

# Notice of Meeting 2021

WESFARMERS LIMITED ABN 28 008 984 049



# 2021 Notice of Meeting

Notice is given that the 40th Annual General Meeting (**AGM**) of Wesfarmers Limited (**Wesfarmers** or **Company**) will be held at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia on Thursday 21 October 2021 commencing at 1:00pm (Perth time).

## Registration will open at 12:00pm

Shareholders and proxyholders may participate in our AGM either in person or may choose to participate in a live webcast of the meeting through the Lumi AGM online platform, including the ability to ask questions and vote online during the AGM. Please refer to the Important Information section of this Notice of Meeting for further details.

**Shareholders and proxyholders can register to join the AGM through the Lumi AGM online platform from 12:00pm (Perth time) on Thursday 21 October 2021. Wesfarmers recommends that participants register at least 15 minutes before the AGM is scheduled to commence.**

Due to the continuing developments in relation to the COVID-19 situation and public health concerns, Wesfarmers will be closely monitoring the evolving COVID-19 situation in Australia. If it becomes necessary or appropriate to make alternative arrangements for the holding of the AGM, Wesfarmers will ensure that shareholders are given as much notice as possible via information lodged with the ASX and made available at [www.wesfarmers.com.au](http://www.wesfarmers.com.au)

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# Chairman's letter to Shareholders

9 September 2021

## Dear Shareholder,

It is my pleasure to invite you to participate in the 2021 Annual General Meeting of Wesfarmers Limited (**AGM**).

This year shareholders and proxyholders will be able to participate in our AGM in person at a venue at our home base in Perth, Western Australia or via a live webcast of the meeting through the Lumi AGM online platform. In light of the ongoing COVID-19 situation, we have decided to give shareholders the option to attend and participate either in person or via an online platform.

### Attendance in person

The AGM will be held at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia, on Thursday 21 October 2021 at 1:00pm (Perth time). The registration desk will be open from 12:00pm. Details of the resolutions to be considered at the AGM, and a map of the venue, are included in this Notice of Meeting.

Due to the ongoing COVID-19 situation and our focus on the wellbeing of our team, shareholders and the broader community, this year the event will be scaled down. This means there will be no events before or after the meeting, and there will be no alcohol served or shareholder gift bags available. At the conclusion of the meeting shareholders will be offered tea and coffee. We will be closely monitoring the evolving COVID-19 situation in Australia. If it becomes necessary or appropriate to make alternative arrangements for the holding of the AGM, we will ensure that shareholders are given as much notice as possible.

### Attendance online

Shareholders and proxyholders who are unable to attend the AGM in person can participate in a live webcast of the meeting online via the Lumi AGM online platform, including the ability to vote and ask questions during the meeting.

Please refer to the Important Information section of this Notice of Meeting for further details.

### Wesfarmers website

There will be a page on our website dedicated to providing information about the 2021 AGM and how to attend and participate. You will be able to find this from our home page [www.wesfarmers.com.au](http://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 2021 Annual Report; and
- instructions on how to vote online and submit questions, which you will be able to do via [www.investorvote.com.au](http://www.investorvote.com.au) from Friday 17 September 2021.

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](http://www.wesfarmers.com.au)

### Shareholder emails and electronic communications

If you haven't done so already, I encourage you to make the switch 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 AGM on Thursday 21 October 2021.

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.

## Item 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 2021.

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

## Items 2(a) to 2(e) – Election of Directors

To consider and, if thought fit, approve the re-election of:

- a) The Right Honourable Simon William (Bill) English KNZM; and
- b) 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 the election of:

- c) Mr Anil Sabharwal;
- d) Ms Alison Mary Watkins; and
- e) Mr Alan John Cransberg,

who, having been appointed as directors of the Company since the last AGM, retire in accordance with Wesfarmers' Constitution, the *Corporations Act 2001 (Cth)*, and the ASX Listing Rules and, being eligible, offer themselves for election.

Mr Anil Sabharwal was appointed as a director of Wesfarmers with effect from 1 February 2021. Ms Alison Mary Watkins was appointed as a director of Wesfarmers with effect from 1 September 2021. Mr Alan John Cransberg was appointed as a director of Wesfarmers with effect from 1 October 2021.

Mr Wayne Geoffrey Osborn will retire as a director at the conclusion of the AGM and will not be seeking re-election.

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

## Item 3 – Adoption of the Remuneration Report

To consider and, if thought fit, approve the Remuneration Report for the year ended 30 June 2021, as set out in the 2021 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.*

# Business of the AGM

## Item 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 Key Executive Equity Performance Plan (**KEEPP**) Deferred Shares up to a maximum value of \$3,684,701 and KEEPP Performance Shares up to a maximum value of \$3,684,701 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.*

## Item 5 – Return of capital to shareholders

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

‘That, in accordance with section 256C(1) of the *Corporations Act 2001 (Cth)*, approval is given for the share capital of the Company to be reduced by approximately \$2,268 million, to be effected by the Company paying to each registered holder of shares as at the record date of 4:00pm (Perth time) on Friday 19 November 2021 the amount of 200 cents for each share held by that holder at that time.’

By order of the Board



Vicki Robinson

Company Secretary  
9 September 2021

## 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 as at **4:00pm (Perth time) on Tuesday 19 October 2021**.

### 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 (see instructions below). If you lodge a direct vote, you may still participate in the AGM in person or online.

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](http://www.wesfarmers.com.au)

**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 19 October 2021).**

### 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 does not need to be a shareholder.

If you wish to appoint a proxy you must either:

1. nominate a proxy online (see instructions on pages 7 and 8 of this Notice of Meeting); or
2. complete and return the proxy voting section of the paper copy Voting Form for those shareholders who received a paper copy Notice and Access letter.

