

2022

Corporate
Governance Statement




Steadfast
THE STRENGTH YOU NEED

Corporate Governance Statement

Steadfast's approach to Corporate Governance

Steadfast Group Limited's approach to corporate governance is to:

Promote long term profitability and sustainability and create shareholder value through continuous improvement in all aspects of the business. We strive to meet sound corporate governance expectations as part of Steadfast's broader responsibility to shareholders, employees, Steadfast Network brokers and their clients, strategic partners and the communities in which we operate.



Steadfast's commitment to strong corporate governance and high ethical standards is a key aspect of our success. Steadfast's values of 'TOGETHER' guide the way the Board, management and staff conduct business.



Our people deal honestly and fairly with each other, our stakeholders and business partners. The Board-approved Code of Conduct sets out the way we must act legally, ethically and responsibly.



This statement has been approved by the Board and is consistent with the recommendations contained in the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. This statement is current as at 17 August 2022 and has been lodged with ASX.

FY22 Governance activities

Steadfast's governance frameworks and practices continue to evolve over time, driven by the Board and management's desire to continuously improve, grow and develop the business. Some of the activities undertaken by the Board and management during the year included:

- ▶ continuing Board succession planning with the retirement of non-executive director, Phillip Purcell, and, in July 2022, the appointment of an additional non-executive director, Joan Cleary.
- ▶ continuing to further develop the work of the People, Culture & Governance Board Committee, formed in FY21, to provide an enhanced focus on these important areas.
- ▶ continuing to closely monitor any COVID-19-related impacts on Steadfast's operations and financial position.
- ▶ continuing our focus on appropriate executive succession planning.
- ▶ surpassing our aspirational target of women in leadership of 45% by 2024 by achieving 46% of women in leadership.
- ▶ continuing to review Managing Director & CEO succession planning.
- ▶ striving to continually improve Board and external reporting.
- ▶ continuing to further enhance the governance of subsidiaries with the appointment of further additional independent Chairs of our key subsidiary boards.
- ▶ continuing our annual Board self-assessment.
- ▶ reviewing corporate governance policies and processes including a review of the Board and Board Committee charters.

All Board, committee charters and corporate governance policies are available on the [Steadfast Investor website](#).

Solid Foundations for Management and Oversight

Role of the Board

The Board Charter sets out the respective roles of the Board and management. The Board is structured to collectively possess the skills, experience and industry knowledge to enable it to add value and discharge its duties effectively. The Board is committed to the sound and prudential oversight of management.

The Board of Steadfast provides leadership and strategic direction. The Board approves the strategy and oversees management's implementation of the strategy and management of risk, performance generally and instilling of values and culture. The Board monitors the effectiveness of Steadfast's governance framework including reporting systems and internal controls and reviews the performance of, and appoints, Steadfast's Managing Director & CEO. In performing its responsibilities and functions, the Board may choose to delegate certain of its powers to a Board committee or to other persons in accordance with the Constitution.

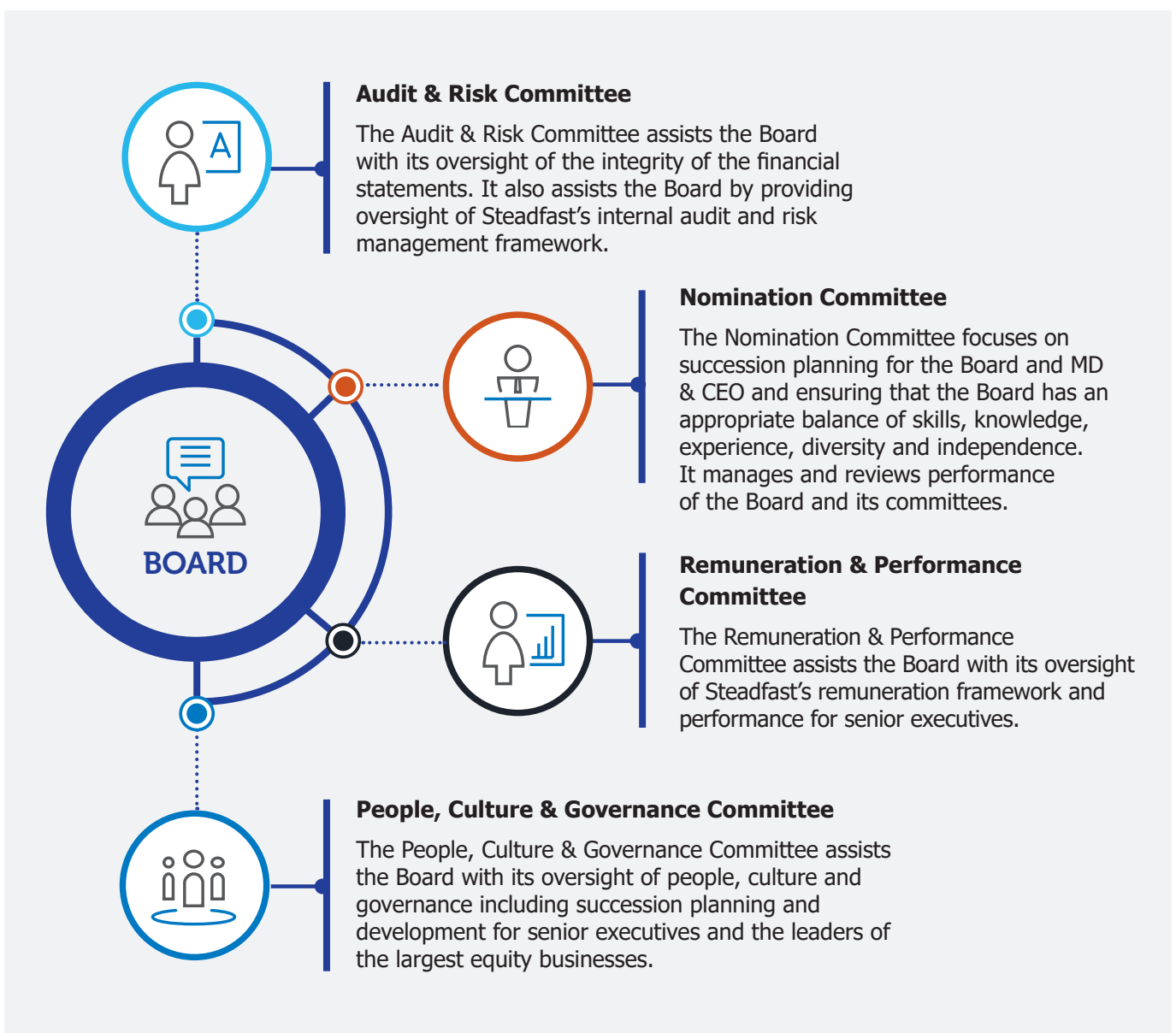
The Steadfast Board Charter is available on the [Steadfast Investor website](#).

