

Principle 1 – Corporate Governance

The role of the Board is to oversee and guide the management of Stewart House with the aim of protecting and enhancing the interest of the company taking into account the interests of other stakeholders, including employees, clients, donors and the wider community.

The Board has formalised its roles and responsibilities into a Board Policies document, issued to each director as induction and updated annually or as required.

The primary responsibilities of the Board include the:

- review and approval of Stewart House strategy;
- performance management with specific responsibility for the monitoring of executive performance and overall conduct;
- selection, appointment, remuneration and performance evaluation of the Chief Executive Officer (CEO);
- evaluation of the principal risks of Stewart House and continued monitoring of appropriate risk management and reporting systems;
- establishment and monitoring of policies to ensure compliance with the legal and regulatory regimes to which Stewart House is subject and to ensure the highest standards of corporate conduct; and
- promotion of open and proper communication between Stewart House and its stakeholders.

The conduct of the Board is also governed by the Constitution.

Delegation to CEO

The Board has delegated certain responsibilities to the CEO, including the day-to-day operation and administration of Stewart House.

In carrying out this delegation, the CEO reports routinely to the Board on the company's progress on achieving the short, medium and long-term objectives.

The CEO is accountable to the Board for the authority that is delegated by the Board.

The Board monitors the decisions and actions of the CEO and the performance of the business to gain assurance that progress is being made towards the corporate objective, within the limits it has imposed through the Stewart House governance assurance framework.

The Board also monitors the performance of Stewart House and assesses its risk profile through its committees.

Appointment, induction and performance evaluation for senior executives

The CEO is responsible for appointment of all staff.

Upon appointment, employees, including the CEO, are provided with formal letters of appointment (contracts) setting out their term of office, duties, rights and responsibilities and entitlements

The Board, based on recommendations from the ARC Committee in conjunction with the Governance and Nominations Committee, determines the CEO's Key Result Areas (KRAs) annually and reviews performance against these on an ongoing basis, with a formal evaluation being completed at the end of each year.

The CEO, under the delegated authority of the Board, determines the accountabilities, behaviours and competencies expected of the senior executives and reviews their performance on an ongoing basis.

The CEO formally reviews the performance of senior executives annually.

The performance evaluation of the senior executives (including the CEO) is undertaken in the fourth quarter of each year.

Principle 2 – Structure The Board To Add Value

Board composition

The Board has determined that its optimal size is no greater than 12. It is important that the Board has an appropriate mix of skills, experience, expertise and diversity.

Board renewal and succession planning

Board succession planning is an important element of the governance process. The Board regularly evaluates and reviews its succession planning process to ensure the progressive and orderly renewal of Board membership.

Chairman of the Board

The Chairman plays an important leadership role and is involved in:

- chairing meetings of the Board;
- monitoring the performance of the Board and the mix of skills and effectiveness of individual contributions;
- being a member of all principal Board Committees; and maintaining ongoing dialogue with the CEO by providing appropriate mentoring and guidance.

Nomination and appointment of new Directors

Recommendations for the nomination of new Directors are made by the Governance and Nominations Committee for consideration by the Board as a whole.

As part of the nomination process, the committee will assess the skill set of current Directors to identify any gaps.

Those nominated are assessed by the Governance and Nominations Committee against a range of criteria, including professional skills, experience, qualifications and background including probity and integrity.

Any Director nominated during the year will stand for election by company members at the subsequent Annual General Meeting (AGM) following their nomination.

Members are asked to approve the appointment of the Director subject to the receipt of all necessary regulatory pre-approvals.

Retirement and re-election

Retiring Directors are eligible for re-election by company members. Board support for Directors retiring by rotation and seeking re-election is not automatic. A Non-Executive Director must take into account the views of the other Non-Executive Directors when making a decision to stand for re-election.

Board meetings

The Board is required to meet a minimum of 6 times a year as per the Board Policies. The number of meetings attended by each Director is tabled in the Directors' Report.

Senior executives are regularly invited to attend and present at Board meetings.

All Directors are expected to bring an impartial judgement to bear on Board decisions and are subject to the Board's policy regarding management of conflict of interests, as well as common law and Corporations Act requirements.

Other directorships

Board policy requires Directors to devote sufficient time to Stewart House and to be available to attend to the affairs of Company. This process is managed by the Chairman and other members consult with the Chairman before taking up additional appointments.

