



WESFARMERS LIMITED ABN 28 008 984 049

2020 Notice of Meeting

Notice is given that the 39th Annual General Meeting of Wesfarmers Limited (**AGM**) is due to be held on Thursday 12 November 2020 commencing at 1:00pm (Perth time).

Due to the continuing developments in relation to the COVID-19 situation and public health concerns, this year the AGM will be held as a virtual meeting. Shareholders and proxyholders are advised that attendance in person at the AGM is not possible as there will not be a physical meeting.

Shareholders and proxyholders will have a number of options available to them to participate in the AGM, including the ability to ask questions online or by telephone in the lead up to the meeting. Please refer to the Important Information section of this Notice of Meeting for further details.

Shareholders and proxyholders can register for the AGM online from 12:00pm (Perth time) on Thursday 12 November 2020. Wesfarmers recommends that participants register at least 15 minutes before the AGM is scheduled to commence.

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Chairman's letter to Shareholders

23 September 2020

Dear Shareholder,

Wesfarmers has always considered its annual general meeting to be one of the most important dates in the corporate calendar. It is, of course, a legal requirement to hold an annual general meeting, but our approach has been to make it more than that. We have encouraged shareholders to come along to our annual general meeting each year to interact directly with the Board, the Leadership Team and to see a showcase of our businesses, and our annual general meeting has become the highest attended in Australia.

2020 has been a very challenging year for everyone. COVID-19 has changed our lives profoundly, requiring us to adapt to new ways of doing things to keep ourselves safe. Since the start of the pandemic, our priority across the Wesfarmers Group has been the safety and wellbeing of our team members and customers, so that we remain a trusted place to work, shop and do business. We now extend that same approach to our shareholders.

Accordingly, like most companies have had to do this year, our 2020 AGM will be held online, or 'virtually', rather than at a physical venue at our home base in Perth, Western Australia. We are determined to ensure that our online AGM will provide you with the same opportunity to participate as if you attended in person.

How will the virtual 2020 AGM work?

Wesfarmers has more than 487,000 shareholders, mostly in Australia but also overseas. The technology we are using will enable you to participate regardless of location, provided you have internet access or access to a telephone.

The AGM will be held on **Thursday 12 November 2020 at 1:00pm (Perth time)**. As usual, it will provide you with the opportunity to view and hear presentations from me and our Managing Director, Rob Scott, as well as vote and ask questions during the AGM.

If it becomes necessary or appropriate to make alternative arrangements for holding the AGM, we will ensure that shareholders are given as much notice as possible. Further information will be provided on our website www.wesfarmers.com.au

What do you need to do?

To participate in the AGM please follow the directions in the Important Information section of this Notice of Meeting.

If you do not want to directly participate in the AGM – for example, if you have already lodged a direct vote or appointed a proxy online, and you do not want to ask questions during the meeting – then you can watch the AGM via a broadcast accessible from the

website <https://web.lumiagm.com> or call our share registry, Computershare Investor Services Pty Limited (**Computershare**), on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia) to obtain the teleconference number to listen to the proceedings via telephone.

Wesfarmers website

There will be a page on our website dedicated to providing information about the 2020 AGM and how to attend. You will be able to find this from our home page www.wesfarmers.com.au. It will include:

- a guide on to how to use the Lumi AGM online platform;
- helpful answers to frequently asked questions;
- access to the Notice of Meeting and 2020 Annual Report; and
- instructions on how to vote online and submit questions, which you will be able to do via www.investorvote.com.au from Wednesday 7 October 2020.

If it becomes necessary to give further updates about the AGM, information will be lodged with the ASX and made available at www.wesfarmers.com.au

Shareholder emails and electronic communications

If you haven't already, I encourage you to make the switch now to paperless communications. It enables us to provide you with information more quickly, at lower cost and with less use of finite resources.

To make the switch contact Computershare on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia).

On behalf of the Board, thank you for your continued support as a shareholder. We look forward to welcoming you to our first virtual AGM on Thursday 12 November 2020.

Yours sincerely,



Michael Chaney AO

Chairman
Wesfarmers Limited

Business of the AGM

All items of business at the AGM are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

1. Financial Statements and Reports

To receive and consider the financial statements and the reports of the directors and of the auditors for the year ended 30 June 2020.

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

2. Election of Director

To consider and, if thought fit, approve the re-election of Mr Michael Alfred Chaney AO, who retires by rotation in accordance with Wesfarmers' Constitution and the ASX Listing Rules, and being eligible, offers himself for re-election.

Mr Chaney's re-election will be voted on as an ordinary resolution.

Ms Diane Lee Smith-Gander AO will retire as a director at the conclusion of the AGM and will not be seeking re-election.

3. Adoption of the Remuneration Report

To consider and, if thought fit, approve the Remuneration Report for the year ended 30 June 2020, as set out in the 2020 Annual Report.

