on the current Carman's proposal, including the promotional plan but excluding co-operative funds; and
 - (f) the column headed "NPD Blended" referred to the gross profit percentages I calculated would be achieved on the Carman's new products, including the promotional plan but excluding co-operative funds;
- 96 Where I said under the heading "In terms of next steps" that, "I am going to propose to accept your new list price on all existing lines", my intention was to convey that I was going to take the Carman's current cost price increase proposal to the Cost Forum Meeting chaired by the Commercial Director – Grocery Foods, Ewan Shearer, for approval (being the increase to the list prices and net cost price), but that the revised proposed promotional plan for the Carman's products was not yet agreed.
- 97 Where I said under the heading "In terms of next steps" that, "ongoing promotional support will be on the basis of having a profitable and competitive plan", my intention was to convey that some or all of the proposed revised promotional plan or inclusion of any product on a pricing program could not be agreed until I was satisfied that it would

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be profitable for Woolworths overall and that the Carman's products sold in Woolworths Supermarkets would likely be competitive in the marketplace.

- 98 On 17 March 2022 and 18 March 2022, I exchanged further emails with Tim Shepherd in relation to the revised promotional plan for the Carman's products once the cost price increase took effect, his uploading of the current cost price increases into Partner Hub and my approval of the cost price increase but not the promotional plans. A copy of these emails are at **[MPL.0002.0004.8765]**, **[MPL.0003.0006.0377]**, **[MPL.0002.0004.8757]**, **[MPL.0003.0006.1476]**, **[MPL.0003.0006.1460]** and **[MPL.0003.0006.1457]** of **Confidential Exhibit SEW-1**.
- 99 On 18 March 2022, I shared a copy of a slidedeck with my Merchandising Manager Sanjay Kapoor for alignment on approving the Carman's cost price increase without a revised promotional plan having been agreed. A copy of the email and slidedeck are at **[MPL.0003.0005.8928]** and **[MPL.0081.0001.0547]** of **Confidential Exhibit SEW-1**. In particular:
- (a) the first slide recorded the agreed framework for the proposed Joint Category Plan with Carman's;
 - (b) the fourth slide recorded a graphical representation of the latest positions put by Carman's and Woolworths at that time. The red bar labelled "Fixed Deals" reflected the fact that Carman's was removing all Deferred Deals; and
 - (c) the final slide recorded my proposed next steps. The bullet point "Accept list cost" was my recommendation that the cost price increase be approved. The bullet point "Re-engage with Carman's once the penny has dropped" reflected my view that Carman's was proceeding on the assumption, which was not correct, that Woolworths would continue with the proposed promotional arrangements without any improvement in the profitability of the relevant product groups. I would have restarted (and did ultimately restart) the negotiation on revised promotional plans once Carman's were prepared to put forward a more serious proposal.
- 100 After the Cost Forum Meeting, I formally approved the cost price increase proposals submitted by Tim Shepherd in Woolworths' Partner Hub system, to take effect from 25 March 2022. In respect of the Carman's Fruit & Nut Value Pack, I approved the increase to the First Cost per 3 units from \$ [REDACTED] to \$ [REDACTED] which equated to \$ [REDACTED] per pack which was consistent with the proposal (referred to in paragraph 75 above).

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101 At this point in time, the revised promotional plan for the Carman's Breakfast Cereal and Muesli Bars products was still not agreed. In theory, if no promotional plan ultimately had been agreed with Carman's, it was possible that there would not have been any promotions on Carman's products or any Carman's products on the Prices Dropped program in Woolworths Supermarkets going forward. I am not able to say whether that ultimately would have happened, because in the end, as I describe at paragraph 108 below, a promotional plan ultimately was agreed with Carman's a couple of weeks later. Further, if Woolworths had not ultimately placed the Carman's Fruit & Nut Value Pack on the Prices Dropped program, it is my expectation that Carman's would have sought to increase the cost price for this product, because it would not have been receiving the benefit of placement on the program which was the assumption upon which that cost price was based.