What is expected of Stewart House Board Directors

Directors develop a broad understanding of Stewart House's programs and priorities as an essential component of their duty of care. This knowledge provides a sound basis for financial decision-making, fund-raising and further advocacy to the broader community. All Directors need to be committed to the budget to make it work.

Directors ensure that all transactions financial or otherwise are transparent with a consistency of approach and purpose.

Directors ensure that there are adequate resources for Stewart House to achieve its program objectives. Commensurate with skills and individual resources of individual Directors:

- assist the CEO to identify potential philanthropic grants or corporate sponsors
- organise fund-raising events
- personally approach key sponsorship targets
- host fund-raising events
- make personal donations
- lay the groundwork with heads of government, philanthropic foundations and corporations for further support from these sectors.

Board Directors are the primary links between Stewart House and the broader community. They represent the interests of the organisation to the broader community and filter the diversity of stakeholder views back within the organisation. Directors are familiar enough with Stewart House programming to be able to clearly articulate the organisation's mission, accomplishments and goals.

Stewart House Directors develop communication strategies that constantly build public awareness and reach new and broader audiences. This includes Directors;

- speaking at industry and other conferences and seminars or hosting lunches and events for potential sponsors where they introduce the organisation and its mission.
- agreeing to be interviewed on a particular issue in the print or electronic media
- being used to lobby politicians and brief government officials on the key issues facing Stewart House
- providing a voice for important segments of Stewart House's stakeholders to influence future directions and individual strategies and to provide feedback on the same

Performance evaluation for the Board, Board committees and individual Directors

The Board undertakes an annual review of its performance, and that of its committees, and should periodically engage the assistance of external consultants to facilitate formal Board performance reviews.

In addition, the Board continually assesses its performance, and the Chairman discusses performance with each director during the year. Directors are encouraged to raise any issues of concern regarding the performance of any other Director with the Chairman, or if the concern relates to the Chairman, with the Chair of the Governance and Nominations Committee.

The Chairman or Chair of the Governance and Nominations Committee (as applicable) is responsible for determining the appropriate follow-up of any matters raised.

The Chair of the Governance and Nominations Committee has overall responsibility for managing and overseeing the performance evaluation process.

Role of the Company Secretary

The appointment of the Company Secretary is a matter for the Board. The Company Secretary provides advice to the Board as and when required. He works closely with the CEO, the Chairman and the Chair of the Governance and Nominations Committee to develop and maintain Stewart House's corporate governance principles and is responsible to the Board for the Company's secretariat function.

Board committees

The Board is assisted in fulfilling its responsibilities by committees. Currently, there are three, each being governed by a Charter which is regularly reviewed and approved by the Board. The Board committees are the:

Audit Risk and Compliance Committee;
Governance and Nominations Committee;
Program Committee

The Board may, at any time, address matters identified within a committee's Charter at the full Board level.

Members of committees are appointed for a one year term (or shorter time as they remain in the office of Director) and, subject to continuing to be a Director, are eligible for reappointment at the end of their term.

From time to time, the Board may appoint a member on an interim basis to fill a vacancy.

Principle 3 – Ethical and Responsible Decision Making

Code of Conduct

The Board has adopted a Code of Conduct which applies to Directors and all employees. The Code is reinforced through various training programs and company publications. The Code provides an ethical and behavioural framework for the way business is conducted and contains a set of general business ethics including (but not limited to):

to act honestly and fairly in all dealings and to conduct business with strict professional courtesy and integrity;
to abide and comply with all applicable laws and regulations;
to report suspected corrupt or unethical conduct;
to ensure that company resources and property are used properly and efficiently; and
not to disclose information or documents relating to the company or its businesses other than as required by law and not to make any public comment on company matters unless authorised to do so.

The Code of Conduct is incorporated into each employee's contract of employment (renewed every three years). The Board and senior management are committed to the Code and the principles contained within it.

New employees are required to certify (prior to commencing their employment) that they have read and understood the requirements contained in it.

The Code, together with the policies listed in this Principle, is aimed at ensuring that the company maintains the highest standards of honesty, integrity and fair trading with stakeholders, clients, suppliers, employees, donors and the community.

Stewart House has procedures in place to monitor overall compliance with the Code. It is made clear in the Code that any breaches are treated seriously and could lead to disciplinary action including termination of employment.

The Company has implemented training courses dealing with harassment in the workplace, discrimination and legal and operational compliance.

