

NOTICE OF MEETING 2018

Notice is given that the 37th Annual General Meeting of Wesfarmers Limited will be held at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia on Thursday, 15 November 2018 at 10:30am (Perth time).
Registration will open at 8:30am.

WESFARMERS LIMITED ABN 28 008 984 049




Wesfarmers

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BUSINESS OF THE MEETING

All items of business at the Annual General Meeting (**Meeting**) are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

1 Financial Statements and Reports

To receive and consider the financial statements and the reports of the directors and of the auditors for the year ended 30 June 2018.

Note: There is no requirement for shareholders to approve the financial statements and reports.

2 Election of Directors

To consider and, if thought fit, approve:

- (a) the re-election of Mr Wayne Geoffrey Osborn, who retires by rotation in accordance with Wesfarmers' Constitution and the ASX Listing Rules, and being eligible, offers himself for re-election; and
- (b) the election of The Right Honourable Simon William (Bill) English KNZM, who having been appointed as a director of the company since the last Annual General Meeting, retires in accordance with Wesfarmers' Constitution, the *Corporations Act 2001*, and the ASX Listing Rules and, being eligible, offers himself for election.

Mr Paul Bassat will retire as a director at the conclusion of the Meeting and will not be seeking re-election.

Each re-election and election will be voted on as a separate ordinary resolution.

3 Adoption of the Remuneration Report

To consider and, if thought fit, approve the Remuneration Report for the year ended 30 June 2018, as set out in the 2018 Annual Report.

Note: This resolution is advisory only and does not bind Wesfarmers or the directors.

Voting exclusion statement

Wesfarmers will disregard any votes cast on Item 3:

- *by or on behalf of a member of the key management personnel whose remuneration details are included in the Remuneration Report, or their closely related parties; and*
- *by a person who is a member of the key management personnel as at the date of the Meeting or their closely related parties as proxy,*

unless the vote is cast as proxy on behalf of a person entitled to vote on this resolution, and that vote has been cast as specified on the Voting Form; or where there is no specified voting direction, the vote is cast by the Chairman of the Meeting as proxy and who has been expressly authorised to vote on this resolution, even though it is connected with the remuneration of key management personnel.

BUSINESS OF THE MEETING

4 Grant of Restricted Shares and Performance Shares to the Group Managing Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That approval be given to the grant of Restricted Shares up to the value of \$2,913,823 and Performance Shares up to the value of \$2,913,823 to the Group Managing Director, Mr Robert Scott, under the Key Executive Equity Performance Plan (KEEPP), for the purposes set out, and on the terms summarised in, the Explanatory Notes.’

Voting exclusion statement

Wesfarmers will disregard any votes cast in favour of Item 4 by Mr Scott (or his respective associates). However, Wesfarmers need not disregard a vote cast by such persons appointed as proxy on behalf of a person who is entitled to vote, in accordance with the direction on the Voting Form.

In addition, Wesfarmers will disregard votes cast by a member of the key management personnel (or any of their closely related parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of key management personnel.

By order of the Board



Linda Kenyon
Company Secretary
14 September 2018

IMPORTANT INFORMATION

Members entitled to attend and vote at the Meeting

The Board has determined that you will be entitled to attend and vote at the Meeting if you are a registered shareholder of Wesfarmers Limited (**Wesfarmers** or **Company**) as at 4:00pm (Perth time) on Tuesday, 13 November 2018.

Direct voting

Direct voting allows you to lodge your vote directly with Wesfarmers before the Meeting and the flexibility to vote without needing to either attend the Meeting or appoint a proxy to attend the Meeting in your place.

By submitting a direct vote, you agree to be bound by the direct voting regulations adopted by the Board. The direct voting regulations are available from the Wesfarmers website at www.wesfarmers.com.au

Proxies

All members who are entitled to attend and vote at the Meeting have the right to appoint a proxy to attend the Meeting and vote in their place. A proxy need not be a member.

