



15 December 2010

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir,

**WESFARMERS LIMITED – SHARE TRADING POLICY**

Please find attached a copy of the Wesfarmers Limited Share Trading Policy, lodged with the ASX in accordance with ASX Listing Rule 12.9 which takes effect on 1 January 2011.

Yours faithfully,

A handwritten signature in black ink, appearing to be "L J Kenyon".

L J KENYON  
COMPANY SECRETARY

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# Share Trading Policy

Wesfarmers Limited

November 2010



## 1. INTRODUCTION AND PURPOSE

This document sets out the policy covering restrictions on dealing in securities of Wesfarmers Limited and other entities in which Wesfarmers Limited has an interest including the Bunnings Warehouse Property Trust.

If you do not understand any part of this policy or the summary of the law, or how it applies to you, you should raise the matter with your manager, the Company Secretary or the Corporate Solicitors Office before dealing with any securities covered by this policy.

## 2. EMPLOYEES AND OTHERS COVERED BY THIS POLICY

This policy imposes basic trading restrictions on all employees of the Wesfarmers Group and its subsidiary companies who are in possession of inside information, and additional trading restrictions on the directors of Wesfarmers Limited, and members of the Executive Committee of Wesfarmers Limited. The Executive Committee of Wesfarmers Limited includes the Divisional Managing Directors within the Wesfarmers Group.

## 3. SECURITIES COVERED BY THIS POLICY

- a) This policy applies to trading in all Wesfarmers Securities – this is a very broad concept and includes the following types of securities of Wesfarmers Limited, and other entities in which Wesfarmers has an interest:
- shares and options;
  - debentures (including bonds and notes);
  - interests in managed investment schemes, trusts and other financial products; and
  - derivatives of any of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise.

“Trading” includes:

- acquiring or disposing of Wesfarmers Securities on market or through an off market transaction;
  - acquiring or disposing of Wesfarmers Securities in connection with margin lending or other security arrangements; and
  - stock lending arrangements affecting Wesfarmers Securities.
- b) The prohibition on insider trading also applies to securities issued by another company or entity if you have inside information (i.e. information which is not publicly known) about that company or entity – see paragraph 8(b). For this purpose "securities" covers the same range of shares, options, debentures, interests and derivatives as listed in paragraph 3(a).

## 4. INSIDER TRADING LAWS

- a) If you have inside information which is not publicly known, it is a criminal offence for you to:
- trade in securities;
  - advise or procure another person to trade in securities; or
  - pass on inside information to someone else – including colleagues, family or friends - knowing (or where you should have reasonably known) that the other person will use that information to trade in, or procure someone else to trade in, securities.
- b) This offence, called "insider trading", can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or Wesfarmers, for any loss suffered as a result of illegal trading.

## 5. CONFIDENTIAL INFORMATION

Related to the above, you also have a duty of confidentiality to the Wesfarmers Group. You must not reveal any confidential information concerning the Wesfarmers Group, use that information in any way which may injure or cause loss to the Wesfarmers Group, or use that confidential information to gain an advantage for yourself.

## 6. WHAT IS "INSIDE INFORMATION"?

- a) "Inside information" is information that:
- is not generally available; and
  - if it were generally available, it would – or would be likely to - influence investors in deciding whether to buy or sell Wesfarmers Securities.
- b) It does not matter how you come to know the inside information (including whether you learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a dinner party).
- c) The financial impact of the information is important but strategic and other implications can be equally important in determining whether information is inside information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including Wesfarmers) and information which is insufficiently definite to warrant disclosure to the public.

## 7. WHAT ARE SOME EXAMPLES OF INSIDE INFORMATION?

The following list is illustrative only and is not exhaustive. Inside information could include:

- a) a possible acquisition or sale of any assets or business by Wesfarmers;
- b) the financial performance of Wesfarmers against its budget or forecasts;
- c) senior management or board changes;
- d) a proposed dividend;
- e) a possible change in Wesfarmers' capital structure; or
- f) any possible claim against Wesfarmers or other unexpected liability.

## 8. INSIDER TRADING IS PROHIBITED AT ALL TIMES

- a) If you possess inside information, you must not buy or sell Wesfarmers Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how you learn of the information.
- b) The prohibition on insider trading is not limited to information concerning Wesfarmers Group entities or to dealing in Wesfarmers Securities. If you have inside information about another company or entity you must not deal in securities of that company or entity.

## 9. ADDITIONAL RESTRICTIONS ON TRADING BY DIRECTORS AND EXECUTIVES

In addition to the general trading restrictions set out in this Policy that apply to all employees, additional restrictions on trading in Wesfarmers Securities apply to the directors and members of the Executive Committee of Wesfarmers Limited.