Board Committees

Steadfast’s four Board Committees assist the Board in its oversight role. The Board has established the following committees:

- ▶ Audit & Risk Committee.
- ▶ Nomination Committee.
- ▶ People, Culture & Governance Committee.
- ▶ Remuneration & Performance Committee.

The following diagram provides a summary of the allocation of responsibilities between Board committees:



The Board Committee Charters, outlining the roles and responsibilities of each Committee are available on the [Steadfast Investor website](#).

Responsibilities of Management

The Board delegates authority, within parameters and in accordance with formal delegations, to the Managing Director & CEO for the executive management and day to day operations of Steadfast. The Board regularly reviews the division of functions between the Board and management to ensure it continues to be appropriate to the needs of Steadfast.

The Managing Director & CEO has been granted authority for matters not reserved for the Board or a Board Committee. The senior management team assists in the exercise of the Managing Director & CEO's delegated authority. It is also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

Members of the senior management team usually attend Board meetings. This assists in facilitating open communication between the Board and the senior management team including in relation to Board expectations.

The Managing Director & CEO and the Chief Financial Officer report to the Board at each meeting. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The senior management team focuses on achieving the business plan, managing strategic and operational issues, developing strategic relationships, completing acquisitions and hubbing, other material transactions, the management of risk, staff development and reviewing the performance of Steadfast including its subsidiaries.

Diversity

Steadfast believes in the organisational strength of its diverse and inclusive workforce. We greatly value the innovation and creativity that diversity brings. This flows naturally from our values and is an important part of our culture. Steadfast believes that we perform better as a business with diverse people and an inclusive culture. It helps us attract, retain and motivate the best people.

Considerable work was undertaken on diversity and inclusion in the financial year with the Diversity & Inclusion Committee operative for the full year and, with the assistance of an external consultant, formulating policies and procedures to foster enhanced diversity and inclusion throughout the business.

We are proud of our considerable gender, ethnic and age diversity and are committed to inclusion at all levels regardless of gender identity, age, disability, ethnicity, sexual orientation, religious beliefs, cultural background or socio-economic background. We do not tolerate discrimination, harassment or vilification and staff undergo training to support our commitment to inclusion.

Steadfast's Diversity Policy is available on the [Steadfast Investor website](#).

In accordance with its Diversity Policy described in further detail under Ethical and Responsible Culture, the Board annually considers measurable objectives for achieving diversity that are appropriate for Steadfast.

In the financial year, Steadfast exceeded the measurable aspirational objective for enhancing diversity set by the Board, that the current rate of females in leadership positions be increased to 45% by 2024, there now being 46% of females in leadership positions.

The Board also receives an annual report from management on the progress against these objectives. The report for the period shows that Steadfast has met its diversity objectives. Details of Steadfast's diversity are included in the Annual Report.



Steadfast has 46% **females in leadership** exceeding our aspirational objective of 45% by 2024.

The Board is Structured to Add Value

Board Diversity and Composition

The Board is comprised of eight Directors, seven of whom are non-executive independent Directors, including the Chair and Deputy Chair.