If you wish to appoint a proxy you must complete and return the proxy voting section of the enclosed Voting Form. You can direct your proxy how to vote (i.e., to vote 'for' or 'against', or to 'abstain' from voting on, each resolution) by following the instructions on the Voting Form.

If you appoint the Chairman as your proxy but do not direct the Chairman on how to vote, then by completing and returning the Voting Form you are expressly authorising the Chairman to vote in favour of each item of business, even when an item of business is directly or indirectly connected to the remuneration of a member of the key management personnel of Wesfarmers.

If you are entitled to cast two or more votes, you may appoint two proxies and you may specify the proportion or number of votes that each proxy is appointed to exercise. If your appointment does not specify the proportion or number of your voting rights, each proxy may exercise half your votes (disregarding fractions).

You cannot lodge a direct vote and appoint a proxy for the same voting rights.

Voting and lodgement of proxy voting instructions online

Wesfarmers encourages you to lodge your direct voting or proxy voting instructions online by:

Website: by visiting www.investorvote.com.au. To submit your direct voting or proxy voting instructions you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number, as shown on your Voting Form; or

Smartphone: by using your smartphone to scan the QR code that appears on the Voting Form, and following the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site.

Please refer to the enclosed Voting Form for more information about submitting direct voting or proxy voting instructions online.

A proxy cannot be appointed electronically if they are appointed under a Power of Attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions.

IMPORTANT INFORMATION

Lodging a Voting Form

You can lodge a direct vote or appoint a proxy either online or by completing and returning the enclosed Voting Form. Please follow the instructions on the Voting Form and ensure you only complete the relevant section.

For your direct vote or proxy to be effective, the completed Voting Form, together with any relevant Power of Attorney, must be received by Computershare Investor Services Pty Limited not less than 48 hours before the time for holding the Meeting (that is, by 10:30am (Perth time) on Tuesday, 13 November 2018).

You can lodge your completed Voting Form with Computershare either:

In person: Share Registry – Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia; or

By mail: Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia; or

By fax: 1800 783 447 (within Australia) or (+ 61 3) 9473 2555 (outside Australia).

Body corporate representatives

A body corporate member or proxy may elect to appoint an individual as its representative, rather than appoint a proxy. Where a body corporate appoints a representative, Wesfarmers requires written proof of the representative's appointment to be lodged with, or presented to, Wesfarmers before the Meeting.

Custodians and nominees

Custodians and nominees are able to cast a direct vote or lodge a proxy vote online by visiting www.intermediaryonline.com

Questions from shareholders

Wesfarmers welcomes questions from shareholders who are attending the Meeting in person. In the interests of all present, please confine your questions to matters before the Meeting that are relevant to shareholders as a whole. Wesfarmers staff will be available at the Shareholder Information desk in the foyer on the day of the Meeting, and representatives from each of the Group businesses will be available before and after the Meeting to discuss individual questions from shareholders and customers.

Webcasting

The Meeting will be webcast on the Wesfarmers website at www.wesfarmers.com.au

EXPLANATORY NOTES

Item 1 – Financial Statements and Reports

The *Corporations Act 2001* requires Wesfarmers' financial statements and reports for the last financial year to be presented to the Annual General Meeting. The financial statements and reports are contained in Wesfarmers' 2018 Annual Report.

The 2018 Annual Report is available from the Wesfarmers website at www.wesfarmers.com.au

While no resolution is required in relation to this item, shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

Wesfarmers' auditor, Ernst & Young, will be present at the Meeting and shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, Wesfarmers' accounting policies and the independence of the auditor.

Items 2(a) and 2(b) – Election of Directors

As required by Wesfarmers' Constitution and the ASX Listing Rules, Mr Wayne Geoffrey Osborn retires by rotation and, being eligible, offers himself for re-election. The Board, with the assistance of the Nomination Committee, has reviewed the performance of the director standing for re-election and has endorsed his nomination as a candidate for re-election.

