

26 September 2013

The Manager Company Announcements Office Australian Securities Exchange

Dear Sir,

2013 NOTICE OF ANNUAL GENERAL MEETING

The following documents will be mailed to shareholders on 4 October 2013 in relation to the 2013 Annual General Meeting of Wesfarmers Limited to be held on Thursday, 7 November 2013 at 1:00 pm (Perth time):

- Personalised letter and Voting Form;
- Notice of Meeting (including the Explanatory Notes); and
- 2013 Annual Report or 2013 Shareholder Review (in accordance with elections made by shareholders).

Copies of this year's Annual Report and Shareholder Review, and information relating to the proposed capital return and share consolidation, are available on the company's website at www.wesfarmers.com.au.

Shareholders will be able to submit their direct vote or proxy vote instructions from 4 October 2013, in accordance with the instructions on the Voting Form.

Yours faithfully,

L J KENYON COMPANY SECRETARY

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Dear Shareholder,

ANNUAL GENERAL MEETING - 7 NOVEMBER 2013 AT 1:00 PM (PERTH TIME)

It is my pleasure to invite you to attend the 2013 Annual General Meeting of Wesfarmers Limited.

Please find enclosed the following:

- 1. Personalised Voting Form and return envelope;
- 2. Notice of Meeting (including the Explanatory Notes); and
- 3. 2013 Shareholder Review (if requested).

A copy of the 2013 Annual Report is available on the company's website (www.wesfarmers.com.au).

Meeting Details

The Annual General Meeting is being held at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia, on Thursday, 7 November 2013 at 1:00 pm (Perth time). The registration desk will be open from 12:00 noon.

For your convenience, there is a car park underneath the Perth Convention and Exhibition Centre. Undercover parking is available at a cost of \$5.00 per hour. The map on the back of this letter shows the location of the venue.

Attendance at the Meeting

If you will be attending the meeting, *please bring this letter with you* and present it at the registration desk. The bar code at the top of this page will assist in registering your attendance.

If you are unable to attend the meeting but wish to vote on any of the resolutions to be considered at the meeting, you are encouraged to complete and return the enclosed Voting Form in accordance with the instructions on the form.

Please complete the direct voting section OR the proxy voting section on the Voting Form to ensure your vote is valid. Alternatively, you can submit your direct vote or proxy voting instructions online at www.investorvote.com.au.

Webcast

Shareholders who cannot attend the meeting will be able to watch and listen to the business of the meeting via webcast on our website (www.wesfarmers.com.au).

We look forward to seeing you at the meeting.

Yours sincerely,

L J KENYON COMPANY SECRETARY

26 September 2013

LOCATION OF THE ANNUAL GENERAL MEETING



PUBLIC TRANSPORT AND PARKING INFORMATION

PCEC Parking

Access to the City of Perth Convention and Exhibition Centre carpark 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.

The PCEC carpark is popular and fills early. Alternative parking is available at:

Wilson Parking

- · The Quadrant entry via Mounts Bay Road
- Westralia Square entry via Mounts Bay Road
- Central Park Carpark entry via 152-158
 St Georges Terrace

City of Perth Parking

His Majesty's Carpark – entry via Murray Street

For more information on City of Perth carparks please call 1300 889 613 or visit www.perth.wa.gov.au/parking.

Parking bays for the disabled are available in the PCEC carpark, with nearby ramp/lift access available. For further information on City of Perth's special facilities within the carpark please call 1300 889 613 or email info.city@cityofperth.wa.gov.au.

Walking

Walking access into the Centre on Level 1 is via Mill Street or Mounts Bay Road. Level 2 can be accessed via the Esplanade Busport overpass.

Public Transport

Access to the Centre via Public Transport is via the Esplanade Busport or from the Esplanade Train Station. For more information about Public Transport options to the Centre, please visit the Transport page.



Wesfarmers Limited ABN 28 008 984 049

Lodge your Voting Form:

Online: www.investorvote.com.au

For Intermediary Online users only (custodians) www.intermediaryonline.com

By Fax:

(within Australia) 1800 783 447 (outside of Australia) +61 3 9473 2555

By Mail:

Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia

Voting Form - Annual General Meeting

For your vote to be effective it must be received by 1:00 pm (Perth time) on Tuesday, 5 November 2013

GO ONLIN	NE TO CAST YOUR VOTE DIRECTLY OR APPOIN	T YOUR PE	OXY TO VOTE ON YOUR BEHALF
\checkmark	Cast your vote directly or appoint a proxy	Step 1	www.investorvote.com.au

Access the annual report Step 2 Control Number: 136306

Review and update your securityholding Step 3 SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

How to Complete the Form

Step 1

Indicate How You Will Cast Your Vote

Select one option only. You can either cast a vote directly or you can appoint a proxy to vote on your behalf at the Meeting.

Cast Your Vote Directly

If you wish to cast your vote directly, please mark box A.

Appoint a Proxy to Vote on Your Behalf

If you wish to appoint the Chairman of the Meeting as your proxy, please mark box B and box C, as instructed in Step 1 overleaf.

If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. Do not write the name of the issuer company, Wesfarmers Limited, or the registered securityholder in the space.

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Form may be obtained by telephoning Computershare, the company's share registry, or you may photocopy this Form.

To appoint a second proxy you must:

- on each of the first Form and the second Form state the percentage of your voting rights or number of securities applicable to that Form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both Forms together in the same envelope.

A proxy need not be a securityholder of the company.

Step 2

How to Vote on Items of Business

Cast your direct vote or direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes.

If you mark more than one box on an item without specifying the portion of your voting rights to be voted on each, then your vote on that item will be invalid. If you have appointed a proxy and do not mark any of the boxes on a given item, your proxy may vote as he or she chooses.

If you cast your direct vote and you do not mark any of the boxes on a given item, you will be deemed to have not voted on that item.

Step 3

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: To sign under a Power of Attorney, you must have already lodged this document with Computershare. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this Form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this Form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

If a representative of a corporate securityholder or proxy is to attend the Meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.au.

For all enquiries please call Computershare on 1300 558 062 (within Australia) or +61 3 9415 4631 (outside Australia).

Change of address. If incorrect, mark
this box and make the correction in
the space to the left. Securityholders
sponsored by a broker (reference
number commences with 'X') should
advise your broker of any changes.

