ASX Corporate Governance Council Recommendations Checklist

Wesfarmers

Principle/Recommendation	Location in 2011 Annual Report/website	Does Wesfarmers comply?
1 Lay solid foundations for management and oversight		
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Page 58, Column 2.	Yes
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Page 59, Column 1 and pages 72 to 87.	Yes
1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1 as follows:		
– an explanation of any departures from any Principle 1 recommendation;	N/A	N/A
– whether a performance evaluation for senior executives has taken place during the reporting period under the process disclosed; and	Page 59, Column 1 and pages 72 to 87.	Yes
– the board charter should be made publicly available.	The Board Charter is available on the corporate governance section of the company's website, please click here.	Yes
2 Structure the board to add value		
2.1 The majority of the board should be independent directors.	Page 59, Column 2.	Yes
2.2 The chair should be an independent director.	Page 60, Column 1.	Yes
2.3 The roles of the chair and chief executive officer should not be exercised by the same person.	Page 60, Column 1.	Yes
2.4 The board should establish a nomination committee.	Page 61, Column 3.	Yes
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Page 61, Column 3.	Yes
2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2 as follows:		
– the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;	Pages 56 and 57.	Yes
– the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds;	Page 60, Columns 1 and 2.	Yes
– the existence of any relationships listed in the ASX's commentary and an explanation of why the board considers a director to be independent, notwithstanding the existence of that relationship;	Page 60, Columns 1 and 2 and note 34 on page 165.	Yes
– a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company;	Page 61, Column 2.	Yes
– the term of office held by each director in office at the date of the annual report;	Pages 56, 57 and 59, Column 2.	Yes
– the names of members of the nomination committee and their attendance at meetings of the committee;	Pages 62 and 68.	Yes
– whether a performance evaluation for the board, board committees and directors has taken place in the reporting period under the process disclosed; and	Page 61, Column 3.	Yes
– an explanation of any departures from any Principle 2 recommendation.	N/A	N/A
The following material should be made publicly available:		
– a description of the procedure for the selection and appointment of new directors to the board and the re-election of incumbent directors;	Page 60, Columns 2 and 3.	Yes
– the charter of the nomination committee; and	The Nomination Committee Charter is available on the corporate governance section of the company's website, please click here.	Yes
– the nomination committee's policy for the nomination and the appointment of directors.	Page 60, Column 3.	Yes

Principle/Recommendation	Location in 2011 Annual Report/website	Does Wesfarmers comply?
3 Promote ethical and responsible decision-making		
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code.	Page 63, Column 1.	Yes
3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees.	Page 63, Column 3 and page 64, Column 1.	Yes
3.3 Companies should provide the information indicated in the Guide to reporting on Principle 3 as follows:		
– an explanation of any departures from any Principle 3 recommendation.	N/A	N/A
The following material should be made publicly available: – any applicable code of conduct or a summary of its main provisions. – the trading policy or a summary.	The following documents are available on the corporate governance section of the company's website: – Code of Ethics and Conduct, click here; – Summary of the Board Code of Conduct, click here; and – Share Trading Policy, click here.	Yes
4 Safeguard integrity of financial reporting		
4.1 The board should establish an audit committee.	Page 61, Column 3.	Yes
4.2 The audit committee should be structured so that it consists of only non-executive directors, a majority of independent directors, an independent chair, who is not chair of the board, and at least three members.	Page 62.	Yes
4.3 The audit committee should have a formal charter.	Page 61, Column 3.	Yes
4.4 Companies should provide the information in the Guide to reporting on Principle 4 as follows:		
– details of the names and qualifications of those appointed to the audit committee and their attendance at committee meetings;	Pages 56, 57 and 68.	Yes
– the number of meetings of the audit committee; and	Page 68.	Yes
– an explanation of any departures from any Principle 4 recommendation.	N/A	N/A
The following material should be made publicly available: – the audit committee charter; and	The Audit Committee Charter is available on the corporate governance section of the company's website, please click here.	Yes
– information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.	Page 64, Column 3.	Yes
5 Making timely and balanced disclosure		
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Page 64, Column 1.	Yes
5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5 as follows:		
– an explanation of any departures from any Principle 5 recommendations.	N/A	N/A
The following material should be made publicly available: – a summary of the policies and procedures designed to guide compliance with Listing Rule disclosure requirements.	A Summary of the Continuous Disclosure Policy is available on the corporate governance section of the company's website, please click here.	

Principle/Recommendation	Location in 2011 Annual Report/website	Does Wesfarmers comply?
6 Respect the rights of shareholders		
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Page 64, Column 1.	Yes
6.2 Companies should provide the information in the Guide to reporting on Principle 6 as follows:		
– an explanation of any departures from any Principle 6 recommendations.	N/A	N/A
The following material should be made publicly available:	The Communications Policy is available on the corporate governance section of the company's website, please click here.	Yes
– how the company will communicate with its shareholders publicly.		
7 Recognise & manage risk		
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Page 65, Column 2.	Yes
7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Page 65, Columns 1 and 2.	Yes
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Page 65, Columns 2 and 3.	Yes
7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7 as follows:		
– whether the board has received the report from management under Recommendation 7.2; and	Page 65, Column 3.	Yes
– whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3.	Page 65, Columns 2 and 3.	Yes
The following material should be made publicly available:	The Risk Management Policy is available on the corporate governance section of the company's website, please click here.	Yes
– a summary of the company's policies on risk oversight and management of material business risks.		
8 Remunerate fairly and responsibly		
8.1 The board should establish a remuneration committee.	Page 61, Column 3.	Yes
8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Pages 67 to 71.	Yes
8.3 Companies should provide the information in the Guide to reporting on Principle 8 as follows:		
– the names of the members of the remuneration committee and their attendance at meetings of the committee;	Pages 62 and 68.	Yes
– the existence and terms of any schemes for retirement benefits, other than statutory superannuation, for non-executive directors; and	Pages 74 and 75.	Yes
– an explanation of any departures from any Principle 8 recommendation.	N/A	N/A
The following material should be made publicly available:	The Remuneration Committee Charter is available on the corporate governance section of the company's website, please click here.	Yes
– The charter of the remuneration committee; and		
– a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.	The Share Trading Policy is available on the corporate governance section of the company's website, please click here.	Yes