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 paper copy Voting Form (if you have elected to receive one), as applicable.

**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 19 October 2021).**

## Important Information

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.

### Direct voting and lodgement of proxy voting instructions online

Wesfarmers encourages you to lodge your direct voting or proxy voting instructions online **from Friday 17 September 2021** by:

- **Website:** by visiting [www.investorvote.com.au](http://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 **135336**. Overseas shareholders should select the relevant country from the drop-down box; or
- **Smartphone:** by using your smartphone to scan the QR code that appears on the Notice and Access letter or Voting Form (if you have elected to receive a paper copy), 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](http://www.investorvote.com.au) or the Voting Form (if you have elected to receive a paper copy) 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 InvestorVote website **from Friday 17 September 2021**. For shareholders who have received a Notice and Access letter or Voting Form, your SRN or HIN has been included in the document. You can also locate your SRN or HIN on any paper 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 Voting Form

For those shareholders who have elected to receive a paper copy Voting Form, you can lodge a direct vote or appoint a proxy either online from Friday 17 September 2021 or by completing and returning the paper copy Voting Form. Please follow the instructions on the Voting Form and ensure that you only complete the relevant section.

**For your voting instructions to be effective, Computershare must receive your completed Voting Form, 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 19 October 2021).**

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

- **By mail:** Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia; or
- **By fax:** 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia); or
- **In person:** Share Registry – Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia.

### Body corporate representatives

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

Please provide your appointment documentation to Computershare by **1:00pm (Perth time) on Tuesday 19 October 2021**.

To obtain the relevant corporate representative documentation before this date please download a copy from Investor Centre at [www-au.computershare.com/Investor/#Help/PrintableForms](http://www-au.computershare.com/Investor/#Help/PrintableForms) or contact Computershare 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.

## Important Information

### Custodians and nominees

Custodians and nominees are able to cast a direct vote or lodge a proxy vote online by visiting [www.intermediaryonline.com](http://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 ensure that your questions relate 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 by 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 19 October 2021** to allow the Company time to respond during the AGM. You can lodge a question using any of the options below:

- online from **Friday 17 September 2021** at [www.investorvote.com.au](http://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);
- 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 from shareholders or proxyholders attending the physical AGM in person or participating online using the Lumi AGM online platform.

# Important Information

## ATTENDING THE AGM IN PERSON

Shareholders and proxyholders can attend and participate in the AGM in person at the Perth Convention and Exhibition Centre, Mounts Bay Road, Perth, Western Australia (PCEC), including the ability to ask questions and cast votes during the meeting.

Due to the ongoing COVID-19 situation and our focus on the wellbeing of our team, shareholders and the broader community, this year the event will be scaled down. This means there will be no events before or after the meeting, and there will be no alcohol served or shareholder gift bags available. At the conclusion of the meeting shareholders will be offered tea and coffee.

For the health, safety and wellbeing of all attendees, Wesfarmers will be observing any government requirements that apply based on the COVID-19 situation at the time. Attendees will be required to register their contact details via the SafeWA app or a paper-based register. The venue may be subject to a capacity limit if required to comply with government health directives, in which case there is a risk that persons may not be able to be admitted and shareholders and proxyholders will be given priority to attend the meeting.

Shareholders and proxyholders who plan to attend the AGM should be mindful of government advice in relation to COVID-19 and monitor Wesfarmers' website and ASX announcements for any updates about the AGM.

The health, safety and wellbeing of Wesfarmers' shareholders, employees and other meeting attendees is of paramount importance. Please do not attend the AGM if you feel unwell or have been in close contact with someone who may have been exposed to COVID-19. Wesfarmers may implement screening procedures at admission to the AGM venue, for example temperature checks, depending on circumstances at the time.

Given the continuing developments in relation to the COVID-19 situation and public health concerns, Wesfarmers will be closely monitoring the evolving COVID-19 situation in Australia. If it becomes necessary or appropriate to make alternative arrangements for the holding of the AGM, Wesfarmers will ensure that shareholders are given as much notice as possible via information lodged with the ASX and made available at [www.wesfarmers.com.au](http://www.wesfarmers.com.au)

For this reason, shareholders are encouraged to submit their voting instructions from Friday 17 September 2021 via [www.investorvote.com.au](http://www.investorvote.com.au) before the AGM. Voting instructions in the lead up to the AGM must be received by Computershare **by 1:00pm (Perth time) on Tuesday 19 October 2021** (refer to the instructions on pages 6 to 9 of this Notice of Meeting).

# Important Information

## HOW TO VOTE AND ASK QUESTIONS IN PERSON

Instructions on how shareholders and proxyholders can vote and ask questions in person will be provided at the AGM and will be similar to prior years when physical meetings have been held by Wesfarmers.

## VENUE INFORMATION - PERTH CONVENTION AND EXHIBITION CENTRE (PCEC)

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

### Walking

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

### Driving

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

For your convenience, there is a car park underneath the Perth Convention and Exhibition Centre. Undercover parking is available at a cost of \$6.00 per hour. Further parking options are available at [www.cityofperthparking.com.au](http://www.cityofperthparking.com.au)

### Public transport

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

### Map

A map of the venue location has been included on page 32.

# Important Information

## PARTICIPATING IN THE AGM ONLINE

Shareholders and proxyholders can watch and participate in the AGM virtually via the Lumi AGM online platform by using either a computer, tablet or smartphone. Participating in the AGM online enables shareholders and proxyholders to view the AGM live, ask questions and cast their votes during the meeting.