Voting	Form
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Please mark X to indicate your directions

STEP 1

Indicate How You Will Cast Your Vote Select one option only

Direct voting or proxy instructions for the Annual General Meeting of Wesfarmers Limited to be held at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia on Thursday, 7 November 2013 at 1:00 pm (Perth time) and at any adjournment of that Meeting, I/we being member/s of Wesfarmers Limited direct the following:

irect the follow	ving:							
			1. Cast Yo	our Vote Dire	ctly			
	Record my/our votes in accordance with the directions in Step 2 below. PLEASE NOTE: You must mark FOR, AGAINST, or ABSTAIN on each item for a valid direct vote to be recorded.				AIN on			
				<u>OR</u>				
		2	. Appoint a Proxy	y to Vote on	Your Beha	lf		
I/We appoi	int							
	he Chairman OR of the Meeting					EASE NOTE: Leave this box buirman of the Meeting. Do not		
meeting on						of the Meeting, as my/our pr been given, and to the exter		
	to vote undirected pro	xies in favour: I/we a	acknowledge that the C	chairman of the M	Meeting intends	s to vote all undirected and a	vailable pr	roxies in favour of
Meeting as (except wh	s my/our proxy (or the C	hairman becomes my a different voting inte	y/our proxy by default), ention below) even tho	, I/we expressly a ugh each of thes	authorise the (se resolutions	utions: Where I/we have ap Chairman to exercise my/our are connected directly or incur marking box C below.	r proxy on	Items 3, 4 and 5
	mportant for Items 4 an nark box C.	d 5: If the Chairman	of the Meeting is your p	proxy and you ha	ve not directed	I the Chairman how to vote o	n Items 4	and 5 below, pleas
	We acknowledge that the otes cast by the Chairma					has an interest in the outcome	me of Iten	ns 4 and 5, and tha
If	you do not mark this box	and you have not ot	herwise directed your p	proxy how to vote	on these reso	olutions, the Chairman of the lis called on these resolution		vill not cast your
STEP 2			Items o	of Busine	SS			
		FOT	Against Abstain				For	Against Abstain
Item 2 (a)	Re-election of Mr A J Howarth	[Item 4		nt of Performance Rights to Group Managing Director		
Item 2 (b)	Re-election of Mr W G Osborn			Item 5		nt of Performance Rights to Finance Director		
Item 2 (c)	Re-election of Ms V M Wallace			Item 6		urn of Capital to reholders		
Item 2 (d)	Election of Ms J A Westacott			Item 7	Cor	solidation of Shares		
Item 3	Adoption of the Remuneration Repo	ort						
						in favour of each item of		
and your	NOTE: If you have appovotes will not be counted nat item and no vote will be	in compating the requ	anoa majomy. Ii you aro	andday voung an	re directing you nd you tick abs	or proxy not to vote on your be tain for an item, it will be treated	ehalf on a sed as thou	show of hands or a page in the second
SIGN		Signature	of Securityh	older(s)	This section m	oust be completed		
Individual	or Securityholder 1	S	Securityholder 2			Securityholder 3		
Sole Direc	tor and Sole Compan	y Secretary D	Director			Director/Company Secr	etary	
Contact				Contact Daytime			,	1

Computershare +

WES

Telephone



Wesfarmers Limited 2013 Notice of Meeting

Notice is hereby given that the 32nd Annual General Meeting of Wesfarmers Limited will be held at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia on Thursday, 7 November 2013 at 1:00 pm (Perth time)

Registration will open at 12:00 noon

Business of the Meeting

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 2013.

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

2 Election of Directors

To elect four directors, each of:

- a) Mr Anthony (Tony) John Howarth AO;
- b) Mr Wayne Geoffrey Osborn; and
- c) Ms Vanessa Miscamble Wallace, who retire by rotation in accordance with Wesfarmers' Constitution, and the ASX Listing Rules, and being eligible, offer themselves for re-election; and:
- d) Ms Jennifer Westacott, 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, and the ASX Listing Rules and, being eligible, offers herself for re-election.

Each election or re-election (as the case may be) will be voted on as a separate ordinary resolution.

3 Adoption of Remuneration Report

To consider and, if thought fit, approve the Remuneration Report for the year ended 30 June 2013, as set out in the 2013 Annual Report.

Notes:

- This resolution is advisory only and does not bind Wesfarmers or the directors.
- Shareholders should note that the result of the vote on this item may affect the 2014 Annual General Meeting. Under the Corporations Act, if 25 per cent or more of votes cast at the Meeting are against this resolution (constituting the 'first strike'), a resolution on whether to hold a further meeting to spill the Board (a spill resolution) would be put to shareholders if a 'second strike' occurs at the 2014 Annual General Meeting. This spill resolution would be included in the 2014 Notice of Meeting.

Voting exclusion statement

The following persons may not vote, and 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 member of the key management personnel 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.

4 Grant of Performance Rights 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 up to 88,000 performance rights to the Group Managing Director, Mr Richard Goyder, under the 2013 Wesfarmers Long Term Incentive Plan, on the terms summarised in the Explanatory Notes.'

5 Grant of Performance Rights to the Finance Director

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

'That approval be given to the grant of up to 55,000 performance rights to the Finance Director, Mr Terry Bowen, under the 2013 Wesfarmers Long Term Incentive Plan, on the terms summarised in the Explanatory Notes.'

Voting exclusion statement

The following persons may not vote, and Wesfarmers will disregard any votes cast on Item 4 and Item 5 by Mr Goyder, Mr Bowen (or their respective associates) and by any other director who is eligible to participate in any employee incentive scheme of Wesfarmers (or by any of their 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.

6 Return of Capital to Shareholders

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

'That, conditional on the passing of the resolution proposed in Item 7 (Consolidation of Shares), for the purposes of Part 2J.1 of the Corporations Act, approval is given for the share capital of the Company to be reduced by approximately \$579 million, such reduction of capital to be effected by the Company paying to each registered holder of ordinary shares and partially protected shares in the Company as at the record date of 4:00 pm (Perth time) on 15 November 2013 the amount of \$0.50 per ordinary share and partially protected share in the Company held by that holder at that time.'

Business of the Meeting

7 Consolidation of Shares

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

'That, conditional on the passing of the resolution proposed in Item 6 (Return of Capital to Shareholders), with effect from 18 November 2013, the share capital of the Company will be consolidated through the conversion of every one ordinary share in the Company into 0.9876 ordinary shares in the Company, and every one partially protected share in the Company into 0.9876 partially protected shares in the Company, and that any resulting fractions of a share be rounded up to the next whole number of shares.'

By order of the Board

LJKENYON

Company Secretary 26 September 2013

Important Information

Members entitled to attend and vote at the meeting

In accordance with Wesfarmers' Constitution and the *Corporations Regulations 2001 (Cth)*, the Board has determined that the members entitled to attend and vote at the Meeting will be those persons who are recorded in the register of members at 4:00 pm (Perth time) on Tuesday, 5 November 2013.