The role of Chair and the role of Managing Director & CEO are exercised by different individuals, being Frank O'Halloran AM and Robert Kelly AM, respectively. A new Director, Joan Cleary, was appointed in the financial year, bringing valuable skills and experience and providing enhanced opportunities for Board succession planning.

The Board considers that it is an appropriate size to enable it to fulfil its duties and responsibilities, but not so large as to be unwieldy. Board renewal continues to be a particular focus as many of the Directors were appointed at a similar time preceding the initial public offering in 2013. Meanwhile the long serving Managing Director & CEO has stated his intention not to terminate his employment contract before the AGM in October 2023.

Board Skills and Experience

The Board believes that its membership should comprise high calibre directors from a variety of professional backgrounds who collectively possess the skills, knowledge, experience, diversity and independence that allow the directors individually and collectively, to:

- ▶ discharge their responsibilities and duties under the law effectively and efficiently.
- ▶ understand Steadfast's business and the environment in which it operates so as to be able to set, with management, the key goals and strategies to drive continuous improvement in shareholder value.
- ▶ assess the performance of management in meeting those key goals and strategies including the culture and effective management of risk.
- ▶ oversee the development of the skills and experience of senior executives.

The Board uses a skills matrix which identifies the competencies and diversity required to enable the Board to fulfil its responsibilities, including a deep understanding of the insurance industry, corporate management and operational and financial matters. The Board regularly reviews its competencies and composition to ensure it collectively covers the skills needed to address existing and emerging business and governance issues. Each Director brings a range of experience and expertise to the Board and devotes significant time and resources to the discharge of their duties.



50% of Directors are female



29% of NEDs have been CEOs of ASX100 financial services businesses










86% of NEDs have been CEOs or senior executives of ASX100 financial services businesses









71% of NEDs have extensive experience in risk management and governance of listed entities

Collective Board skills matrix

Together, the Directors contribute the following key skills and experience identified in the Board skills matrix:

	SKILLS AND EXPERIENCE	DESCRIPTION	NO OF DIRECTORS
	Insurance, insurance broking, underwriting agencies, financial services	Experience in a senior position within an insurance, insurance broking, underwriting agency or other financial services environment including developing, implementing and assessing strategies and operating plans.	7
	Executive management & strategic leadership	Having executive management experience including as a CEO or senior executive, run a large business or significant business line 'end to end' or having general management experience at a senior level requiring a holistic view of business and broad financial acumen. Experience developing strategic plans and successful implementation of plans, including the identification and assessment of different strategic options, risks associated with a course of action, and the appropriate allocation of resources to support strategic objectives.	8
	Listed company director experience	Experience as a director in a listed company.	6
	Mergers & acquisitions	Senior leadership experience in assessing, negotiating and executing mergers and acquisitions.	4
	Accounting & finance	Having financial expertise in overseeing the integrity of financial reporting.	4
	Legal	Having legal qualifications and expertise in the legal responsibilities of directors and the identification and management of legal and compliance risk generally.	2
	Risk management & corporate governance	Experience in developing and implementing of frameworks for the identification, evaluation and management of risk and experience in implementing and strengthening corporate governance for a listed company.	7

SKILLS AND EXPERIENCE	DESCRIPTION	NO OF DIRECTORS
	<p>Technology & innovation</p> <p>Having one of more of the following:</p> <ul style="list-style-type: none"> - experience in developing and implementing strategies with respect to technology and innovation that supports overall corporate objectives and vision including dealing with evolving digital technology. - capacity to contribute to the selection and implementation of enterprise-wide information technology systems. - technical experience in areas such as cyber security, network protocols, systems architecture, cloud computing. - experience in managing IT and cyber risk. 	3
	<p>Customer engagement</p> <p>Experience in developing strategies and operational requirements for understanding customer needs, and transforming and delivering customer experience and engagement.</p>	7
	<p>Regulation & public policy</p> <p>Experience in working or interacting with government, government organisations and regulators relevant to the business.</p>	4
	<p>Remuneration</p> <p>Experience in the attraction, retention and development of talent, and appropriate remuneration incentive structures.</p>	5
	<p>Work, health & safety and sustainability</p> <p>Experience in developing people, workplace health & safety requirements, cultural frameworks to drive increased performance & engagement, and environmental, sustainability and community.</p>	8
	<p>International experience</p> <p>Experience in a senior executive role operating in and dealing with different cultures, business conditions and regulatory regimes.</p>	5

Director Independence

The Board considers that all of the NEDs are independent. Steadfast recognises that independent directors contribute to good governance and deliver better outcomes for all stakeholders by acting in the best interests of Steadfast independently of management and encouraging constructive challenge of management. Directors meet regularly in the absence of management and are also able to consult independent experts at Steadfast's expense, subject to the estimated costs being approved by the Chair in advance as being reasonable.

The Board takes a qualitative approach to materiality of interests and assesses independence on a case by case basis, by reference to each Director's particular circumstances rather than applying strict quantitative thresholds.

