

WOOLWORTHS LIMITED

A.B.N. 88 000 014 675

2001 Notice of Annual General Meeting

Notice is hereby given that the seventy-sixth Annual General Meeting of members of Woolworths Limited will be held on Friday, 23 November 2001 at Brisbane Convention & Exhibition Centre, Cnr Glenelg & Merivale Streets, South Brisbane, Queensland, commencing at 10.00am.

Agenda

Ordinary business

1 Financial Statements and Reports

To receive and consider the Financial Reports of the Company and the consolidated entity and the Declaration by the Directors and Reports of the Directors and Auditors thereon for the financial period ended 24 June 2001.

2 Election of Directors

- a To elect as a Director Mr Anand Schgal ('Mr Schgal') who has nominated himself in accordance with Article 10.7 of the Company's Constitution.
- b To elect as a Director Ms Diane Jennifer Grady who retires by rotation in accordance with Article 10.3 of the Company's Constitution and being eligible offers herself for re-election.
- c To elect as a Director Subramaniam s/o Veerasamy Naidu ('Mr Subramaniam') who has nominated himself in accordance with Article 10.7 of the Company's Constitution.
- d To elect as a Director Professor Adrienne Elizabeth Clarke who retires by rotation in accordance with Article 10.3 of the Company's Constitution and being eligible offers herself for re-election.

Special business

3 Amendments to Constitution

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

'THAT the Constitution of the Company be amended by deleting Articles 10.1, 10.7 and 10.8 and replacing them as follows:

- 10.1 Subject to any resolution of the Company in general meeting under Article 10.2 the number of Directors shall not at any time be less than 3 nor more than 12. The Directors may from time to time increase or reduce the number of Directors to a number between a minimum of 3 and a maximum of 12 provided that the number of Directors determined by the Directors at any time under this Article 10.1 must not be less than the number of Directors in office when that determination takes effect.
- 10.7 No person except a person declared eligible by Articles 10.5 or 10.10 is eligible for election as a Director at any general meeting of the Company unless there has been lodged at the Registered Office a notice in writing signed by a Member signifying the Member's intention to nominate the person for election as a Director together with a notice in writing duly signed by the person consenting to the nomination:
 - a in the case of a person recommended for election by the Directors, at least 20 business days before the general meeting; and
 - b in any other case, at least 35 business days before the general meeting or at least 30 business days in the case of a meeting that Members have requested the Directors to call.
- 10.8 Each Director at the time of his or her appointment and while holding office as a Director must be the registered holder or beneficial owner, whether alone or jointly with another person, of at least 5,000 fully paid ordinary shares in the Company.'

4 Group Managing Director's Share Options

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

'THAT, shareholders approve the acquisition by Mr Roger Campbell Corbett pursuant to the Woolworths Executive Option Plan of 1,000,000 options to acquire ordinary fully paid shares in the Company and the acquisition of those ordinary shares in the Company in consequence of the exercise of those options, in accordance with the terms of that Plan and on the basis described in the Notes accompanying this Notice of Annual General Meeting.'

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 by Mr R Corbett and any associate of Mr R Corbett. However, the Company need not disregard a vote if:

- a it is cast by Mr R Corbett as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b it is cast by Mr R Corbett who is chairing the 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.

Notes on ordinary business

Resolution 2: Retirement and re-election of Directors

In accordance with Article 10.3 of the Company's Constitution, which provides for the retirement by rotation at each Annual General Meeting of one-third of the Directors and in accordance with Australian Stock Exchange Limited Listing Rule 14.4, which prohibits Directors from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer, Professor A E Clarke and Ms D J Grady are to retire at the Annual General Meeting on 23 November 2001 ('Annual General Meeting').

In accordance with Article 10.5, of the Company's Constitution, both Professor Clarke and Ms Grady are eligible for re-election and have submitted themselves for re-election at the Annual General Meeting.

Each of Mr Subramaniam and Mr Schgal has nominated himself for election as a Director of the Company.

The Board's policy on board composition is to ensure that the Board comprises an appropriate mix of skills so as to provide the necessary breadth and depth of knowledge and experience which is required to meet the Company's objectives. This policy is referred to in the Corporate Governance statement which is included in the Company's Concise Annual Report.

Having regard to the information provided by Mr Subramaniam and Mr Schgal and the policy on Board composition referred to above the Board does not endorse the nomination of either Mr Subramaniam or Mr Schgal.

