

WOOLWORTHS NOTICE OF ANNUAL GENERAL MEETING 2012

Notice is given that the eighty-seventh Annual General Meeting of shareholders of Woolworths Limited (*Woolworths* or the *Company*) will be held on 22 November 2012 at Adelaide Convention Centre, North Terrace, Adelaide, South Australia commencing at 11.00am (Adelaide time), or as soon after that time as the Extraordinary General Meeting of the Company, scheduled to commence at 8.30am on that day, has concluded or been adjourned.

AGENDA

1. FINANCIAL AND OTHER REPORTS

To receive and consider the Financial Report of the Company and the Reports of the Directors and the Auditor for the financial year ended 24 June 2012.

2. ELECTION OF DIRECTORS

- (a) To re-elect as a Director Mr John Frederick Astbury, who retires by rotation in accordance with Article 10.3 of the Company's Constitution and, being eligible, offers himself for re-election.
- (b) To re-elect as a Director Mr Thomas William Pockett, who retires by rotation in accordance with Article 10.3 of the Company's Constitution and, being eligible, offers himself for re-election.
- (c) To elect as a Director Ms Christine Cross, who is eligible for election in accordance with Article 10.7 of the Company's Constitution and, being eligible, offers herself for election.
- (d) To elect as a Director Mr Allan Douglas (David) Mackay, who is eligible for election in accordance with Article 10.7 of the Company's Constitution and, being eligible, offers himself for election.
- (e) To elect as a Director Mr Michael James Ullmer, who is eligible for election in accordance with Article 10.7 of the Company's Constitution and, being eligible, offers himself for election.

Mr James Strong, who also retires by rotation in accordance with Article 10.3 of the Company's Constitution, will not offer himself for re-election, and will therefore retire at the conclusion of the Annual General Meeting. As previously announced, Mr Strong will be succeeded as Woolworths' Chairman by current Non-executive Director Mr Ralph Waters. Mr Waters will assume the role at the conclusion of the Annual General Meeting.

3. LONG TERM INCENTIVE PLAN ISSUES TO EXECUTIVE DIRECTORS

(a) **Managing Director and Chief Executive Officer**

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

"That the grant of 122,470 Performance Rights to the Managing Director and Chief Executive Officer of the Company, Mr Grant O'Brien, under the Woolworths Long Term Incentive Plan, as described in the Explanatory Notes accompanying the Notice convening this meeting, be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."

Please note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the "Voting exclusions" section on pages 3 to 4 below.

(b) **Finance Director**

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

"That the grant of 88,401 Performance Rights to the Finance Director of the Company, Mr Tom Pockett, under the Woolworths Long Term Incentive Plan, as described in the Explanatory Notes accompanying the Notice convening this meeting, be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."

Please note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the "Voting exclusions" section on pages 3 to 4 below.

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4. RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS IN CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, pursuant to sections 136(2) and 648G of the *Corporations Act 2001* (Cth), the proportional takeover approval provisions in Articles 6.9 to 6.14 of the Constitution of the Company are renewed for a period of three years from the date of this meeting.”

5. ADOPTION OF REMUNERATION REPORT

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

“That the Remuneration Report (which forms part of the Directors’ Report) for the year ended 24 June 2012 be adopted.”

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Please also note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the “Voting exclusions” section on pages 3 to 4 below.

6. CAPITAL REDUCTION

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

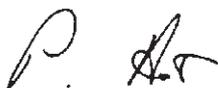
“That, pursuant to and for the purposes of sections 256B and 256C of the *Corporations Act 2001* (Cth), subject to and conditional on the conditions precedent set out in clause 3.1 of the Implementation Deed being satisfied or waived in accordance with that deed, a reduction in the share capital of the Company be and is hereby approved, as follows:

- (a) the share capital of the Company be reduced on the Implementation Date by the Capital Reduction Amount, with such amount being applied equally against each Woolworths Share on issue as at the Distribution Record Date;
- (b) that reduction be effected and satisfied by the in-specie distribution by the Company, to each person who is the registered holder of Woolworths Shares on issue as at the Distribution Record Date, of one Stapled Unit for every five Woolworths Shares of which that person is the registered holder as at the Distribution Record Date, with any fractional entitlements being rounded down to the nearest whole number; and
- (c) that reduction be effected otherwise in the manner and on the terms and conditions set out in the Explanatory Memorandum.”

Terms used in this resolution, and in the associated explanatory notes in this notice, have the same meanings as set out in the Glossary to the Explanatory Memorandum accompanying this notice, unless the contrary intention appears.

Dated: 5 October 2012

By order of the Board



P J Horton
Company Secretary

ELIGIBILITY TO VOTE

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a “snapshot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s Directors have determined that all shares of the Company that are on issue at 7.00pm (Sydney time) on 20 November 2012 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

This means that any person registered as the holder of an ordinary share in the capital of the Company at 7.00pm (Sydney time) on 20 November 2012 is entitled to attend and vote at the Annual General Meeting in respect of that share, subject to the notes below.

PROXIES

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies.

A proxy need not be a shareholder of the Company, and may be either an individual or a corporation. Where a shareholder appoints a corporation as its proxy, that corporation will need to ensure that it follows the procedures set out below to appoint an individual as its corporate representative to exercise its powers at the Annual General Meeting.

Where two proxies are appointed by a shareholder, the shareholder may specify the proportion or number of votes which each proxy is appointed to exercise. If no proportions or numbers are specified, each proxy may exercise half of the shareholder’s votes. An additional proxy form will be supplied by the Company’s share registrar, Computershare Investor Services Pty Limited, on request for the purpose of appointing a second proxy.

A shareholder can direct their proxy to vote for or against, or to abstain from voting on, a resolution by marking the appropriate box opposite that item in the proxy form or selecting the appropriate option for that item online (as outlined below). Shareholders are encouraged to direct their proxies how to vote on each resolution.