When reviewing the independence of Directors, the Board rebased tenure from 2013 in view of the significant changes in the Group's operations following its restructure and listing in 2013. Greg Rynenberg owns and manages a broker business in the Steadfast Network and an underwriting agency which provides services to Steadfast Network brokers. Steadfast does not have an equity interest in Mr Rynenberg's businesses and these businesses are not material to Steadfast. The Board has again carefully considered the independence of Mr Rynenberg as required by ASX CGC Recommendation 2.3 and has assessed that Mr Rynenberg remains independent. The Board appreciates the deep understanding and perspectives as the owner of independent insurance services businesses that Mr Rynenberg brings to the Board.

Director Appointment, Induction and Development

The Board regularly assesses the skills, knowledge, experience, diversity and independence required collectively for the Board to effectively fulfil its role. Steadfast undertakes appropriate checks prior to the Board appointing a Director including before appointing Joan Cleary in July 2022. Steadfast provides shareholders with material information relevant to a decision on whether to elect a Director including their skills, experience, other directorships and an acknowledgement that they will have sufficient time to fulfil their responsibilities as a Director.

Steadfast has in place a written agreement with each appointed Director and senior executive that sets out the terms of their appointment to enable a clear understanding of roles, responsibilities and expectations.

Upon appointment, each Director undertakes induction training covering relevant matters such as Board practices and procedures and briefings with senior executives.

As appropriate, the Board considers what training or development could be undertaken to fill any gaps in the skills, knowledge and familiarity with Steadfast and its operating environment required of the Directors as a group to fulfil their role on the Board and on Board committees effectively. For example, whistle blower training was provided during the financial year.

The Board receives ongoing briefings on developments in accounting standards and legal developments. As appropriate, the Board provides resources to help develop and maintain Directors' skills and knowledge. For example, an update on workplace health & safety was provided during the financial year.

Board Performance

The Chair oversees the performance of the Board, its committees and each NED. The Board charter provides that the Board is responsible for developing and implementing a formal process to assess its own performance. The Board, and each committee established by the Board, reviews its performance by reference to its charter, and the performance of each NED, on an annual basis. The Chair has recently introduced a 360 degree review evaluation for each director against the groups TOGETHER culture and values. The Deputy Chair reviews the performance of the Chair.



100% of NEDs
are independent

Each NED also self-evaluates in the form of a questionnaire to cover matters such as:

- ▶ the Board’s performance in relation to its objectives.
- ▶ the Board’s oversight of business performance, strategy, compliance, risk controls and management.
- ▶ interaction between the Board and management.
- ▶ composition and operation of the Board, including conduct of Board meetings and behaviours.
- ▶ accountability for Steadfast TOGETHER values and culture.

Recommendations are then agreed and implemented as necessary. Performance evaluations were undertaken for the financial year in accordance with the process described above. The Board considered using an external facilitator but decided not to proceed this financial year in light of the recent appointment of an additional NED.

Executive Performance

Steadfast conducts performance evaluations for senior executives, including 360-degree evaluations, through a performance management process with key performance objectives and weightings established for all senior executives including a culture and values-based KPI. The Managing Director & CEO evaluates the performance of the key senior executives and provides the evaluation to the Board. The Chair annually reviews the performance of the Managing Director & CEO with input from the Board and recommendations are formulated and implemented as necessary. Evaluations in accordance with this process occurred this year.

Nomination Committee

The Board has established a Nomination Committee which has three members: Mr Frank O’Halloran AM, Ms Vicki Allen and Mr David Liddy AM, all of whom are independent. The Chair of the Nomination Committee is the Chair of the Board, being Frank O’Halloran AM (who is an independent Director).

The Nomination Committee assists the Board in satisfying itself that it has an appropriate balance of skills, knowledge, experience, diversity and independence to be an effective decision-making body and to provide successful oversight of Steadfast Group.

In doing so, the Nomination Committee has regard to the results of the annual appraisal of the Board’s performance, the performance of each Director and ongoing Board and committee succession planning.

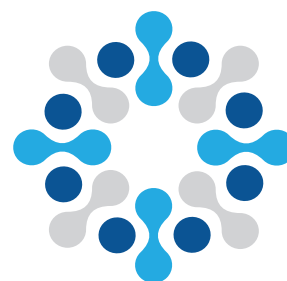
The Nomination Committee is also responsible for formulating a succession and development plan for the MD & CEO.

The Nomination Committee Charter is available on the **Steadfast Investor website**.

Ethical and Responsible Culture

Steadfast strives to act ethically, legally and responsibly and in accordance with the expectations of its shareholders and other stakeholders. Steadfast has policies in key compliance areas, including conflicts of interest, anti-bribery and corruption, whistleblowing, diversity, securities trading and modern slavery. Steadfast’s culture and values are represented by:

TOGETHER



- Team
- Ownership
- Goals
- Entrepreneurial
- Trust
- Humility
- Ethical
- Relationships

None of us is as good as all of us



The People, Culture & Governance Committee receives dashboard reporting from management including quantifiable metrics to enable it to assess people and culture.

The People, Governance & Culture Committee assists the Board in relation to people, culture and governance including executive development and succession planning for the executive team and for CEOs of the largest equity businesses, workplace, health and safety, ESG strategy and diversity and inclusion.