At the date of the nominations by Mr Subramaniam and Mr Schgal and as at the date of this Notice of Meeting, there are no casual vacancies for the appointment of Directors. Accordingly, at the Annual General Meeting there will only be two vacant positions on the Board. As a consequence, not more than 2 of the 4 candidates can be elected as Directors in accordance with the Company's Constitution.

Therefore you should only vote in favour of up to 2 candidates and you should vote against the remaining candidates. To be elected, candidates must receive more votes in favour of their election than against their election. If more than 2 candidates satisfy this criteria, the 2 candidates receiving the most votes in favour of their election will be declared to have been elected.

Details of the candidates are set out below:

Anand Schgal

In support of his nomination Mr Schgal has advised that he has had boardroom experience, has post-graduate qualifications and has advised many organisations including Paul International Hotel, Sheraton ITT and Tourism Council.

Diane Jennifer Grady BA (Hons), MA, MBA

Non-executive Director, Chairman Personnel Policy Committee, Member Corporate Governance Committee

Ms Grady was appointed Chairman of GreenGrocer.com.au in March 2001 and is also a Director of Lend Lease Corporation, Lend Lease U.S. Office Trust, Watty Limited and a Trustee of the Sydney Opera House. Previously, Ms Grady was a partner at McKinsey and Co. where she led the firm's Retailing and Consumer Goods practice in Australia. In that capacity, she advised retailing clients in Australia, the USA and the UK on strategic, organisation and operational issues. She also assisted six major consumer goods companies in Australia in developing strategies and trade terms for their major retail accounts. In addition, Ms Grady was a global leader of McKinsey's Change Management and Organisation Practice. Appointed non-executive Director in July 1996. Age 53.

Subramaniam s/o Veerasamy Naidu

In support of his nomination Mr Subramaniam has advised that he is 34 years of age and is a Malaysian national. Mr Subramaniam has described himself as a businessman/engineer who holds a Diploma in Engineering and Certificate in Electrical Engineering and who speaks English, Bahasa Malaysia, Tamil and Hokkien. Mr Subramaniam has also indicated that he has worked for Saudi Catering Contracting Company Al-Khobar Saudi Arabia in relation to all aspects of industrial catering such as offshore and onshore oil rigs and major contractor for Aramco and has also provided assistance to Asas Dunia Multi National (Hypermarket) Malaysia.

Adrienne Elizabeth Clarke AO, PhD, FAA, FTSE

Non-executive Director, Member Personnel Policy Committee, Member Corporate Governance Committee

Professor Clarke is a Director of WMC Limited, Tridan Limited and Hexima Limited. She is Laureate Professor at the University of Melbourne with a distinguished record of achievement in the Sciences of Botany and Biology. She is currently Ambassador for Biotechnology for the Victorian Government and was previously Chairman of the CSIRO Board (1991–1996). She is a Member of the Prime Minister's Supermarket to Asia Council and Member of the Federal Government's Trade Policy Advisory Group. She was appointed a Director in July 1994. Age 63.

Notes on special business

Resolution 3: Amendments to Constitution

The Board is proposing some amendments to the Constitution.

The purpose of the amendment to Article 10.1 is to make it clear that the Directors can determine the number of directors which will comprise the Board from time to time within the minimum and maximum limits approved by shareholders. It is uncertain whether the Directors have this power under the present Article 10.1 but the vesting of this power in Directors is considered important for reasons of flexibility.

The proposed amendments to Articles 10.7 and 10.8 impose certain conditions on the eligibility of those persons who are seeking election as a Director of the Company.

Article 10.7 provides that apart from Directors who are retiring and seeking re-election, no person may be eligible for election unless a Member of the Company has nominated that person and that person has consented to the nomination. Under the current Article 10.7 a person can nominate himself for election irrespective of whether or not he is a Member. To ensure that the nomination process involves a Member the Directors consider it is appropriate to require a person seeking election as a Director to have been first nominated by a Member.

The amendment to Article 10.8 imposes a shareholding qualification on persons who seek to be elected as Directors. There is no shareholding qualification under the present Article 10.8. The Directors consider it important that persons who become Directors are prepared to demonstrate their commitment to the Company and align themselves with the interests of shareholders by acquiring a personal shareholding in the Company.

Resolution 4: Group Managing Director's options

ASX Listing Rule 10.14 provides that a listed company may only permit a director of the company to acquire shares or rights to shares under an employee incentive scheme where that director's participation has been approved by shareholders.

The purpose of Resolution 4 is to approve an offer of 1,000,000 options ('Options') to the Company's Group Managing Director and Chief Executive Officer ('CEO'), Roger Campbell Corbett under the Woolworths Executive Option Plan which Plan was approved by shareholders in November 1999.