Where a proxy holds two or more appointments which provide different directions how to vote on a resolution, the proxy must not vote in that capacity on a show of hands on that resolution. Accordingly, any direction to such a proxy on how to vote on that resolution will not be effective on a show of hands. Similarly, if a proxy is also a shareholder, then any direction to the proxy may not be effective on a show of hands. Any directions provided to a proxy will be effective if a poll is held, subject to the other provisions of these notes and the voting exclusions noted below.

A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the Annual General Meeting and is directed how to vote) on a poll. However, if the proxy’s appointment directs the proxy how to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way directed (subject to the other provisions of these notes and the voting exclusions noted below).

If an appointed proxy does not attend the Annual General Meeting,

then the Chairman of the Annual General Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the Annual General Meeting. In addition, if a proxy attends the Annual General Meeting and the proxy's appointment directs how to vote on a resolution, but the proxy does not vote on that resolution on a poll, then the Chairman of the Annual General Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the poll on that resolution.

If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not direct how to vote on a resolution, then the Chairman intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the other provisions of these notes and the voting exclusions noted below).

To appoint a proxy, a shareholder can use the proxy form accompanying this notice. Replacement proxy forms can also be obtained on request from the Company's Share Registrar.

A shareholder can also make a proxy appointment online by visiting the website www.investorvote.com.au and following the instructions provided. To use this online facility, the shareholder will need their six digit control number, their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and their postcode, as shown on the proxy form accompanying this notice. The shareholder will be taken to have signed the proxy form if they lodge it in accordance with the instructions on the website.

Note that a proxy cannot be appointed online by a person acting on behalf of a shareholder under a power of attorney or similar authority. The online proxy facility may also not be suitable for some shareholders who wish to split their votes on an item of business or appoint two proxies with different voting directions. Shareholders should read the instructions for the online proxy facility carefully before making a proxy appointment using the facility.

In the case of certain intermediaries (such as custodians, nominees, non-broker participants and some financial advisers) who participate in the Intermediary Online system of the Company's share registrar, proxy appointments can also be submitted online by visiting the website www.intermediaryonline.com and following the instructions provided.

To be effective, online proxy appointments must be made through the relevant website above by no later than **11.30am (Sydney time) on 20 November 2012**. Proxy appointments will not be able to be made online after that time.

To be effective, a proxy form must be received no later than **11.30am (Sydney time) on 20 November 2012** at the registered office of Woolworths, or by the Company's Share Registrar using the return-addressed envelope (reply-paid for mailing in Australia) enclosed with this notice or at an address or facsimile number below:

By mail

Woolworths Limited
c/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria 3001, Australia

By hand

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street, Sydney, New South Wales, Australia

By facsimile

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

Proxy forms received after that time will be invalid.

If a proxy form is signed on behalf of an individual or a corporation under power of attorney or other authority, the power of attorney or other authority under which the proxy form is signed, or a copy of that power of attorney or other authority, certified as a true copy by statutory declaration, must accompany the proxy form unless the power of attorney or other authority has previously been noted by the Company's share registrar.

CORPORATE REPRESENTATIVES

A shareholder, or proxy, that is a corporation and entitled to attend and vote at the Annual General Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the *Corporations Act 2001* (Cth) and be lodged with the Company before the Annual General Meeting or at the registration desk on the day of the Annual General Meeting.

If the appointment of a corporate representative is signed under power of attorney or other authority, the power of attorney or other authority under which the appointment is signed, or a copy of that power of attorney or other authority, certified as a true copy by statutory declaration, must accompany the appointment unless the power of attorney or other authority has previously been noted by the Company's share registrar.

ATTORNEYS

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint an attorney to attend and vote at the Annual General Meeting on the shareholder's behalf.

An attorney need not be a shareholder of the Company.

The power of attorney appointing the attorney must be duly signed and specify the name of each of the member, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy forms.

VOTING EXCLUSIONS

The *Corporations Act 2001* (Cth) and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on three of the resolutions to be considered at the Annual General Meeting. These voting exclusions are described below.

ITEMS 3(A) AND 3(B) - LONG TERM INCENTIVE PLAN ISSUES TO EXECUTIVE DIRECTORS

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on each of the resolutions on items 3(a) and 3(b):

1. Any Director who is eligible to participate in any Woolworths employee incentive scheme (and any of their respective associates).

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However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. A member of the key management personnel for the Woolworths consolidated group (and any closely related party of any such member) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless:

- the proxy is the Chairman of the Annual General Meeting; and
- the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Woolworths consolidated group.

ITEM 5 - ADOPTION OF REMUNERATION REPORT

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution on item 5:

1. A member of the key management personnel for the Woolworths consolidated group whose remuneration details are included in the Remuneration Report (and any closely related party of any such member, and any person voting on behalf of any such member or closely related party), unless the person does so as a proxy and:
 - the vote is not cast on behalf of a member of the key management personnel for the Woolworths consolidated group whose remuneration details are included in the Remuneration Report (or a closely related party of any such member); and
 - either:
 - that person is appointed as a proxy by writing that specifies how the proxy is to vote on the resolution on item 5; or
 - that person is the Chairman of the Annual General Meeting and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Woolworths consolidated group.
2. A member of the key management personnel for the Woolworths consolidated group whose remuneration details are not included in the Remuneration Report (and any closely related party of any such member) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution on item 5, unless:
 - the proxy is the Chairman of the Annual General Meeting; and
 - the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Woolworths consolidated group.

For the purposes of these voting exclusions:

- **The key management personnel for the Woolworths consolidated group** are those persons having authority and responsibility for planning, directing and controlling the activities of the Woolworths consolidated group, either directly or indirectly. It includes all Directors (executive and non-executive) and all members of the Management Board reporting to the Managing Director and Chief Executive Officer. The key

management personnel for the Woolworths consolidated group during the year ended 24 June 2012 are listed in Note 24 to the Financial Statements for the year ended 24 June 2012 contained in the Company's 2012 Annual Report.

