



ASX Corporate Governance Council Principle 7

An evolving approach to corporate risk
management

ADVISORY

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Executive summary

The ASX Corporate Governance Council (the Council) released the *Corporate Governance Principles and Recommendations (Principles)* in March 2003. After three years of practical experience with the Principles and the Council's review of company disclosures under the Principles in annual reports, revised key Principles were released on 2 August 2007 to consolidate and align them with the *Corporations Act* and accounting standards. Overall, the Council reduced the number of principles from 10 to eight and removed ambiguous terminology such as 'best practice' and 'efficiency'.

Rather than providing a full commentary on all the key changes (highlighted in Appendix I), this paper seeks to provide a practical analysis and guide to interpreting and implementing the key changes to *Principle 7: Recognise and Manage Risk*.

KPMG has worked with leading organisations to establish and enhance their systems of risk management and internal controls, and conducted research into risk management disclosures contained in annual reports. Our experience highlights that there has been a significant improvement in the quality and level of disclosures. The revisions to Principle 7 will encourage companies to provide an even greater level of disclosure. Ensuring substance over form will be essential as stakeholders continue to apply a greater level of scrutiny over the way companies manage and respond to key risks.

Companies will need to consider five key decisions in implementing Principle 7.

- 1 Is our existing process adequate to identify, manage and internally report on the effectiveness of management regarding all material business risks (often referred to as MBRs)?
- 2 Is the board receiving and adequately reviewing management reports on the effectiveness of material business risks?
- 3 Do we wish to narrow the current form of the CEO/CFO sign-off?
- 4 Does our risk framework cover opportunities as well as potential adverse effects?
- 5 Do we meet all the external reporting guidelines?

In this paper, KPMG has identified the next key steps for companies to consider in preparing for the 1 January 2008 effective implementation date.

Background

The Council released its first set of Corporate Governance Principles and Recommendations in March 2003. After three years of practical experience with the Principles and the Council's review of company disclosures under the Principles in annual reports, the Council sought to improve Australian corporate governance practices. In November 2006, the Council released an exposure draft and consultation paper outlining proposed changes to the Principles.

The key drivers to updating the existing Principles were to:

- remove existing overlaps with the Corporations Act and accounting standards
- enhance greater understanding of the Principles by merging principles which cover common areas of governance
- generate consistent terminology throughout the Principles.

The Consultation Paper received more than 100 submissions from interested parties, including listed companies, industry groups, individuals, domestic and international institutional investors, and non-government organisations. A majority of these expressed strong support for the approach taken by the Council in the exposure draft.

Taking note of the submissions, the Council issued its revised Principles on 2 August 2007. They include a broader and more detailed view of good practice risk management.

There are three documents to be considered: *The Corporate Governance Principles and Recommendations* (which include the Principles, Recommendations and Commentary), *The Supplementary Guidance August 2007* (released on the ASX website) and *The Response to Submissions on Review of Corporate Governance Principles and Recommendations* (The Response).

The revised Principles are effective for balance dates beginning on or after 1 January 2008. However, earlier adoption is encouraged.

What entities are covered?

- All listed entities: the Principles apply to all listed entities, including managed investment schemes, trusts, stapled entities and foreign entities.
- Small-and-medium-sized entities: the Council considers that all companies, regardless of size or industry, that have made the decision to raise capital from the public should provide investors with sufficient disclosure to enable them to assess the quality of the corporate governance policies and processes in place in those companies in which they invest.

Guidance is provided within the Principles for listed foreign companies, trusts, foreign exempt and externally managed entities.

Establishing a sound system of risk management and internal control

The Council defines corporate governance as “the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations. It encompasses the mechanism by which companies and those in control are held to account. Corporate governance influences how the objectives of the company are set and achieved, how risk is monitored and assessed and how performance is optimised”.

In the current Principles, companies are required to disclose aspects of their risk management under Recommendation 7.2. The revised set of Principles calls for broader and more detailed disclosures on a company’s risk management practices.

Managing risk is a fundamental part of good corporate governance. The Council defines risk management as “the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects”.

Risk management should be designed to:

- identify, assess, monitor and manage risk
- identify material changes to the company’s risk profile.

Managing risk is a fundamental part of good corporate governance. The Council defines risk management as “the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects”.

Overview of Principle 7: Recognise and manage risk

In summary, the key recommendations of the revised Principle 7: Recognise and manage risk are outlined below.