Direct Voting

What is direct voting?

Direct voting allows members to lodge their votes directly with Wesfarmers as an alternative to voting at the Meeting, in person or by proxy. Direct voting gives members the flexibility to vote even where they may not be able to attend the Meeting or may not wish to appoint a proxy to attend the Meeting in their place.

The Board of Wesfarmers Limited has adopted regulations to govern the form, method and timing of giving a direct vote for it to be valid. By submitting a direct vote, members agree to be bound by the direct voting regulations adopted by the Board.

Direct voting regulations are available from the Wesfarmers website at **www.wesfarmers.com.au** and can be requested from the Company Secretariat (**info@wesfarmers.com.au**).

Lodging a direct vote

A direct vote can be lodged by completing and returning the enclosed Voting Form.

Please complete only the **direct voting section** of the Voting Form. For further information on lodging a direct vote, please refer to the instructions on the form.

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 1:00 pm (Perth time) on Tuesday, 5 November 2013).

In person: Share Registry – Computershare Investor Services Pty Limited, Yarra Falls, 425 Johnston Street, Abbotsford VIC 3067 Australia; or

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

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

Members can also submit their direct voting instructions online at **www.investorvote.com.au**. Please refer to the enclosed Voting Form for more information about submitting direct voting instructions online.

Important Information

Proxies

Appointing a proxy

Direct voting and the appointment of a proxy by a member are **alternatives**; a member cannot lodge a direct vote and appoint a proxy for the same voting rights.

Where a member is unable to attend the Meeting, we encourage that member to complete the proxy voting section of the enclosed Voting Form. Each member is entitled to appoint a proxy. A proxy need not be a member of Wesfarmers Limited.

If a member appoints the Chairman in Step 1 of the Voting Form as their proxy in relation to Items 3, 4, and 5, but does not complete any of the boxes 'For', 'Against' or 'Abstain' opposite those resolutions in Step 2 of the Voting Form, the member is expressly authorising the Chairman to exercise their proxy, and the Chairman intends to vote in favour of Items 3, 4, and 5.

Additionally, for Items 4 and 5, the express authorisation of the Chairman is subject to the member marking box 'C', as per the instructions in Step 1 of the Voting Form. If the member wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting on Items 4 and 5, the member should specify this by completing the 'Against' or 'Abstain' boxes in Step 2 of the Voting Form.

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

Lodging a proxy form

If you wish to appoint a proxy, please complete only the **proxy voting section** of the Voting Form.

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 1:00 pm (Perth time) on Tuesday, 5 November 2013).

In person: Share Registry – Computershare Investor Services Pty Limited, Yarra Falls, 425 Johnston Street, Abbotsford VIC 3067 Australia; or

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

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

Members can also submit their proxy voting instructions online at **www.investorvote.com.au**. Please refer to the enclosed Voting Form for more information about submitting proxy voting instructions online.

Body corporate representatives

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. 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 vote online and receive confirmation of their votes by accessing this website: **www.intermediaryonline.com**. This website allows intermediaries to choose whether to cast a direct vote or lodge a proxy vote.

Resolutions

All items of business require ordinary resolutions, which means that, to be passed, the item needs the approval of a simple majority of votes cast by shareholders entitled to vote on the resolution.

Questions from shareholders

Shareholders will have an opportunity to ask questions and make comment about each resolution.

Webcasting

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

Item 1 - Financial statements and reports

The Corporations Act requires Wesfarmers' financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in Wesfarmers' 2013 Annual Report.

The 2013 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-d) – Election of Directors

In accordance with Wesfarmers' Constitution and the ASX Listing Rules, three directors, Anthony (Tony) Howarth, Wayne Osborn, and Vanessa Wallace, retire by rotation and, being eligible, offer themselves for re-election.

Under Wesfarmers' Constitution, and in accordance with the Corporations Act, a director appointed by the Board only holds office until the next Annual General Meeting. Jennifer Westacott was appointed as a director of Wesfarmers with effect from 3 April 2013. In accordance with Wesfarmers' Constitution and the Corporations Act, she offers herself for election at this Meeting. The Board is of the view that the proposed election of Jennifer Westacott is in the best interests of Wesfarmers, having regarding to the skills and experience which Ms Westacott will bring to the Board. Ms Westacott's appointment was considered by the Nomination Committee and, after review, her appointment was recommended to the Board for approval.

The Board recommends the re-election of Anthony (Tony) Howarth, Wayne Osborn, and Vanessa Wallace, and the election of Jennifer Westacott. None 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 the following pages.



Term of office: Joined the Board in July 2007 and appointed Chairman of the Audit Committee in October 2008.

Independent: Yes.

Skills and experience: Tony is a Life Fellow of the Financial Services Institute of Australasia and has over 30 years experience in the banking and finance industry. He has held several senior management positions during his career, including Managing Director of Challenge Bank Limited and Chief Executive Officer of Hartleys Limited.

Tony is also involved in a number of community and business organisations including the Senate of the University of Western Australia. He is a member of the Rio Tinto WA Future Fund and the University of Western Australia Business School Advisory Board, the Chairman of the International Chamber of Commerce, Australia Limited, and a director of West Australian Rugby Union Inc.

Other directorships/offices (current and recent):

- Chairman of St John of God Health Care Inc (appointed January 2004);
- Director of Alinta Holdings (appointed March 2011);
- Adjunct Professor (Financial Management) at the University of Western Australia Business School:

- Chairman of Home Building Society Limited (delisted December 2007) (appointed June 2003 and resigned July 2010);
- Deputy Chairman of Bank of Queensland Limited (appointed December 2007 and resigned July 2010);
- Director of AWB Limited (appointed March 2005 and resigned December 2010);
- Fellow of AICD.

Directorships of listed entities within the last three years:

- Chairman of Mermaid Marine Australia
 Limited (appointed July 2001); and
- Director of BWP Management Limited, the responsible entity for the BWP Trust (appointed October 2012).

Wesfarmers Committee Memberships:

- Chairman of the Audit Committee: and
- Member of the Nomination Committee.

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



Term of office: Joined the Board in March 2010 and appointed Chairman of the Remuneration Committee in February 2013.

Independent: Yes.

Skills and experience: Wayne holds a Diploma of Engineering (Electrical) from the Gordon Institute of Technology, a Master of Business Administration from Deakin University and is a member of the Institution of Engineers, Australia. Wayne has previously been the Managing Director of Alcoa of Australia Ltd (retired in February 2008) and Chairman of Thiess Pty Ltd (resigned in September 2012). His work in support of the arts through the Australian Business Arts Foundation was recognised with the 2007 WA Business Leader Award.