- A **closely related party** of a member of the key management personnel for the Woolworths consolidated group means:
 - a spouse or child of the member; or
 - a child of the member's spouse; or
 - a dependant of the member or of the member's spouse; or
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
 - a company the member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney - on the basis that references to persons attending and voting as proxy are read as references to persons attending and voting as attorney and references to an instrument under which the proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

EXPLANATORY NOTES

1. FINANCIAL AND OTHER REPORTS

As required by section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Financial Report, Directors' Report and Auditor's Report of the Company and the consolidated entity for the most recent financial year (namely the period ended 24 June 2012) will be laid before the Annual General Meeting. Shareholders will be provided with the opportunity to ask questions about the reports.

There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the Annual General Meeting in respect of the 2012 Financial Report and other reports.

2. ELECTION OF DIRECTORS

In accordance with Article 10.3 of the Company's Constitution, which provides for the retirement of each Director who has held office without re-election beyond the third annual general meeting following the Director's appointment or last election or for at least three years, and in accordance with ASX Listing Rule 14.4, which prohibits a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is the longer, Messrs John Astbury and Tom Pockett are to retire at the Annual General Meeting.

In accordance with Article 10.3 of the Company's Constitution, Messrs Astbury and Pockett are eligible for re-election and each has submitted himself for re-election at the Annual General Meeting.

In accordance with Article 10.7 of the Company's Constitution, each of Ms Christine Cross and Messrs David Mackay and Michael Ullmer have been appointed as Directors, as an addition to the existing Directors.

In accordance with Article 10.3 of the Company's Constitution, Ms Cross and Messrs Mackay and Ullmer are eligible for election and each has submitted herself or himself for election at the Annual General Meeting.

Details of the candidates are set out below.

John Frederick Astbury, FAICD

Non-executive Director

Member: Audit, Risk Management and Compliance Committee (previously Chairman from July 2010 to January 2012 and February 2006 to November 2007) and Nomination Committee. Mr Astbury is also a director of Hydrox Holdings Pty Ltd and Chairman of its Audit Committee (since 2009).

Mr Astbury was a Director of AMP Limited from 2004 to 2007, Insurance Australia Group Limited from 2000 to 2007 and M.I.M. Holdings Limited (now Xstrata Queensland Limited) from 1998 to 2003. He was also the Finance Director of Lend Lease Corporation Ltd and a Chief General Manager, National Australia Bank Limited. He has had a long career in banking and financial services in both the United Kingdom and Australia.

Mr Astbury was appointed a Director of the Company in January 2004.

Age: 68.

Thomas (Tom) William Pockett

Finance Director

Mr Pockett is a member of the Group of 100 and was the National President from August 2000 to January 2003. He is a Fellow of the Institute of Chartered Accountants in Australia (FCA) and was a member of the Financial Reporting Council from March 2003 to March 2006. In 2011, he was appointed Chairman of the Business Council of Taxation Reform.

Mr Pockett joined the Company as Chief Financial Officer in August 2002. He previously held the position of Deputy Chief Financial Officer at the Commonwealth Bank of Australia. Prior to that role, he was with Lend Lease Corporation Ltd. Whilst at Lend Lease he held several senior finance roles in different companies across the Lend Lease Group, including Property and Financial Services, with his last position before moving being General Manager Finance for Lend Lease Corporation Ltd.

Prior to Lend Lease, he was with chartered accounting firm Deloitte.

Mr Pockett is also a director of Sunnyfield, a not-for-profit disability services provider in New South Wales.

Mr Pockett was appointed a Director of the Company in November 2006.

Age: 54.

Christine Cross, BEd and MSc in Food Science, Diploma in Management

Non-executive Director

Member: People Policy Committee (since February 2012) and Nomination Committee.

Ms Cross has a Bachelor of Education degree from Newcastle University, a Master of Science degree in Food Science from Reading University and a Diploma in Management from the Open University. She is a food scientist by background and previously lectured at Edinburgh and Bath Universities.

Ms Cross has extensive experience in international retail and consumer goods and now runs a retail advisory consultancy business. She started her executive career with Tesco plc in 1989, holding many

key positions throughout the company, including the Group Business Development Director for Tesco Plc from April 2002 to June 2003. Ms Cross was variously responsible for Own Brand development, establishment of the Global Sourcing Function and finally Business Development focused on international and small format expansion.

Ms Cross has been a Director of Next Group plc (formerly known as Next plc) since 2005, of Sonae SGPS SA since 2009 and Plantasgen since 2009. She was formerly a Director of Fairmont Hotels & Resorts Inc, of Empire Company Limited (2003 to 2011), of Taylor Wimpey plc and of Premier Foods plc from January 2008 to January 2010.

Ms Cross is on the Advisory Board of Apax Partners Venture Capital & Private Equity (since January 2005) and of PricewaterhouseCoopers LLP (since January 2010). She is also Chief Retail and Consumer Advisor to PricewaterhouseCoopers LLP.

Ms Cross was appointed a Director of the Company in January 2012.

Age: 61.

Allan Douglas (David) Mackay, BBA

Non-executive Director

Member: People Policy Committee (since February 2012) and Nomination Committee.

Mr Mackay has a Bachelor of Business Administration degree from Charles Sturt University.

Mr Mackay has extensive Australian and international retail and consumer goods experience. He had a long career with Kellogg in the United States and internationally, retiring as Chief Executive Officer and President of Kellogg Company in January 2011 after holding a number of key positions within the company in the United Kingdom and the United States. Throughout his time at Kellogg, Mr Mackay was a member of Kellogg Company's board and the company's global leadership team.

Mr Mackay was also Managing Director of Sara Lee Bakery in Australia (1992 to 1998) and a former Director and Board Member of the Grocery Manufacturers of Australia, the Australian Food Council, the Industry Affairs Council of the Grocery Manufacturers of America, the executive committee of the Biscuit and Cracker Manufacturers' Association and a member of the Global Consumer Goods Forum.

Mr Mackay is a current Director of Fortune Brands Home & Security Inc. (since October 2011) and an Independent Director and Non-executive Chairman of Beam, Inc (since October 2011). He is a member of the Kalamazoo Institute of Arts (Trustee) (since 2009).

Mr Mackay was appointed a Director of the Company in January 2012.

Age: 56.