To participate in the AGM online you will need to visit <https://web.lumiagm.com> on your computer, tablet or smartphone. You will need the latest version of Chrome, Safari, Edge or Firefox. You can check your current browser is compatible at [www.whatismybrowser.com](http://www.whatismybrowser.com)

Online registration will open at 12:00pm (Perth time) on Thursday 21 October 2021 (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 341-174-076**

### Shareholder login details:

You will need the following details to login:

1. your Shareholder Reference Number (SRN) / Holder Identification Number (HIN); and
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](http://www.wesfarmers.com.au)

### Proxyholder login details:

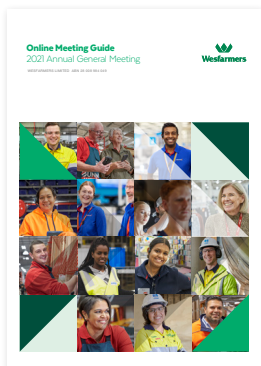
Proxyholders will need to contact Computershare on (+61 3) 9415 4024 to obtain their login details to participate online during the AGM.

### NEED HELP?

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



Please refer to the User Guide on our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au)



# Important Information

## HOW TO VOTE ONLINE

### Before the AGM

From Friday, 17 September 2021 until 1:00pm (Perth time) on Tuesday 19 October 2021, shareholders can lodge a direct vote or appoint a proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) or [www.intermediaryonline.com](http://www.intermediaryonline.com) for custodians and nominees.

### At the AGM

Shareholders and proxyholders can cast their votes during the AGM by logging into <https://web.lumiagm.com> using either a computer, tablet or smartphone as described on page 12 of this Notice of Meeting.

## HOW TO ASK QUESTIONS ONLINE

### Before the AGM

Please submit questions by 1:00pm (Perth time) on Tuesday 19 October 2021 to allow the Company time to respond during the AGM:

- Online from Friday 17 September 2021 at [www.investorvote.com.au](http://www.investorvote.com.au) using the Shareholder Question icon at the end of the voting process.
- Fax 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia).
- Call the share registry on 1300 558 062 (within Australia) or (+61 3) 9415 4631 (outside Australia).

### At the AGM

Shareholders and proxyholders can log into <https://web.lumiagm.com> using either a computer, tablet or smartphone as described on page 12 of this Notice of Meeting.

## TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the AGM which may impact shareholders and proxyholders participating in the AGM through the Lumi AGM online platform. 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 regard 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 from Friday 17 September 2021 via [www.investorvote.com.au](http://www.investorvote.com.au) before the AGM. Voting instructions in the lead up to the AGM must be received by Computershare by **1:00pm (Perth time) on Tuesday 19 October 2021** (refer to the instructions on pages 6 to 9 of this Notice of Meeting).

# 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 the 2021 Annual Report.

The 2021 Annual Report is available from the Wesfarmers website at [www.wesfarmers.com.au](http://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.

## Items 2(a) - 2(e) – Election of Directors

In accordance with Wesfarmers' Constitution and the ASX Listing Rules, The Right Honourable Simon William (Bill) English KNZM and Ms Vanessa Miscamble Wallace retire by rotation and being eligible, offer themselves for re-election. The Board, with the assistance of the Nomination Committee, has reviewed the performance of the directors standing for re-election and has endorsed their nomination as candidates for re-election. Ms Wallace has advised the Company that, should she be re-elected by shareholders for another three-year term at this year's AGM, she would not seek a further term as a director of Wesfarmers.

Mr Wayne Geoffrey Osborn 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.

Mr Anil Sabharwal was appointed as a director of Wesfarmers with effect from 1 February 2021. Ms Alison Mary Watkins was appointed as a director of Wesfarmers with effect from 1 September 2021. Mr Alan John Cransberg was appointed as a director of Wesfarmers with effect from 1 October 2021. In accordance with Wesfarmers' Constitution, the *Corporations Act 2001 (Cth)* and the ASX Listing Rules, Mr Sabharwal, Ms Watkins and Mr Cransberg offer themselves for election at this AGM. The Board believes that the proposed election of Mr Sabharwal, Ms Watkins and Mr Cransberg is in the best interests of Wesfarmers having regard to the skills and experience which Mr Sabharwal, Ms Watkins and Mr Cransberg will bring to the Board. Mr Sabharwal's, Ms Watkins' and Mr Cransberg's appointments are recommended by the Board after review by the Nomination Committee.

The experience, qualifications and other information about each of the candidates appears on pages 15 to 18 of this Notice of Meeting.

### RECOMMENDATION

**The Board recommends the re-election of The Right Honourable Simon William (Bill) English KNZM and Ms Vanessa Miscamble Wallace, and the election of Mr Anil Sabharwal, Ms Alison Mary Watkins and Mr Alan John Cransberg.**

None of these directors participated in the Board's deliberations with respect to their recommendation for re-election or election.



**THE RIGHT HONOURABLE SIMON WILLIAM (BILL) ENGLISH KNZM**

BA (Hons), BCom (Otago)  
Age: 59  
Term: Director since April 2018  
Independent: Yes

**Skills and experience:** Mr English holds a Bachelor of Commerce from the University of Otago and a Bachelor of Arts with honours in English Literature from Victoria University of Wellington. He has also been awarded an Honorary Doctorate of Commerce from Victoria University of Wellington and an Honorary Doctorate of Laws from the University of Otago.

