

Wesfarmers Limited

GROUP POLICY: CODE OF ETHICS AND CONDUCT	NO 5.10
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PURPOSE

The Group Code of Ethics and Conduct sets out the standard of behaviour expected of all employees of the Group.

CODE OF ETHICS AND CONDUCT

Included in the Group's objectives and aims is a requirement to ensure that all employees of the Group "act with integrity and honesty in dealings both inside and outside the Group". Given the diversified nature of our operations across a number of sectors of business and industry individual business units may adopt their own Code of Ethics and Conduct specific to the requirements of its activities. However, any such Code must be entirely consistent with the Group Code of Ethics and Conduct which is detailed below.

CODE OF ETHICS AND CONDUCT

1. INTRODUCTION

We place the utmost importance on maintaining our reputation as a legally and ethically operating corporation which contributes economically and in other ways to society.

An important part of that process is establishing and adhering to a set of principles that guide the conduct of everyone associated with the Company.

This Code details policies, procedures and guidelines aimed at ensuring that the highest ethical standards, corporate behaviour and accountability are maintained across the Group.

Given the very diversified nature of our operations across a number of sectors of business and industry, extending beyond our Australian base, individual business units may adopt their own Code of Conduct with specific relevance to the sectors and countries in which they operate. However, any such Code must be entirely consistent with this document. Compliance is monitored by the Group's internal audit function.

2. OUR OBJECTIVE

Our primary objective is to provide a satisfactory return to shareholders. The Company aims to achieve this by:

- satisfying the needs of customers through the provision of goods and services on a competitive and professional basis;
- providing a safe and fulfilling working environment for employees, rewarding good performance and providing opportunities for advancement;
- contributing to the growth and prosperity of the countries in which it operates by conducting existing operations in an efficient manner and by seeking out opportunities for expansion;

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- responding to the attitudes and expectations of the communities in which the Group operates;
- placing a strong emphasis on protection of the environment; and
- acting with integrity and honesty in dealings both inside and outside the Group.

3. OUR VALUES

All our employees are expected to act consistently with fundamental Wesfarmers principles, including ethical behaviour, respect for people and openness.

Consistent with these fundamental principles, employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to our reputation as a good corporate citizen which seeks the respect of the communities and environments in which we operate;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

4. RESPONSIBILITIES TO SHAREHOLDERS AND THE FINANCIAL MARKETS

An important part of achieving our primary objective of delivering satisfactory shareholder returns is to ensure that financial markets are properly informed through the provision of material information affecting our performance.

We have a detailed policy covering compliance with the continuous disclosure obligations of the Australian Securities Exchange (ASX). This policy, the Market Disclosure Policy, is available on our website (www.wesfarmers.com.au) or from the Company Secretary.

Regular communication is maintained with shareholders and others involved in financial markets through activities such as annual and half yearly published reports, periodic briefings of market analysts and provision of such presentations to the ASX and posting them on our website.

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Our accounting policies and procedures are governed by the Australian Accounting Standards. We adhere to these standards and all other financial reporting requirements.

All employees engaged in the financial reporting process are required to exercise diligence and good faith in the preparation of information, ensuring that it is accurate and timely and that it represents a true and fair view of the performance and condition of the organisation.

5. BUSINESS RELATIONS

5.1 Bribery

Employees and agents of Wesfarmers **must not** offer or accept cash or any other incentive, inducement or reward in any form (subject to a limited exception for minor facilitation payments in connection with routine government actions – see section 5.2 below). In particular, payments to win business or to influence a business decision in the Company's favour such as bribes, 'kick-backs', secret commissions and similar payments are strictly prohibited.

All business dealings should be accurately documented to reflect the true nature of the transaction.

Employees should take all practical steps to ensure that agents, contractors, intermediaries or business partners do not engage in conduct on our behalf that would contravene this Code.

Bribes and other corrupt payments or benefits are not only a contravention of this Code; offering or giving them is a **criminal offence** under the Australian Criminal Code, the criminal laws of Australian States and the laws of most foreign countries. Liability may extend not only to the individuals directly involved in making the payment or giving the benefit, but also to the company and to company directors or officers who expressly or impliedly authorised or permitted the payment to be made or the benefit to be given.

5.2 Facilitation Payments

In some countries it is customary for lower level government or public utility officials to demand payments or benefits to facilitate the provision of routine services or administrative actions. Wesfarmers opposes these payments and encourages employees, agents and contractors to resist making them if possible. However, where the alternative is significant disruption to business activities, facilitation payments may be made within the strict limits laid down in the Australian Criminal Code, and in accordance with the procedure referred to below.

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The limits are:

- the value of the benefit given must be of a minor nature;
- the benefit must be given for the sole or dominant purpose of expediting or securing the performance of a routine government action of a minor nature (see examples listed below);
- the action must be one that is ordinarily and commonly performed by the relevant official. It must not involve a decision about awarding new business or continuing existing business, or the terms of business; and
- the employee who gives the benefit must make a signed record of it (amount, date, to whom, for what) as soon as practicable after giving it, and keep the record.