Michael James Ullmer, BSc (Maths) (Hons), FCA, SF Fin

Non-executive Director

Chairman: Audit, Risk Management and Compliance Committee (since February 2012). Member: Nomination Committee.

Mr Ullmer has a degree in mathematics from the University of Sussex. He is a Fellow of the Institute of Chartered Accountants and a Senior Fellow of the Financial Services Institute of Australia.

Mr Ullmer has extensive experience in the accounting and banking sectors. He was the Deputy Group Chief Executive at National Australia Bank Limited from October 2007 until he stepped down

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from the Bank in August 2011. He joined the Bank in 2004 as Finance Director and held a number of key positions including Chairman of the subsidiaries Great Western Bank (US) and JBWere.

Prior to National Australia Bank, Mr Ullmer was at Commonwealth Bank of Australia initially as Chief Financial Officer and then Group Executive for Institutional and Business Banking. Before that he was a Partner at accounting firms KPMG (1982 to 1992) and Coopers & Lybrand (1992 to 1997).

Mr Ullmer was previously a Director of National Australia Bank Limited (2004 to 2011), Fosters Group Ltd (2008 to 2011), and Bank of New Zealand Limited (2007 to 2011). He is currently a Director of Lend Lease Corporation Ltd (since December 2011) and sits on the boards of the National Gallery of Victoria and the Melbourne Symphony Orchestra and chairs the Business Working with Education Foundation. On 1 September 2012 he became a member of the Nomura Australia Advisory Board.

Mr Ullmer was appointed a Director of the Company in January 2012.

Age: 61.

Recommendations:

The Directors, having conducted an assessment of the performance of Messrs Astbury and Pockett (in each case in the relevant Director's absence), believe that it is in the interests of shareholders that each be re-elected as a member of the Board and recommend (with each of Messrs Astbury and Pockett abstaining in respect of their own re-election) that shareholders vote in favour of the corresponding resolution.

The Directors, having conducted an assessment of the skills and experience of Ms Cross and Messrs Mackay and Ullmer (in each case in the relevant Director's absence), believe that it is in the interests of shareholders that each candidate be elected as a member of the Board and recommend (with each of Ms Cross and Messrs Mackay and Ullmer abstaining in respect of their own election) that shareholders vote in favour of the corresponding resolution.

3. LONG TERM INCENTIVE PLAN ISSUES TO EXECUTIVE DIRECTORS

Why shareholder approval is being sought

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution.

The purpose of the resolutions on items 3(a) and 3(b) is to have shareholders approve the proposed grant under the Woolworths Long Term Incentive Plan (**Plan**) to the Company's Managing Director and Chief Executive Officer, Mr Grant O'Brien, and to the Company's Finance Director, Mr Tom Pockett, of rights to receive fully paid ordinary shares in the Company (**Shares**) by issue or transfer for no cash payment (**Performance Rights**).

Subject to approval by shareholders, the Board proposes that under the Plan in respect of the 2013 financial year, the grants will be in two tranches, comprising:

- 71,615 Performance Rights to Mr O'Brien and 51,693 Performance Rights to Mr Pockett in the first tranche (**LTIP 5**); and
- 50,855 Performance Rights to Mr O'Brien and 36,708 Performance Rights to Mr Pockett in the second tranche (**Deferred STI**).

Separate performance hurdles and other vesting conditions will apply to each tranche, as outlined in Appendix A.

In the Board's view, the performance hurdles that must be satisfied before Performance Rights are exercisable link the ultimate value of the Performance Rights to the continued growth of the Company's earnings and shareholder returns and therefore provide a major incentive for each of Mr O'Brien and Mr Pockett to ensure the Company continues its superior performance.

Issuing Performance Rights (and other forms of equity securities) to senior executives is a well established and standard component of the Company's remuneration structures and the Directors, other than Mr O'Brien and Mr Pockett (in view of their personal interest in the resolutions), believe it is appropriate for shareholders to approve the grants of Performance Rights as contemplated by the resolutions on items 3(a) and 3(b).

Set out below is a summary of the key rules of the Sub-Plan of the Plan under which Performance Rights will be delivered, if approved by shareholders.

Summary of the Performance Rights Sub-Plan

The Performance Rights Sub-Plan delivers a contractual right to a grant of a Share to the right holder at a future date, subject to the performance hurdles and other vesting conditions being met. Each Performance Right can be exercised for no monetary payment and, upon exercise, each Performance Right entitles the right holder to the issue or transfer of one Share (subject to adjustment in certain circumstances).

- **Performance hurdles and other vesting conditions** - the Board has determined that the vesting or exercise of Performance Rights is conditional on the achievement of performance hurdles, and the satisfaction of other vesting conditions, set out in the terms and conditions of the specific grant. The performance hurdles and other vesting conditions for the Performance Rights proposed to be granted to Mr O'Brien and Mr Pockett are described below in Appendix A.
- **Exercise of Performance Rights** - the Board will prescribe a date or dates on which Performance Rights become exercisable. On or after the prescribed date, and provided all other vesting and exercise conditions prescribed by the Board have been achieved, the relevant holder of Performance Rights may acquire Shares by exercising the Performance Rights.
- **Early exercise of Performance Rights** - early exercise of the Performance Rights may be permitted at the discretion of the Board, if the relevant holder ceases employment with any participating Woolworths group company (**Participating Company**) in circumstances such as death, retirement, ceasing employment because of illness, incapacity or redundancy or where otherwise permitted by the Board or its delegate (such as on a transfer of business). Such early exercise, however, is subject to the satisfaction of the applicable performance hurdles at the time of cessation and is pro-rated for the time served. Early exercise of Performance Rights may also be permitted on a takeover, scheme of arrangement, or winding up of Woolworths, subject to the Board or its delegate's approval. Early exercise of Performance Rights of persons whose employment is terminated for cause may only occur if permitted at the discretion of the

Board or its delegate (and again subject to the satisfaction of the applicable performance hurdles at that time).