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

Voting exclusion statement

Wesfarmers will disregard any votes cast on Item 3:

- *by or on behalf of a member of the key management personnel whose remuneration details are included in the Remuneration Report, or their closely related parties; and*
- *by a person who is a member of the key management personnel as at the date of the AGM 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 in the submitted voting instructions; or where there is no specified voting direction, the vote is cast by the Chairman of the AGM 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 KEEPP Deferred Shares and KEEPP Performance Shares to the Group Managing Director

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

'That approval be given to the grant of up to 28,609 Key Executive Equity Performance Plan (**KEEPP**) Deferred Shares and up to 28,609 KEEPP Performance Shares to the Group Managing Director, Mr Robert Scott, under the KEEPP, for the purposes set out, and on the terms summarised in, the Explanatory Notes.'

Voting exclusion statement

Wesfarmers will disregard any votes cast in favour of Item 4 by or on behalf of Mr Scott (or his associates). However, Wesfarmers need not disregard a vote cast by:

- *such persons appointed as proxy or attorney on behalf of a person who is entitled to vote on this resolution, in accordance with the direction on the submitted voting instructions;*
- *the Chairman of the AGM, as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

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 AGM 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.

Business of the AGM

5. Grant of additional Performance-tested Shares to the Group Managing Director

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

‘That approval be given to the grant of up to 25,774 additional Performance-tested Shares to the Group Managing Director, Mr Robert Scott, for the purposes set out, and on the terms summarised in, the Explanatory Notes.’

Voting exclusion statement

Wesfarmers will disregard any votes cast in favour of Item 5 by or on behalf of Mr Scott (or his associates). However, Wesfarmers need not disregard a vote cast by:

- *such persons appointed as proxy or attorney on behalf of a person who is entitled to vote on this resolution, in accordance with the direction on the submitted voting instructions;*
- *the Chairman of the AGM, as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

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 AGM and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of key management personnel.

By order of the Board



Vicki Robinson

Company Secretary
23 September 2020

Meeting Information

How to vote



Before the AGM

From Wednesday 7 October 2020 to 1:00pm (Perth time) on Tuesday 10 November 2020, shareholders can lodge a direct vote or appoint a proxy online at www.investorvote.com.au or www.intermediaryonline.com for custodians and nominees.

At the AGM

Shareholders and proxyholders can watch and participate in the AGM virtually by logging into <https://web.lumiagm.com> using either a computer or a mobile device. Please refer to the user guide on our website at www.wesfarmers.com.au

Participating at the meeting online enables shareholders and proxyholders to view the AGM live, ask questions and cast their votes during the meeting. If you experience difficulty logging into the AGM using the Lumi AGM online platform, please contact Computershare on (+61 3) 9415 4024.

Log into <https://web.lumiagm.com> using **meeting ID 382-968-424** and your registration details.

Shareholder login details:

Shareholders will need the following information in order to login to the Lumi AGM online platform:

1. Your Shareholder Reference Number (SRN) or Holder Identification Number (HIN)
2. The postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide available at www.wesfarmers.com.au

Proxyholder login details:

Proxyholders will need to contact Computershare on (+61 3) 9415 4024 to obtain their login details to participate online during the AGM.

How to ask questions



Before the AGM

Please submit questions by 1:00pm (Perth time) on Tuesday 10 November 2020 to allow the Company time to respond during the AGM.

- **Online** at www.investorvote.com.au using the Shareholder Question icon at the end of the voting process
- **Call** the share registry on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia)
- **Fax** 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia)

At the AGM

Log into <https://web.lumiagm.com> using **meeting ID 382-968-424** and your registration details.

How to listen live



Shareholders and proxyholders who cannot access the meeting online can dial in to listen to the live broadcast of the AGM. Please contact Computershare on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia) to obtain the dial-in details ahead of the AGM.

Please note that while shareholders and proxyholders participating online will be able to ask questions and vote during the AGM as described above, those participating by teleconference will not be able to.

Need help?

If you experience difficulty logging into the AGM using the Lumi AGM online platform, please contact Computershare on (+61 3) 9415 4024.

Ensure your browser is compatible. You can check your current browser at www.whatismybrowser.com

Please refer to the user guide on our website at www.wesfarmers.com.au

Important Information

Shareholders entitled to participate in and vote at the AGM

The Board has determined that you will be entitled to participate in and vote at the AGM if you are a registered shareholder of Wesfarmers Limited (**Wesfarmers** or **Company**) as at 4:00pm (Perth time) on Tuesday 10 November 2020.

Direct voting

Direct voting allows you to lodge your vote directly with Wesfarmers before the AGM, providing the flexibility to vote without needing to either participate in the AGM or appoint a proxy to participate in the AGM in your place.

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

Shareholders are encouraged to submit their votes using the online voting platform, **www.investorvote.com.au** using the details provided in their personalised voting email or the Notice and Access letter.

For your direct vote to be effective, Computershare must receive your voting instructions, together with any relevant power of attorney, not less than 48 hours before the time for holding the AGM (that is, by 1:00pm (Perth time) on Tuesday 10 November 2020).

Appointing a Proxy

All shareholders who are entitled to participate in and vote at the AGM have the right to appoint a proxy to participate in the AGM and vote in their place. A proxy need not be a shareholder.

If you wish to appoint a proxy you must either:

1. Nominate a proxy online (see instructions below); or
2. Contact Computershare on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia) to obtain a hard copy Voting Form which will be mailed to you.