The People, Culture & Governance Committee is comprised of Gai McGrath (Chair), Robert Kelly AM, and Greg Rynenberg. Meetings of the Committee are also usually attended by the Group Chair, Group Company Secretary & Corporate Counsel and Head of People and Culture.

The People, Culture & Governance Committee Charter is available on the [Steadfast Investor website](#).

Code of Conduct

Steadfast is committed to maintaining high ethical standards in how we conduct our business. Material breaches of our Code of Conduct carry serious consequences and are reported to the Board. The Code is periodically reviewed for any updates required to ensure that it operates effectively.

Steadfast's Code of Conduct is available on the [Steadfast Investor website](#).

Conflicts of Interest

In accordance with Steadfast's Code of Conduct, applicable laws and regulations, Steadfast seeks to manage conflicts of interest appropriately. Steadfast's Code of Conduct sets out the framework for identifying, preventing and mitigating conflicts of interest - actual, perceived or potential. Our people are expected to avoid any conflicts of interest between Steadfast and their own interests. Companies within the Steadfast Group act in their own best corporate interests within a normal commercial framework having regard to the interests of insureds (for brokers), contractual commitments, binding arrangements with underwriters and regulatory and other requirements. Companies within the Steadfast Group are not required to act against their own interests in favour of other Group companies.

Anti-Bribery & Corruption Policy

Steadfast prohibits the giving of bribes or other improper payments to public officials as these are serious criminal offences and can damage our reputation and are contrary to our legal, ethical and responsible culture. Steadfast has controls around the giving and receiving of gifts and hospitality and provides training for staff about how to recognise and avoid bribery or corruption. Material breaches of the policy carry serious consequences and are reported to the Board. The policy is periodically reviewed for any required changes to ensure that it operates effectively.

Steadfast's Anti-Bribery & Corruption Policy is available on the [Steadfast Investor website](#).

Whistleblowing Policy

Steadfast encourages employees to speak up when they see wrongdoing. We are committed to maintaining and continuously improving our strong legal, ethical and responsible culture. Whistleblowing plays an important role in increasing transparency and improving our culture. Our whistleblower policy sets out how employees can report concerns they may have about misconduct involving Steadfast or any of its related companies. It also sets out our approach to supporting whistleblowers and how Steadfast will protect them from harm. It explains what steps Steadfast will take to investigate a whistleblower's concerns. The Board is informed of material incidents reported under the whistleblower policy.

Steadfast's Whistleblower Policy is available on the [Steadfast Investor website](#).



The Board monitors **whistleblower reports** as an important metric to assess risk and culture.

Securities Trading Policy

Steadfast's Securities Trading Policy sets out the restrictions that apply to dealing in Steadfast securities by Directors, senior executives and staff. The key principles of Steadfast's Securities Trading Policy include:

- ▶ trading prohibition while in possession of non-public information that may be market sensitive.
- ▶ designated trading windows, typically, the 30-day period beginning on the business day after Steadfast's announcement of its interim results, full year results and AGM.
- ▶ excluded dealings.
- ▶ pre-clearance of securities trading by designated individuals.
- ▶ hedging prohibition on shareholdings and deferred and unvested equity awards.

Steadfast's Securities Trading Policy is available on the [Steadfast Investor website](#).

Compliance with Law

Steadfast is subject to extensive legal and regulatory requirements and obligations, and business and ethical standards across our business activities. Compliance with these is critical to enable us to deliver our strategy and create long term value for our shareholders. Our people must comply with all relevant laws and regulations as well as the technical and ethical requirements of relevant regulatory and professional bodies. Steadfast provides mandatory compliance training so that our employees understand all relevant laws, regulations and internal policies and how to adhere to them and apply them in their daily work. Employees must report all actual and potential breaches of law or regulations immediately.

Integrity in Reporting

Steadfast has formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Audit & Risk Committee

The Audit & Risk Committee generally meets quarterly to assist the Board with its oversight of the integrity of its financial reports. The Committee reviews the adequacy of Steadfast's financial reporting processes and internal control framework. In addition, the Committee monitors:

- ▶ the integrity of Steadfast's financial reporting.
- ▶ the independence of the external auditor.
- ▶ engagement and performance of the internal and external audit functions and reviews their audit findings.
- ▶ Steadfast's control framework for financial reporting and the effectiveness of the risk management framework.

The Audit & Risk Committee is currently comprised of Anne O'Driscoll (Chair), Vicki Allen, Joan Cleary and Greg Rynenberg.

Meetings of the Committee are also usually attended by the Group Chair, Managing Director & CEO, the Chief Financial Officer, the Group Company Secretary & Corporate Counsel and the Chief Risk Officer. Other Directors usually attend meetings which consider half year and full year financial statements. The Committee Chair also regularly meets with the external auditor in the absence of management. The external auditor is invited to, and attends, all the meetings of the Committee. Twice a year, before the consideration of the full year and half-year financial statements, the external auditor meets with the Committee without senior management being present.

