

This Charter sets out the framework and responsibilities for the Remuneration Committee (**Committee**), which the Board of Wesfarmers Limited has established in accordance with the Constitution of Wesfarmers Limited (**Company**).

1 Roles and Responsibilities

1.1 The role of the Committee is to review and make recommendations to the Board in relation to the overall remuneration policy for the Wesfarmers Group (**Group**) and, specifically:

- (a) non-executive director remuneration;
- (b) executive director and senior executive remuneration;
- (c) the implementation of, and amendment of, any executive incentive plans;
- (d) the annual performance review of the Group Managing Director; and
- (e) other matters referred to the Committee by the Board.

1.2 In discharging its responsibilities, the Committee will have regard to the following:

- (a) establishing and implementing remuneration policies that attract and retain high quality directors and senior executives, and recognise and reward performance that is aligned with long term stakeholder interests;
- (b) the Group's purpose, values and strategic direction;
- (c) the Group's reputation and standing in the community;
- (d) promoting the desired culture of the Group;
- (e) encouraging the pursuit of long term shareholder returns and success of the Group; and
- (f) ensuring that conduct that is contrary to the Group's values or risk appetite, as determined and set by the Board, is not rewarded.

1.3 The main responsibilities of the Committee are to:

Non-executive director, executive director and senior executive remuneration

- (a) Review and make recommendations to the Board on remuneration of non-executive directors (including fees, superannuation, travel and other benefits and any non-executive director share plan).
- (b) Review and make recommendations to the Board on:
 - (i) the specific short and long-term remuneration arrangements of the Group Managing Director and, in consultation with the Group Managing Director, the Chief Financial Officer and the direct reports to the Group Managing Director (including any performance targets); and
 - (ii) the broad level and nature of participation by senior executives (other than direct reports to the Group Managing Director) in Wesfarmers' executive incentive plans.
- (c) Overseeing the Group's compliance obligations in relation to the remuneration of directors and senior executives.

- (d) Ensuring no director or senior executive is involved in deciding his or her own remuneration.

Remuneration of other executives

- (e) Determine, on the recommendation of the Group Managing Director, short and long-term remuneration of executives (other than the Executive Directors and senior executives), including performance targets applicable to any incentive schemes and the level and nature of participation in Wesfarmers' executive incentive plans.

Executive and employee incentive plans

- (f) Review and recommend any proposed new executive incentive plans to the Board for approval or the amendment of the terms of any existing executive incentive plans.
- (g) Approve the establishment of any new, or amendment to the terms of any existing, incentive plans for employees below senior executive level.
- (h) Delegate power for the operation and administration of all Group incentive plans to management (as appropriate).

Annual performance reviews

- (i) Assist the Chairman of the Board in the annual performance review of the Group Managing Director.

Human resources and remuneration policies

- (j) Recommend to the Board any changes to the overall Wesfarmers' Group policy regarding remuneration.
- (k) Oversee the establishment and implementation of appropriate human resources policies and specific remuneration policies (within the overall policy approved by the Board) for the Wesfarmers Group.
- (l) Oversee the remuneration framework applied across the Wesfarmers Group, and make recommendations to the Board as appropriate.

Remuneration Report

- (m) Oversee management's preparation of the annual remuneration report for inclusion in the Group's annual report, and recommend the report to the Board for approval.

Other matters referred to the Committee by the Board

- (n) Consider any other matters referred to the Committee by the Board.

2 Delegated Powers of the Committee

2.1 The Board has delegated power to the Committee pursuant to the Company's Constitution in relation to:

- (a) obtaining information, managing interviews and seeking advice from external consultants or specialists where the Committee considers that necessary or appropriate;
- (b) executive remuneration changes and contractual amendments not required to be recommended to the Board;
- (c) the establishment of any new, and amendment of the terms of any existing, incentive plans for employees below senior executive level;
- (d) oversight of the annual performance review of senior executives;

- (e) setting and administering human resources and remuneration policies (where appropriate) within the overall remuneration policy approved by the Board; and
- (f) monitoring whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

2.2 In this Charter:

- (a) "Senior executive" means those Group executives who directly report to the Group Managing Director and/or who have entered into an executive service agreement with Wesfarmers Limited; and
- (b) "Executive" means those employees at 1000+ Hay Points or higher.

3 Committee Membership and Attendance

3.1 The Committee will comprise of:

- (a) only non-executive directors, a majority of whom must be independent directors; and
- (b) at least three members.

The Chairman of the Committee will be an independent director.

3.2 A standing invitation is issued to all non-executive directors who are not members of the Committee to attend meetings of the Committee.

3.3 The Committee Chairman may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate, including external advisers, and the following senior executives:

- (a) the Group Managing Director;
- (b) the Chief Financial Officer; and
- (c) the Chief Human Resources Officer,

however such persons must not be present at meetings or participate in any decisions in relation to their own remuneration or specific remuneration policies applicable to them, or otherwise as required by law.

4 Committee Meetings

4.1 The Committee is to meet as required by the Committee Chairman, although it is intended that the Committee meet no less than four times in each year.

4.2 A quorum for a meeting of the Committee is three directors who are members.

4.3 If the Committee Chairman is absent, the Committee members who are present shall elect one of their number to chair the meeting.

4.4 The Company Secretary or alternate will act as secretary to the Committee, unless otherwise determined by the Committee.

4.5 The Chairman of the Committee, or a delegate, will report to the Board following each meeting of the Committee and a copy of the minutes of each meeting of the Committee will be made available to all members of the Board subsequent to each meeting.

5 Annual General Meeting

The Chairman of the Committee will attend and be available to answer questions regarding the annual Remuneration Report at the Annual General Meeting of the Company.

6 Independent Advice

- 6.1 The Committee may obtain independent professional advice or engage independent advisers at the Company's expense as considered necessary to adequately discharge its relevant duties and responsibilities. The Company shall pay all administrative expenses of the Committee, incurred in fulfilling its duties and responsibilities.
- 6.2 Where the Committee seeks external advice in relation to remuneration recommendations concerning key management personnel of the Group, the Committee shall engage with those advisers directly and request that any advice be provided directly to the Committee (or Chairman of the Committee).

7 Review and Assessment

- 7.1 The Committee will regularly assess its effectiveness with a view to ensuring that its performance accords with best practice. The Committee will ensure its members undergo ongoing training and professional development appropriate to ensure that all members are best placed to discharge the Committee's responsibilities.
- 7.2 The Committee will from time to time review the Charter, with a view to amending the Charter if necessary, to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and the Committee.