
Wesfarmers

Re-Arrangement

Wesfarmers

Westralian Farmers Co-operative Limited, Attendale Square, 77 St George's Terrace, Perth, Western Australia, 6000.
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Cables and Telegrams 'Wesfarmers' Telex 92005

20 August, 1984

Dear Holder of Ordinary Stock Units,

Further to my earlier letter of 27 March, 1984 I am now pleased to put before you a detailed proposal which your Board of Directors considers is in the interests of Members and the future development of the Wesfarmers' Group of Companies.

Your Directors have been concerned for several years about certain shortcomings in the corporate structure of the Group which have emerged more clearly as the extent and importance of Wesfarmers' business activities have increased. In particular, we have been concerned that the shareholdings of Members should reflect more fully the capital and income value of their shares in the Company.

Accordingly, in conjunction with the Company's financial and legal advisers, we have developed a unique proposal for the Re-arrangement of the company.

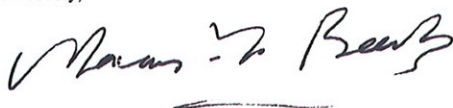
In essence, the proposal involves the Company's Members being issued shares in a subsidiary company, Wesfarmers Limited, which will carry on the business of the Group. Westralian Farmers Co-operative Limited ('WFCL') will own a majority of the shares in Wesfarmers Limited, with the balance being held directly by WFCL's Members.

In addition to retaining your existing \$2.00 Ordinary Stock Units in WFCL, you will receive a free issue of \$1.00 Shares in Wesfarmers Limited on the basis of one new share for each WFCL Ordinary Stock Unit held. This will result in an increase in the capital value of your investment and enable you to receive dividend income from both WFCL and Wesfarmers Limited. Full details of the proposal are set out in the accompanying booklet and special meetings will be held in September to give you the opportunity to discuss the proposal with your Directors.

Your Board of Directors, supported by the Company's financial adviser, Rothschild Australia Limited, unanimously recommends the adoption of this proposal as being in the interests of Members and the long term development of the Group.

We hope that you will support the implementation of the proposal by voting for its adoption. If you are unable to attend the meeting of Members to be held on 25 September, 1984, you should complete and return the enclosed green proxy form in the reply paid envelope not later than 10.30 a.m. on 24 September, 1984.

Yours sincerely,



Sir Marcus Beech
Chairman

THE PROPOSAL

- A Subsidiary of Westralian Farmers Co-operative Limited (WFCL), called Wesfarmers Limited, will become the holding company for the Group's activities.
- You will receive a free issue of one \$1 share in Wesfarmers Limited for each \$2 share that you hold in WFCL. There will be no reduction in your shareholding in WFCL.
- WFCL will own approximately 60% of Wesfarmers Limited and the balance will be owned by you and the other WFCL shareholders.
- Your shares in Wesfarmers Limited are to be listed on the Stock Exchange.
- WFCL will retain control over Wesfarmers Limited through its majority ownership and the rights of the special Founders Share.

WHY IS IT BEING DONE?

- To enable shareholders to benefit more fully from the substantial growth of Wesfarmers' business through increased capital and income benefits.
- To assist marketability of your investment.
- To facilitate the raising of further funds in the future to finance development of the Group.

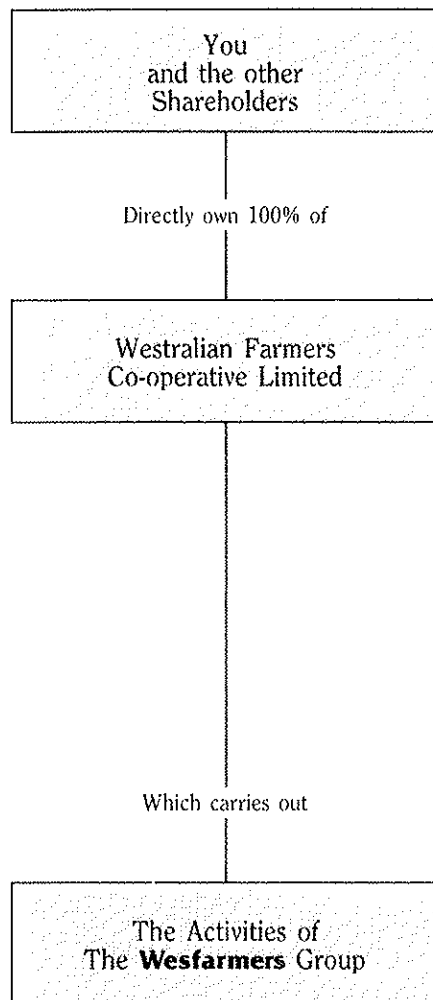
BENEFITS TO MEMBERS

- A free issue to you of one \$1 share in Wesfarmers Limited, for each \$2 share held by you in WFCL, without any reduction in your shareholding in WFCL.
- Following listing, Wesfarmers Limited shares may be freely bought and sold through the Stock Exchange and WFCL shares will continue to be traded through the company.
- Dividends will be payable by both WFCL and Wesfarmers Limited.
- Members will retain control of the Group's activities through their shareholdings in WFCL and through their shareholding in Wesfarmers Limited.

