

12 December 2014

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

WESFARMERS LIMITED – REVISED SECURITIES TRADING POLICY

The Board of Wesfarmers Limited approved a revised Securities Trading Policy on 9 December 2014.

Please find attached a copy of the revised Securities Trading Policy lodged with the ASX in accordance with ASX Listing Rule 12.10. A copy of the Securities Trading Policy is available on the corporate governance section of the company's website at www.wesfarmers.com.au.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

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BACKGROUND Wesfarmers is committed to ensuring compliance with the insider trading laws under the *Corporations Act 2001* (Cth), and protecting Wesfarmers' reputation in relation to trading in securities by its directors and employees.

POLICY APPLICATION This policy applies to all directors and employees of the Wesfarmers Group.

POLICY All directors and employees of the Wesfarmers Group are prohibited from:

- (a) dealing in any securities where the person dealing in the securities has inside information in relation to those securities;
- (b) passing on inside information to others who may deal in securities; and
- (c) applying to participate in a Wesfarmers share plan while in possession of inside information.

The prohibition on dealing in securities while in possession of inside information under this policy applies to both Wesfarmers securities, and the securities of any other entity. Background on the insider trading laws, and some limited exceptions to this policy are included in **Annexure A**.

Additional restrictions are imposed on directors of Wesfarmers and members of the Wesfarmers Leadership Team, as set out in **Annexure B**.

From time to time, additional restrictions on dealing in Wesfarmers securities (**Project Restrictions**) may also be imposed on directors and employees within the Wesfarmers Group due to their knowledge of a potential project or transaction.

BREACHES Strict compliance with this policy and the insider trading laws is a condition of employment within the Wesfarmers Group. Breach of the insider trading laws can expose Wesfarmers and individuals to penalties and third party claims. Individuals may also be subject to heavy fines and imprisonment. Breaches of this policy or the insider trading laws will result in disciplinary action, which may include termination of employment.

The requirements of this policy are separate from, and in addition to, the legal prohibitions in the *Corporations Act 2001* (Cth) on insider trading.

POLICY AMENDMENT This policy has been approved by the Wesfarmers Board, and cannot be amended without approval from the Wesfarmers Board

LAST AMENDED December 2014

Annexure A – Background to Insider Trading Laws and Policy Exceptions

1 Definitions

For the purpose of this policy:

- (a) **dealing** includes:
 - (i) buying or selling securities;
 - (ii) creating a hedge, security interest, margin loan or other financial interest over or in relation to securities;
 - (iii) transferring legal ownership of securities, even where beneficial ownership does not change;
 - (iv) any other transfer or creation of an interest in securities, whether directly, or by arranging for someone else to undertake the dealing on your behalf; and
 - (v) agreeing or applying to do any of the above.
- (b) **inside information** means information that:
 - (i) is not generally available; and
 - (ii) if it were generally available, it would, or would be likely to, have a material effect on the price or value of securities. This is satisfied where the information would, or would be likely to influence investors in deciding whether to buy or sell securities.
- (c) **securities** includes shares, options, notes, bonds and other debentures, interests in managed investment schemes, trusts and other financial products, and any derivatives of those securities, including equity swaps, contracts for difference, futures, hedges and exchange-traded or over-the-counter options, whether settled by cash or otherwise.
- (d) Portfolio products that are not specific to Wesfarmers, such as an index or broad based superannuation fund, are not “securities” for the purpose of this policy.

2 Insider trading laws

- (a) If a person has inside information in relation to Wesfarmers securities or other securities which is not publicly known, it is a criminal offence to:
 - (i) deal in those securities;
 - (ii) advise or procure another person to deal in those securities; or
 - (iii) pass on inside information to someone else where the person who has the inside information knows, or should reasonably have known, that the person receiving the information would use that information to deal in, or procure someone else to deal in, those securities.
- (b) Liability for breach of the insider trading laws can include:
 - (i) severe fines and/or imprisonment;
 - (ii) civil liability, which may include being sued by another party or Wesfarmers, for any loss suffered as a result of illegal dealing in securities; and
 - (iii) reputational damage, which may occur even where an insider trading breach is not proven.
- (c) The following factors should be considered to assist in determining whether information might be inside information, and whether passing on information may be a breach of the insider trading laws:
 - (i) It does not matter how a person comes to know the inside information, including whether it was obtained in the course of carrying out their responsibilities at work, or in passing in the corridor, or in a lift or at a dinner party.