You can direct your proxy how to vote (i.e. to vote 'for' or 'against', or to 'abstain' from voting on, each resolution) by following the instructions either online or on the hard copy Voting Form.

If you request a hard copy Voting Form you will need to complete and return the proxy voting section of the form.

For your proxy appointment to be effective, it must be received by Computershare not less than 48 hours before the time for holding the AGM (that is, by 1:00pm (Perth time) on Tuesday 10 November 2020).

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

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

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

Voting and lodgement of voting instructions online

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

Website: by visiting **www.investorvote.com.au**. To submit your direct voting or proxy voting instructions you will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**); the postcode registered on your holding (if you are an Australian shareholder); and the allocated Control Number **134012**. Overseas shareholders should refer to the user guide available at **www.wesfarmers.com.au**; or

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

Please refer to **www.investorvote.com.au** for more information about submitting direct voting or proxy voting instructions online. For shareholders who have received a personalised email, follow the instructions within the email to access the investor vote website. For shareholders who have received a Notice and Access letter, your SRN or HIN has been included in the notice. If you cannot find your Notice and Access letter, you can locate your SRN or HIN on any hard copy statement sent to you in relation to your Wesfarmers shareholding.

Important Information

A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions. If you wish to make proxy appointments that fit these criteria, please contact Computershare for information on how to do this.

Lodging a Direct Vote

You can lodge a direct vote online by:

1. Visiting **www.investorvote.com.au** and following the instructions provided; or
2. By contacting Computershare on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia) to request a hard copy Voting Form which will be mailed to you.

Please follow the instructions online (or on the Voting Form if you have requested one) and ensure you only complete the relevant section.

For your direct vote to be effective, Computershare must receive your voting instructions, together with any relevant power of attorney, not less than 48 hours before the time for holding the AGM (that is, by 1:00pm (Perth time) on Tuesday 10 November 2020).

You can lodge your completed hard copy Voting Form with Computershare either:

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

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

Due to the COVID-19 restrictions in place in Melbourne, Victoria, delivery of your hard copy Voting Form in person to the Computershare offices in Abbotsford is not possible at the time of publication of this Notice of Meeting.

Participating in the online AGM:

Shareholders and proxyholders can watch and participate in the AGM virtually via the Lumi AGM online platform by using either a computer or a mobile device.

To participate in the AGM you will need to visit **<https://web.lumiagm.com>**. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. You can check your current browser is compatible at **www.whatismybrowser.com**

Online registration will open at 12:00pm (Perth time) on Thursday 12 November 2020 (one hour before the AGM commences). Wesfarmers recommends that participants register at least 15 minutes before the AGM is scheduled to commence.

The meeting ID for the Wesfarmers AGM is 382-968-424

Shareholder login details:

You will need the following details to login:

1. Your Shareholder Reference Number (SRN) / Holder Identification Number (HIN)
2. The postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide available at **www.wesfarmers.com.au**

Proxyholder login details:

Proxyholders will need to contact Computershare on (+61 3) 9415 4024 to obtain their login details to participate online during the AGM.

Please refer to the user guide on the Company's website at **www.wesfarmers.com.au**

Participating in the AGM online enables shareholders and proxyholders to view the AGM live, ask questions and cast their votes during the meeting. If you experience difficulty logging into the AGM using the Lumi AGM online platform, please contact Computershare on (+61 3) 9415 4024.

Dial-in teleconference

Shareholders and proxyholders who cannot access the meeting online can dial into a teleconference to listen to the live broadcast of the meeting. Please contact Computershare on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia) to obtain the dial-in details ahead of the AGM.

Please note that while shareholders and proxyholders participating online will be able to ask questions and vote during the AGM as described above, those participating by teleconference will not be able to.

Please refer to the user guide on the Company's website at **www.wesfarmers.com.au**

Important Information

Body corporate representatives

A body corporate member or proxy may elect to appoint an individual as its representative, rather than appoint a proxy. Where a body corporate appoints a representative, Wesfarmers requires written proof of the representative's appointment to be lodged with, or presented to, Wesfarmers before the AGM. Please provide your appointment documentation to Computershare by 1:00pm (Perth time) on Tuesday 10 November 2020.

Please contact Computershare to obtain the relevant corporate representative documentation before the AGM by calling 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia).

You will require the shareholding details of the body corporate, including the SRN or HIN and registered address for the shareholding in order to obtain the corporate representative documentation.

Custodians and nominees

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

Questions from shareholders and proxyholders

Wesfarmers welcomes questions from shareholders and proxyholders in the lead up to and during the AGM. In the interests of all participants, please confine your questions to matters being considered at the AGM that are relevant to shareholders as a whole. It may not be possible to respond to all questions during the AGM and a number of similar questions may be grouped together and answered by the Chairman or management.

Please note that only shareholders and proxyholders will be permitted to submit questions.

We encourage you to submit questions before the AGM by **1:00pm (Perth time) on Tuesday 10 November 2020** to allow the Company time to respond during the AGM. You can lodge a question using any of the options below:

- online at www.investorvote.com.au using the Shareholder Question icon at the end of the voting process;
- by fax to 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia); or
- by calling 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia).

While the AGM is in progress, questions to the Board will only be able to be submitted using the Lumi AGM online platform, not by those dialling into the teleconference.