- **Reorganisations and bonus issues** - a holder's entitlement to Shares under a Performance Right will be adjusted to take account of bonus issues as if the Performance Right had been exercised before the determination of entitlements in respect of those issues. In the case of reorganisation of the issued capital of the Company, the entitlement to Shares under a Performance Right will be adjusted as required by the ASX Listing Rules from time to time.
- **Restriction on disposal of Shares** - the Board may impose a restriction on disposal of Shares acquired on exercise of a Performance Right.
- **Lapse** - a Performance Right will lapse if it is not exercised within the life of the Performance Right. The normal exercise period for a Performance Right is determined by the Board on grant. However, in the case of cessation of employment, the lapse date may be brought forward. Subject to the Board determining an earlier lapse date, a Performance Right lapses at the latest of:
 - the expiry of 12 months after the relevant holder's death, if death occurs before the Performance Right lapses in accordance with the below;
 - the expiry of three months after the relevant holder ceases to be employed by the Woolworths group by reason of retirement or any other reason; and
 - if the Board extends the time during which the Performance Right may be exercised, the expiry of that time.
- No Directors have received Options under the Plan since the last approval given by shareholders under ASX Listing Rule 10.14 (namely, at the 2011 Annual General Meeting).
- No Directors other than Mr O'Brien and Mr Pockett have received Performance Rights under the Plan since the last approval given by shareholders under ASX Listing Rule 10.14. Mr O'Brien and Mr Pockett have received 96,479 and 138,636 Performance Rights, respectively, and the acquisition price for the Performance Rights was nil. In the case of Mr Pockett, his participation in the Plan in respect of the 2012 financial year was approved by shareholders at the 2008 Annual General Meeting.
- Upon satisfaction (or waiver) of the relevant vesting conditions as referred to above, each of Mr O'Brien and Mr Pockett will be entitled to exercise each Performance Right granted to him and be issued with one Share (subject to the terms of the issue of the Performance Rights relating to capital reconstructions of the Company and other matters required by the ASX Listing Rules).
- No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights proposed to be provided to Mr O'Brien or Mr Pockett.
- If shareholders approve the resolutions on item 3(a) and 3(b), 122,470 Performance Rights will be issued to Mr O'Brien and 88,401 Performance Rights will be issued to Mr Pockett at nil cost by no later than 12 months after the passing of the resolutions.

Acceleration of vesting

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders or an exemption applies (for example, where the benefit does not exceed the payment limits set out in the Corporations Act, including where a benefit does not exceed one year's average base salary).

The term "benefit" is open to a wide interpretation and may include the early vesting of Performance Rights under the Plan. As discussed above, early vesting may occur upon the death of a participant under the Plan, or upon the participant otherwise ceasing to be employed by the Company (including by way of retirement, incapacity, redundancy, or transfer of business), or upon a takeover or change of control of the Company.

Early vesting of Mr O'Brien's and Mr Pockett's Performance Rights in the circumstances outlined above may amount to the giving of a termination benefit, requiring shareholder approval in accordance with the Corporations Act. Accordingly, shareholder approval is also sought for any such benefit which Mr O'Brien and Mr Pockett may receive under the Plan on cessation of their employment with the Woolworths group.

If shareholders approve the resolutions on item 3(a) and 3(b), the maximum number of Performance Rights (out of the grant contemplated by the resolution on item 3(a)) that may vest upon cessation of employment of Mr O'Brien will be 122,470 and the maximum number of Performance Rights (out of the grant contemplated by the resolution on item 3(b)) that may vest upon cessation of employment of Mr Pockett will be 88,401.

However, the actual number that may vest upon cessation of employment (if any) will depend on a range of factors. Accordingly, the value of any consequent benefit that may be received as a result

Number of instruments issued under the Plan

Under the Plan, options to acquire Shares (**Options**) may be issued to full-time or part-time employees of the Woolworths group (**Employees**) under the Option Sub-Plan, Performance Rights may be issued to Employees under the Performance Rights Sub-Plan, and beneficial interests in Shares (**Performance Shares**) may be issued to Employees under the Performance Shares Sub-Plan (together, **Plan Incentives**).

Since the initial approval by shareholders of the Plan in 2004, the following Plan Incentives have been issued to Employees:

- 41,640,200 Options;
- 10,608,886 Performance Rights; and
- no Performance Shares.

Maximum number of Plan Incentives to be issued to Mr O'Brien and Mr Pockett

The maximum number of Performance Rights that may be acquired by Mr O'Brien and Mr Pockett if shareholder approval is provided at the Annual General Meeting is 210,871.

Price of Performance Rights

The Performance Rights will be issued at no cost to Mr O'Brien or Mr Pockett. Once the vesting conditions are met (or waived), the Performance Rights will be exercisable at nil cost.

Other information relating to the potential grants of Performance Rights

In accordance with ASX Listing Rules 10.14 and 10.15, the following additional information is provided for shareholders.

- No Director other than Mr O'Brien and Mr Pockett is currently eligible to participate in the issue of Performance Rights (or other forms of equity securities) under the Plan.

NOTICE OF ANNUAL GENERAL MEETING 2012

of early vesting upon cessation of employment cannot presently be ascertained. Matters, events and circumstances that will, or are likely to, affect the calculation of that value include the following:

- the number of unvested Performance Rights held by Mr O'Brien or Mr Pockett (as applicable) prior to the cessation of employment;
- the extent to which the relevant performance hurdles are met at the time;
- the period that has elapsed at that time since the effective grant date of the Performance Rights;
- the reasons for cessation of employment;
- the number of Performance Rights that vest; and
- the Company's share price at the date of vesting.

The Company will calculate the value of the benefit as being equal to the value of the number of Performance Rights that vest early, where that value is determined on the basis of the prevailing share price of the Company at the time.

Recommendations:

The Directors (with Messrs O'Brien and Pockett abstaining in respect of their own proposed grant) recommend that shareholders vote in favour of the resolutions on items 3(a) and 3(b).

Messrs O'Brien and Pockett do not make a recommendation in respect of the resolution in respect of their own proposed grant in view of their respective personal interest in the relevant resolution.

Copies of the Woolworths Long Term Incentive Plan Rules are available on Woolworths' website at www.woolworthslimited.com.au and at Woolworths' registered office at 1 Woolworths Way, Bella Vista, NSW 2153, or may be obtained by shareholders at no charge by writing to the Company Secretary at that address.

4. RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS IN CONSTITUTION (ARTICLES 6.9 TO 6.14)

Background

The Corporations Act permits a company to include in its constitution provisions prohibiting the registration of a transfer of securities resulting from a proportional takeover bid, unless the relevant holders of the securities in a meeting approve the bid.

It is a requirement of the Corporations Act that such provisions in a company's constitution apply for a maximum period of three years, unless earlier renewed. In the case of the Company, such proportional takeover bid approval provisions (existing Articles 6.9 to 6.14 of the Constitution) were adopted by shareholders in 2009. Those provisions will therefore expire on 26 November 2012, in accordance with their terms and the Corporations Act, unless earlier renewed.

The Directors consider that it is in the best interests of shareholders to renew these provisions in their existing form. Accordingly, a special resolution is being put to shareholders under section 648G of the Corporations Act to renew Articles 6.9 to 6.14.

If renewed by shareholders at the meeting, Articles 6.9 to 6.14 will continue to operate for a further three years from the date of the meeting (i.e. until 22 November 2015), subject to further renewal.

Effect of provisions

The effect of Articles 6.9 to 6.14, as renewed, will be that where a proportional takeover bid is made for securities in the Company (i.e. a bid is made for a specified proportion, but not all, of each

holder's bid class securities), the Directors must convene a meeting of holders of the relevant securities to vote on a resolution to approve that bid. The meeting must be held, and the resolution voted on, at least 15 days before the offer period under the bid ends.

To be passed, the resolution must be approved by a majority of votes at the meeting, excluding votes by the bidder and its associates. However, the Corporations Act also provides that, if the meeting is not held within the time required, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

If the resolution to approve the proportional takeover bid is passed or deemed to have been passed, the transfer of securities resulting from acceptance of an offer under that bid will be permitted, and the transfers registered, subject to the Corporations Act and the Constitution of the Company.

If the resolution is rejected, the registration of any transfer of shares resulting from an offer under the proportional takeover bid will be prohibited, and the bid deemed to be withdrawn.

Articles 6.9 to 6.14, as renewed, will not apply to full takeover bids.

Reasons for, and implications of, provisions

In the Directors' view, shareholders (and holders of any other securities that the Company might issue) should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest. As a result, the relevant holders may not have the opportunity to dispose of all their securities, and risk being part of a minority interest in the Company or suffering loss if the takeover bid causes a decrease in the market price of the securities or makes the securities less attractive and, accordingly, more difficult to sell. Articles 6.9 to 6.14, as renewed, would only permit this to occur with the approval of a majority of the relevant holders.

For shareholders (or holders of other relevant securities), the potential advantages of Articles 6.9 to 6.14, as renewed, are that they will provide all relevant holders with the opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This affords the relevant holders an opportunity to have a say in the future ownership and control of the Company and helps the holders to avoid being locked into a minority. Your Directors believe this will encourage any proportional takeover bid to be structured so as to be attractive to at least a majority of the relevant holders. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the relevant holders may help each individual holder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

On the other hand, a potential disadvantage for securityholders arising from Articles 6.9 to 6.14, if renewed, is that proportional takeover bids may be discouraged by the further procedural steps that the Articles will entail and, accordingly, this may reduce any takeover speculation element in the price of the Company's securities. Shareholders may be denied an opportunity to sell a portion of their securities at an attractive price where the majority rejects an offer from persons seeking control of the Company.

These advantages and disadvantages of Articles 6.9 to 6.14 have been applicable during the period that those Articles have already been in effect. It should be noted that during the period that the Articles 6.9 to 6.14 have already been in effect, no takeover bid for securities in the Company (whether proportional or otherwise) has been announced or made.

The Directors do not consider that there are any advantages or disadvantages specific to the Directors in relation to the proposed renewal of Articles 6.9 to 6.14, or that have been applicable during the period that those Articles have already been in effect. The Directors will continue to remain free to make a recommendation to shareholders (or other relevant holders of securities) as to whether a proportional takeover bid should be accepted.

As at the date of this notice, none of the Directors is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Recommendation:

The Directors recommend that shareholders vote in favour of the resolution on item 4.

5. ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the period ended 24 June 2012 is set out on pages 42 to 70 of the 2012 Annual Report. The Remuneration Report is also available on Woolworths' website at www.woolworthslimited.com.au.

The Remuneration Report includes an explanation of the Company's remuneration policy and the remuneration arrangements in place for Directors and other key management personnel.

At Woolworths, all employees play an important role in delivering the Company's financial performance, and remuneration policies have been developed to provide market competitive remuneration in order to sustain Woolworths' competitive advantage and protect the interests of shareholders.

Woolworths has an achievement and performance oriented culture which the Company's remuneration policies serve to drive and support. In recognising the importance of its people to the Company's success, over 45,000 current Woolworths group employees hold shares in the Company or participate in various equity based schemes, sharing in the Company's success and aligning their interests with those of other shareholders. The Company's remuneration policy is aligned with both its financial and strategic business objectives and recognises that people are a major contributor to sustained improvements in performance.

Woolworths' remuneration policy for all executives ensures:

- remuneration is market competitive and designed to attract, motivate and retain key executives;
- demanding performance measures are applied to both short and long term "at risk" remuneration;
- short term performance is linked to both financial and non-financial performance measures; and
- long term performance is measured through shareholder value creation.

In summary, the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of Directors and other key management personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance conditions applicable to the remuneration of Directors and other key management personnel of the Company; and
- sets out remuneration details for each Director and other key management personnel of the Company (including the value of any options and performance rights granted to those persons).