- (ii) The financial impact of the information may be important in determining if it is market sensitive, but strategic and other matters may also be important in determining whether information might influence investors to buy or sell those securities, and accordingly, might influence whether the information is inside information.
- (iii) Information is inside information if it would, or would be likely to, influence investors in deciding whether to buy or sell securities, and can include information which is of an uncertain nature, rumours, matters of supposition, matters relating to the intentions of a person (including Wesfarmers) and information which is insufficiently definite to warrant disclosure to the public.
- (iv) The restriction on passing on information means that inside information must not be passed on to colleagues, family, friends, contractors or others where that person might deal in those securities.
- (v) The laws on insider trading can apply to dealings by entities and people associated with you (even if they are not employed by Wesfarmers), such as:
 - A. a company, trust or a managed superannuation fund that you control; and
 - B. a spouse, partner or dependent child.

Someone who is in possession of inside information may become subject to an insider trading investigation if an associate deals in securities to which the inside information relates.

3 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) a possible claim against Wesfarmers or other unexpected liability.

4 Share plans

Directors and employees of the Wesfarmers Group are prohibited from applying to participate in a Wesfarmers share plan (whether by completing an election or application form, or not opting out, as applicable), while in possession of inside information. Directors and employees who acquire Wesfarmers securities under a Wesfarmers share plan must also comply with the rules of that plan when dealing in those securities.

5 Exceptions to the policy

- (a) Subject to compliance with the applicable insider trading laws and any Project Restrictions that may apply to particular directors or employees from time to time, the requirements of the policy do not restrict:
 - (i) a disposal of Wesfarmers securities arising from the acceptance of an equal access buy-back;
 - (ii) an acquisition of Wesfarmers securities under a pro rata issue; or
 - (iii) the acquisition of Wesfarmers securities under a Wesfarmers share plan or dividend investment plan, provided that:

- A. the director or employee was not in possession of inside information relating to Wesfarmers securities and otherwise complied with the policy when applying to participate in a Wesfarmers share plan (whether by completing an election or application form, or not opting out, as applicable); and
 - B. the director or employee otherwise complies with the provisions of the plan.
- (b) Where an employee is subject to Project Restrictions, the Wesfarmers Finance Director may approve an issue of securities to the employee under an employee share plan (rather than acquisition of the securities on market). Any such issue of securities to an employee will not constitute a breach of this policy.
- (c) For the avoidance of doubt, the obligation on each director of Wesfarmers to notify Wesfarmers Company Secretary of trading in Wesfarmers securities under the letter agreement between Wesfarmers and the director continues to apply, notwithstanding this section 5.

Annexure B – Additional Restrictions on Wesfarmers’ Directors and Leadership Team

1 Additional restrictions on Wesfarmers’ directors and Leadership Team

Additional restrictions in this Annexure B apply to dealings in Wesfarmers securities by:

(a) directors of Wesfarmers and Wesfarmers’ Leadership Team (**Officer**);

or any of the following:

(b) any company, trust, managed superannuation fund or other entity that is controlled by an Officer; and

(c) in relation to Wesfarmers directors only, any other person or entity where dealing in Wesfarmers securities by that person or entity would require disclosure to the Australian Securities Exchange by the Wesfarmers director. This includes where the Wesfarmers director:

(i) owns Wesfarmers securities; or

(ii) controls the right to vote or dispose of Wesfarmers securities; or

(iii) is entitled to benefit from a contract to call for, or deliver Wesfarmers securities.

Each company, entity, and person referred to in paragraphs (b) or (c) above is an “**Affected Party**” of the Officer.

2 Process for dealing in securities by Officers

Subject to paragraph 4, an Officer must complete the following steps if they, or their Affected Parties, wish to deal in Wesfarmers securities:

(a) advise the Company Secretary of:

(i) their intention to deal in Wesfarmers securities; or

(ii) the intention of one of their Affected Parties to deal in Wesfarmers securities, including details of the number of securities involved;

(b) confirm to the Company Secretary that they do not hold unpublished inside information;

(c) await written advice from the Company Secretary (which may be given by email) confirming that there is no known reason to preclude the dealing in Wesfarmers securities;

(d) order or otherwise authorise the dealing in Wesfarmers securities within two clear trading days of receiving confirmation from the Company Secretary under paragraph 2(c); and

(e) following completion of the dealing by the Officer or their Affected Parties, confirm to the Company Secretary that the transaction has occurred.