- 7.1 – Companies should establish and disclose policies for the oversight and management of material business risks.
- 7.2 – Management should report to the board on the effectiveness of the risk management and internal control system to manage its material business risks (MBRs).
- 7.3 – The board should disclose whether it has received assurance from the CEO (or equivalent) and the CFO (or equivalent) that the declaration provided is in accordance with section 295A of the *Corporations Act* and is founded on a sound system of risk management and internal control. The declaration must also state whether the system is operating effectively in all material respects in relation to financial reporting risks (FRRs).
- 7.4 – The board should disclose, in the corporate governance statement of the annual report, any departures from Principle 7 and that it received a report from management regarding the effectiveness of the system and whether assurance was received from the CEO (or equivalent) and the CFO (or equivalent) regarding the financial statements and FRRs.

Through working with leading organisations in establishing and enhancing systems of risk management and internal control, KPMG has identified the following critical success factors to maximising performance and minimising adverse events:

- integrating risk management into core business activities (such as strategy setting, business planning and budgeting)
- having strong sponsorship and support from the board and senior management
- establishing a risk aware culture with clear accountabilities
- establishing regular monitoring and reporting activities that provide valuable feedback to the business.

Companies need to follow the Principles in relation to recognising and managing risk in both form and substance. The following section provides an indication of improvements made in company disclosures regarding Principle 7 (prior to the recent revisions).



What is the current state of risk and risk management reporting?

Results of KPMG's national survey of corporate disclosures in 2006

Since 2005, KPMG has undertaken an annual survey of annual reports to assess how companies have responded to Recommendation 7.2 since the required compliance. In 2006 the survey looked at whether the nature and quality of disclosure under Recommendation 7.2 had changed in the third year of compliance.

The key findings arising from the 2006 survey were as follows.

- There were strong indications that more companies and their CEOs/CFOs are focusing on the sign-off under Recommendations 7.2.
- A majority of companies (nearly 85 percent) disclosed detail about their CEOs/CFOs sign-off.
- There was an increase in number of qualifications and/or sign-off restrictions (e.g. system deficiencies, reasonable but not absolute assurance, restriction on joint ventures).
- The quality and detail contained in the sign-off has improved, specifically in the areas of providing:
 - a time frame for the sign-off (e.g. full or part year)
 - a description of the company's risk profile.
- A majority of CEOs/CFOs were still providing a broad sign-off covering financial and non-financial controls along with efficiency and effectiveness.
- There was a strong improvement in disclosure of risk profile and risk management systems.

The proposed changes to Principle 7 will place an even greater emphasis on reporting and disclosing the effectiveness of risk management and internal control systems across a broader range of risks. An analysis of the key changes are outlined in the following section.



Understanding the changes

In revising Principle 7, there is now a much broader view of risk and disclosure than was previously required. The Council now makes it clear that material business risks involve both financial and non-financial risks. Companies are encouraged to adopt appropriate risk oversight, risk management policies and internal control systems rather than just disclosing specific material business risks.

Principle 7 (and the other Principles) remain 'non-prescriptive'. The inherent flexibility of the 'if not, why not' approach remains, and they continue to be supported by the councils listing rules.

The key changes to Principle 7 effective for balance dates starting on or after 1 January 2008 are:

- an improved definition of the board's responsibilities for risk
- a broadened definition of risk to include taking advantage of potential opportunities whilst managing potential adverse effects
- the introduction of a new requirement for management to:
 - establish systems to manage material business risks which are broadly defined
 - report to the board on the effectiveness of management of material business risks (the new Recommendation 7.2).
- a narrowing of the old recommendation 7.2 CEO/CFO systems sign-off (now Recommendation 7.3) to effectiveness (thereby excluding efficiency) and financial reporting risks (thereby excluding non-financial reporting risks) as well as renaming the report as 'assurance'
- the expansion of disclosure requirements without requiring disclosure of the risk profile.

The proposal to include sustainability reporting in the Principles was dropped.

Principle 7 (and the other Principles) remain 'non-prescriptive'. The inherent flexibility of the 'if not, why not' approach remains, and they continue to be supported by the councils listing rules.

