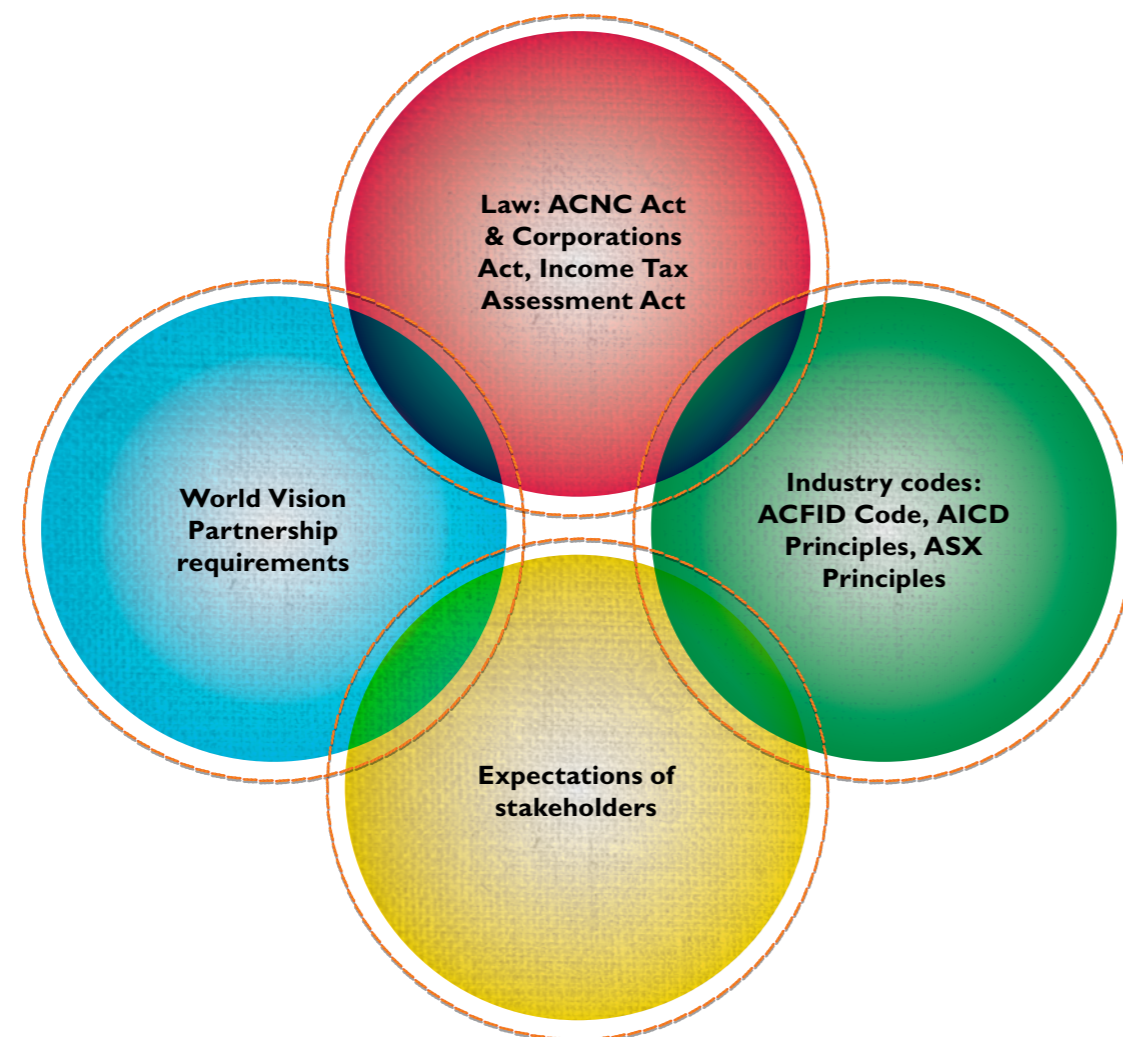


Corporate Governance

We understand Corporate Governance to be the framework of systems and processes, rules and relationships, within and by which, authority in an organisation is exercised and the organisation as a whole is directed and controlled. Our Corporate Governance aim is to create long-term, sustainable value for our supporters and other stakeholders, especially those whom we serve.

Our Board recognises its role in overseeing the determination and implementation of policies and processes that reflect good Corporate Governance and understands that these must, like our Core Values (see page 7), inform and guide the attitudes, decisions and actions that make up the fabric of our life and work. We also recognise that this is another area in which we must continuously make improvements by considering, reviewing, testing and changing processes.

The diagram below illustrates our Corporate Governance environment as one in which the law, industry codes, the expectations of our stakeholders (supporters and those we serve) and World Vision International Partnership requirements interplay:



During 2013, we continued to be regulated by the Corporations Act, but as modified by the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act). The ACNC Act is now the main law applicable to us in relation to Corporate Governance. We have welcomed the enactment of the Governance Standards under the ACNC Act, which now apply to us, and the "switching off" of the director's duties provisions of the Corporations Act. We also hold tax endorsements and concessions and are therefore also subject to the Income Tax Assessment Act.

As a signatory to the ACFID Code of Conduct, we are also subject to this code's governance principles and requirements. The code defines minimum standards of governance, management and accountability for non-government organisations and aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. This year, we also welcomed publication by the Australian Institute of Company Directors of the "Good Governance Principles and Guidance for Not-for-Profit Organisations" (AICD NFP Principles). Our Board has adopted the AICD NFP Principles. Since 2008, we have voluntarily adopted the Australian Securities Exchange's Corporate Governance Principles and Recommendations (ASX Principles) and applied them, insofar as it is sensible and realistic to do so even though we are not a listed entity, taking into account our position as a large, not-for-profit organisation and with due regard to the scope of our operations and level of donor and public interest. The AICD NFP Principles and the ASX Principles are not incompatible and both apply to us, but the AICD NFP Principles, being focused on not-for-profit organisations, take precedence.

As a member of the World Vision International Partnership, we are also subject to Partnership policies, insofar as they are appropriate under Australian laws. In relation to Corporate Governance specifically, the Partnership's Corporate Governance Guidelines apply. These guidelines are, by their nature, more specific to entities within the Partnership, including ourselves.

In a peer review undertaken in March 2013, we were rated as "Outstanding" in our governance and alignment to core values and policies of the Partnership.

In 2013, we reviewed our Corporate Governance Statement and replaced it with one that recognises the ACNC Governance Standards and the AICD NFP Principles. You can read our full Corporate Governance Statement at worldvision.com.au/CorpGov.

The statement addresses in detail how we respond to the requirements and principles under relevant laws, industry codes and our own policies as they relate to Corporate Governance.