Mr Paul Bassat will retire by rotation as a director of the Company at the conclusion of this year's Meeting, and will not be seeking re-election.

The Right Honourable Simon William (Bill) English KNZM was appointed as a director of Wesfarmers with effect from 30 April 2018. In accordance with the Wesfarmers' Constitution, the *Corporations Act 2001* and the ASX Listing Rules, Mr English offers himself for election at this Meeting. The Board believes that the proposed election of Mr English is in the best interests of Wesfarmers having regard to the skills and experience which Mr English will bring to the Board. Mr English's appointment is recommended by the Board after review by the Nomination Committee.

The Board recommends the re-election of Mr Wayne Geoffrey Osborn, and the election of The Right Honourable Simon William (Bill) English KNZM. Neither of these directors participated in the Board's deliberations with respect to their recommendation for re-election or election.

The experience, qualifications and other information about each of the candidates appears on pages 8 and 9.

EXPLANATORY NOTES



WAYNE OSBORN

Dip Elect Eng, MBA, FAICD, FTSE

Age: 67

Term: Director since March 2010

Independent: Yes

Skills and experience: Mr Osborn holds a Diploma of Engineering (Electrical) from the Gordon Institute of Technology and a Master of Business Administration from Deakin University. He has 35 years of experience from roles in the mining, resources and manufacturing sectors. Mr Osborn joined Alcoa in 1979 and worked in a variety of assignments and locations across their Australian businesses and included accountability for operations in Japan and China, prior to being appointed Managing Director, Alcoa of Australia in 2001. He retired from this position in 2008.

Mr Osborn was Chairman of the Australian Institute of Marine Science from 2010 to 2014. He is a Fellow of the Australian Academy of Technological Sciences and Engineering and the Australian Institute of Company Directors.

Directorships of listed entities (last three years):

- Director of South 32 Limited (appointed May 2015)
- Director Iluka Resources Limited (appointed March 2010 and resigned May 2016)

Other directorships/offices (current and recent):

- Director of Alinta Holdings Pty Ltd (appointed March 2011 and resigned April 2017)

Wesfarmers committee memberships:

- Chairman of the Remuneration Committee
- Member of the Nomination Committee

The Board (other than Mr Osborn because of his interest) recommends that shareholders vote in favour of Mr Osborn's re-election.

EXPLANATORY NOTES



THE RIGHT HONOURABLE SIMON WILLIAM (BILL) ENGLISH KNZM

BA, B.Com (Otago)
Age: 56
Term: Director since April 2018
Independent: Yes

Skills and experience: Mr English joined the Board in April 2018. He holds a Bachelor of Commerce from the University of Otago and a Bachelor of Arts with honours in English Literature from Victoria University of Wellington.

Mr English was Minister of Finance and Deputy Prime Minister of New Zealand from October 2008 to December 2016 and Prime Minister until the change of government in October 2017. He retired from parliament in March 2018 after guiding the New Zealand economy through the global financial crisis to be one of the faster growing developed economies with sustainable government surpluses. He initiated tax reforms, partial floats of four government companies and financing the rebuild of Christchurch after the 2010 earthquakes. As Minister for Infrastructure, he set up the National Infrastructure Unit and initiated New Zealand's first Public Private Partnerships (PPP) Programme. He also focused on public sector reform, balance sheet management and led the development and implementation of Social Investment, a world-leading policy innovation for large scale social services. He oversaw significant investment in digitalising government and improving customer experience of public services.

Mr English was Minister of Health from 1996 to 1999 and has also held ministerial roles in education, housing, and revenue since his election to Parliament in 1990. He has long-term interests in economic restructuring, sound microeconomic policy, and social policy reform.

Directorships of listed entities (last three years):

Nil

Other directorships/offices (current and recent):

- Chairman of Mount Cook Alpine Salmon (director since July 2018, Chairman since August 2018)

Wesfarmers committee memberships:

- Member of the Audit and Risk, and Nomination committees

The Board (other than Mr English because of his interest) recommends that shareholders vote in favour of Mr English's re-election.