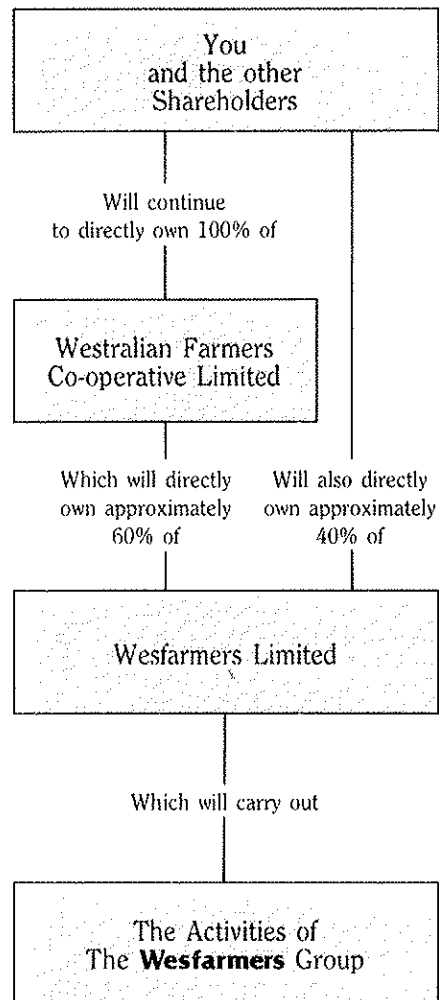
THE FUTURE

- The Re-arrangement will enable shareholders to benefit more fully from the Group's future success. It will enable the Group to continue to grow and service the rural community.
- The Co-operative structure of WFCL will be preserved.

CURRENT STRUCTURE



PROPOSED STRUCTURE



SHAREHOLDER ACTION

- A meeting of Members holding ordinary stock units in WFCL has been convened at the request of the Company by order of the Supreme Court of Western Australia. The meeting to consider the proposal will be held at Westralian Farmers Co-operative Limited's Rural Division headquarters at 184 Railway Parade, Bassendean, at 10.30 a.m. on 25 September, 1984.
- You should complete the green proxy form enclosed in the accompanying booklet and return it to the Company or deliver it to a branch office of the Company or a Company representative at one of the informal meetings of Members if you will be unable to attend the meeting.

YOUR DIRECTORS UNANIMOUSLY RECOMMEND THE ADOPTION OF THE PROPOSAL

The Re-arrangement is to be by way of a Scheme of Arrangement under Section 158 of the Companies (Co-operative) Act. Full details of the proposed Re-arrangement are contained in the booklet which accompanies this brochure.

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QUESTIONS

- 1.** *Why is the Company being restructured?*
Because under the present structure, shareholders are not able to benefit fully from Wesfarmers' success. The price of the Company's shares has remained static and dividends are restricted.
 - 2.** *What is in it for the Ordinary Shareholder?*
Two things: first, Ordinary Shareholders will receive a free issue of one new Wesfarmers Limited share for each share they hold in Westralian Farmers Co-operative Limited (WFCL). Secondly, in future, dividends will be payable by both WFCL and Wesfarmers Limited.
 - 3.** *Will my trading bonus be affected?*
Trading bonuses will be payable on the same basis as before to people who trade with the Wesfarmers Group and who are shareholders of WFCL.
 - 4.** *Will we see any difference in our day-to-day dealing with Wesfarmers?*
No. The Wesfarmers operational structure will remain the same. Customers will continue to deal with a company known as "Wesfarmers".
 - 5.** *Will farmers have as much say in the control of WFCL after the Re-arrangement?*
Yes. Shareholders of WFCL will continue to have the same voting rights in WFCL and will also be entitled to vote as shareholders of Wesfarmers Limited.
 - 6.** *What about the Board of Wesfarmers Limited?*
The Board will be elected by the shareholders of Wesfarmers Limited, who will, through the Re-arrangement, consist of the existing WFCL shareholders and WFCL itself.
 - 7.** *What safeguards are there to ensure the future independent operation of the Group's activities?*
The unique structure will ensure that control of Wesfarmers' activities will remain in traditional hands. This will be achieved as a result of WFCL owning a majority of the shares and by WFCL having special voting rights, in certain circumstances, through the Founders Share.
 - 8.** *Will we be able to sell our Wesfarmers Limited shares without affecting our membership in WFCL?*
Certainly. Shares in the two companies may be traded completely separately. There will be no obligation on anybody wishing to sell shares in Wesfarmers Limited having to sell his or her shares in WFCL. Similarly, shares may be bought in one company without buying shares in the other.
 - 9.** *How will the new shares be traded?*
The new shares in Wesfarmers Limited are to be traded on the Stock Exchange. Shares in WFCL will continue to be sold through WFCL.
 - 10.** *What if I can't attend the meeting of shareholders to vote on the Re-arrangement?*
You can still arrange for your vote to be cast by returning your completed proxy form to the Company, to arrive no later than 10.30 a.m. on Monday, 24 September, 1984 or by leaving it at a branch office of the Company or with a Company representative at any of the informal meetings of Members.
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