As required by the Corporations Act, a non-binding resolution to adopt the Remuneration Report is to be put to shareholders at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Recommendation:

The Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

6. CAPITAL REDUCTION

The resolution on item 6 (the **Capital Reduction Resolution**) is being put to shareholders at the Annual General Meeting to obtain approval under section 256C of the Corporations Act to an equal capital reduction in the Company's share capital, under section 256B of the Corporations Act, by an aggregate amount equal to the Capital Reduction Amount. The Capital Reduction will be effected and satisfied by the pro rata in-specie distribution to each Woolworths Shareholder as at the Distribution Record Date of one Stapled Unit in SCA Property Group for every five Woolworths Shares held by that Woolworths Shareholder as at the Distribution Record Date (with any fractional entitlements being rounded down to the nearest whole number).

The Capital Reduction Resolution is being proposed in connection with the Proposed Transaction, and the Proposed Transaction will not be implemented if the Capital Reduction Resolution is not passed.

The effect on the Company and Woolworths Shareholders if the Capital Reduction Resolution is passed and the Proposed Transaction is implemented, together with all other factors that are material to the making of a decision by Woolworths Shareholders whether to approve the Capital Reduction Resolution, are set out in the Explanatory Memorandum accompanying this notice. Woolworths Shareholders should read and carefully consider the information contained in the Explanatory Memorandum prior to making a decision as to how to vote in relation to the Capital Reduction Resolution.

If the Capital Reduction Resolution is passed by the required majority of Woolworths Shareholders at the Annual General Meeting, it will take effect on the Implementation Date, provided all other Conditions Precedent are satisfied or waived.

Recommendation:

The Directors consider that, taking into account all relevant matters, the Capital Reduction is fair and reasonable to Woolworths Shareholders as a whole and will not prejudice the Company's ability to pay its creditors, and accordingly recommend that Woolworths Shareholders vote in favour of the Capital Reduction Resolution.

APPENDIX A

PERFORMANCE HURDLES AND OTHER VESTING CONDITIONS FOR GRANTS TO BE MADE TO EXECUTIVE DIRECTORS

Under the Plan, Performance Rights are granted but only vest subject to the achievement (or waiver in certain circumstances) of specific performance hurdles and other vesting conditions.

The performance hurdles (**Performance Hurdles**) and other vesting conditions for the proposed grants of Performance Rights to Mr O'Brien and Mr Pockett are outlined below.

LTIP 5

PERFORMANCE HURDLES

The Performance Hurdles set by the Board for the proposed grants of Performance Rights to Mr O'Brien and Mr Pockett in LTIP 5 are as follows:

- for 50% of the Performance Rights granted to each of them in LTIP 5 (**EPS tranche**), an Earnings Per Share (**EPS**) Performance Hurdle; and
- for 50% of the Performance Rights granted to each of them in LTIP 5 (**TSR tranche**), a market comparative Total Shareholder Return (**TSR**) Performance Hurdle.

In each case, satisfaction of the Performance Hurdle is subject to the vesting scale outlined below. The EPS and TSR Performance Hurdles are measured over a five year period from the effective grant date (i.e. 1 July 2012).

The Performance Hurdle is not retested if not met and any Performance Rights will lapse, subject to the waiver of Performance Hurdles to the extent permitted under the Plan.

EPS PERFORMANCE HURDLE

EPS is the non-dilutive EPS, which is measured as the net profit after income tax expense of the consolidated entity after non-controlling interests, divided by the weighted average number of Shares on issue (including Shares and dividend reinvestment allotments and adjusted to remove treasury Shares held by Woolworths Custodian Pty Ltd) over the relevant measurement period.

In relation to the proposed grants of Performance Rights to Mr O'Brien and Mr Pockett, the EPS tranche for each of them will vest (wholly or in part) upon Woolworths attaining a compound annual EPS growth rate of equal to or greater than 6% over the performance period, relative to the 2012 financial year. A compound annual EPS growth rate equal to or greater than 8% over the performance period will result in 100% of the Performance Rights in the EPS tranche vesting. Vesting will occur progressively on the basis determined by the Board up to 100% of the EPS tranche for a compound annual EPS growth rate between 6% and 8% over the performance period.

TSR PERFORMANCE HURDLE

Broadly, TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the change in a company's share price over the relevant measurement period as well as the dividends received (and assumed to be reinvested back into the company's shares) during that period.

The TSR Performance Hurdle for the proposed grants of Performance Rights to Mr O'Brien and Mr Pockett compares the Company's TSR performance over the performance period against the TSR

performance over the same period of a group of comparator companies. The group of comparator companies comprises S&P/ASX 100 companies, but excludes any non-comparable companies such as financial services and resources sector companies, trusts and any companies in the comparator group that are under takeover or takeover speculation, or have merged, had a share reconstruction or been de-listed as at the measurement date.

A minimum TSR ranking for Woolworths at the 51st percentile measured against the comparator companies is required for any Performance Rights in the TSR tranche for each of Mr O'Brien and Mr Pockett to vest. All of the TSR tranche will vest if Woolworths' TSR ranking is at or above the 75th percentile measured against the comparator companies. Vesting will occur progressively on the basis determined by the Board up to 100% of the TSR tranche for a TSR ranking for Woolworths between the 51st percentile and the 75th percentile.

VESTING, EXERCISE PERIOD AND EXPIRY PERIOD

If the Performance Hurdle for the EPS tranche for each of Mr O'Brien and Mr Pockett is met as at the fifth anniversary of the date of grant then the applicable number of Performance Rights will vest, with the balance lapsing. Similarly, if the Performance Hurdle for the TSR tranche is met as at the fifth anniversary of the date of grant then the applicable number of Performance Rights will vest, with the balance lapsing.

Performance Rights that vest but remain unexercised expire after 5.5 years from the effective grant date, subject to earlier lapse under the Plan.

DEFERRED STI

PERFORMANCE HURDLE

The Performance Hurdle set by the Board for the proposed grants of Performance Rights to Mr O'Brien and Mr Pockett in Deferred STI is a Net Profit After Tax (**NPAT**) performance hurdle.

Satisfaction of the Performance Hurdle is subject to the vesting scale outlined below. The NPAT Performance Hurdle is measured by reference to the 2013 financial year.

The Performance Hurdle is not retested if not met and any Performance Rights will lapse, subject to the waiver of Performance Hurdles to the extent permitted under the Plan.