### 9.1 *Blackout Periods*

Given the heightened risk of actual or perceived insider trading, in general, the directors of Wesfarmers and members of the Executive Committee may not trade in Wesfarmers Securities:

- between July 1 and one trading day following the announcement of the full-year results; and
- between January 1 and one trading day following the announcement of the half-year results (together, Blackout Periods).

Trading during Blackout Periods may only be permitted with prior approval of the Chairman (or, in the case of the Chairman, with the approval of the Chair of the Audit Committee), where there are exceptional circumstances (such as severe financial hardship) and the director or Executive Committee member is not aware of inside information. Where such approval is obtained, trading must occur within 7 days.

## 9.2 Clearance outside of Blackout Periods

Before trading in Wesfarmers Securities during periods outside of the Blackout Periods (if permitted by this policy), the directors of Wesfarmers Limited and members of the Executive Committee must:

- advise the Company Secretary of their intention to trade in the Wesfarmers Securities and whether they intend to enter into, or have entered into, a margin lending or other security arrangement affecting the relevant Wesfarmers Securities;
- confirm that they do not hold unpublished inside information; and
- have been advised by the Company Secretary that there is no known reason to preclude the trading in Wesfarmers Securities.

Any trading must occur within 7 days of being so advised.

Following trading, directors of Wesfarmers Limited and members of the Executive Committee who trade in Wesfarmers Securities must provide details of the trading to the Company Secretary including the details of any margin lending or other security arrangement affecting the securities. The directors of Wesfarmers Limited and members of the Executive Committee must also notify the Company Secretary if a security interest affecting Wesfarmers Securities that they own or control is created, varied or discharged and the details of the security interest.

## 10. ADDITIONAL OBLIGATIONS ON DIRECTORS OF WESFARMERS

Directors of Wesfarmers must also comply with:

- a) all requirements in Wesfarmers' Board Charter in relation to holding a minimum number of Wesfarmers shares;
- b) all requirements in the Corporations Act 2001 (Cth) and the Listing Rules of Australian Securities Exchange in relation to notification of trading in Wesfarmers Securities; and
- c) the letter agreement entered into between each director and Wesfarmers Limited relating to notification of trading in Wesfarmers Securities.

## 11. RESTRICTIONS ON HEDGING OF SHARE ENTITLEMENTS UNDER INCENTIVE PLANS

The purpose of the Wesfarmers Group's incentive plans is to make part of executives' remuneration subject to the risks and benefits of fluctuations in the price of Wesfarmers securities, in order to align the financial interests of executives with those of shareholders. This purpose is defeated if executives hedge the price risk on the securities they receive under an incentive plan.

This policy therefore imposes the following restrictions on Executive Directors of Wesfarmers Limited, direct reports to the Managing Director, and Divisional Managing Directors within the Wesfarmers Group (Restricted Executives), in relation to securities which they have received (or have an actual or contingent entitlement to receive) under a Wesfarmers Group incentive plan (Plan):

- a) Restricted Executives must not enter into any transaction or arrangement which has the purpose or effect of transferring to any other person any of the risk or benefit of any fluctuation in the value of:
  - entitlements to securities to be issued under a Plan; or
  - securities which have been issued under a Plan, for as long as the securities remain subject to a restriction on disposal under the Plan.

The obligation to repay a loan is not treated as a restriction on disposal for this purpose, if no express restriction on disposal applies under the terms of the Plan.

- b) For securities that have been issued under a Plan but are no longer subject to a restriction on disposal under the Plan, Restricted Executives may enter into transactions or arrangements of the type referred to in paragraph (a), but only if they:
  - give full details of the transaction or arrangement in advance to the Company Secretary (in the case of Executive Directors) or to the Managing Director of Wesfarmers Limited (in the case of Divisional Managing Directors), and
  - comply with insider trading laws and the other provisions of this policy, as applicable.

## **12. BREACHES OF POLICY**

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

## **13. WESFARMERS INCENTIVE AND SHARE PLANS**

Employees who acquire Wesfarmers securities under the Wesfarmers Employee Share Plan or the Wesfarmers Long Term Incentive Plan must also comply with the rules of that Plan when trading in those securities or derivatives of those securities.

## **14. AMENDMENT OF POLICY**

This policy cannot be amended without the approval of the Wesfarmers Limited Board.

Anyone unsure about whether any potential transaction is contrary to the law, the rules and regulations of the ASX or the share trading policy should contact the Company Secretary.