EXPLANATORY NOTES

Item 3 – Adoption of the Remuneration Report

The Remuneration Report contained in the 2018 Annual Report is required to be considered by shareholders in accordance with section 250R of the Corporations Act at the Meeting.

The Remuneration Report is set out on pages 77 to 96 of the 2018 Annual Report and is also available from the Wesfarmers' website at www.wesfarmers.com.au

The Board is committed to an executive remuneration framework, underpinned by guiding remuneration principles, focused on driving leadership performance and behaviours to deliver satisfactory returns to shareholders over the long term. It seeks to recognise our autonomous operating model, linking executive pay to the achievement of the Group's strategy and business objectives while aligning executive and stakeholder interests through long-term share ownership.

The 2018 Remuneration Report:

- defines Wesfarmers' remuneration strategy and guiding principles;
- sets out the components of our remuneration framework, including any associated performance conditions;
- describes how business performance for the 2018 financial year has driven remuneration outcomes for senior executives to reflect their individual contribution;
- confirms the remuneration of non-executive directors, the executive director and senior executives for the year ended 30 June 2018; and
- explains the anticipated impact of the proposed demerger of Coles on the incentive schemes that the executive key management personnel participate in.

The vote on the adoption of the Remuneration Report is advisory only and is not binding.

The Board recommends that shareholders vote in favour of the Remuneration Report.

EXPLANATORY NOTES

Item 4 – Grant of Restricted Shares and Performance Shares to the Group Managing Director

The Board believes that it is in shareholders' interests to provide the Group Managing Director with equity-based incentives to ensure that there is significant alignment between satisfactory returns for shareholders and rewards for Mr Robert Scott as an executive director.

Mr Scott participated in the Key Executive Equity Performance Plan (**KEEPP**) in the 2018 financial year and was assessed against an annual scorecard comprising Group net profit after tax, return on equity and strategic measures. As outlined in the Remuneration Report, Mr Scott achieved above target results.

A portion of the KEEPP award (20 per cent of fixed annual remuneration) has been paid in cash and the remainder of the award is proposed to be provided in an equal allocation of Performance Shares and Restricted Shares. After deducting the cash component of his KEEPP award, the Board has approved an allocation to Mr Scott of Restricted Shares up to the value of \$2,913,823 and Performance Shares up to the value of \$2,913,823. The Performance Shares have both financial performance conditions and strategic performance conditions over a four-year performance period which are specific to Mr Scott's role as Group Managing Director.

Approvals sought

Shareholders are asked to approve the 2018 KEEPP allocation of Restricted Shares and Performance Shares to the Group Managing Director, Mr Robert Scott, under ASX Listing Rule 10.14 and for all other purposes.

It is the Board's intention to leave Restricted Shares and Performance Shares on foot to be released or tested (as applicable) in the ordinary course, in the event of cessation of employment in certain circumstances. However to maintain flexibility, approval is sought under section 200E of the Corporations Act for Wesfarmers to deal with Restricted Shares and Performance Shares in accordance with the terms of the KEEPP upon Mr Scott ceasing employment where to do so would constitute the giving of a termination benefit to Mr Scott in appropriate circumstances (for example, to provide access to a pro-rata amount of shares to fund any taxation due on the shares as a result of termination of employment).

Key terms

The key terms of the grant of Restricted Shares and Performance Shares proposed to be made to Mr Scott in respect of the 2018 KEEPP awards are set out below.