Mr English was Minister of Finance and Deputy Prime Minister of New Zealand from October 2008 to December 2016 and Prime Minister until the change of government in October 2017. He retired from parliament in March 2018 after guiding the New Zealand economy through the global financial crisis to be one of the faster growing developed economies with sustainable government surpluses. He initiated tax reforms, partial floats of four government companies and financing the rebuild of Christchurch after the 2010 earthquakes. As Minister for Infrastructure, he set up the National Infrastructure Unit and initiated New Zealand's first Public Private Partnerships (PPP) Programme. He also focused on public sector reform, balance sheet management and led the development and implementation of Social Investment, a world leading policy innovation for large scale social services. He oversaw significant investment in digitalising government and improving customer experience of public services. Mr English was Minister of Health from 1996 to 1999 and has also held ministerial roles in education, housing, and revenue since his election to Parliament in 1990. He has long-term interests in economic restructuring, sound microeconomic policy, and social policy reform.

**Directorships of listed entities (last three years):**

- Nil

**Other directorships/offices (current and recent):**

- Director of The Todd Corporation Limited (since May 2021)
- Director of Centre for Independent Studies (since March 2021)
- Director of The Instillery Group Limited (since August 2019)
- Director of Impact Lab Limited (since May 2019)
- Director of Manawanui Support Limited (since April 2019)
- Chairman of Mount Cook Alpine Salmon Limited (director from July 2018, and Chairman from August 2018)
- Advisor to Jarden Financial Services (since May 2018)
- Member of Macquarie Infrastructure and Real Assets' Impact Advisory Group (since March 2021)

**Wesfarmers committee memberships:**

- Member of the Audit and Risk, and Nomination committees

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





### VANESSA MISCAMBLE WALLACE

B.Comm (UNSW), MBA (IMD Switzerland), MAICD  
Age: 58  
Term: Director since July 2010  
Independent: Yes

**Skills and experience:** Ms Wallace is an experienced board director, corporate adviser, start-up investor and founding chair. She holds a Bachelor of Commerce degree from the University of New South Wales, a Master of Business Administration from the IMD Switzerland, Executive Certificate in Strategy and Innovation from the Massachusetts Institute of Technology (MIT) Sloan School and is currently completing a Professional Certificate in Machine Learning from MIT Engineering School.

Over her almost 30-year career as a strategy management consultant, she held a number of leadership and governance roles, including leader of Strategy&'s (formerly Booz & Company) financial services practice in Global Markets, and was a Senior Partner and the Executive Chairman of Strategy& Japan (now a part of PwC Japan LLC). She retired in June 2015.

Ms Wallace has her own advisory company MF Advisory that provides executive coaching and advisory services to executives in Japan and Australia. She is a Director of Seek Limited and Chairman of Drop Bio Pty Ltd, a start-up digital health and wellbeing business that combines system biology and machine learning. She is a member of the Chairman's Council of the Australian Chamber Orchestra Pty Ltd, the Australian Institute of Company Directors, an honorary member of the Business Council of Australia's Governance and Citizenship Committee and on the Business Advisory Council of the University of New South Wales.

#### Directorships of listed entities (last three years):

- Deputy Chairman of Ecofibre Limited (since July 2021)
- Director of Doctor Care Anywhere Group PLC (since September 2020)
- Director of Seek Limited (since March 2017)

#### Other directorships/offices (current and recent):

- Director of Palladium Holdings Pty Ltd (since January 2021)
- Founding Chairman of Drop Bio Pty Ltd (since January 2019)
- Managing Director of MF Advisory (since 2015)
- Director of Booz & Company entities in Australia, New Zealand, Thailand and Indonesia (for various periods up to February 2013)
- Director of Booz & Company's Global Board (from 2008 to 2010)

#### Wesfarmers committee memberships:

- Member of the Remuneration and Nomination committees

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



### ANIL SABHARWAL

BMath, BCompSc  
Age: 43  
Term: Director since February 2021  
Independent: Yes

**Skills and experience:** Mr Sabharwal is Vice President of Product Management at Google and the company's most senior product and engineering leader in Australia and New Zealand. He is also an advisor to venture capital manager, AirTree Ventures. Mr Sabharwal's 12 years at Google have included leading the strategy and team behind the launch of Google Photos in 2015, which reached more than one billion monthly active users within four years. He later led product, design and engineering for Google Chrome, one of the world's most popular web browsers. Before joining Google, he co-founded online learning company Desire2Learn, headquartered in Canada, and was General Manager of the knowledge management division in Australia for human resources company, Talent2. Born and raised in Montreal, Canada, Mr Sabharwal has an Honors Bachelor of Mathematics in Computer Science from the University of Waterloo. He and his family moved to Australia in 2006, where he joined Google in

2009, before relocating to Google's headquarters in Mountain View in the United States in 2013 and then returning home to Australia with Google in 2017.

#### Directorships of listed entities (last three years):

- Nil

#### Other directorships/offices (current and recent):

- Advisor to AirTree Ventures (since March 2017)
- Vice President of Product Management of Google (since April 2016, various other roles held at Google since January 2009)

#### Wesfarmers committee memberships:

- Member of the Audit and Risk, and Nomination committees

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



### ALISON MARY WATKINS

BCom, FCA, FAICD, FFIN  
Age: 58  
Term: Director since September 2021  
Independent: Yes

**Skills and experience:** Ms Watkins holds a Bachelor of Commerce (University of Tasmania), is a Fellow of Chartered Accountants ANZ, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors. Ms Watkins is an experienced chief executive and non-executive director. She is a member of the Reserve Bank of Australia Board and a Director of the Business Council of Australia.