Other directorships/offices (current and recent):

- Director of Alinta Holdings;
- Chairman of the Australian Institute of Marine Science in 2010;
- Fellow of the Australian Academy of Technological Sciences and Engineering; and
- Fellow of AICD.

Directorships of listed entities within the last three years:

- Leighton Holdings Limited (appointed November 2008 and resigned March 2013);
 and
- Iluka Resources Limited (appointed March 2010).

Wesfarmers Committee Memberships:

- Chairman of the Remuneration Committee:
- Member of the Nomination Committee; and
- Attends the Audit Committee meetings by invitation.

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



Term of office: Joined the Board in July 2010. **Independent:** Yes.

Skills and experience: Vanessa holds a Bachelor of Commerce degree from the University of New South Wales and a Master of Business Administration from the IMD Business School Switzerland. Vanessa is the Executive Chairman of Booz & Company (Japan) Inc and currently leads the firm's financial services practice in Global Markets. She has held multiple governance roles at the highest level within Booz's global partnership, including being a member of the Board. She is an experienced management consultant who has been with Booz & Company for more than 20 years.

Vanessa is actively involved in the firm's customer, channels and markets activities which focus on areas such as customer experience, offer design and channels to market across a number of industries. She has had hands on experience in mergers and acquisitions and post merger integration.

Other directorships/offices (current and recent):

- Chairman's Council of the Australian Chamber Orchestra Pty Ltd; and
- Member of AICD.

Directorships of listed entities within the last three years:

– Nil

Wesfarmers Committee Memberships:

- Member of the Remuneration Committee:
- Member of the Nomination Committee: and
- Attends Audit Committee meetings by invitation.

The Board (other than Ms Wallace because of her interest) recommends that shareholders vote in favour of Ms Wallace's re-election.



Term of office: Joined the Board in April 2013. **Independent:** Yes.

Skills and experience: Jennifer holds a
Bachelor of Arts (Honours) from the University
of New South Wales and was a Chevening
Scholar at the London School of Economics.
She has also attended the INSEAD Business
School Singapore and completed the Graduate
Certificate in Advanced Management from
Monash Mt Eliza Business School.

Jennifer is Chief Executive of the Business Council of Australia, the leading forum for the heads of Australia's top 100 companies to contribute to public policy debate. Prior to that, she was a Board Director and lead partner at KPMG, heading its Sustainability, Climate Change and Water practices, and its NSW State Government practice.

Jennifer has had extensive experience at the Chief Executive level in critical leadership positions in the NSW and Victorian Governments, most recently as Director General of the NSW Department of Infrastructure, Planning and Natural Resources. She is a recipient of the Centenary Medal in 2003, was a Finalist for the Telstra Business Woman of the Year in 1998, and was voted Australian Financial Review BOSS Magazine's No. 1 True Leader for 2013.

Other directorships/offices (current and recent):

- Director and Chief Executive Officer of the Business Council of Australia (appointed April 2011);
- Chair of the Mental Health Council of Australia (appointed March 2013);
- Director of the Urban Renewal Authority South Australia (appointed August 2012 and resigned July 2013);
- National Fellow of the Institute of Public Administration:
- Adjunct Professor, City Futures Research Centre of the University of NSW; and
- Fellow of AICD.

Directorships of listed entities within the last three years:

- None.

Wesfarmers Committee Memberships:

- Member of the Audit Committee: and
- Member of the Nomination Committee.

The Board (other than Ms Westacott because of her interest) recommends that shareholders vote in favour of Ms Westacott's election.

Item 3 - Adoption of the Remuneration Report

The Remuneration Report contained in the 2013 Annual Report is required to be considered by shareholders in accordance with section 250R of the Corporations Act.

The Remuneration Report, which details Wesfarmers' policy on the remuneration of non-executive directors, executive directors and senior executives, is set out on pages 77 to 94 of the Wesfarmers 2013 Annual Report and is also available on the Wesfarmers website at **www.wesfarmers.com.au**.

The Board is committed to an executive remuneration framework that is focused on driving a performance culture by rewarding executive performance for the achievement of Wesfarmers' short-term and long-term strategy and business objectives and, ultimately, generating satisfactory returns for shareholders.

Link between remuneration outcomes and performance

The Remuneration Report explains how Wesfarmers' performance for the 2013 financial year has driven remuneration outcomes for our senior executives.

The Wesfarmers Group had solid performance for the 2013 financial year, which resulted in overall positive growth on the prior year. The financial performance for a number of divisions met or exceeded the annual financial targets set by the Board, resulting in the annual incentive plan (which is linked to divisional performance) delivering at or above target awards for the executive directors and for senior executives in those divisions. For executives in the other divisions, annual incentive awards reflect performance against threshold financial and non-financial targets.

During the 2013 financial year, shares vested under the 2010 Wesfarmers Long Term Incentive Plan (WLTIP) for participating senior executives, with Wesfarmers' compound average growth rate in return on equity over the three-year performance period to 30 June 2013 at the 82nd percentile of the S&P/ASX 50 Index.

Further detail on the link between remuneration outcomes and Wesfarmers' performance for the 2013 financial year are set out in the Remuneration Report. The audited remuneration table can be found on page 80 of the Annual Report.

Key changes for 2013

The Remuneration Report also sets out a summary of the key changes to remuneration-related matters for the 2013 financial year, which include:

Executive directors and senior executives

Fixed remuneration

- The Board determined that no increase would be made to the fixed remuneration for the Group Managing Director for the 2013 financial year and 2014 financial year, as the current level of remuneration is considered appropriate.
- Senior executive fixed remuneration increased during the 2013 financial year, based on business and individual performance. The average fixed remuneration increase for key management personnel for the 2013 financial year was less than two per cent.

Variable remuneration

- A comprehensive review of the senior executive remuneration framework and policies was undertaken during the year, with the Board confirming that the current arrangements continue to be appropriate.
- As part of this broad review, the transitional arrangements for participants in the Coles Long Term Incentive Plan were also considered, given 2013 was the final year of the plan, with the Board determining that participants would transition to the WLTIP for the 2014 financial year to align with the incentive plan offered to other senior executives.
- The Board continued to review the WLTIP during 2013, in particular the long-term incentive performance metrics. For the 2013 WLTIP (to be granted during the 2014 financial year), the Board reaffirmed that growth in return on equity remains a key financial metric to measure Wesfarmers' long-term success as it contains clear links to shareholder value creation, and the use of total shareholder returns ensures alignment between shareholder return and reward for executives.