Number allocated	To determine the aggregate number of Restricted Shares and Performance Shares to be allocated, \$5,827,646 (being the value of the KEEPP award, less the cash component) will be divided by the volume weighted average price of Wesfarmers shares over a 10-consecutive-trading-day period, within the 30-day period immediately following completion of the proposed Coles demerger (or, if the demerger is not approved, a 10-consecutive-trading-day period, within the 30-day period immediately following the Meeting), as determined by the Board.
Date of grant	If shareholder approval is obtained then it is intended that the Restricted Shares and Performance Shares will be granted to Mr Scott by the end of December 2018 or as soon as practicable after completion of the proposed Coles demerger (or, if the demerger is not approved, as soon as practicable following the Meeting). In any event, they will be granted within 12 months of receiving shareholder approval.

EXPLANATORY NOTES

Performance Shares conditions and vesting

The Performance Shares have financial performance conditions and strategic performance conditions over a four-year performance period which are specific to Mr Scott's role as Group Managing Director and will be tested at the end of the 2022 financial year:

- Wesfarmers' total shareholder return (**TSR**) relative to the TSR of the ASX 100 Index (60 per cent weighting);
- Wesfarmers' portfolio management and investment outcomes (20 per cent weighting); and
- other strategic objectives (20 per cent weighting).

Vesting schedule against relative TSR (60 per cent weighting):

Percentile ranking	Percentage of awards vesting
Below the 50th percentile	0% vesting
Equal to the 50th percentile	50% vesting
Between the 50th and 75th percentile	An additional 2% of awards vest for each percentile increase
Equal to the 75th percentile or above	100% vesting

Wesfarmers' portfolio management and investment outcomes (20 per cent weighting) and other strategic objectives (20 per cent weighting):

At the end of the four-year period the Board will consider the performance of Mr Scott in relation to the acquisition, investment and disposal activities of the Group over that period as well as his other strategic outcomes such as in relation to talent development, leadership and corporate reputation.

Following testing, any Performance Shares that do not vest will be forfeited. In accordance with the terms of the plan, the Board has discretion to make adjustments to the performance conditions where it is considered appropriate to do so.

Performance Shares that vest subject to the performance conditions are not subject to any additional trading restrictions, although the Board can elect to provide a cash payment as an alternative to the shares (equivalent in value to the vested shares).

Each Performance Share is a fully-paid ordinary share in Wesfarmers and no amount is payable by Mr Scott upon the vesting of any Performance Share.

Restricted Shares

Restricted Shares are subject to a five-year (50 per cent) and six-year (50 per cent) trading restriction.

They will be released from restriction on the day following the full year results announcement for the 2023 and 2024 financial years in August 2023 and August 2024 respectively (i.e., the beginning of the trading window) and will not be subject to any trading restrictions on dealing (subject to complying with Wesfarmers' Securities Trading Policy). The Board can elect to provide a cash payment as an alternative to the shares (equivalent in value to the vested shares).

Each Restricted Share is a fully-paid ordinary share in Wesfarmers and no amount is payable by Mr Scott upon the vesting of any Restricted Share.

EXPLANATORY NOTES

Cessation of employment

Restricted Shares

Restricted Shares are subject to forfeiture if Mr Scott resigns within 12 months of allocation, breaches the restraint clause in his employment agreement or is dismissed in certain circumstances including cause or significant underperformance. Otherwise, the restriction is intended to continue even if Mr Scott ceases to be an employee of Wesfarmers. The Board has discretion to lift this restriction early and also to provide a cash payment as an alternative to the shares (equivalent in value to the vested shares).

Performance Shares

If Mr Scott ceases employment with Wesfarmers before the end of the performance period, his entitlement to Performance Shares (if any) will depend on the circumstances of cessation. All shares will be forfeited in the event of resignation or dismissal for cause or significant underperformance.

If Mr Scott ceases employment during the performance period by reason of redundancy, ill health, death, or other circumstances approved by the Board, Performance Shares will generally be left restricted in the plan to be vested (and vest) at the end of the applicable performance period.