For the purpose of paragraph 2(d), if the approval is given during or after trading on one day, the order for the dealing must be lodged or otherwise authorised by the Officer before the close of trading on the second trading day after the approval is given. If the approval is given prior to the commencement of trading on a particular day, the order for the dealing must be lodged or otherwise authorised by the Officer before the close of trading on the following trading day.

3 Company Secretary approval process

Before advising an Officer that there is no known reason to preclude trading in Wesfarmers securities under paragraph 2 above, the Company Secretary must confirm that statement with:

(a) at least two members of Wesfarmers’ disclosure committee, which is established under Wesfarmers’ Market Disclosure Policy; and

(b) the Chairman, where the dealing involves a Wesfarmers director or their Affected Parties, (or with the Chairman of the Audit Committee where the Chairman of the Board or the Chairman’s Affected Parties are seeking to deal in Wesfarmers securities).

4 Blackout Periods

Subject to paragraph 5, given the heightened risk of actual or perceived insider trading, Officers and their Affected Parties must not deal in Wesfarmers Securities during the following periods (together **Blackout Periods**):

Start	End of Blackout period
1 July	One trading day following the announcement of the full-year results
1 October	One trading day following the last to occur of the release of quarterly retail sales results; quarterly statement of coal production; and quarterly coal price negotiations
1 January	One trading day following the announcement of the half-year results
1 April	One trading day following the last to occur of the release of quarterly retail sales results; quarterly statement of coal production; and quarterly coal price negotiations

Note: If the results are released during or after trading on one day, the restriction continues until close of trading on the following trading day. If the results are released prior to the commencement of trading on a particular day, the restriction ends when the market closes that day.

The above restrictions on Officers and their Affected Parties dealing in Wesfarmers securities during any Blackout Periods are in addition to any project specific restrictions on dealing in Wesfarmers securities that may be imposed from time to time on nominated directors and employees within the Wesfarmers Group under this policy.

5 Exceptions to Blackout Periods

The only exception to the prohibition on dealing during Blackout Periods is a sale of Wesfarmers Securities, which will be permitted only:

- (a) if the processes outlined in paragraphs 2 and 3 above have been completed, and the Company Secretary has confirmed in writing that there is no known reason to preclude dealing; and
- (b) either:
 - (i) with prior written approval of the Chairman (or, in the case of the Chairman or an Affected Party of the Chairman, with the prior written approval of the Chair of the Audit Committee), where there are exceptional circumstances (such as severe financial hardship or compulsion by court order) and the Officer is not aware of inside information; or
 - (ii) without the prior written approval of the Chairman if the dealing does not involve a change in beneficial ownership, and does not require disclosure to the Australian Securities Exchange.

Where such approval is obtained, an order for the dealing must be lodged or otherwise authorised by the Officer within two clear trading days and the dealing must otherwise comply with the terms of this policy and applicable insider trading laws. For the purpose of this paragraph 5, if the approval is given during or after trading on one day, the order for the dealing must be lodged or otherwise authorised by the Officer before the close of trading on the second trading day after the approval is given. If the approval is given prior to the commencement of trading on a particular day, the order for the dealing must be lodged or otherwise authorised by the Officer before the close of trading on the following trading day.

6 Additional obligations on directors of Wesfarmers

Directors of Wesfarmers must also comply with:

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

7 Restrictions on hedging

- (a) Members of Wesfarmers' Leadership Team are prohibited from entering into arrangements (with anyone) if the arrangement would have the effect of limiting the exposure of that person to risk relating to an element of their remuneration that remains subject to restrictions on disposal under a Wesfarmers Group incentive plan (**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) In addition to the restrictions on hedging in paragraph (a) above, the *Corporations Act 2001* (Cth) restricts directors and senior executives of the Wesfarmers Group who are classified as "key management personnel" from time to time, and their closely related parties (as defined in the Corporations Act), from entering into an arrangement (with anyone) if the arrangement would have the effect of limiting the exposure of that director or senior executive to risk relating to an element of that director or senior executive's remuneration that remains subject to restrictions on disposal.
- (c) For Wesfarmers securities that have been issued under a share plan but are no longer subject to the restrictions referred to in paragraphs (a) and (b) above, as applicable, Wesfarmers Leadership Team may enter into transactions or arrangements of the type referred to in paragraphs (a) and (b) above, but they must comply with insider trading laws and the other provisions of this policy, as applicable.