Non-executive directors

- The Board determined that no increase would be made to non-executive director fees for the 2013 financial year.
- The Board approved enhancements to the shareholding requirements for non-executive directors. In addition to the requirement for directors to hold a minimum of 1,000 Wesfarmers shares within two months of appointment, directors are expected to increase their holdings in Wesfarmers shares to a number which is equivalent in approximate value to the gross annual base fee paid at the relevant time within a five-year period of appointment.
- Remuneration Committee membership changed during the year, with Wayne Osborn taking over the role of committee chairman from Bob Every, and Vanessa Wallace joining the committee as an additional member.
- Two new non-executive directors, Paul Bassat and Jennifer Westacott, were appointed to the Board during the year, which is reflected in the overall increase in non-executive director remuneration from the 2012 to 2013 financial year.

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.

Items 4 and 5 - Grant of performance rights to the Executive Directors

The Board believes that it is in shareholders' interests to provide the Group Managing Director and the Finance Director with an equity based long-term incentive to ensure that there is alignment between satisfactory returns for shareholders and the rewards for the executive directors.

The long-term incentive component of remuneration takes the form of an annual grant of performance rights under the WLTIP. The performance rights are judged against two relative performance conditions, growth in Return on Equity (ROE) and Total Shareholder Return (TSR) compared to the S&P/ASX 50 Index over a four-year performance period. The grant of performance rights vests on a sliding scale, commencing at 50 per cent vesting for median performance and increasing on a straight line basis to full vesting for performance at or above the 75th percentile of comparators. As no shares are allocated until after the end of the performance period in relation to those performance rights that vest, WLTIP participants will not be entitled to receive any dividends on the performance rights during the performance period. Performance rights do not carry a right to vote at general meetings of Wesfarmers.

Approvals sought

Shareholders are asked to approve a 2013 WLTIP allocation of performance rights to:

- the Group Managing Director, Mr Richard Goyder; and
- the Finance Director, Mr Terry Bowen.

In addition, approval is sought under section 200E of the Corporations Act for the pro-rata vesting of performance rights to each of Mr Goyder and Mr Bowen in the event of cessation of their respective employment in limited circumstances under the terms of the Plan.

Kev terms

The key terms of the grant of performance rights proposed to be made to each of Mr Goyder and Mr Bowen in respect of the 2013 WLTIP awards are set out below. An overview of the WLTIP can be found on pages 86 to 87 of the Remuneration Report.

Number allocated

The proposed 2013 WLTIP award for:

- Mr Goyder is a maximum of 88,000 performance rights; and
- Mr Bowen is a maximum of 55,000 performance rights.

This represents the long-term incentive component of each of their respective remuneration packages.

The WLTIP awards are based on a percentage of fixed remuneration as at 30 June 2013. The maximum number of rights has been calculated based on approximately 100 per cent of fixed remuneration for Mr Goyder and 125 per cent of fixed remuneration for Mr Bowen. This percentage has been determined by the Board by reference to the executive's performance and market position. In both cases the award is within the range set by the Board for WLTIP allocations. The remuneration value determined above was then divided by \$40.02, being the 10 day volume weighted average price of Wesfarmers shares over the period immediately following the 2013 results announcement in August i.e. 16 to 29 August 2013.

Date of grant

If shareholder approval is obtained then it is intended that the performance rights will be granted to Mr Goyder and Mr Bowen by the end of November 2013 in accordance with the normal time frame for allocation under the WLTIP and in any event they will be granted within 12 months of receiving shareholder approval.

Performance hurdles

The performance rights are subject to two performance hurdles.

First, 75 per cent of the performance rights are subject to a hurdle based on the Compound Annual Growth Rate (CAGR) in ROE. Wesfarmers' CAGR in ROE must exceed the 50th percentile of the CAGR in ROE of the S&P/ASX 50 Index, at which point 50 per cent of the applicable rights will vest. An additional two per cent of rights will vest for every one percentile increase above the 50th percentile up to the 75th percentile, at which point all of the rights subject to this condition will vest.

The vesting of the remaining 25 per cent of performance rights is conditional on Wesfarmers' TSR performance relative to companies in the S&P/ASX 50 index. The same vesting schedule applies to the TSR performance hurdle as for the CAGR in ROE hurdle outlined above.

Performance period and vesting

The performance rights are subject to a four year performance period, commencing 1 July 2013 and tested following 30 June 2017.

Any rights which do not vest following testing of the performance hurdles at the end of the performance period will lapse.

Allocation of Shares Following testing of the applicable performance conditions and determination of the vesting level of the rights, one fully paid ordinal share in Wesfarmers will be allocated in relation to each right which It is the present intention of the Board that no new shares will be is satisfy Wesfarmers' obligation to allocate shares on vesting rights.				
Trading restrictions Shares allocated on vesting of the rights will not be subject to any additional trading restrictions on dealing. Mr Goyder and Mr Bower may, however, request at the time of applying to participate in the V grant that an additional one or three year restriction apply to any shallocated to them.				
Clawback provision	The terms of the plan contain a mechanism for the Board to clawback or adjust any incentive awards which vest (or may vest) 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 also has discretion to adjust any conditions applicable to an award, if considered appropriate.			
Price payable for rights	No amount will be payable in respect of the allocation, or on the vesting, of the rights.			
Cessation of employment	If either Mr Goyder or Mr Bowen ceases employment with Wesfarmers before the end of the performance period, their entitlement to the rights (if any) will depend on the circumstances of cessation.			
	All rights will lapse in the event of resignation or termination for cause.			
	In accordance with the rules of the WLTIP, in limited circumstances including ill health, death, redundancy or other circumstances approved by the Board, Mr Goyder and Mr Bowen may be entitled to a pro-rata number of rights based on the time worked during the performance period and to the extent the performance hurdles have been satisfied at the time of cessation.			
Other required	Mr Goyder and Mr Bowen are the only directors of Wesfarmers entitled to participate in the WLTIP.			
information – ASX Listing Rules	Approvals were sought for the allocation of performance rights to the two executive directors under the 2012 WLTIP at the 2012 Annual General Meeting. In accordance with those approvals, 100,000 performance rights were allocated to Mr Goyder and 50,000 performance rights were allocated to Mr Bowen on 15 November 2012.			

Other required information – section 200E Corporations Act

The value of the rights that may vest on cessation of employment cannot currently be ascertained.