Technical difficulties

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the AGM should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman will have regards to the number of shareholders impacted and the extent to which participation in the business of the AGM is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the AGM and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to submit their voting instructions via www.investorvote.com.au before the AGM, even if they plan to attend the meeting online. Voting instructions in the lead up to the AGM, whether submitted online or in hard copy, must be received by Computershare **by 1:00pm (Perth time) on Tuesday 10 November 2020** (refer to the instructions above).

Explanatory Notes

Item 1 – Financial Statements and Reports

The *Corporations Act 2001 (Cth)* requires Wesfarmers' financial statements and reports for the last financial year to be presented to the AGM. The financial statements and reports are contained in Wesfarmers' 2020 Annual Report.

The 2020 Annual Report is available from the Wesfarmers website at www.wesfarmers.com.au

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

Wesfarmers' auditor, EY, will be present at the AGM and shareholders and proxyholders 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.

Item 2 – Election of Director

As required by Wesfarmers' Constitution and the ASX Listing Rules, two directors, Mr Michael Alfred Chaney AO and Ms Diane Lee Smith-Gander AO, retire by rotation. Mr Michael Alfred Chaney AO, being eligible, offers himself for re-election. The Board, with the assistance of the Nomination Committee, has reviewed the performance of Mr Chaney and has endorsed his nomination as a candidate for re-election.

Ms Diane Lee Smith-Gander AO will retire by rotation as a director of the Company at the conclusion of this year's AGM, and will not be seeking re-election.

The Board recommends the re-election of Mr Michael Alfred Chaney AO.

Mr Chaney did not participate in the Board's deliberations with respect to their recommendation for his re-election.

Mr Chaney's experience and qualifications appear on the following page.

Explanatory Notes



MICHAEL ALFRED CHANEY AO

BSc, MBA, Hon. LLD W.Aust, FAICD

Age: 70

Term: Chairman since November 2015, Director since June 2015

Independent: Yes

Skills and experience:

Mr Chaney graduated with Bachelor of Science and Master of Business Administration degrees from The University of Western Australia in 1972 and 1980 respectively. He completed the Advanced Management Program at Harvard Business School in 1992 and has also been awarded an Honorary Doctorate of Laws from The University of Western Australia. After obtaining his Science degree, Mr Chaney worked for eight years as a petroleum geologist in Australia and the USA. He joined the Australian Industry Development Corporation in 1980 as a corporate finance executive and became Manager for Western Australia in 1981. He joined Wesfarmers in 1983 as Company Secretary and Administration Manager, became Finance Director in 1984 and was appointed Managing Director in July 1992. He retired from that position in July 2005. Mr Chaney is the former Chairman of Woodside Petroleum Limited and National Australia Bank Limited, and the former Chancellor of The University of Western Australia.

Directorships of listed entities (last three years):

- Chairman of Woodside Petroleum Limited (director from November 2005, Chairman from July 2007, and resigned April 2018)

Other directorships/offices (current and recent):

- Chairman of the National School Resourcing Board (since November 2017)
- Member of the Gresham Resources Royalties Fund Investment Committee (since June 2020)
- Member of the Australia-Germany Advisory Group (from November 2014 to December 2015)
- Member of the Commonwealth Science Council (from October 2014 to December 2018)
- Governor of the Forrest Research Foundation (since June 2014)
- Director of the Centre for Independent Studies (since October 2000)
- Chancellor of The University of Western Australia (from December 2005 to December 2017)
- Chairman of National Australia Bank Limited (director from December 2004, Chairman from September 2005, and resigned December 2015)
- Member of the Prime Minister's Business Advisory Council (from December 2013 to December 2015)
- Chairman of Gresham Partners Holdings Limited (from July 2005 and resigned May 2015)
- Member of the JP Morgan International Council (from October 2003 to October 2014)

Wesfarmers committee memberships:

- Member of the Remuneration and Nomination committees

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

Explanatory Notes

Item 3 – Adoption of the Remuneration Report

The Remuneration Report contained in the 2020 Annual Report is required to be considered by shareholders in accordance with section 250R of the *Corporations Act 2001 (Cth)* at the AGM.

The Remuneration Report is set out on pages 92 to 116 of the 2020 Annual Report and is also available from the Wesfarmers website at www.wesfarmers.com.au

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

The Remuneration Report:

- defines Wesfarmers' remuneration strategy, governance framework and guiding principles;
- sets out the components of the remuneration framework, including any associated performance conditions;
- describes how business performance for the 2020 financial year has driven remuneration outcomes for the executive key management personnel (**KMP**) to reflect their individual contribution; and
- confirms the remuneration of non-executive directors, the executive director and other executive KMP for the year ended 30 June 2020.

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.

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

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

Mr Scott participated in the Key Executive Equity Performance Plan (**KEEPP**) in the 2020 financial year and was assessed against an annual scorecard comprising Group net profit after tax, return on equity, safety and individual performance objectives, comprising business enhancing and sustainability (including climate change response, reputation, risk and talent) objectives. As outlined in the Remuneration Report, Mr Scott achieved 37.0 per cent of his maximum opportunity.