A Disclosure Committee in relation to ASX announcements has been established in accordance with the Disclosure and Communications Policy. The Audit & Risk Committee annually reviews the operation of the Disclosure Committee.

The Audit & Risk Committee Charter is available on the [Steadfast Investor website](#).

Managing Director & CEO and Chief Financial Officer Declaration

Prior to the Board's approval of the financial statements for a financial period, it receives a declaration from each of the Managing Director & CEO and Chief Financial Officer that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group. The Board also receives assurance from the Managing Director & CEO and the Chief Financial Officer on the veracity of various representations made within the financial statements and to the auditors.

Auditor Independence

Prior to the approval of the interim and year-end financial reports, the Audit & Risk Committee reviews the independence of the external auditor. The external auditor attends the AGM and is available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Steadfast firmly believes that the external auditor must be, and must be seen to be, independent. The Committee annually reviews the independence of the external auditor.

Steadfast considers it appropriate to utilise the external audit firm for some non-audit services given the external auditor's extensive knowledge of Steadfast. Steadfast may engage the external auditor for non-audit services subject to the approval of the Committee. The Board has imposed a limit on the quantum of non-audit fees which may be incurred with Steadfast's auditors, namely that non-audit fees may not exceed audit fees in a financial year. Under Australian legal requirements, the lead auditor must be rotated every five years. The external auditor was appointed in 2012 and the lead partner changed in 2018 following the retirement of the former lead partner. There are not yet concerns about length of tenure affecting independence of the firm and it is not considered necessary to conduct a tender at this time. However, to the extent that the Committee considered it appropriate to consider changing the firm undertaking Steadfast's external audit, it would conduct an appropriate process to receive competitive tenders.

The Committee has free and unfettered access to the external auditor who, together with the Chief Risk Officer, has free and unfettered access to the Committee.

Timely and balanced disclosure Continuous Disclosure

Steadfast believes that stakeholders should be informed of all material business events and issues that influence Steadfast in a factual, timely and widely available manner. Steadfast has a Disclosure and Communication Policy which reflects its continuous disclosure obligations under the Corporations Act and ASX Listing Rules, including Principles 5 and 6 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Steadfast is required to immediately disclose to the ASX any information concerning Steadfast which is not generally available and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of Steadfast shares. The Chair is consulted in advance of any market announcements to be released to ASX and he arranges for other Directors to be consulted, time permitting, on price sensitive announcements.

It is Steadfast's policy that any price-sensitive material for public announcement, including interim and annual results, financial reports and presentations to investors and analysts will:

- ▶ be factual and reviewed internally before issue.
- ▶ not omit material information.
- ▶ be timely and expressed in a clear and objective manner.

Steadfast's Disclosure and Communication Policy contains the processes to comply with its continuous disclosure obligations and the establishment of a Disclosure Committee which is available on the [Steadfast Investor website](#).



100% of Audit & Risk Committee and the Remuneration & Performance Committee members are independent.

Respect the Rights of Shareholders

Shareholder Communications

The **Steadfast Investor website** contains recent announcements, past and current reports to shareholders, including summaries of financial information, and corporate governance policies.

Steadfast gives shareholders the option to receive communications from, and send communications to, Steadfast and its share registry electronically.

Steadfast has an investor relations program to facilitate effective two-way communication with investors and analysts and to provide a greater understanding of Steadfast's business, governance, financial performance and prospects.

The Managing Director & CEO and Chief Financial Officer or approved representatives engage with institutional investors, private investors, sell-side analysts and buy-side analysts throughout the year via scheduled and ad hoc interactions, taking account of continuous disclosure requirements and regulatory guidelines.

Shareholder Meetings

Steadfast encourages shareholders to participate in general meetings, particularly the AGM, which is an important forum for two-way communication between Steadfast and shareholders. Shareholders can ask questions of the Chair and the Board ahead of the AGM. Steadfast drafts clear and informative meeting notices and other communications to clearly and accurately explain the nature of the business of the meeting.

Steadfast seeks to conduct its shareholder meetings in a manner which is courteous for those attending. In the interests of attending shareholders, the Chair of the meeting will exercise his or her powers as the Chair to ensure that the meeting is conducted in an orderly and timely fashion.

The presentations on the 30 June and 31 December results, AGM addresses and other major presentations are sent to ASX before the presentations are delivered. They are made available promptly on Steadfast's website as are recordings of AGM and results presentation webcasts.

During the financial year, in accordance with market practice and regulatory relief in light of COVID-19, Steadfast held a virtual AGM. The meeting proceeded smoothly and shareholders had the opportunity to attend, ask questions and vote remotely.