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

- the performance against the performance hurdles at the time employment ceases;
- the part of the performance period that has elapsed at the time employment ceases; and
- the number of rights that lapse on cessation of employment.

The Board believes that an equity based long-term incentive is an important component of executive remuneration, to ensure an appropriate part of executive reward is linked to generating satisfactory long-term returns for shareholders.

Approval is being sought from shareholders as Wesfarmers elects to provide the long-term incentive in the form of equity. If shareholders do not approve the grant of performance rights as a long-term incentive for the executive directors the proposed grant of performance rights to Mr Goyder and Mr Bowen will not proceed. In that circumstance, issues may arise with the competitiveness of the executive directors' total remuneration package, alignment of rewards with other senior executives in the Group, and with Wesfarmers' ability to honour contractual obligations to the executive directors. The Board would then need to consider alternative remuneration arrangements for Mr Goyder and Mr Bowen which are consistent with Wesfarmers' remuneration principles, including providing an equivalent cash long-term incentive subject to the same performance conditions and performance period as described above.

The Board (other than Mr Goyder and Mr Bowen, because of their respective interests), recommends that shareholders vote in favour of Items 4 and 5.

Item 6 - Return of Capital to Shareholders

(a) Return of capital

Wesfarmers proposes to make a cash payment to shareholders of \$0.50 per ordinary share and partially protected share (representing approximately \$579 million in total) as a return of capital. The record date for determining entitlements to receive the return of capital is 4:00 pm (Perth time) on 15 November 2013. If the return of capital payment is approved, payment will be calculated on a pre-consolidated basis.

The return of capital is conditional on the passing of the resolution proposed in Item 7 (Consolidation of Shares) and therefore the resolution proposed in Item 6 should be considered in conjunction with the resolution proposed in Item 7.

(b) Payment details

If the return of capital is approved by shareholders, payment will be made to eligible shareholders, being registered holders of Wesfarmers ordinary shares and partially protected shares as at the record date referred to above.

How to provide your bank account details to the share registry

As with dividend payments, payments of the return of capital to Australian, New Zealand and United Kingdom registered resident shareholders will be made by way of direct credit to a financial institution in Australia, New Zealand or the United Kingdom (including a bank, building society or credit union account). Shareholders who have not already provided the share registry with their bank account details may complete the Direct Credit Payment Form, which is available from Wesfarmers' share registry, Computershare Investor Services Pty Limited, or provide their details online at **www.wesdirect.com.au**. For enquiries, please contact Computershare Investor Services Pty Limited on 1300 558 062 (within Australia) or +61 (0)3 9415 4631.

(c) Tax treatment

Refer to section 6(g) below for information about the tax implications of the return of capital for shareholders.

(d) Reasons for the return of capital

The Board proposes to return cash that is surplus to Wesfarmers' needs to shareholders in light of the Company's strong balance sheet, as described in the 2013 full-year financial results released to the market on 15 August 2013, and in the 2013 Annual Report. The directors believe that the return of approximately \$579 million to shareholders will ensure that Wesfarmers maintains an efficient capital structure, without adversely affecting the financial flexibility of the Company to achieve its growth objectives. The proposed return of capital demonstrates Wesfarmers' commitment to prudent capital management and its focus on providing a satisfactory return to shareholders.

(e) Requirements for the return of capital

(i) Equal reduction

The proposed return of capital constitutes an equal reduction of Wesfarmers' share capital for the purposes of the Corporations Act. It applies to each shareholder in proportion to the number of ordinary shares and partially protected shares that each shareholder holds, with the terms of the return the same for each shareholder.

(ii) Statutory requirements

The requirements under the Corporations Act for a company to reduce its share capital are set out below.

Requirement – The reduction must be fair and reasonable to the company's shareholders as a whole.

How is the requirement satisfied?

The directors consider that the return of capital is fair and reasonable to Wesfarmers shareholders as a whole. All Wesfarmers shareholders will be treated in the same manner under the terms of the return of capital. Whether a shareholder holds ordinary shares or partially protected shares, the same rate of capital return of \$0.50 per share applies, and the overall return of capital received by each shareholder will be proportionate to the number of shares they hold.

Requirement – The reduction must not materially prejudice the company's ability to pay its creditors.

How is the requirement satisfied?

The directors have reviewed the assets, liabilities and expected cash flows of Wesfarmers, and are of the view that the return of capital will not materially prejudice Wesfarmers' ability to pay its creditors. The directors have also satisfied themselves as to the solvency of Wesfarmers following the return of capital.

Requirement – The reduction must be approved by shareholders under section 256C of the Corporations Act.

How is the requirement satisfied?

Shareholder approval is being sought at this meeting for the purposes of complying with the Corporations Act requirements. The return of capital must be approved by an ordinary resolution of Wesfarmers shareholders, whether those shareholders hold ordinary shares or partially protected shares.

In accordance with section 256C(5) of the Corporations Act, a copy of this Notice of Meeting (including the Explanatory Notes) has been lodged with the Australian Securities and Investments Commission.

(f) Effect of the return of capital on the Company

(i) Effect on the capital structure

The return of capital is conditional on the passing of a separate resolution for a proposed consolidation of share capital (see Item 7 (Consolidation of Shares)), which will affect the total number of Wesfarmers shares on issue, and the number of shares held by each ordinary and partially protected shareholder. Subject to rounding, this will not affect a shareholder's percentage shareholding in Wesfarmers. See section 7(c) below for further information. For the avoidance of doubt, entitlements under the proposed return of capital will be calculated based on Wesfarmers' pre-consolidated number of issued ordinary and partially protected shares.

(ii) Impact on financial position

The return of capital will be funded by a mix of Wesfarmers' available cash balances and drawing on existing debt facilities, such mix to be determined having regard to the most cost effective source of funding available as at the date of payment.

In determining whether to implement a return of capital, the directors have reviewed Wesfarmers' assets, liabilities and expected cash flows. The directors consider that the return of capital will not materially prejudice Wesfarmers' ability to pay its creditors. The directors have also satisfied themselves as to the solvency of Wesfarmers following the return of capital.

(iii) Impact on growth strategies

In meeting its objective of delivering a satisfactory return to shareholders, Wesfarmers seeks to strengthen existing businesses through operating excellence, secure growth opportunities through innovation, renew its portfolio through value-adding transactions, and ensure sustainability through responsible long-term management.

Having regard to the financial position of Wesfarmers, the Company's strong earnings growth, the cash flow generated from Wesfarmers' existing businesses, and the capacity to raise additional funds from well-established funding sources (if required), the Board is of the opinion that the return of capital will not materially prejudice Wesfarmers' ability to fund new investments consistent with its growth strategy.