Principle 4 – Integrity in Financial Reporting

Selection of auditor

The Audit Risk and Compliance Committee is responsible for overseeing the external auditor selection process. This process includes assessing each of the submissions received and making a formal recommendation to the Board on the appointment of the external auditor. The external audit service contract is reviewed at least every five years. The external audit service contract was last awarded in 2015.

As part of that selection process, the Audit Committee assesses each of the submissions received on the following criteria:

- independence;
- overall audit approach and methodology;
- relevant industry experience;
- experience and qualifications of key audit staff; and

Every year, the Audit Risk and Compliance Committee assesses the external auditor's performance and recommends to the Board the appointment of the company's external auditor for the ensuing year.

The external auditor attends Committee meetings and can be available to answer questions from company members at the AGM on the:

- conduct of the audit;
- preparation and content of the auditor's report;
- accounting policies adopted by the company in relation to the preparation of the financial report; and
- independence of the auditor in relation to the conduct of the audit.

Principle 5 – Respect The Rights Of Members

One of the most significant responsibilities of the Board is to have regard to the long-term sustainability of the company, taking into account the interests of other stakeholders.

The Board promotes effective communication with company members and encourages effective participation at general meetings to ensure a high level of accountability and discussion of the company's strategy, goals and performance. Members are invited to submit questions in advance on any matters that may be relevant to a general meeting.

The Company's most recent full year results are archived and can be accessed through the Stewart House website.

Principle 6 – Timely and Balanced Disclosure

The Board understands and respects that timely disclosure of financial information and donations is central to the efficient operation of the charity. The Chief Operating officer / Company Secretary, in conjunction with the CEO has responsibility for reviewing proposed disclosures and making decisions in relation to what information can be or should be disclosed to the ACNC. Where appropriate, the Board will be consulted on the most significant or material disclosures.

Principle 7 – Recognise and Manage Risk

The Board recognises the importance of a sound framework of risk oversight, risk management and internal control to good corporate governance and has put in place a formal ongoing process for identifying, assessing,

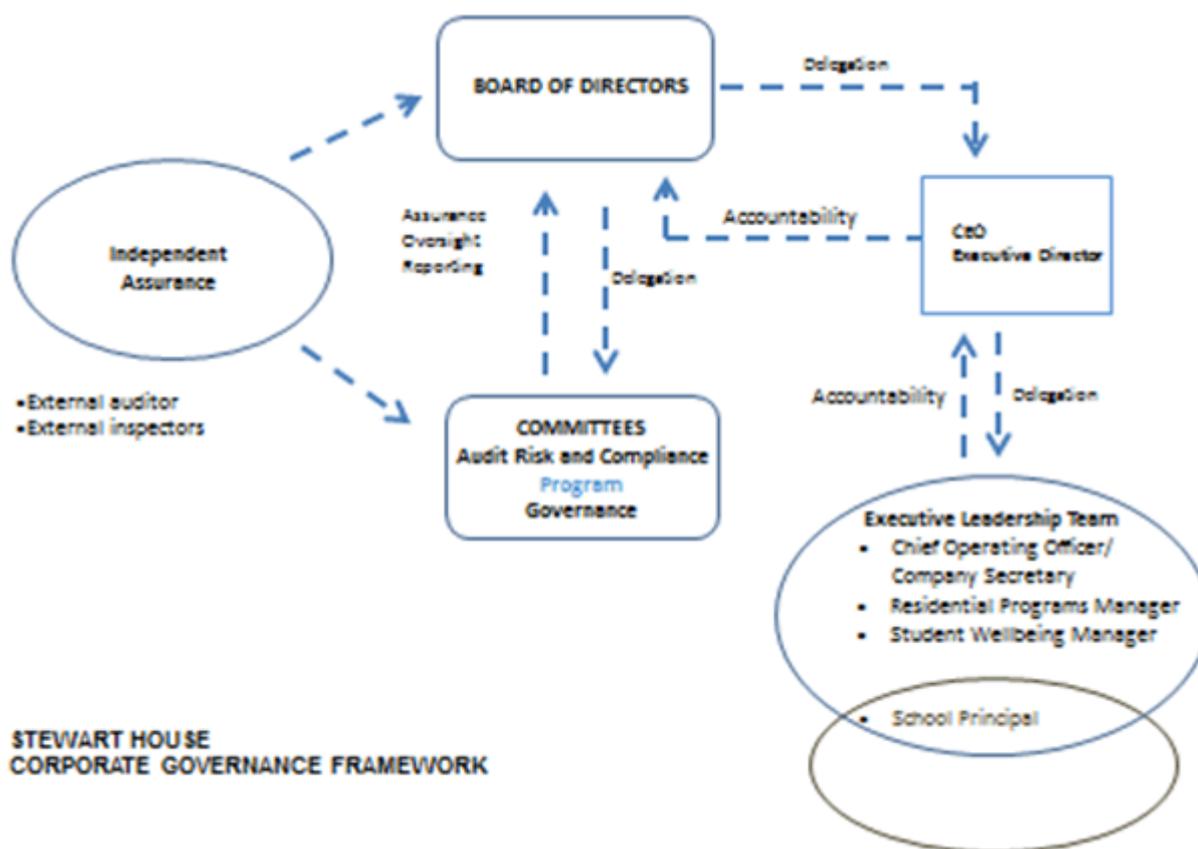
monitoring and managing the material business risks faced by, or potentially exposed to, the Company in pursuing its objectives. The adequacy and effectiveness of this process is reviewed by the Board.