Comparison of old and revised Principle 7 and its recommendations

The changes to the Principle 7 Recommendations are outlined below:

Existing principle/recommendation	Revised principle/recommendation
Principle 7 — Recognise and manage risk	No change.
7.1 The board or appropriate board committee should establish policies on risk oversight and management.	7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
7.2 The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that: <ul style="list-style-type: none"> – 7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board. – 7.2.2 The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. 	7.2 The board should require management to design and implement a 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.
7.3 Provide the information indicated in <i>The Guide to Reporting on Principle 7</i> .	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 <i>Corporations Act</i> 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.
	7.4 Companies should report on <ul style="list-style-type: none"> • expansion of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4 • whether the board has received the report from management under Recommendation 7.2 • whether the board has received assurance from the CEO and CFO under Recommendation 7.3.

Designing and implementing changes

Whilst there are many changes to Principle 7, effective for balance dates commencing from 1 January 2008, there are five key decisions for an organisation to consider in adopting the revised Principles.

1. Is our existing process adequate to identify, manage and internally report on the effectiveness of management regarding all material business risks (MBRs)?
2. Is the board receiving and adequately reviewing management reports on the effectiveness of MBRs?
3. Do we wish to narrow the current form of the CEO/CFO sign-off?
4. Does our risk framework cover opportunities as well as potential adverse effects?
5. Do we meet all the external reporting guidelines?



Process for reporting on management of material business risks

The revised Recommendation 7.2 sets out that:

- The board should require management to design and implement a risk management and internal control system to manage the company's MBRs and report to it on whether these risks are being managed effectively.
- Management should report to the board on its effectiveness in reporting material business risks (MBRs).

Most listed companies would legitimately believe that they have a risk management system in place. The detailed description of a system included in the supplementary guidance to Principle 7 should be used as a cross check.

The matters relating to the Principle 7 revision that may require some effort are as follows.

- Firstly, does the system manage material business risks as contemplated in the Principles?
- Secondly, does the current reporting to the board include reporting on the effectiveness of their management?

The definition of material business risks in Principle 7 adds a dimension that may not currently be included in some risk management systems, in stating that material business risks may include risks relating to sustainability. Sustainability is a medium-to-long-term concept that might not be material in the short-term and hence may not be in a company's current risk profile.

Sustainability in this sense relates to the social, environmental and economic contribution to society. The *ASX Corporate Governance Council's Response to Submissions* (The Response) refers to environmental social and governance (ESG) aspects that position sustainability strategically, as a driver of long-term economic performance. In this sense, the owners of sustainability risk are unlikely to be in environment, health and safety (EH&S) or public relations areas within an organisation; it is much more a commercial matter.

It is also worth noting that the *Supplementary Guidance to Principle 7* states that risk management policies should consider "reasonable expectations of stakeholders". Many risk processes do not incorporate stakeholder consultation.

The second aspect is management reporting to the board on the effectiveness of the company's management of material business risks. The Response contemplates that existing reporting may be sufficient but no standard of reporting is provided. The decision for management and boards is whether existing reporting covers the effectiveness of management of material business risks. Whilst most risk reporting updates the risk profile and status of action plans, most systems do not include an explicit management conclusion on whether the management of material business risks is effective.

If this management reporting is not in place then management needs to design a process so it can make that assessment and agree with the board on the nature of the report and the extent of underlying support information required by the board.

Board review of management report on material business risks

The commentary to the Principles provides that the board should review, at least annually, the report from management on the company's management of MBRs. The commentary contemplates that this review is not just a matter of reading the report — it points to internal audit as normally being a part of the assessment of effectiveness. The supplementary guidance to Principle 7 also points out that it may be appropriate for the board to make additional enquiries and request assurances regarding the management of MBRs.

Most companies will have in place a process for the board to formally review (and record the review of) the report from management on the company's management of its MBRs. The bigger challenge is how the board will determine if additional enquiries and assurances are required. Some boards are now asking management to map assurance coverage to highlight where additional assurance may be required.

Narrowing of the CEO/CFO sign-off

There are significant changes to the CEO/CFO sign-off to the board on the system of risk management and internal controls supporting their declaration on the financial statements. This is currently under Recommendation 7.2 but is under Recommendation 7.3 in the revised Principles. These changes include:

- the removal of efficiency from the sign-off leaving the focus on effectiveness of risk management and internal control systems
- the sign-off only relates to financial reporting risks thereby excluding risks not related to financial reporting
- the sign-off currently referred to as 'stating' will be called 'assurance', the supplementary guidance to Principle 7 refers to "reasonable but not absolute levels of assurance"
- the time frame for the assurance is the whole financial year.