If approved by shareholders, Mr Scott's KEEPP award will be provided in an allocation of KEEPP Deferred Shares and KEEPP Performance Shares. The Board has approved an allocation to Mr Scott of up to 28,609 KEEPP Deferred Shares (\$1,387,500) and up to 28,609 KEEPP Performance Shares (\$1,387,500). Vesting of the KEEPP Performance Shares is subject to financial performance conditions and performance conditions relating to Wesfarmers' portfolio management and investment outcomes. These performance conditions will be assessed over a four-year performance period.

In line with the Board's belief in equity-based incentives outlined above, Mr Scott was not entitled to any cash award under the 2020 KEEPP.

Approvals sought

Shareholders are asked to approve the 2020 KEEPP allocation of KEEPP Deferred Shares and KEEPP Performance Shares to the Group Managing Director, Mr Robert Scott. Approval is sought for the grant of KEEPP Deferred Shares and KEEPP Performance Shares to Mr Scott pursuant to KEEPP as he is also a director of Wesfarmers. Approval is sought under ASX Listing Rule 10.14.1 and for all other purposes.

In the event of cessation of employment, in certain circumstances, it is the Board's intention to leave the KEEPP Deferred Shares and KEEPP Performance Shares on foot to be released or tested (as applicable) in the ordinary course. However, to maintain flexibility, approval is sought under section 200E of the *Corporations Act 2001 (Cth)* for Wesfarmers to deal with the KEEPP Deferred Shares and KEEPP Performance Shares in accordance with the terms of the KEEPP in appropriate circumstances upon Mr Scott ceasing employment (for example, to provide access to a pro-rata amount of shares to fund any taxation due on the shares as a result of termination of employment) where to do so would constitute the giving of a termination benefit to Mr Scott.

Explanatory Notes

Key terms

The key terms of the grant of KEEPP Deferred Shares and KEEPP Performance Shares proposed to be made to Mr Scott in respect of the 2020 KEEPP award are set out below.

Number allocated	<p>The 2020 KEEPP award for Mr Scott comprises the following KEEPP shares:</p> <ul style="list-style-type: none">• up to 28,609 KEEPP Deferred Shares; and• up to 28,609 KEEPP Performance Shares. <p>To determine the aggregate number of KEEPP Deferred Shares and KEEPP Performance Shares to be allocated, \$1,387,500, being the face value of the KEEPP Deferred Shares, and \$1,387,500, being the face value of the KEEPP Performance Shares, were each divided by \$48.50 (being the volume-weighted average price of Wesfarmers shares over the 10 trading days immediately following the full-year 2020 results announcement in August, i.e. 21 August to 3 September 2020).</p>
Date of grant	<p>If shareholder approval is obtained, it is intended that the KEEPP Deferred Shares and KEEPP Performance Shares will be granted to Mr Scott by the end of December 2020. In any event, they will be granted within 12 months of receiving shareholder approval.</p>
KEEPP Deferred Shares	<p>The KEEPP Deferred Shares are subject to a 12-month service condition (the forfeiture period) and a four-year (applying to one third of the KEEPP Deferred Shares), five-year (applying to one third of the KEEPP Deferred Shares) and six-year (applying to one third of the KEEPP Deferred Shares) trading restriction. The trading restrictions are a key feature of the KEEPP Deferred Shares and seek to provide alignment with shareholders' longer term interests, with a significant portion of remuneration linked to Group performance over the long term.</p> <p>The KEEPP Deferred Shares will be released from restrictions on the day following the full-year results announcement for the 2024, 2025 and 2026 financial years, expected to be in August 2024, August 2025 and August 2026 respectively (i.e. the beginning of the trading window) and will not be subject to any trading restrictions on dealing once released (subject to complying with Wesfarmers' Securities Trading Policy). Mr Scott may, however, request at the time of applying to participate in the KEEPP grant that a longer restriction of up to 15 years apply to any KEEPP Deferred Shares allocated to him.</p> <p>Each KEEPP Deferred Share is a fully-paid ordinary share in Wesfarmers and no amount is payable by Mr Scott upon the grant or vesting of a KEEPP Deferred Share.</p>
KEEPP Performance Shares	<p>The KEEPP Performance Shares have performance conditions over a four-year performance period which are specific to Mr Scott's role as Group Managing Director. These conditions will be tested at the end of the 2024 financial year. The KEEPP Performance Shares remain at-risk throughout the performance period, with performance conditions chosen to reinforce the focus on Group results and outcomes which are aligned with long-term shareholder interests.</p> <p>The performance conditions and the relevant weightings are as follows:</p> <ul style="list-style-type: none">• Wesfarmers' total shareholder return (TSR) relative to the TSR of the S&P/ASX 100 Index (80 per cent weighting); and• Wesfarmers' portfolio management and investment outcomes (20 per cent weighting).

Explanatory Notes

KEEPP Performance Shares continued

Vesting schedule against relative TSR (80 per cent weighting):

Percentile ranking	Percentage of awards vesting
Below the 50th percentile	0% vesting
Equal to the 50th percentile	50% vesting
Between the 50th and 75th percentile	Straight-line pro-rata vesting between 50% and 100%, i.e. an additional 2% of awards vest for each percentile increase
Equal to the 75th percentile or above	100% vesting

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

At the end of the four-year performance period, the Board will consider the performance of Mr Scott in relation to the acquisition, investment and disposal activities of the Group over that period.