Recognise and Manage Risk

Risk Management Framework

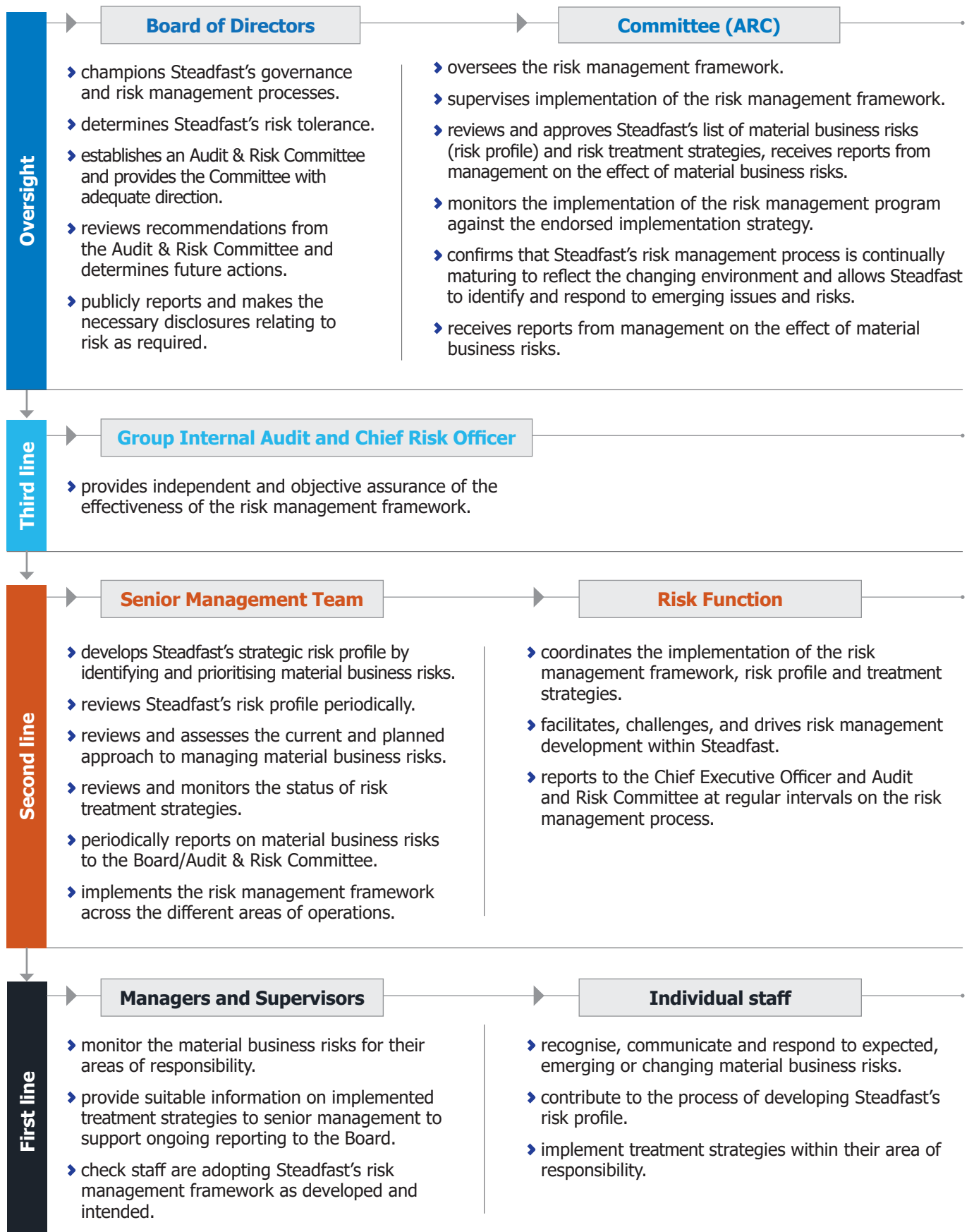
Steadfast has a sound risk management framework and regularly reviews the effectiveness of that framework, including during the financial year. The Audit & Risk Committee oversees risk, is chaired by an independent director and all members are independent directors. Steadfast considers that effectively recognising and managing risk is a crucial role of both the Board and management. Steadfast's approach to risk management is based on stable and effective core risk management principles. These are detailed in the Risk Management Policy (which is available on the **Steadfast Investor website**).

The Audit & Risk Committee monitors significant business risks and reviews how they are managed, recommends to the Board the risk appetite for Steadfast including applicable risk limits, determines delegations to management, oversees the risk management framework and satisfies itself that the framework continues to be sound. It is the responsibility of senior executives to report to the Audit & Risk Committee on the effectiveness of risk management, the implementation of internal control systems designed to address significant risks and to monitor and report on whether Steadfast is operating within the risk appetite set by the Board.

Information on the Audit & Risk Committee Charter, composition and operations is discussed above under Integrity in Reporting.

Roles and Responsibilities

The following table sets out the roles and responsibilities for risk management at Steadfast:



Steadfast's Risk Tolerance

Steadfast is committed to ensuring a disciplined approach to managing risk. The Board has set Steadfast's tolerance for risk as moderate, particularly having regard to its growth strategy and decentralised operations model. The Board considers this risk appetite is appropriate to drive shareholder value creation.