Clawback

The terms of the KEEPP contain a mechanism for the Board to clawback or adjust any awards of Restricted Shares and Performance Shares which vest (or may vest), or are released (or may be released) (as applicable) as a result of a material misstatement in, or omission from, the financial statements or otherwise as a result of fraud, dishonesty or breach of obligations. The Board has discretion to adjust any conditions applicable to an award, if considered appropriate. The Board may, up to the value of the overpaid remuneration, reduce or defer or otherwise require the repayment of any amount paid or payable to Mr Scott to ensure no unfair benefit is derived.

Dividends

Restricted Shares

These will be escrowed until the end of the 12-month forfeiture period and thereafter be paid to Mr Scott.

Performance Shares

These will be escrowed for the full four-year performance period and only paid to Mr Scott to the extent that the underlying shares vest.

Other required information – ASX Listing Rules

Approval is being sought from shareholders for all purposes, including for the purposes of ASX Listing Rule 10.14.

Approval has not previously been required in respect of grants under the KEEPP for the purposes of ASX Listing Rule 10.14.

Mr Scott is the only director of Wesfarmers entitled to participate in the KEEPP. No loan will be made available to Mr Scott in connection with the acquisition of the shares proposed to be granted to him if the resolution in Item 4 is approved.

EXPLANATORY NOTES

Other required information – section 200E Corporations Act

The value of any potential termination benefit that may be provided in relation to Restricted Shares and Performance Shares on cessation of employment cannot currently be ascertained, but on the cessation of employment can be calculated by multiplying the number of any such Restricted Shares and Performance Shares by the Wesfarmers share price prevailing as at that time.

The circumstances that may affect the calculation of this value include:

- the number of Restricted Shares and Performance Shares held by Mr Scott prior to his employment ceasing;
 - the circumstances of or reasons for leaving;
 - the result of any pro-rataing of shares on employment ceasing;
 - the performance against the performance hurdles for the Performance Shares (relative TSR, portfolio management and investment outcomes and other strategic objectives) at the time employment ceases or whether the performance hurdles are waived;
 - the amount of time that has elapsed at the time employment ceases;
 - the number of shares that lapse on cessation of employment; and
 - the market value of Wesfarmers shares on the date any shares vest.
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The Board believes that providing equity as a significant portion of the remuneration package for our senior executives is important, to ensure that an appropriate part of executive reward is linked to generating satisfactory long-term returns for shareholders.

If shareholders do not approve the grant of Restricted Shares and Performance Shares under the KEEPP for Mr Scott, the proposed grant of Restricted Shares and Performance Shares under the KEEPP will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Scott's total remuneration package and alignment of rewards with other senior executives in the Group. The Board would then need to consider alternative remuneration arrangements for Mr Scott which are consistent with Wesfarmers' remuneration principles, including providing an equivalent cash long-term incentive subject to the same risk of forfeiture, performance conditions and performance period as described above for the grant of the KEEPP shares.

The Board (other than Mr Scott, because of his interests) unanimously recommends that shareholders vote in favour of Item 4.

VENUE INFORMATION – PERTH CONVENTION AND EXHIBITION CENTRE

Perth Convention and Exhibition Centre (**PCEC**) is located in the heart of Perth city, adjacent to the Swan River. The location provides quick and easy access to and from the PCEC by car, train, bus, taxi and on foot. For more information on PCEC please visit www.pcec.com.au

Walking

Access into the PCEC on Level 1 is via Mill Street or Mounts Bay Road. Level 2 can be accessed via the Elizabeth Quay Bus Station overpasses.

Driving

Access to the City of Perth Convention Centre Car Park is via Mill Street, Mounts Bay Road and the Riverside Drive off-ramp of the Mitchell Freeway. Access to the Level 1 Plaza area is from Mill Street or Mounts Bay Road.

Public transport

Access to the PCEC via public transport is via the Elizabeth Quay Bus Station or from the Elizabeth Quay Train Station. For more information about public transport options to the PCEC, please visit www.transperth.wa.gov.au

PERTH CONVENTION AND EXHIBITION CENTRE