Ms Watkins' previous roles include Group Managing Director of Coca-Cola Amatil, Chief Executive Officer of GrainCorp Limited and Berri Limited, and Managing Director of Regional Banking at ANZ. Ms Watkins spent 10 years at McKinsey & Company from 1989 to 1999 and became a partner of the firm in 1996 before moving to ANZ as Group General Manager, Strategy. Ms Watkins has been a Non-executive Director of Australia and New Zealand Banking Group Limited, Woolworths Limited and Just Group Limited. She is a former Victorian President and National Board Member of the Australian Institute of Company Directors.

#### Directorships of listed entities (last three years):

- Director of CSL Limited (since August 2021)
- Group Managing Director of Coca-Cola Amatil Limited (from March 2014 and resigned May 2021)

#### Other directorships/offices (current and recent):

- Director of Reserve Bank of Australia (since December 2020)
- Director of Business Council of Australia (since June 2015)
- Director of Centre for Independent Studies (since December 2011)
- Chancellor of the University of Tasmania (since July 2021)
- Member of Low Emissions Technology Roadmap Ministerial Reference Panel (since March 2020)

#### Wesfarmers committee memberships:

- Member of the Remuneration and Nomination committees

**The Board (other than Ms Watkins because of her interest) unanimously recommends that shareholders vote in favour of Ms Watkins election.**



### ALAN JOHN CRANSBERG

BEng(Civil Eng) (Hons)

Age: 62

Term: appointed as a Director effective from October 2021

Independent: Yes

**Skills and experience:** Mr Cransberg holds an Honours Degree in Civil Engineering from the University of Western Australia (UWA). He has 36 years of experience from roles in the mining, resources and manufacturing sectors. Mr Cransberg joined Alcoa in 1980 and worked in a variety of assignments and locations across their Australian businesses, prior to being appointed as Chairman and Managing Director of Alcoa of Australia in 2008, and President of Alcoa Refining in 2015. He retired from these positions in 2016. Mr Cransberg was also previously a Director and Chairman of the West Coast Eagles Football Club.

Mr Cransberg was a founding member of the Foundation to Prevent Violence Against Women and Their Children, as well as being a founding member of the CEO's for Gender Equity in Western Australia. He is a member of the UWA Business School Board and Chairman of the Wirrpanda Foundation.

#### **Directorships of listed entities (last three years):**

- Director of Stealth Global Holdings Ltd (since April 2020)

#### **Other directorships/offices (current and recent):**

- Deputy Chairman of Peel Development Commission (since September 2019)
- Chairman of the Wirrpanda Foundation (since November 2017)
- Member of the UWA Business School Board (since October 2016)
- Director and Lead Investment Committee member of SAS Resources Trust (since October 2016)
- Ambassador to the Foundation to Prevent Violence to Women and Their Children (since September 2016)
- Director of John Swire and Sons Pty Ltd (since August 2016)
- Director and Deputy Chairman of Black Swan Theatre Company (director from March 2009, Chairman from March 2018, and resigned June 2020)

#### **Wesfarmers committee memberships:**

- Member of the Remuneration and Nomination committees.

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

## Explanatory Notes

### Item 3 - Adoption of the Remuneration Report

The Remuneration Report contained in the 2021 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 94 to 122 of the 2021 Annual Report and is also available from the Wesfarmers website at [www.wesfarmers.com.au](http://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 2021 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 2021.

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

#### RECOMMENDATION

**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

Mr Robert Scott participated in the Key Executive Equity Performance Plan (KEEPP) in the 2021 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 reputation, risk management, people and culture, and climate change-related initiatives) objectives. As outlined in the Remuneration Report, Mr Scott achieved 98.3 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 KEEPP Deferred Shares up to a maximum value of \$3,684,701 and KEEPP Performance Shares up to a maximum value of \$3,684,701 (see page 21 for details on how the number of KEEPP Deferred Shares and KEEPP Performance Shares to be allocated to Mr Scott will be determined).

## Explanatory Notes

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 2021 KEEPP.

### APPROVALS SOUGHT

Shareholders are asked to approve the 2021 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 the 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.

### RECOMMENDATION

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 Scott as an executive director.

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

### 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 2021 KEEPP award are set out on the following pages.

## Explanatory Notes

### NUMBER ALLOCATED

The 2021 KEEPP award for Mr Scott comprises the following components:

- up to \$3,684,701 in the form of KEEPP Deferred Shares; and
- up to \$3,684,701 in the form of KEEPP Performance Shares.

To determine the number of KEEPP Deferred Shares and KEEPP Performance Shares to be allocated to Mr Scott, the value of each component of Mr Scott's KEEPP award referred to above will be divided by the face value of a Wesfarmers share. The face value will be calculated using the volume-weighted average price of Wesfarmers shares over a 10-day trading period. Given the Board proposal to undertake a return of capital to Wesfarmers shareholders, subject to Wesfarmers' shareholders approving Item 5 (Return of capital to shareholders), the pricing period for the 2021 KEEPP award will be 18 November 2021 to 1 December 2021.

### DATE OF GRANT

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 2021. In any event, they will be granted within 12 months of receiving shareholder approval.

### KEEPP DEFERRED SHARES

The KEEPP Deferred Shares are subject to a 12-month service condition (the forfeiture period), after which time they will vest but remain subject to trading restrictions of four years (applying to one-third of the KEEPP Deferred Shares), five years (applying to one-third of the KEEPP Deferred Shares) and six years (applying to one-third of the KEEPP Deferred Shares). 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.

The KEEPP Deferred Shares will be released from restrictions on the day following the full-year results announcement in each of the 2025, 2026 and 2027 financial years, expected to be in August 2025, August 2026 and August 2027 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.