Routine government actions include:

- granting a permit, licence or other official document that qualifies a person to do business in a foreign country or in a part of a foreign country;
- processing government papers such as a visa or work permit;
- providing police protection or mail collection or delivery;
- scheduling inspections associated with contract performance or related to the transit of goods;
- providing telecommunications services, power or water;
- loading and unloading cargo;
- protecting perishable products, or commodities, from deterioration; or
- any other action of a similar nature.

A routine government action **does not** include a decision or encouraging a decision about awarding new business, continuing existing business or the terms of new or existing business.

Employees may only make payments which are clearly within these limits. If an employee makes a payment, a written record of the payment must be sent to the Company Secretary or Assistant Company Secretary, within ten working days of the payment being made. Where it is not clear whether a payment is within the limits, advice must be sought from the Corporate Solicitors Office.

Agents and contractors must not make facilitation payments on behalf of Wesfarmers without prior approval from a Wesfarmers employee.

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5.3 Gifts and Gratuities

Gifts or gratuities may be accepted (or offered) only if they are of an incidental nature and should not exceed A\$150. Gifts in excess of this figure must be brought to the attention of the Managing Director of the business concerned and unless approved by him or her must be returned without delay with an explanation of the Group's policy on these matters.

Entertainment of customers and suppliers provided (or received) should not extend beyond a level reasonably required to maintain an arms length business relationship.

Travel and accommodation offered by a supplier may not be accepted unless it is unconditional or of benefit to the Group and has been approved by the Managing Director of the business unit concerned.

5.4 Discounts

All discounts to customers and employees are recorded on sales invoices and may not be taken in the form of additional unrecorded goods, goods of higher quality or value than those invoiced or by way of extended credit terms.

5.5 Trade Practices

The Trade Practices Act prohibits a range of anti-competitive conduct including collusion with competitors. Our Corporate Solicitors Office each year conducts Group-wide interactive seminars to ensure that managers are familiar with the requirements of the Trade Practices Act.

5.6 Agents, Representatives and other Intermediaries

Wesfarmers may need to use agents or intermediaries in its business activities, particularly outside Australia. It is important to realise that improper conduct by agents or intermediaries can expose Wesfarmers to legal liability or reputational damage, just as much as the activities of our own employees. Personal legal liability may extend to Wesfarmers employees or officers who expressly or impliedly authorise or permit improper conduct.

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6. EMPLOYMENT PRACTICES

6.1 Human resources policies

The Group has implemented a wide range of human resources policies covering topics such as equal opportunity employment and other forms of potentially discriminatory behaviour, travel, use of motor vehicles, superannuation and continuing education. Full details of these policies are contained in the Group Policy Manual which is available on our Intranet.

6.2 Securities trading and insider trading

In general terms, employees must not use the knowledge gained in their position for personal gain or the gain of their associates. Information concerning the activities or proposed activities of the Group, which is not public and which could materially affect the price of the Company's shares, must not be used for any purpose (such as trading in shares in Wesfarmers Limited or those of related companies) other than valid Group requirements.

All employees are obliged to ensure that all transactions in the Company's securities comply with the law and applicable rules and regulations of the ASX. Accordingly, all transactions by employees in the Company's securities (and those of related companies) must comply with the "Share Trading Policy" which is available on our website (www.wesfarmers.com.au). Employees unsure about whether any potential transaction is contrary to the law, the rules and regulations of the ASX or the "Share Trading Policy", should contact the Company Secretary.

Employees who hold shares under Wesfarmers employee share or long-term incentive plans must also comply with the rules of those plans when undertaking transactions in those shares.

6.3 Use of Group information, assets and facilities

(a) Information

In the performance of his or her duties, an employee may learn confidential information about the Group, fellow employees, customers or suppliers. Unless an employee has permission, he or she must not use, disclose or discuss that information while employed by the Group or after he or she leaves the Group. In particular, that information must not be used for personal interests, reward, gain or benefits.

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All information to which an employee has access and all work performed by that employee in the course of his or her duties belongs to the Group.

(b) Assets and facilities

All Group assets and facilities must:

- be used efficiently, economically, as authorised and for their proper purposes; and
- not be used for personal interests, reward, gain or benefits without appropriate authority.

No Group assets may be removed from Group premises without appropriate authority.

Employees who have Group motor vehicles must comply with the policy in the Group Policy Manual which is available on our Intranet site or from the Group Human Resources Department.

6.4 Relationship with politicians and government officers

All dealings with politicians and government officers which relate to any part of the Group and its business activities must be conducted at arms length and with the utmost professionalism to avoid any perception of attempts to gain partisan political advantage.

Political donations may not be made at Divisional level. Political donations authorised by the Board of Wesfarmers Limited are disclosed as required by law.