Due to the limitations that are inherent in any system of risk management and internal control, the systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement, adverse events or more volatile outcomes arising

Principle 8 – Remunerate Fairly and Responsibly

The Board recognises its responsibility in relation to:

- recruitment, remuneration, retention, succession planning, termination and training policies;
- the Company’s overall remuneration strategy including but not limited to all remuneration matters relating to the CEO;
- performance and remuneration for key senior executives;
- the design of remuneration structures



Principle 9 – Commitment to Child Safety

The Board believes that a child should never experience abuse of any kind. The Board has a responsibility to promote the welfare of all children and to keep them safe.

The Board requires all staff, including the directors, company members, senior executive, paid staff, teachers, supervisors, volunteers and sessional workers, staff of service providers, agency staff, students or anyone working on behalf of Stewart House to practise in a way that protects children. The Board recognises that the health and wellbeing of the child in the care of Stewart House is paramount.

The Board asserts that all children, regardless of age, disability, gender, racial heritage, religious belief, sexual orientation or identity, have a right to equal protection from all types of harm or abuse

The Board recognises that some children are additionally vulnerable because of the impact of previous experiences, their level of dependency, communication needs or other issues

The Board seeks to keep children entrusted to the care of Stewart House safe by:

- ensuring all staff value them, listen to and respect them
- adopting child protection and child safe practices through procedures and a code of conduct for staff and volunteers
- developing and implementing an effective safety policy and related procedures
- providing effective management for staff and volunteers through supervision, support, training and quality assurance measures
- recruiting staff and volunteers safely, ensuring all necessary checks are made
- recording and storing information professionally and securely
- sharing information about Stewart House's child safe procedures and good practice with children, their families, staff and volunteers via written forms, our website, our social media and , team and one-to-one discussions
- using child safe procedures to share concerns and relevant information with agencies who need to know, and involving children, young people, parents, families and carers appropriately.
- using our procedures to manage any allegations against staff, volunteers and children in the care of Stewart House appropriately
- creating and maintaining an anti-bullying environment and ensuring that we have a policy and procedure to help us deal effectively with any bullying that does arise
- ensuring that Stewart House has effective complaints measures in place
- ensuring the provision of a safe physical environment for our children, staff and volunteers, by applying workplace health and safety measures in accordance with the law and regulatory guidance

The Board's commitment to children in the care of Stewart House

The Board is committed to:

- the safety and wellbeing of all children who access any of Stewart House's activities, programs, services or facilities.
- providing children with positive and nurturing experiences.
- providing Stewart House staff with the necessary support to enable them to fulfill their roles.
- an organisational design that supports and develops Stewart House staff in their roles.
- communicating honestly and openly with families and home schools about the wellbeing and safety of their children.
- transparency in its decision-making.
- professional development, opportunity for reflective practice and regular management supervision for all staff.
- maintaining an environment in which children are safe and feel safe.
- using best practice standards in the recruitment, screening and employment of Stewart House staff
- ensuring that Stewart House staff are aware of the formal recruitment, screening and employment practices of the organisation in relation to individuals with specific roles in working or volunteering with children.
- informing staff during their recruitment that their employment or volunteer services will be subject to clearance and regular review under the NSW Working with Children Check system.