Each KEEPP Deferred Share is a newly issued, unquoted, fully-paid ordinary share in Wesfarmers and no amount is payable by Mr Scott upon the grant or vesting of a KEEPP Deferred Share. Wesfarmers will seek quotation of these fully-paid ordinary shares in Wesfarmers which constitute the KEEPP Deferred Shares following vesting at the end of the 12-month service condition.

### KEEPP PERFORMANCE SHARES

The KEEPP Performance Shares have performance conditions which will be measured over a four-year performance period from 1 July 2021 to 30 June 2025. The performance conditions are specific to Mr Scott's role as Group Managing Director and will be tested at the end of the 2025 financial year. The KEEPP Performance Shares remain at-risk throughout the performance period, with performance conditions

## Explanatory Notes

chosen to reinforce the focus on Group results and outcomes which are aligned with long-term shareholder interests.

The performance conditions and the relevant weightings are as follows:

- Wesfarmers' total shareholder return (TSR) relative to the TSR of the S&P/ASX 100 Index (80 per cent weighting) over the performance period; and
- Wesfarmers' portfolio management and investment outcomes (20 per cent weighting).

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

Percentile ranking	Percentage of Performance Shares that vest
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 newly issued, unquoted, fully-paid ordinary share in Wesfarmers and no amount is payable by Mr Scott upon the grant or vesting of a KEEPP Performance Share. On vesting, Wesfarmers will seek quotation of these fully-paid ordinary shares in Wesfarmers which constitute the KEEPP Performance Shares.

### CESSATION OF EMPLOYMENT

#### KEEPP Deferred Shares

If Mr Scott ceases employment because he 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

## Explanatory Notes

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. This means that the Board has discretion to forfeit or lift the restrictions on some or all of the KEEPP Deferred Shares early.

#### KEEPP Performance Shares

If Mr Scott ceases employment during the four-year performance period because he resigns, 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.

### CLAWBACK AND ADJUSTMENT

The terms of the KEEPP allow for the Board, in certain circumstances, 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

Dividend (and other distribution) entitlements are only received by Mr Scott in respect of KEEPP Deferred Shares and KEEPP Performance Shares that vest.

KEEPP Deferred Shares and KEEPP Performance Shares carry voting rights and entitlements to dividends and other distributions in line with other Wesfarmers ordinary shares. Dividends have a deferred payment date, being after Wesfarmers seeks quotation of the relevant shares upon vesting. Any other distributions will be escrowed.

On satisfaction of relevant service or performance conditions (as applicable) and vesting, the KEEPP Deferred Shares or the KEEPP Performance Shares, as applicable, will be quoted and Mr Scott will receive his accrued dividend and other distribution entitlements at that time. No dividend entitlements are receivable by Mr Scott in respect of KEEPP Deferred Shares or KEEPP Performance Shares that do not vest. If any other distributions are held in escrow, a portion of the escrowed amount will be paid to Mr Scott to enable him to satisfy any tax liability on the payment.

### 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.

## Explanatory Notes

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme: (a) a director of the company; (b) an associate of a director of the company; or (c) a person whose relationship with the company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders, unless it obtains the approval of its shareholders. If Item 4 is passed, the Company will be able to proceed with the issue of the KEEPP Deferred Shares and KEEPP Performance Shares to Mr Scott, who will be remunerated accordingly.

Approval was sought for the allocation of KEEPP Deferred Shares (previously named Restricted Shares) and KEEPP Performance Shares to Mr Scott under the 2018, 2019 and 2020 KEEPP at the 2018, 2019 and the 2020 AGMs 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;
- 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; and
- 28,609 KEEPP Deferred Shares and 28,609 KEEPP Performance Shares were allocated (at no cost) to Mr Scott on 1 December 2020 as his 2020 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
- 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 comprises fixed annual remuneration (**FAR**) of \$2,500,000 and variable remuneration delivered under the KEEPP. Mr Scott's target variable incentive opportunity under the KEEPP is 100 per cent of FAR in KEEPP Deferred Shares and 100 per cent of FAR in KEEPP Performance Shares, with his maximum variable incentive opportunity under the KEEPP set at 150 per cent of FAR in KEEPP Deferred Shares and 150 per cent of FAR in KEEPP

## Explanatory Notes

Performance Shares. The grant of 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 94 to 122 of the 2021 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.

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### 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.

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### IF NOT APPROVED

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.

# Explanatory Notes

## Item 5 – Return of capital to shareholders

### a. Overview

As announced on 27 August 2021, the Board proposes to undertake a return of capital to Wesfarmers shareholders, subject to Wesfarmers' shareholders approving Item 5 (Return of capital to shareholders).

If Item 5 is approved, it will result in a return of capital to shareholders of 200 cents per share.

The return of capital represents a total payment to shareholders of approximately \$2,268 million.

Wesfarmers has applied to the Australian Taxation Office (ATO) for a Class Ruling to confirm the income tax consequences of the capital return distribution for Wesfarmers shareholders. Subject to receiving the Class Ruling, the taxation consequences for Wesfarmers shareholders are as described in section (j) of the Explanatory Notes for this Item 5.

The Class Ruling will be published and notice will be included in the Government Notices Gazette. Wesfarmers will display the final version of the Class Ruling on its website when it becomes available. Wesfarmers also intends to release an announcement to the ASX confirming that the Class Ruling has been issued by the ATO. Shareholders will not receive any additional direct notification via post and so should monitor the Wesfarmers website ([www.wesfarmers.com.au](http://www.wesfarmers.com.au)). Shareholders registered to receive Wesfarmers company updates by email should receive notification at the time of the lodgement of an ASX announcement.