These changes will need to be:

- agreed between management and the board as the board may not wish to narrow the scope
- supported by systems that generate the evidence for the CEO/CFO, particularly the requirement to report on internal controls in place during the whole financial year
- reflected in a redrafted 'assurance report' to be signed by the CEO/CFO.

The CEO/CFO report currently referred to as the "7.2 sign-off" is now likely to be called the '7.3 assurance'.

A financial reporting risk is defined as "the risk of a material error in the financial statements" and is not a risk that is normally included in risk profiles. Therefore, organisations wishing to narrow the '7.3 assurance' will also need to take a view on how the concept of financial reporting risks will be implemented.

The scope of the '7.3 assurance' is now much closer to the scope of Section 404 of Sarbanes Oxley Act (SOX 404) in the US with the narrowing of scope to effectiveness and financial controls. The time frame remains different with '7.3 assurance' being throughout the year and SOX 404 being as at the end of the year (within 90 days).



Coverage of opportunities in the risk management framework

The revised Principle 7 broadens the definition of risk to include taking advantage of potential opportunities whilst managing adverse effects. For some organisations this may be a significant change.

Risk management is defined in the revised Principle 7 as “the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects”. No guidance is provided as to how the positive aspects of risk should be managed but reference is made to the various risk standards.

Organisations that do not currently include potential opportunities in their risk management framework will need to:

- redefine risk — the Australian/New Zealand Standard for Risk Management ANZ4360:2004 defines risk as “the chance of something happening that will have an impact on objectives”
- ensure risk management processes cover opportunity identification, analysis, evaluation and treatment - Section 3.6.2 of ANZ4360:2004 provides an explanation of treatment options for risks having positive outcomes (opportunities).

Extended external reporting

To ensure all the revised disclosures are made, a new checklist is needed for disclosures under the revised Principle 7.

The following should be included in the corporate governance statement in the annual report.

- Explanation of any departures from the recommendations.
- Recommendation 7.2: whether management has reported on the effectiveness of material business risks.
- Recommendation 7.3: whether the board has received CEO/CFO assurance.
- Any qualifications in the CFO/CEO assurance.

A summary of the company’s policies on risk oversight and management of material business risks should also be disclosed publicly, subject to an exclusion for commercially sensitive information.

Details of the risk profile and material business risks are not required to be disclosed.

Where to from here?

It is clear that the revised Principle 7 will require listed organisations across Australia to re-examine their corporate governance disclosures and risk management policies, processes, systems and content should they choose to comply with revised Principles, from their date of effect, 1 January 2008. Should they choose not to follow the revised Principles, listed organisations will need to consider the impact of this on the expectations of their stakeholders and the market's reaction to their decision.

Whilst the majority of organisations have supported the Council's proposed changes, complying with the revised Principle 7 will require organisations to take a look at their risk management policies, processes, systems and content before they are able to provide their stakeholders with a disclosure that they are effectively managing their material business risks.

KPMG has worked with many organisations to assist them to comply with the old Principle 7, and has a range of experienced advisors able to assist organisations to respond to the Principles. Our teams are able to work with clients to perform a gap analysis of risk management policies and provide advice on:

- the definition of what constitutes a material business risk
- a process for the identification and analysis of material business risks
- systems to ascertain "reasonable expectations of stakeholders"
- the design of systems to manage material business risks and attest to this management, particularly with sustainability risks
- the design of reports from management on the effectiveness of management of material business risks.

Advice can also be provided on:

- the performance of systems relating to financial reporting risks
- the design of systems to provide reasonable assurance
- the design of reasonable assurance reports
- assurance over internal control systems
- the drafting of disclosures
- assurance over disclosures in relation to sustainability risk