Removal of the Carman's Fruit & Nut Value Pack from the Prices Dropped Program

102 On 25 March 2022, the Carman's Fruit & Nut Value Pack product was removed from the Prices Dropped Program, a white ticket was applied and the shelf price was increased to \$11.00.

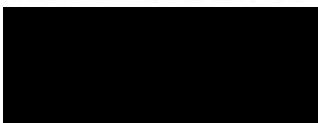
Agreement of Revised Promotional Plan

103 On 4 April 2022, I sent an email to Tim Shepherd asking him for some potential JCP/strategy dates and the "*final "new" cost / promo plan*". A copy of this email is at **[MPL.0003.0005.7215] of Confidential Exhibit SEW-1**. By "JCP/strategy dates" I was asking for dates when Tim and I could meet to progress discussions about a Joint Category Plan. By "*final "new" cost / promo plan*" I was asking Tim to provide me with his final proposed promotional plan for the Carman's Breakfast Cereals and Muesli Bar products now that the cost price increases had come into effect.

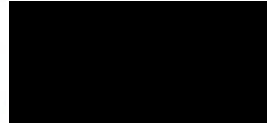
104 Later that day, Tim Shepherd sent me an email in reply to my email earlier in the day. A copy of this email is at **[MPL.0003.0005.8313] of Confidential Exhibit SEW-1**.

105 On 5 April 2022, Tim Shepherd sent me an email attaching deal sheets with the revised proposed promotional plan for Carman's range of Breakfast Cereals and Muesli Bar products. A copy of this email is at **[MPL.0002.0016.5762] of Confidential Exhibit SEW-1**, and the attached deal sheets are at **[MPL.0002.0016.5763]**, **[MPL.0002.0016.5764]**, **[MPL.0002.0016.5765]** and **[MPL.0002.0016.5766] of Confidential Exhibit SEW-1**.

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106 The deal sheet with filename “WW Deal Proposal Template Original – Carman’s Nut Snacks APR 22”, which is at [MPL.0002.0016.5763] of Confidential Exhibit SEW-1, refers to the Carman’s Fruit & Nut Value Pack product. In relation to that product:

- (a) the increase proposed by Carman’s to the cost prices was reduced, such that:
 - (i) the First Cost per unit increased from \$[REDACTED] to \$[REDACTED] (not \$[REDACTED] as previously proposed in the revised deal sheet circulated by Carman’s on 20 January 2022 (see paragraph 73 above) and accepted by me in Partner Hub on 25 March 2022 (see paragraph 100 above));
 - (ii) the Invoice Cost per unit increased from \$[REDACTED] to \$[REDACTED] (not \$6.05 as previously proposed in the revised deal sheet circulated by Carman’s on 20 January 2022 (see paragraph 73 above)); and
 - (iii) the Net Cost per unit increased from \$[REDACTED] to \$[REDACTED] (not \$[REDACTED] as previously proposed in the revised deal sheet circulated by Carman’s on 20 January 2022 (see paragraph 73 above));
- (b) the existing deal structure for any discounts, rebates, offsets, allowances, adjustments, and supplier funding agreed between Woolworths and the supplier remained the same (that is, the Off-Invoice deals and Volume Spend);
- (c) there was no change to the structure of the plan described in the table labelled “Proposed”, with the price in the “Shelf” row being \$11 for 4 weeks and the price in the “Promo Level 1” row being \$10 for 48 weeks, which reflected the product being removed from the Prices Dropped Program for 4 weeks before being put back on that program; and
- (d) there was a comment under the heading “Additional Information” that said “*Reduced Unit Cost to maintain \$10 dropped price - TS 05.04.22*”, which reflected the fact that the change to the cost price was not to change the plan for the product, namely that it would return to the Prices Dropped Program at \$10 after 4 weeks.