(iv) Impact of share consolidation

If the proposed capital return is implemented, Wesfarmers ordinary shares and partially protected shares may trade at a lower share price from the 'ex capital return' date than they otherwise would have done, had the return of capital not occurred. This is due to the return of funds to shareholders and the consequent reduction in shareholders' funds.

The directors are proposing a consolidation of share capital, through the conversion of every one ordinary share into 0.9876 ordinary shares, and every one partially protected share into 0.9876 partially protected shares. If approved, the share consolidation can be expected to neutralise the effect of the return of capital on forward earnings per share expectations and, therefore, any share price reduction as a result of the return of capital. See section 7 below for more details.

(v) Dividends

Wesfarmers' dividend policy reflects free cash flow generation, profit generation, and availability of franking credits, and seeks to deliver growing dividends over time. It is the Board's current intention for this policy to continue following the return of capital.

(vi) Credit rating

In determining whether to implement the return of capital, the directors have considered any potential impacts on Wesfarmers' credit rating. Taking into account discussions with the credit rating agencies Standard & Poor's and Moody's Investors Service, and also Wesfarmers' continued strong cash flows and robust credit metrics, the directors consider that the capital return will not affect Wesfarmers' credit rating.

(vii) Tax implications of the return of capital for the Company

No adverse tax consequences are expected to arise for Wesfarmers as a consequence of the return of capital.

(g) Tax implications of the return of capital for Wesfarmers shareholders

The summary in this section is general in nature and should not be relied upon as advice. In addition, the tax implications for each shareholder will depend on the circumstances of the particular shareholder. Accordingly, all shareholders are encouraged to seek their own professional advice in relation to their tax position. Neither Wesfarmers nor any of its officers, employees or advisors assumes any liability or responsibility for advising shareholders about the tax consequences of the return of capital.

Wesfarmers has obtained a Class Ruling CR 2013/69 (Class Ruling) from the Australian Taxation Office (ATO) which governs the income tax treatment of the return of capital to Wesfarmers shareholders who hold their shares on capital account. A copy of the Class Ruling is available from the Wesfarmers website at **www.wesfarmers.com.au**. The Class Ruling does not apply to Wesfarmers shareholders who hold their shares on revenue account or as trading stock. The return of capital received by these shareholders will be taxed under the general provisions of the income tax laws.

(i) Resident shareholders

For those Wesfarmers shareholders who are tax residents of Australia and hold their shares on capital account, the Class Ruling confirms that no part of the return of capital will be treated as a dividend for income tax purposes. Also, the ATO's view is that:

- the cost base for each Wesfarmers share acquired after 19 September 1985 will be reduced by the return of capital amount (on a cents per share basis) for the purpose of calculating any capital gain or capital loss on the ultimate disposal of that share; and
- if the cost base (after any adjustment, as may be relevant, for any indexation or any previous return of capital) of a Wesfarmers share acquired after 19 September 1985 is less than the return of capital amount (on a cents per share basis), then an immediate capital gain may arise for the difference.

No capital gain or capital loss will arise in respect to a Wesfarmers share acquired on or before 19 September 1985.

(ii) Non-resident shareholders

For those Wesfarmers shareholders who are not tax residents of Australia and hold their shares on capital account, the Class Ruling confirms no Australian income tax implications should arise as a consequence of the return of capital.

Non-resident shareholders should seek specific advice in relation to the tax consequences arising from the return of capital under the laws of their country of residence.

(iii) Employee shareholders who hold their shares within a Wesfarmers employee share plan trust

The tax implications of the return of capital may vary for Wesfarmers employee shareholders who hold their shares within a Wesfarmers employee share plan trust. Where the tax implications vary, Wesfarmers will write to affected employees providing guidance on the tax implications arising as a consequence of the return of capital.

(h) Interdependency with other resolutions

The Board has determined that Item 6 (Return of Capital to Shareholders) and Item 7 (Consolidation of Shares) are interdependent, such that the approval of each Item is conditional on the approval of the other Item.

(i) Directors' recommendation

The Board unanimously recommends that shareholders vote in favour of the proposed return of capital.

(j) Directors' interests

The number of shares in which each director has an interest as at 17 September 2013 is set out in the table below.

	Wesfarmers Limited		
Wesfarmers Limited	Performance Rights	Shares	
P M Bassat	-	20,000	
T J Bowen*	50,000	457,189	
C B Carter	-	30,025	
R L Every	-	28,373	
R J B Goyder*	100,000	1,018,095	
J P Graham	-	807,317	
A J Howarth	-	14,280	
C Macek	-	20,571	
W G Osborn	_	5,700	
D L Smith-Gander	-	12,410	
V M Wallace	_	7,430	
J A Westacott	_	1,040	

^{*} R J B Goyder holds 100,00 performance rights and T J Bowen hold 50,000 performance rights, allocated under the 2012 Wesfarmers Long Term Incentive Plan (WLTIP). The 2012 WLTIP performance rights are subject to a four-year performance period, being 1 July 2012 to 30 June 2016. In general, if the relative total shareholder return and compound annual growth rate in return on equity performance conditions are met, executives will be allocated Wesfarmers fully paid ordinary shares at the end of the performance period. For further details, please see the Remuneration Report on pages 77 to 94 of the 2013 Annual Report.

Item 7 - Consolidation of Shares

(a) The proposal

(i) General

Wesfarmers proposes to consolidate its share capital through the conversion of every:

- a) one ordinary share into 0.9876 ordinary shares; and
- b) one partially protected share into 0.9876 partially protected shares.

The share consolidation ratio was determined based on the amount of the return of capital (\$0.50 per share) as a proportion of Wesfarmers' 20 day volume weighted average price (VWAP) to 13 August 2013.

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The share consolidation is conditional on the passing of the resolution proposed in Item 6 (Return of Capital to Shareholders) and therefore consideration of the proposed resolution in Item 7 should be made in conjunction with consideration of the proposed resolution in Item 6.

(ii) Timing

If the consolidation is approved, the consolidation will take effect on and from 18 November 2013. Deferred settlement trading commences on 11 November 2013 and ceases on 26 November 2013. Notices will be issued on 26 November 2013 to holders of ordinary shares and partially protected shares confirming their post-consolidation holdings.

(iii) Treatment of fractions

Where the consolidation of a shareholder's holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the nearest whole number of shares (applied to both ordinary and partially protected shares). If Wesfarmers is of the view that a shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, Wesfarmers will take appropriate action, having regard to the terms of Wesfarmers' Constitution and the ASX Listing Rules. In particular, Wesfarmers reserves the right to disregard the division of the shareholding for the purpose of dealing with fractions so as to round up any fraction to the nearest whole number of shares that would have been received but for the division.