These options are the result of a major review by the Board in December 2000 (after the last meeting of Shareholders) of the Group Managing Director's overall remuneration.

This review was conducted in the light of market conditions and took into account competition for senior executives in the retail industry. It also paid regard to the need to continue without loss of momentum, the key business improvement programs within Woolworths.

The Board formed a clear view that an incentive package linked to improving future shareholder returns should be part of a new service contract to lock in the CEO.

It is therefore proposed that, subject to shareholder approval, the Options be issued to Mr Corbett during December 2001 at an exercise price of \$7.84 being the weighted average market price of the Company's shares traded on the 5 trading days prior to 8 December 2000, which will be the effective Grant Date.

Terms of the options

The options are to be issued under the Woolworths Executive Option Plan. However, the options to be issued to Mr Corbett have different vesting and exercise conditions than those proposed to be issued to other executives under that Plan. These conditions are described below.

Price

The options will be issued for no monetary payment and will be exercisable, subject to the vesting and exercise conditions described below being met, at a price per option of \$7.84 which is the weighted average market price of the Company's shares traded on the ASX on the 5 trading days prior to the Grant Date of 8 December 2000.

Conditions of vesting

The options will be divisible into four tranches which will vest in accordance with the table on page 4.

Tranche	Number	Vesting date
1	166,666	1 July 2001 + subject to achievement of EPS Hurdle
2	166,666	1 July 2002 + subject to achievement of EPS Hurdle
3	166,668	1 July 2003 + subject to achievement of EPS Hurdle
4	up to 500,000	1 July 2003 + subject to achievement of Total Shareholder Return Hurdle

Of the options comprised in each of the first three tranches, the number of options in each particular tranche as set out above ('vesting options') will vest on or after their particular vesting date (Vesting Date) also as set out above either:

- on their Vesting Date if the EPS growth for that financial year calculated as at the Vesting Date is at least 8% per annum; or
- if at the end of any subsequent financial year from their Vesting Date, the compound annual EPS growth rate for the year up to the Vesting Date of those options and each of those subsequent years is at least 8% per annum compounded calculated at the end of each subsequent financial year from the Vesting Date of the option during the life of the option.

The fourth tranche will vest subject to Woolworths' Accumulation Index equalling or exceeding the percentile rank of the constituent companies Accumulation Indices in the ASX 100 Industrials Index (excluding companies in the ASX Banks and Finance Accumulation Index, ASX All Resources Accumulation Index and trusts) over the period from 1 December 2000 to 1 July 2003 as set out below ('Total Shareholder Return Hurdle'):

Number of options	Percentile rank
125,000	60th
Additional 125,000	65th
Additional 125,000	70th
Additional 125,000	75th

Should the Total Shareholder Return Hurdle (measured by the Accumulation Index) not be met by 1 July 2003 it may still be met, and the additional options referable to the meeting of that higher Percentile Rank on a pro-rata basis will be exercisable, on the basis of monthly calculations of the Total Shareholder Return Hurdle for each month over the next 2 years from 1 July 2003.

Each of the four tranches will become exercisable from 1 July 2003. The options will not continue to vest or be exercisable at any time beyond 5 September 2003 if Mr Corbett is terminated for cause. In certain circumstances, including the death, permanent disability, retirement or termination, other than for cause of Mr Corbett, the Board may approve an amendment to the vesting and exercise period whether or not the conditions described above have been met.

Proxies

A Member entitled to attend and vote is entitled to appoint not more than two proxies. A proxy need not be a Member of the Company.

If you wish to appoint a proxy, please use the Proxy Form accompanying this Notice. A Member who is entitled to cast two or more votes may appoint two persons and may specify the proportion or number of votes which each proxy is appointed to exercise.

On a show of hands, every person present and qualified to vote shall have one vote. If you have appointed a proxy and the proxy appointed is also a Member, or a proxy for another Member, any direction to the proxy on how to vote may not be effective on a show of hands. Your directions will be effective if a poll is held.

To be effective, your Proxy Form and the Power of Attorney or other authority (if any) under which it is signed or a copy of the Power of Attorney or other authority, certified as a true copy by Statutory Declaration, must be received no later than **48 hours prior to the Meeting** by Woolworths' Share Registrar, Computershare Investor Services Pty Ltd, (using the reply-paid envelope enclosed) or by facsimile (02) 8234 5050 or at the Registered Office of Woolworths Limited, Level 5, 540 George Street, Sydney, 2000.

Dated: 8 October 2001

By order of the Board



R K S Jeffs
Company Secretary