NPAT PERFORMANCE HURDLE

NPAT is measured as the reported net profit from continuing operations after income tax expense of the consolidated entity after non-controlling interests.

The NPAT Performance Hurdle for the proposed grants of Performance Rights to Mr O'Brien and Mr Pockett compares the Company's NPAT for the 2013 financial year (on a normalised 52 week basis) against NPAT for the 2012 financial year, consistently with the market guidance provided by the Company on 24 August 2012.

The Deferred STI for each of them will vest (wholly or in part) upon Woolworths attaining growth in NPAT for the 2013 financial year (on a normalised 52 week basis), relative to the 2012 financial year, equal to or greater than 3%. Growth in NPAT for the 2013 financial year (on a normalised 52 week basis), relative to the 2012 financial year, of 6% will result in 100% of the Performance Rights in Deferred STI

being capable of vesting, subject to the additional vesting condition outlined below being met (or waived). Vesting will occur progressively on the basis determined by the Board up to 100% of Deferred STI for growth in NPAT for the 2013 financial year (on a normalised 52 week basis), relative to the 2012 financial year, of between 3% and 6%, subject to the additional vesting condition outlined below being met (or waived).

OTHER VESTING CONDITION

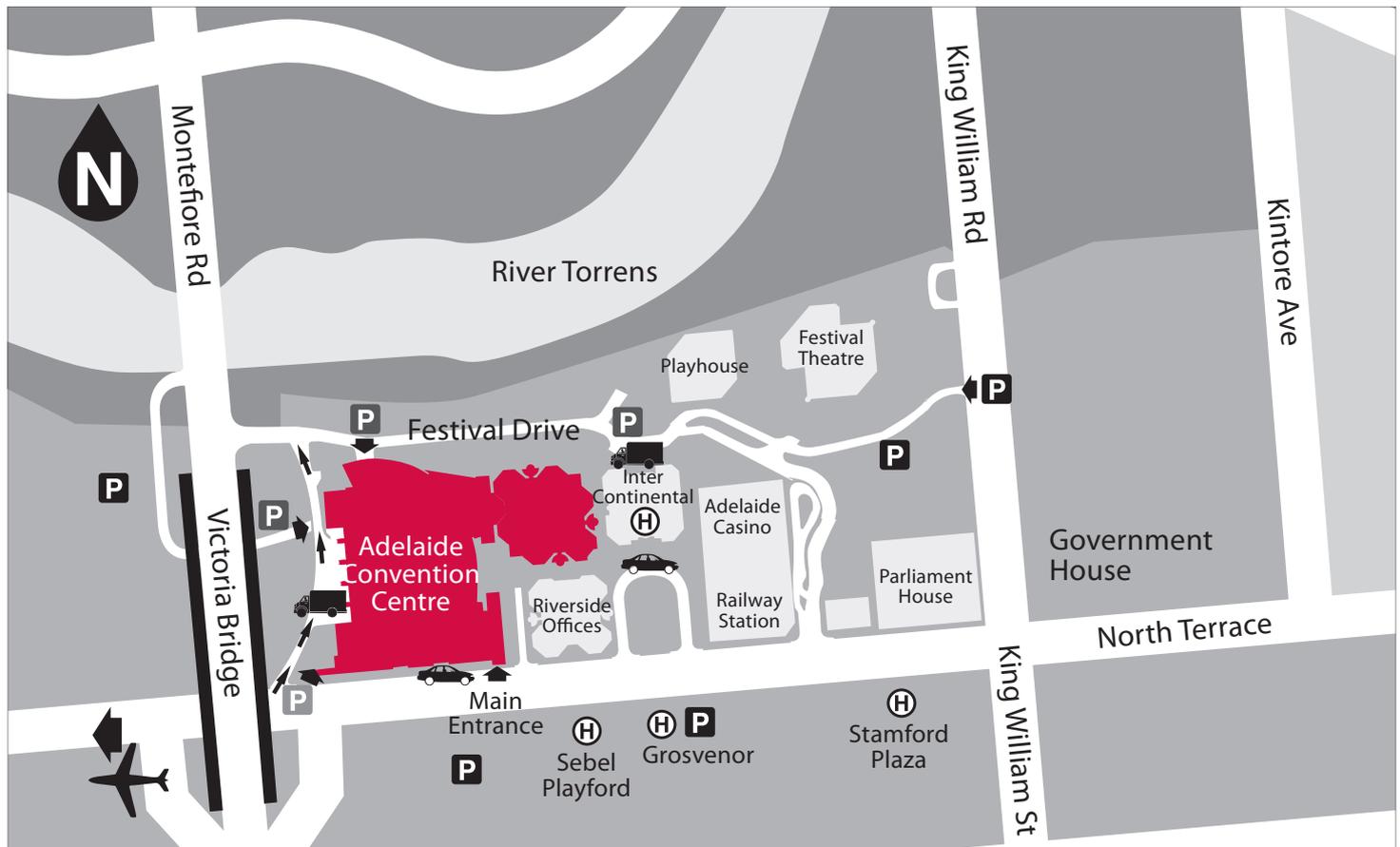
In addition to the NPAT Performance Hurdle, Deferred STI for each of Mr O'Brien and Mr Pockett will also be subject to a further vesting condition, requiring Mr O'Brien and Mr Pockett, respectively, to remain employed by the Woolworths group of companies for a continuous period of three years from the effective grant date (i.e. 1 July 2012).

However, that vesting condition is subject to the discretion of the Board to allow early vesting upon cessation of employment, or on other events occurring, as outlined above.

VESTING, EXERCISE PERIOD AND EXPIRY PERIOD

If the Performance Hurdle for Deferred STI for each of Mr O'Brien and Mr Pockett is met, then the applicable number of Performance Rights will vest, subject to the additional vesting condition outlined above being met (or waived), with the balance lapsing.

Performance Rights that vest but remain unexercised expire after 5.5 years from the effective grant date, subject to earlier lapse under the Plan.



AGM LOCATION

Adelaide Convention Centre, North Terrace, Adelaide SA 5000
22 November 2012. Commencing 11.00am (Adelaide Time)

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