### b. Why is the return of capital being undertaken?

The proposed return of capital is being undertaken to return a portion of the Wesfarmers Group's surplus capital equitably to shareholders, and to ensure that Wesfarmers has a more efficient capital structure. The return of capital has been made possible by the Wesfarmers Group's continued strong cash flow generation and the receipt of approximately \$4.3 billion in proceeds from the sales of a number of assets during FY2018 to FY2020. These include the divestment of Wesfarmers' interest in Bengalla, Curragh, Kmart Tyre & Auto, Quadrant and 10.1 per cent of Wesfarmers' post-demergers 15 per cent shareholding in Coles.

The proposed return of capital reflects the strength of Wesfarmers' balance sheet as set out in the 2021 Annual Report, its ability to generate cash flow and the availability of well-established funding sources. Upon completion of the return of capital, Wesfarmers expects it will still maintain its current strong credit ratings and the balance sheet capacity to take advantage of value accretive opportunities should they arise.

The proposed return of capital demonstrates Wesfarmers' commitment to efficient capital management, and its focus on providing a satisfactory return to all shareholders.

### c. Effect of the return of capital on Wesfarmers

#### i. Effect on credit rating

In determining whether to implement the return of capital, the Board has considered potential impacts on Wesfarmers' credit rating. Taking into account Wesfarmers' robust credit metrics and continued strong cash flows, the Board considers that the return of capital will not adversely affect Wesfarmers' credit rating.

# Explanatory Notes

### ii. Impact on financial position

The proposed return of capital will be funded by a combination of Wesfarmers' available cash balances and existing debt facilities. The proportion of funding from each source will be determined having regard to the most cost-effective source of funding available as at the date of payment.

In determining whether to implement the return of capital, the Board has reviewed Wesfarmers' assets, liabilities and expected cash flows. The Board considers that the proposed return of capital is fair and reasonable to shareholders as a whole, and will not materially prejudice Wesfarmers' ability to pay its creditors, or impact on its solvency position.

### 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 and satisfying customer needs, secure growth opportunities through entrepreneurial initiatives, renew the portfolio through value-adding transactions, and ensure sustainability through responsible long-term management.

Having regard to Wesfarmers' strong balance sheet and cash flow generation, together with its well-established funding sources (if required) and robust credit metrics, the Board is of the opinion that, consistent with Wesfarmers' growth strategy, Wesfarmers is able to undertake the return of capital without materially prejudicing its ability to fund new investments, or to take advantage of value accretive opportunities, if they arise.

### iv. Impact on ability to frank future dividends determined

In relation to the franking of future dividends determined, Wesfarmers' dividend policy seeks to deliver dividends taking into account Wesfarmers' current and projected cash position, profit generation and available franking credits. As dividends are determined in future, and should franking credits be available for distribution, it is the intention of Wesfarmers that available franking credits be distributed to ensure the most equitable distribution of dividends to shareholders.

### d. Item 5 – Return of capital

Under the return of capital, Wesfarmers proposes to make a cash payment to shareholders of 200 cents per share as a return of capital.

Subject to approval of Item 5, the record date for determining entitlements to receive the return of capital will be 4:00pm (Perth time) on Friday 19 November 2021.

It is proposed that the capital return distribution will be paid on Thursday 2 December 2021. The timetable in section (m) of the Explanatory Notes for this Item 5 contains other important dates for shareholders to consider.

Under the proposed return of capital, all shareholders will be treated in the same manner. The return of capital will constitute an equal reduction of Wesfarmers' share capital for the purposes of Part 2J.I of the *Corporations Act 2001 (Cth)*. It applies to each shareholder equally in proportion to the number of shares they hold and the terms of the return are the same for each shareholder. The return of capital requires approval by an ordinary resolution of shareholders at a general meeting and is the subject of Item 5 (Return of capital to shareholders).

# Explanatory Notes

## e. Statutory requirements

Section 256B(1)(a) of the *Corporations Act 2001 (Cth)* provides that a capital reduction must be fair and reasonable to a company's shareholders as a whole. The Board are of the opinion that the proposed capital reduction is fair and reasonable to all shareholders as it will apply to all shareholders on the record date equally, in proportion to the number of shares they hold as at that date.

Section 256B(1)(b) of the *Corporations Act 2001 (Cth)* provides that a capital reduction must not materially prejudice a company's ability to pay its creditors. The Board, having carefully reviewed the Company's assets, liabilities and expected cashflows, believes that the proposed capital reduction will not materially prejudice the Company's ability to pay its creditors.

In accordance with Section 256C(1) of the *Corporations Act 2001 (Cth)*, Item 5 will require approval by an ordinary resolution of shareholders.

## f. Effect of the return of capital on share price

If the proposed return of capital is implemented, shares may trade at a lower price from the 'ex return of capital' date than they otherwise would have done, had the return of capital not occurred. This is due to the outflow of funds to shareholders.

## g. Effect on capital structure

For the purposes of ASX Listing Rule 7.20, the Company provides the following information. If the return of capital is implemented, the Company's issued share capital will be reduced by approximately \$2,268 million. As no shares will be cancelled in connection with the return of capital, the return of capital will not affect the number of shares held by each shareholder or the control of the Company.

## h. Payment details

If Item 5 is approved by shareholders and the return of capital implemented, payments will be made to eligible shareholders, being registered holders of Wesfarmers shares as at the record date of 4.00pm (Perth time) on Friday 19 November 2021.

### i. Dividend Investment Plan

The return of capital payment of 200 cents per share is not eligible to participate in the Dividend Investment Plan.