107 I believe that the reduction to the cost price increase for the Carman’s Fruit & Nut Value Pack product was to assist with improving the overall profitability for Woolworths of the Carman’s Breakfast Cereals and Muesli Bar range (including when the products were on or off promotion, or on or off a pricing program) and meeting the framework that had been agreed with Carman’s in the context of negotiating a Joint Category Plan. This is

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[REDACTED]

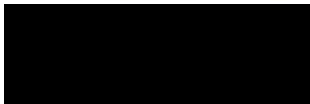
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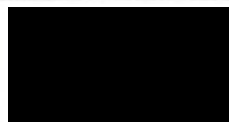
because I do not recall there having been any specific negotiation at this time in relation to this product or the Traditional Bars Value Pack products more generally, or during our negotiations between January and March 2022.

- 108 On 6 April 2022, I sent an email to Tim Shepherd to confirm that Woolworths was now aligned with the promotional plans (as described in the deal sheets) that he had sent me on 5 April 2022 and that he was to work with my Assistant Category Manager, Marcus Anderson, to finalise the details of the plan. That is, it took until this point for Woolworths and Carman's to agree on the promotional plans that were to apply based on the cost price increase. A copy of this email is at **[MPL.0003.0005.8157] of Confidential Exhibit SEW-1**.
- 109 On 6 April 2022, I also attended the regular Cost Forum Meeting and, amongst other things, presented an update to Ewan Shearer concerning the result of my negotiations with Carman's in relation to a revised promotional plan. At **[MPL.0081.0001.0544] of Confidential Exhibit SEW-1** is a copy of the slide deck that I presented to Ewan Shearer. In particular:
- (a) the fifth slide provided a recap on the position that had been approved at the Cost Forum Meeting on 16 March 2022;
 - (b) the sixth to eighth slides summarised the impact of the cost price increase given the deal I had reached with Carman's in relation to a revised promotional plan; and
 - (c) the eighth slide in particular provided a graphical representation of the total impact of the cost price increase. The green bar labelled "Cost avoidance" represented the fact that I had negotiated a reduced cost price increase on some products.
- 110 I formally approved an updated version of the 'GC Price Change' (being the Grocery Code Price Change) request submitted by Tim Shepherd in Woolworths' Partner Hub system. In respect of the Carman's Fruit & Nut Value Pack product, I approved the change in cost price, being a reduction to the formerly approved increase in the First Cost per 3 units from \$████ to \$████ (which equated to \$████ per pack) with an effective date of 11 April 2022.
- 111 On 26 April 2022, the Carman's Fruit & Nut Value Pack product was placed on the Prices Dropped Program and a red Prices Dropped Ticket with a Prices Dropped Price of \$10 was applied.

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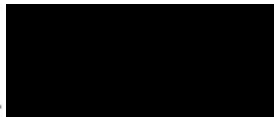
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112 On 28 April 2022, I sent Tim Shepherd and David Smart an email recording my continued concerns with the profitability and competitiveness of the Carman's Breakfast Cereals and Muesli Bars range, at [MPL.0002.0004.7551] of Confidential Exhibit SEW-1. By this point in time, the Carman's products that were to be placed on the Prices Dropped Program (in accordance with the agreed promotional plan), including the Carman's Fruit & Nut Value Pack, were being offered for sale with a red Prices Dropped Ticket. I regarded these products as being competitive in the marketplace at that time.

AFFIRMED by the deponent
at Sydney
in New South Wales
on 25 November 2025
Before me:

)
)
)
)
) Signature of deponent



Signature of witness

Zareen Qayyum

Name of authorised witness (block letters)

Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000

Address of authorised witness

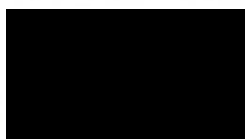
Australian Legal Practitioner

Capacity (eg Justice of the Peace)

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No VID 974 of 2024

Federal Court of Australia
District Registry: Victoria
Division: General

Australian Competition and Consumer Commission


Applicant

Woolworths Group Limited (ACN 000 014 675)

Respondent

Certificate identifying Confidential Exhibit SEW-1

This is **Confidential Exhibit SEW-1** to the affidavit of **Sam Edward Woodcock** affirmed at 1 Woolworths Way Bella Vista NSW 2153 on 25 November 2025 before me:



.....
Signature of witness
Zareen Qayyum, Australian Legal Practitioner

Filed on behalf of Woolworths Group Limited, the Respondent

Prepared by Peta Stevenson
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