Throughout the performance period, the Board maintains a log of portfolio management and investment decisions and rationale, including decisions not to proceed with portfolio changes or investments. At the end of the performance period, the Board will consider the validity of these decisions from a shareholder value creation perspective, with a greater weighting placed upon decisions made in the first year of the performance period.

The performance conditions will be tested following the end of the four-year performance period. Following testing, any KEEPP Performance Shares that do not vest will be forfeited. In accordance with the terms of the KEEPP, the Board has discretion to make adjustments to the performance conditions where it is considered appropriate to do so.

KEEPP Performance Shares that vest are not subject to any additional trading restrictions (subject to complying with Wesfarmers' Securities Trading Policy).

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

Cessation of employment

KEEPP Deferred Shares

If Mr Scott resigns during the 12-month forfeiture period, or breaches the restraint clause in his employment agreement, or is dismissed in certain circumstances including for cause or significant underperformance, all unvested KEEPP Deferred Shares and all vested KEEPP Deferred Shares which remain subject to a trading restriction will be forfeited, unless the Board determines otherwise.

In all other circumstances, the KEEPP Deferred Shares will remain on foot and subject to the original terms of offer as though Mr Scott had not ceased employment, unless the Board determines otherwise. The Board has discretion to lift the restrictions on the KEEPP Deferred Shares early.

KEEPP Performance Shares

If Mr Scott resigns during the four-year performance period, or breaches the restraint clause in his employment agreement, or is dismissed in certain circumstances including for cause or significant underperformance, all KEEPP Performance Shares will be forfeited, unless the Board determines otherwise.

In all other circumstances, the KEEPP Performance Shares will remain on foot subject to the original terms of offer (including testing of the performance conditions), as though Mr Scott had not ceased employment, unless the Board determines otherwise.

Explanatory Notes

Clawback

The terms of the KEEPP allow for the Board to clawback or adjust any awards of KEEPP Deferred Shares and KEEPP Performance Shares which were granted, vest or may vest, or are released or may be released (as applicable). For example, these powers can be exercised 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. In such circumstances, the Board may, up to the value of the overpaid remuneration, reduce or defer or otherwise require the repayment of any amount paid or payable to Mr Scott to ensure no inappropriate benefit is derived. The Board has discretion to adjust any conditions applicable to an award, if considered appropriate.

Dividends and other distributions

KEEPP Deferred Shares

KEEPP Deferred Shares carry dividend and other distribution entitlements and voting rights. Dividends and other distributions payable in respect of the KEEPP Deferred Shares will be escrowed until the end of the 12-month forfeiture period and thereafter the dividends and other distributions (including dividends and other distributions held in escrow) will be paid to Mr Scott. If the KEEPP Deferred Shares are forfeited during the 12-month forfeiture period, Mr Scott will not be entitled to the escrowed dividends and other distributions.

KEEPP Performance Shares

KEEPP Performance Shares carry dividend and other distribution entitlements and voting rights. Dividends and other distributions payable will be escrowed for the full four-year performance period and only paid to Mr Scott to the extent that the relevant KEEPP Performance Shares vest.

A portion of the escrowed dividend and other distribution amounts will be paid to Mr Scott to enable him to satisfy his tax liability (after allowing for the use of the franking credits) on dividends and other distributions paid in respect of his KEEPP Deferred Shares and KEEPP Performance Shares.

Other required information – ASX Listing Rules

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

Approval was sought for the allocation of KEEPP Deferred Shares (previously named Restricted Shares) and KEEPP Performance Shares to Mr Scott under the 2018 and 2019 KEEPP at the 2018 and the 2019 annual general meetings respectively.

In accordance with this approval:

- 92,497 KEEPP Deferred Shares and 92,497 KEEPP Performance Shares were allocated (at no cost) to Mr Scott on 17 December 2018 as his 2018 KEEPP award; and
- 79,995 KEEPP Deferred Shares and 79,995 KEEPP Performance Shares were allocated (at no cost) to Mr Scott on 2 December 2019 as his 2019 KEEPP award.

The following securities have also previously been issued to Mr Scott under the KEEPP:

- 32,088 KEEPP Deferred Shares and 32,088 KEEPP Performance Shares were allocated (at no cost) to Mr Scott on 24 November 2016 as his 2016 KEEPP award; and
- 60,848 KEEPP Deferred Shares and 60,848 KEEPP Performance Shares were allocated (at no cost) to Mr Scott on 29 September 2017 as his 2017 KEEPP award.

Following approval of the demerger of Coles from the Wesfarmers Group, all shares issued to Mr Scott under the 2016 KEEPP award and the 2017 KEEPP award were cancelled on 21 November 2018. Following the implementation of the demerger, these awards were replaced with:

- 45,138 KEEPP Deferred Shares and 45,138 KEEPP Performance Shares which were issued (at no cost) to Mr Scott on 17 December 2018 in accordance with the Replacement 2016 KEEPP award; and

Explanatory Notes

Other required information – ASX Listing Rules continued

- 85,595 KEEPP Deferred Shares and 85,595 KEEPP Performance Shares which were issued (at no cost) to Mr Scott on 17 December 2018 in accordance with the Replacement 2017 KEEPP award.