(b) Reasons for the consolidation

The share consolidation is being undertaken in proportion to the size of the capital return and to provide an earnings per share (EPS) outcome similar to that which would result from a share buy-back.

(c) Effect of the consolidation

If the proposed share consolidation is approved by shareholders, the number of:

- a) ordinary shares on issue will be reduced from approximately 1,007 million to approximately 994 million; and
- b) partially protected shares on issue will be reduced from approximately 151 million to approximately 149 million.

As the consolidation applies equally to all Wesfarmers ordinary and partially protected shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each ordinary and partially protected shareholder in Wesfarmers.

Therefore, if a shareholder currently has 1,012 ordinary shares then, if the share consolidation is approved and implemented, the shareholder will have 1,000 ordinary shares (taking into account the rounding of fractions) following the consolidation. The shareholder's holding will still represent the same percentage of Wesfarmers' issued capital as that held prior to the share consolidation (subject to minor changes as a result of rounding up each shareholder's holding to the nearest whole number of shares).

Further examples of the effect of the share consolidation are available on the Wesfarmers website at **www.wesfarmers.com.au**.

(d) Adjustment to the terms of the partially protected shares

Under the terms of issue of the Wesfarmers partially protected shares (the Terms), available on the Shareholder Information section of Wesfarmers website at **www.wesfarmers.com.au**, in the event of a corporate action which will affect ordinary shares, such as a return of capital or share consolidation, and the directors determine that a such an occurrence would, in the reasonable opinion of the directors, affect the relative values of the partially protected shares and ordinary shares, the directors may make such adjustments to the Terms as the directors reasonably consider appropriate or necessary to maintain that price relativity. Such adjustments may include alteration of the cap price, floor price or any other Term or combination of Terms.

The directors have formed the view that the proposed return of capital and share consolidation, if approved by shareholders, will affect the relative values of the partially protected shares and ordinary shares. In order to adjust the Terms to reflect the impact of the return of capital and share consolidation on partially protected shares:

- a) the maximum conversion ratio will be increased from 1.25 to 1.256 ordinary shares; and
- b) the 'floor price' under the Terms will be reduced from \$34.49 to \$34.32.

The proposed adjustments to the Terms are set out below:

	Floor Price	Cap Price	Maximum Conversion Ratio	
Pre Capital Return	\$34.49	\$43.11	1.25	
Post Capital Return	\$34.32	\$43.11	1.256	

The aim of the adjustment to the maximum conversion ratio and to the floor price is to increase the protection offered to partially protected shareholders, to compensate those shareholders for the loss of the embedded option attaching to 0.0124 partially protected shares as a result of the consolidation. Following the adjustment, if the two month volume weighted average price for Wesfarmers ordinary shares falls below \$34.32 at the date of a lapse notice under the Terms, partially protected shareholders will receive an increased number of bonus Wesfarmers shares, at an effective conversion ratio of 1.256. Under the existing Terms without adjustment, if the two month volume weighted average price for Wesfarmers ordinary shares fell below \$34.49 at the equivalent time, there would be no additional price protection below that price level, and the conversion ratio applied would be 1.25.

The directors consider that the adjustments to the Terms outlined above are in the best interests of Wesfarmers shareholders as a whole and considered appropriate to maintain price relativity between partially protected shares and ordinary shares, should Wesfarmers shareholders approve the capital return and share consolidation. External advice provided to Wesfarmers confirms that the adjustments to the Terms are an appropriate method of maintaining price relativity between partially protected shares and ordinary shares.

While adjustments to the Terms do not require shareholder approval, if shareholders do not approve Item 6 (Return of Capital to Shareholders) and Item 7 (Consolidation of Shares), no adjustments will be made to the Terms.

(e) Tax implications for Wesfarmers shareholders

The summary in this section is general in nature. In addition, particular taxation implications will depend upon the circumstances of each shareholder. Accordingly, shareholders are encouraged to seek and rely only on their own professional advice in relation to their tax position. Neither Wesfarmers nor any of its officers, employees or advisors assumes any liability or responsibility for advising shareholders about the tax consequences for them from the share consolidation.

The share consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change to the proportionate interests held by each shareholder in Wesfarmers as a result of the consolidation.

No capital gains tax (CGT) event will occur as a result of the share consolidation and therefore there will be no taxation implications arising for Wesfarmers shareholders who hold their shares on capital account. This tax treatment is confirmed within ATO Class Ruling CR 2013/69.

The tax implications of the share consolidation may vary for Wesfarmers employee shareholders who hold their shares within a Wesfarmers employee share plan trust. Where the tax implications vary, Wesfarmers will write to affected employees providing guidance on the tax implications arising as a consequence of the share consolidation.

(f) Interdependency with the other resolutions

The Board has determined that the proposed resolutions in Item 6 (Return of Capital to Shareholders) and Item 7 (Consolidation of Shares) are interdependent, such that the approval of each Item is conditional on the approval of the other Item.

(g) Directors' recommendation

The Board unanimously recommends that shareholders vote in favour of the proposed share consolidation.

(h) Directors' interests

The number of shares in which each director has an interest as at 17 September 2013 is set out above in section 6(i).

(i) No other material information

Other than as set out in this Notice of Meeting (including the Explanatory Notes), and any other information previously disclosed to the shareholders of Wesfarmers, there is no other information that is known to the directors which may reasonably be expected to be material to the making of a decision by Wesfarmers shareholders whether or not to vote in favour of:

- a) the return of capital; or
- b) the share consolidation.

Key Dates for Return of Capital and Share Consolidation

The timetable below assumes the return of capital and the share consolidation are both approved by shareholders.

7 November 2013

Annual General Meeting.

11 November 2013

Wesfarmers ordinary and partially protected shares commence trading on an 'ex return of capital' basis.

Trading in post-consolidated Wesfarmers ordinary and partially protected shares commences on a deferred settlement basis.

4:00 pm (Perth time) 15 November 2013

Record date for determining entitlement to participate in the return of capital (entitlements will be determined by reference to Wesfarmers pre-consolidation capital).

Last day to register transfers of ordinary and partially protected shares on a pre-consolidated basis.

18 November 2013

Post-consolidation holdings entered into ordinary and partially protected holders' security holdings.

26 November 2013

Payment date for return of capital. Deferred settlement trading ends.

Holding notices issued confirming post-consolidation holdings of ordinary shareholders and partially protected shareholders.