6.5 Conflicts of interest

Conflicts of interest can arise if an employee has a direct personal interest or an indirect interest (through a family member, friend or associate) in a business decision involving the Group.

If an employee believes he or she has a conflict or potential conflict of interest, this should be immediately reported to his or her manager.

6.6 Alcohol, drug and tobacco use

Alcohol and drug use can affect work performance and these substances and tobacco may pose health and safety risks to employees.

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Employees must not be impaired by alcohol or legal or illegal drugs while at work or when performing their duties and they must respect all restrictions applying to cigarette smoking.

6.7 Outside employment

Employees are not permitted to take up any position as an employee, director, partner, agent, contractor or consultant which compromises, or is in conflict with, the performance of, and responsibilities of, their employment within the Group.

6.8 Making public statements about the Group

As a company listed on the ASX we strictly adhere to the disclosure requirements of the ASX. The ability of employees to make comments that may affect the share price or in any other way provide information material to the financial performance of the Group is restricted and detailed in the Market Disclosure Policy referred to previously. Individual business units have their own policies regarding public comment on their operations.

7. RESPONSIBILITIES TO THE COMMUNITY

We believe companies have a responsibility to contribute to the community above and beyond that made by their employment and wealth creation activities.

The Board has determined that a percentage of before tax profit each year may be donated to support community-benefiting causes and organisations subject to the application of certain criteria and in categories that are periodically reviewed. In addition, we have an award-winning arts sponsorship programme.

Individual business units make major contributions to the community through direct financial support and the efforts of their employees.

The Company currently makes donations to political parties because it believes this enables them to perform their functions better and improves the democratic process. All donations above a level determined in Federal legislation are disclosed annually to the Australian Electoral Commission and published on that organisation's website. Business units are not permitted to make political donations.

7.1 The Environment and a Safe Workplace

The operations of an organisation with the size, geographical spread and diversity of the Group have the potential to make significant impacts on the natural environment. We operate on the basis that legal compliance is the minimum acceptable with a constant goal of achieving a higher standard.

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Our business units are responsible for developing and implementing environmental management systems. They report annually to our Board and to the public through the annual, independently-verified Sustainability Report which provides a comprehensive account of our performance in managing health, safety and environmental issues and our community interaction. It is distributed to employees, government agencies and other regulatory bodies and to interest groups. The report is also available on our website (www.wesfarmers.com.au).

The provision of a safe working environment for employees is a non-negotiable priority. Management remuneration is linked to safety performance with all businesses targeting the achievement of annual reduction in accident rates of 50% towards a goal of zero.

Detailed descriptions of the Group's health and safety policies and management systems are contained in the public report referred to above.

8. PRIVACY

We are committed to complying with government legislation governing privacy of personal information by businesses and to protecting and safeguarding the privacy of people who deal with us. Our very detailed privacy policy is available on the Company's website. The Company Secretary is the designated Privacy Officer.

9. COMPLIANCE

9.1 Law

All employees are required to comply with the letter and spirit of all applicable laws and regulations, in whatever jurisdiction the Group operates, in:

- the performance of their duties; and
- their dealings with fellow employees, customers, suppliers and all persons outside the Group with whom they have contact in the performance of their duties.

If employees are in any doubt about the applicable laws and regulations in the course of their work, they should immediately seek advice from the Corporate Solicitors Office.

If an employee suspects or considers that a breach of law or regulation has or will occur, he or she must immediately report that breach see section 9.3 below, headed "Reporting of breaches".

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9.2 Code

All employees have a responsibility to adhere to this Code and ensure that no breaches occur. An employee who breaches the Code may face disciplinary action up to and including dismissal. If the situation involves a breach of law or regulation, the matter may also be referred to an appropriate law enforcement authority for consideration.

If, after enquiry, the Company is satisfied that a breach of the Code has occurred, the nature of the disciplinary action will be determined by the relevant management in consultation with other appropriate sources of advice, including the Group Human Resources Department. The nature of the disciplinary action will depend on the seriousness of the breach and other relevant circumstances.

If an employee suspects that a breach of the Code has or will occur, he or she must immediately report that breach see section 9.3 below, headed "Reporting of breaches".

If employees are in any doubt about the Code or its application, they should immediately seek advice from their manager or the Group Human Resources Department.

9.3 Reporting of breaches – Whistleblower Protection

All reports will be acted upon and kept confidential. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach of a law, regulation or the Code.

The Corporations Act also gives special protection to disclosures about Corporations Act breaches, as long as certain conditions are met. Further detail is contained in the Group Whistleblower Policy.

The Group has appointed Protected Disclosure Officers who are responsible for investigating reported breaches. The Protected Disclosure Officers are the people holding the following positions:

- Chief Human Resources Officer;
- Finance Director;
- Group General Counsel; and
- Company Secretary.

Further details, including in relation to how to make a report, and procedures around investigation and reporting, are set out in Wesfarmers Limited Group Whistleblower Policy.