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

For the purposes of ASX Listing Rule 10.15.4, Mr Scott's current total remuneration is as follows:

- fixed annual remuneration (**FAR**) of \$2,500,000;
- target variable incentive opportunity under the KEEPP of 100 per cent of FAR in KEEPP Deferred Shares and 100 per cent of FAR in KEEPP Performance Shares;
- maximum variable incentive opportunity under the KEEPP of 150 per cent of FAR in KEEPP Deferred Shares and 150 per cent of FAR in KEEPP Performance Shares; and
- a one-off grant in the 2021 financial year of 50 per cent of FAR in Performance-tested Shares,

noting that the grant of the Performance-tested Shares, KEEPP Deferred Shares and KEEPP Performance Shares are subject to approval by shareholders as set out in this Notice of Meeting.

Further information on Mr Scott's remuneration is set out in the Remuneration Report on pages 92 to 116 of the 2020 Annual Report.

Details of any KEEPP Deferred Shares and KEEPP Performance Shares issued under the KEEPP will be published in the Wesfarmers Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the KEEPP after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

Other required information – section 200E Corporations Act 2001 (Cth)

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

The matters, events and circumstances that may affect the calculation of the value include:

- the number of KEEPP Deferred Shares and KEEPP Performance Shares held by Mr Scott at the time he ceases employment;
- the circumstances of or reasons for ceasing employment;
- the result of any pro-rataing of shares on cessation of employment;
- the performance against the performance conditions for the KEEPP Performance Shares at the time employment ceases or the conditions are tested or whether the performance conditions are waived;
- the portion of any relevant performance period or forfeiture period that has elapsed at the time employment ceases;
- the number of shares that the Board determines to vest, forfeit or leave on foot on cessation of employment; and
- the market value of Wesfarmers' shares on the relevant date.

Explanatory Notes

The Board believes that providing equity as a significant portion of the remuneration package for the executive KMP is important, to ensure that an appropriate part of executive reward is linked to generating satisfactory long-term returns for shareholders.

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

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

Item 5 – Grant of additional Performance-tested Shares to the Group Managing Director

As outlined in the Remuneration Report, the Board has approved an allocation of additional Performance-tested Shares to Mr Scott. The Board is committed to demonstrating positive results for shareholders in relation to the decision to substantially reduce the size of the Target network and invest to convert many of its stores to Kmart stores. Further the Board believes that it is appropriate that there be clearly demonstrated positive results for shareholders in relation to these conversions for Mr Scott to receive the benefits from this award.

If approved by shareholders, Mr Scott will be provided an allocation of up to 25,774 Performance-tested Shares (\$1,250,000). Vesting of the Performance-tested Shares is subject to the achievement of a performance condition relating to the successful execution of the Kmart Group restructure as at 30 June 2023 as described below.

Approvals sought

Shareholders are asked to approve the allocation of Performance-tested Shares to the Group Managing Director, Mr Robert Scott. Approval is sought for the grant of Performance-tested Shares to Mr Scott as he is also a director of Wesfarmers. Approval is sought under ASX Listing Rule 10.14.1 and for all other purposes.

In the event of cessation of employment, with the exception of cessation as a result of ill health, it is the Board's intention to forfeit the Performance-tested Shares. However, to maintain flexibility, approval is sought under section 200E of the *Corporations Act 2001 (Cth)* for Wesfarmers to deal with the Performance-tested Shares in accordance with the terms of the grant in appropriate circumstances upon Mr Scott ceasing employment where to do so would constitute the giving of a termination benefit to Mr Scott.

Key terms

The key terms of the grant of Performance-tested Shares proposed to be made to Mr Scott are set out below.

Number allocated	Mr Scott will be allocated up to 25,774 Performance-tested Shares. To determine the aggregate number of Performance-tested Shares to be allocated, \$1,250,000, being the face value of the Performance-tested Shares, was divided by \$48.50 (being the volume-weighted average price of Wesfarmers shares over the 10 trading days immediately following the full-year 2020 results announcement in August, i.e. 21 August to 3 September 2020).
Date of grant	If shareholder approval is obtained then it is intended that the Performance-tested Shares will be granted to Mr Scott by the end of December 2020. In any event, they will be granted within 12 months of receiving shareholder approval.

Explanatory Notes

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- Performance condition** The Performance-tested Shares have a performance condition relating to the successful execution of the Kmart Group restructure. The condition will be tested over the 2022 and 2023 financial years against the Board-approved proposal. The Performance-tested Shares remain at-risk throughout the performance period, with the performance condition chosen to ensure continued management focus on delivering future shareholder benefit from the Kmart Group restructure.
- The performance condition is total cumulative converted store profit in the 2022 and 2023 financial years, subject to a net capital expenditure gate, against the Board-approved proposal.

Total cumulative converted store profit (100 per cent weighting):

The total cumulative converted store profit in the 2022 and 2023 financial years will be compared to the projected converted store profitability for these financial years as set out in the Board-approved proposal. The vesting outcome is subject to the total capital expenditure of the conversions, net of any landlord contributions, not exceeding the total capital expenditure as set out in the Board-approved proposal.