### ii. How to provide your bank account details to the share registry

As with ordinary 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 can provide their details online at [www.computershare.com.au/easyupdate/wes](http://www.computershare.com.au/easyupdate/wes)

For enquiries or to request a paper Direct Credit Payment Form for completion, please contact Computershare Investor Services Pty Limited on 1300 558 062 (within Australia) or (+61 3) 9415 4631.

## i. Tax implications for Wesfarmers

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

# Explanatory Notes

## j. Tax implications for 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 applied to the ATO for a Class Ruling to confirm the income tax consequences of the return of capital for Wesfarmers shareholders who hold their shares on capital account. The Class Ruling will not apply to shareholders who hold their shares on revenue account or as trading stock, or for shareholders who have elected for the Taxation of Financial Arrangement provisions to apply in respect of their shares. Subject to receiving the Class Ruling, Wesfarmers expects that the taxation consequences for relevant Wesfarmers shareholders are as described below. However, no assurance can be given as to the content of the Class Ruling. The final version of the Class Ruling will be published and notice will be included in the Government Notices Gazette. Wesfarmers will display the final version of the Class Ruling on its website once it becomes available.

### Return of capital

#### i. Resident shareholders

For those shareholders who are tax residents of Australia and hold their shares on capital account at the time the return of capital is paid, no part of the return of capital should be treated as a dividend for income tax purposes. Also:

- the cost base for each share acquired after 19 September 1985 should 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 previous return of capital or as a result of the Coles demerger) of a 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 will arise for the difference. The capital gain will be a discount capital gain for shareholders that are an individual, trust or complying superannuation fund and acquired their shares at least 12 months before the payment date of Thursday 2 December 2021. The discount factor for resident individuals and trusts is one-half and for complying superannuation funds is one-third.

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

#### ii. Non-resident shareholders

For those shareholders who are not tax residents of Australia and hold their shares on capital account, 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.

## Explanatory Notes

### iii. Employee shareholders who hold their shares within a Wesfarmers employee share plan

For those employee shareholders who hold their shares within an Australian Wesfarmers employee share plan, are tax residents of Australia, only work in Australia and hold their shares on capital account at the time the return of capital is paid, the tax implications of the return of capital are as follows:

- For participants in the Australian tax exempt share plans or the loan plans the cost base for each share held on behalf of employees should be reduced by the return of capital amount.
- For participants in all other Australian employee share plans, the tax implications are as follows:
  - For shares that have not reached their ESS deferred taxing point at the time of the return of capital payment (i.e. they have not reached the ESS deferred taxing point), the return of capital payment will give rise to a capital gain for tax purposes. The capital gain will be a discounted capital gain for shares allocated at least 12 months before the payment date of Thursday 2 December 2021. The discount factor for resident individuals is one half.
  - For shares that have reached a taxing point at the time of the return of capital payment, the taxation implications are in line with section (i) above and the cost base for each share held on behalf of employees should be reduced by the return of capital amount.

For those employee shareholders who hold their shares within a New Zealand Wesfarmers employee share plan, are tax residents of New Zealand and only work in New Zealand, it is expected the return of capital payment will be treated as dividend income.

Wesfarmers will write to affected employee shareholders who hold their shares within a Wesfarmers employee share plan other than the Australian and New Zealand share plans.

### k. 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 shareholders, there is no other information that is known to the Board which may reasonably be expected to be material to the making of a decision by shareholders whether or not to vote in favour of Item 5 (Return of capital to shareholders).

### l. Directors' interests\*

The number of shares in which each director has a relevant interest as at the date of this Notice of Meeting is set out in the following table.

## Explanatory Notes

Directors	Wesfarmers Limited shares
M A Chaney	87,597
S W English	3,399
W G Osborn	14,728
M Roche	5,000
A Sabharwal	1,017
R G Scott*	990,495
V M Wallace	13,983
S L Warburton	7,036
A M Watkins	9,000
J A Westacott	6,788

\* As at the date of the Notice of Meeting A J Cransberg has not commenced as a director of the Company. As required by the ASX Listing Rules, Wesfarmers will advise the ASX of any relevant interests that Mr Cransberg holds in Wesfarmers Limited shares following his appointment to the Wesfarmers Board becoming effective.

^ R G Scott holds 331,834 Deferred Shares (previously referred to as Restricted Shares) and 201,101 Performance Shares under the KEEPP. Mr Scott also holds 25,774 Performance-tested Shares.

### m. Key dates for the return of capital

The timetable below assumes the return of capital is approved by shareholders.

#### Thursday 21 October 2021

Annual General Meeting.

#### Tuesday 16 November 2021

Effective date for return of capital.

#### Wednesday 17 November 2021

Last date for trading in 'cum return of capital' for shares.

#### Thursday 18 November 2021

Shares commence trading on an 'ex return of capital' basis.

#### 4:00pm (Perth time) Friday 19 November 2021

Record date for determining entitlement to participate in the return of capital.

#### Thursday 2 December 2021

Payment date for return of capital.

Mail packs issued to shareholders enclosing payment advice.

### APPROVALS SOUGHT

Shareholder approval is sought in accordance with section 256C(1) of the *Corporations Act 2001 (Cth)*, for the share capital of the Company to be reduced by approximately \$2,268 million, to be effected by the Company paying to each registered holder of shares as at the record date of 4:00pm (Perth time) on Friday 19 November 2021 the amount of 200 cents for each share held by that holder at that time.

### RECOMMENDATION

**The Board unanimously recommends that shareholders vote in favour of Item 5.**



# Venue Map - Perth Convention and Exhibition Centre (PCEC)