Appendix I

Comparative table of changes to the Principles and Recommendations

Existing Principle/Recommendation	Revised Principle/Recommendation
Principle 1 — lay solid foundations for management and oversight	No change.
1.1 Formalise and disclose the functions reserved to the board and those delegated to management.	1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.
Box 1.1 Content of a director's letter of appointment.	No change.
	1.2 Companies should disclose the process for evaluating the performance of senior executives.
	1.3 Companies should provide the information indicated in The Guide to Reporting on Principle 1.
Principle 2 — structure the board to add value	No change.
2.1 A majority of the board should be independent directors.	No change.
Box 2.1 Assessing the independence of directors.	No change.
2.2 The chairperson should be an independent director.	No change.
2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.	No change.
2.4 The board should establish a nomination committee.	No change.
2.5 Provide the information indicated in The Guide to Reporting on Principle 2.	2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.
	2.6 Companies should provide the information indicated in The Guide to Reporting on Principle 2.
Principle 3 — promote ethical and responsible decision making	No change.
3.1 Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:	3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:
3.1.1 The practices necessary to maintain confidence in the company's integrity.	<ul style="list-style-type: none"> • No change.
3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	<ul style="list-style-type: none"> • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. • The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
Box 3.1 Suggestions for the content of a code of conduct.	No change.
3.2 Disclose the policy concerning trading in company securities by directors, officers and employees.	3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.
Box 3.2 Suggestions for the content of a trading policy.	No change.
3.3 Provide the information indicated in guide to reporting on Principle 3.	3.3 Companies should provide the information indicated in the guide to reporting on Principle 3.
Existing Principle/Recommendation	Revised Principle/Recommendation
Principle 4 — safeguard integrity in financial reporting	No change.
4.1 Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.	4.1 The board should establish an audit committee.
4.2 The board should establish an audit committee.	4.2 The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chairperson, who is not chairperson of the board • has at least three members.

4.3 Structure the audit committee so that it consists of: <ul style="list-style-type: none"> • only non-executive directors • a majority of independent directors • an independent chairperson, who is not chairperson of the board • at least three members. 	4.3 The audit committee should have a formal charter.
4.4 The audit committee should have a formal charter.	4.4 Companies should provide the information indicated in The Guide to Reporting on Principle 4.
4.5 Provide the information indicated in The Guide to Reporting on Principle 4.	See recommendation 4.4.
Principle 5 — make timely and balanced disclosure	No change.
5.1 Establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	5.1 Companies should establish written policies designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of these policies.
Box 5.1 Continuous disclosure policies and procedures.	Box 5.1 Continuous disclosure policies.
5.2 Provide the information indicated in The Guide to Reporting on Principle 5.	5.2 Companies should provide the information indicated in The Guide to Reporting on Principle 5.
Principle 6 — respect the rights of shareholders	No change.
6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	6.1 Companies should design a communications strategy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.
Box 6.1 Using electronic communications effectively.	No change.
6.2 Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	6.2 Companies should provide the information indicated in The Guide to Reporting on Principle 6.
Principle 7 — recognise and manage risk	No change.
Existing Principle/Recommendation	Revised Principle/Recommendation
7.1 The board or appropriate board committee should establish policies on risk oversight and management.	7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
7.2 The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that: <ul style="list-style-type: none"> – 7 .2.1 The statement given in accordance with best practice Recommendation 4.1 (the integrity of financial statements) is founded on a sound system of management and internal compliance and control which implements the policies adopted by the board. – 7 .2.2 The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. 	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.
7.3 Provide the information indicated in The Guide to Reporting on Principle 7.	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.
	7.4 Companies should provide the information indicated in The Guide to Reporting on Principle 7.
Principle 8 — encourage enhanced performance	See Principle 1 – Lay solid foundations for management and oversight
See Principle 2 – Structure the board to add value	
8.1 Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.	For senior executives see Recommendation 1.2.
For directors see Recommendation 2.5.	

Appendix I (continued)

Comparative table of changes to the Principles and Recommendations

Principle 9 — remunerate fairly and responsibly	Now Principle 8.
9.1 Provide disclosure in relation to the company's remuneration policies to enable investors to understand: (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	8.1 The board should establish a remuneration committee.
Box 9.1 Disclosure of remuneration policies and procedures.	See Section 300A of the Corporations Act and AASB 124 Related party Disclosures.
9.2 The board should establish a remuneration committee.	8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.
Box 9.2 Content of executive remuneration packages.	Box 8.1 Guidelines for executive remuneration packages.
	Box 8.2 Guidelines for non-executive director remuneration.
Existing Principle/Recommendation	Revised Principle/Recommendation
9.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	See Recommendation 8.2.
Box 9.3 Guidelines for non-executive director remuneration.	See Box 8.2.
9.4 Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.	8.3 Companies should provide the information indicated in The Guide to Reporting on Principle 8.
9.5 Provide the information indicated in The Guide to Reporting on Principle 9.	See Recommendation 8.3.
Principle 10 — recognise the legitimate interests of stakeholders	See Principle 3 — Promote ethical and responsible decision making. See Principle 7 — Recognise and manage risk.
10.1 Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	See Recommendation 3.1.

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