Steadfast has set a low tolerance for tax risk and seeks to comply with all applicable tax laws, regulations and disclosure requirements and to pay the amount that is legally required to be paid in all jurisdictions in which we operate. The Board has oversight of tax governance and the Chief Financial Officer is responsible for tax risk management and ensuring implementation of Steadfast's tax risk framework.

Chief Risk Officer and Internal Audit

The Chief Risk Officer reports to the Managing Director & CEO and has unrestricted access to the Audit & Risk Committee and its Chair. Steadfast has combined the role of internal auditor and Chief Risk Officer as it sees internal audit as a key component of risk management in light of the nature of Steadfast's decentralised operations model. The Chief Risk Officer reports to the Audit & Risk Committee on risk and internal audit at each meeting.

The Committee monitors and reviews the performance of the internal auditor. Internal audit provides objective risk-based assurance that the financial and operational controls designed to manage risks and achieve our objectives are operating in an effective manner, through testing of key controls and processes, and follow-up on issues identified to ensure they are resolved. The internal audit function conducts audits of individual subsidiaries and associates to ensure key controls are operating effectively and provides feedback to the Audit & Risk Committee and to senior management. The function was expanded during the financial year to include Goldseal, focused on conduct risk. The Audit & Risk Committee Chair approves the appointment of the Chief Risk Officer.

The internal audit function assists Steadfast to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and continually improving the effectiveness of its risk management and internal control processes.

Environmental, Social and Governance Risk

Steadfast's Board and management recognise the importance of identifying and managing Environmental, Social and Governance risks (ESG) as part of our responsibility to shareholders and the communities and environment in which we operate.

Further details about Steadfast's evolving approach to ESG are also included in our annual report.



Steadfast views management of ESG risks as a component of the broader risk management approach detailed above. Steadfast considers climate change and future carbon constraints within the existing risk framework. At this stage, senior management and the Audit & Risk Committee have assessed that the risks relating to climate change, including physical risks and transition risks, are not material to Steadfast. Nevertheless, we are committed to taking steps to manage our own footprint and to make a contribution to responding to climate change and the transition to a lower-carbon economy as articulated in our Annual Report.

Fair and Responsible Remuneration

Oversight of Remuneration

The Remuneration & Performance Committee assists the Board in its oversight role of Steadfast's remuneration framework. The Committee annually reviews Steadfast's remuneration approach to ensure it remains appropriate and aligns with the interests of shareholders.

The Committee assesses the appropriateness of remuneration frameworks and practices in order to fairly and responsibly reward senior executives. The Committee seeks external advice from independent consultants as it considers appropriate.

The Committee is comprised of Vicki Allen (Chair), Frank O'Halloran AM and David Liddy AM. Meetings of the Committee are also usually attended by the Managing Director & CEO, Group Company Secretary & Corporate Counsel and Head of People and Culture. The Chair of the Audit & Risk Committee and Chair of the People, Culture & Governance Committee have a standing open invitation to attend, and do attend, some of the meetings. The full Board attends when appropriate.

The Committee Charter is available on [Steadfast's Investor website](#).

Remuneration Framework

Remuneration is a key focus for investors. Steadfast aims to reward its executives with a level of remuneration which is competitive and appropriate for the results delivered. The executive remuneration framework aligns executive reward with achievement of strategic objectives and the creation of sustainable long-term value for shareholders and conforms to market practice for delivery of remuneration. The executive incentive schemes are designed to incentivise performance that is better than market.

The Board embodies the following principles in its remuneration framework:

- ▶ a performance-based reward structure.
- ▶ competitive and reasonable rewards to attract and retain high calibre executives.

- ▶ strong links between executive rewards and creating long term shareholder value.
- ▶ a significant proportion of executive remuneration is at risk, and is linked to achievement of pre-determined individual KPIs and financial performance targets.
- ▶ transparent reward structures.

Succession Planning

The Board recognises the importance of succession planning and executive development and has enhanced its focus and work in this area with the formation of the People, Culture & Governance Committee during the previous financial year. Senior management is responsible for succession planning throughout the business. Succession planning and executive and employee development is critical for the long term success of Steadfast.

Non-Executive Director Remuneration

Remuneration of NEDs is fixed. Steadfast's Directors are remunerated for their services from the maximum aggregate annual amount approved by shareholders. NEDs do not have access to schemes for retirement benefits, other than compulsory superannuation contributions.

To align the interests of the Board with shareholders, NEDs are required, within two years of joining the Board, to have a shareholding in Steadfast of an investment equivalent to their annual director fee. All directors meet this requirement. Details of NED remuneration and shareholdings are set out in the Annual Report.

Senior Executives

All senior executives receive an employment contract setting out the terms of their employment. Steadfast offers senior executives a mix of fixed and incentive-based remuneration in certain circumstances.

Details of Steadfast's approach and amount of remuneration paid to senior executives are contained Steadfast's Annual Report which is available on the [Steadfast Investor website](#).

Steadfast's approach to review of performance of its senior executives is described above under Structure the Board to Add Value.

Steadfast's Securities Trading Policy prohibits participants in equity-based remuneration schemes from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Securities Trading Policy is available on the [Steadfast Investor website](#). 