Vesting schedule for the total cumulative converted store profit:

- None of the Performance-tested Shares vest if the total cumulative store profit in the 2022 and 2023 financial years from all converted stores is less than or equal to 80 per cent of the total cumulative store profitability for these financial years, as set out in the Board-approved proposal; and
- 100 per cent of the Performance-tested Shares vest if the total cumulative store profit in the 2022 and 2023 financial years from all converted stores is equal to or greater than 100 per cent of the total cumulative store profitability for these financial years as set out in the Board-approved proposal.

Straight-line pro-rata vesting occurs in between.

Vesting is subject to the total capital expenditure of the conversions, net of any landlord contributions, not exceeding the total capital expenditure, as set out in the Board-approved proposal.

The performance condition will be tested at 30 June 2023. Following testing, any Performance-tested Shares that do not vest will be forfeited. In accordance with the terms of the grant, the Board has discretion to make adjustments to the performance condition where it is considered appropriate to do so.

Performance-tested Shares that vest are not subject to any additional trading restrictions (subject to complying with Wesfarmers' Securities Trading Policy).

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

Cessation of employment

If Mr Scott ceases employment with the Wesfarmers Group for any reason other than ill health during the three-year performance period, all Performance-tested Shares will be forfeited.

If Mr Scott ceases employment during the three-year performance period due to ill health, a pro-rata amount of Performance-tested Shares, based on the length of the performance period worked, will remain on foot subject to the original terms of offer (including testing of the performance condition), as though Mr Scott had not ceased employment, unless the Board determines otherwise.

Explanatory Notes

Clawback

The terms of the grant allow for the Board to clawback or adjust any award of Performance-tested Shares which were granted, vest or may vest, or are released or may be released (as applicable). For example, these powers can be exercised 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. In such circumstances, the Board may, up to the value of the overpaid remuneration, reduce or defer or otherwise require the repayment of any amount paid or payable to Mr Scott to ensure no inappropriate benefit is derived. The Board has discretion to adjust any condition applicable to an award, if considered appropriate.

Dividends and other distributions

Performance-tested Shares carry dividend and other distribution entitlements and voting rights. Dividends and other distributions payable in respect of the Performance-tested Shares will be escrowed for the full three-year performance period and only paid to Mr Scott to the extent that the relevant Performance-tested Shares vest.

A portion of the escrowed dividend and other distribution amounts will be paid to Mr Scott to enable him to satisfy his tax liability (after allowing for the use of the franking credits) on dividends and other distributions paid in respect of his Performance-tested Shares.

Other required information – ASX Listing Rules

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

As this is a one-off grant of Performance-tested Shares, approval has not previously been sought in respect of such grants for the purposes of ASX Listing Rule 10.14.

Mr Scott is the only director of Wesfarmers entitled to receive the Performance-tested Shares. No loan will be made available to Mr Scott in connection with the acquisition of the shares proposed to be granted to him if the resolution in Item 5 is approved.

For the purposes of ASX Listing Rule 10.15.4, Mr Scott's current total remuneration is as follows:

- fixed annual remuneration (FAR) of \$2,500,000;
- target variable incentive opportunity under the KEEPP of 100 per cent of FAR in KEEPP Deferred Shares and 100 per cent of FAR in KEEPP Performance Shares;
- maximum variable incentive opportunity under the KEEPP of 150 per cent of FAR in KEEPP Deferred Shares and 150 per cent of FAR in KEEPP Performance Shares; and
- a one-off grant in the 2021 financial year of 50 per cent of FAR in Performance-tested Shares,

noting that the grant of the Performance-tested Shares, KEEPP Deferred Shares and KEEPP Performance Shares are subject to approval by shareholders as set out in this Notice of Meeting.

Further information on Mr Scott's remuneration is set out in the Remuneration Report on pages 92 to 116 of the 2020 Annual Report.

Details of any Performance-tested Shares issued will be published in the Wesfarmers Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance-tested Shares after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

Explanatory Notes

Other required information – section 200E Corporations Act 2001 (Cth)

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

The matters, events and circumstances that may affect the calculation of the value include:

- the number of Performance-tested Shares held by Mr Scott at the time he ceases employment;
 - the circumstances of or reasons for ceasing employment;
 - the result of any pro-rataing of shares on cessation of employment;
 - the performance against the performance condition at the time employment ceases or the condition is tested or whether the performance condition is waived;
 - the portion of any relevant performance period that has elapsed at the time employment ceases;
 - the number of shares that the Board determines to vest, forfeit or leave on foot on cessation of employment; and
 - the market value of Wesfarmers' shares on the relevant date.
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If shareholders do not approve the grant of Performance-tested Shares for Mr Scott, the proposed grant of Performance-tested Shares will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Scott's remuneration and alignment of rewards with other executive KMP in the Group. The Board would then need to consider alternative remuneration arrangements for Mr Scott which are consistent with Wesfarmers' remuneration principles, including providing an equivalent cash long-term incentive subject to the same risk of forfeiture, performance condition and performance period as described above for the grant of the Performance-tested Shares.

The Board (other than Mr Scott, because of his interests) unanimously recommends that shareholders vote in favour of Item 5.

