

PUBLIC EDUCATION FOUNDATION

CORPORATE GOVERNANCE CHARTER

Introduction

This Charter is intended to complement the Company's Constitution and provide guidance on how the Board and the Foundation will operate to maximise the achievement of its purpose and priorities.

Purpose of the Foundation

The Foundation was established in 2008 as a public company, limited by guarantee, to provide funding for enhanced educational opportunities for students and teachers in public schools through programs, scholarships and educational research.

The Role of the Board

The Board will be responsible for raising funds, determining priorities and implementing actions to support the Foundation's purposes. Whilst the Foundation may receive financial and in kind support from Government from time to time, and will maintain strong links to education departments and other educational institutions, it will operate independently of Government.

The Board will ensure that its governance practices are transparent and at minimum comply with all relevant regulatory requirements.

Board Structure

According to the Foundation's Constitution, the number of Directors must be not less than 5 nor exceed 9. The Board will draw its Directors from a diverse range of experience and backgrounds. When it becomes necessary to appoint new Directors, the Board will draw up broad parameters for replacement Directors to ensure diversity and establish a Nominations Committee to develop the selection criteria for the appointment of the Directors on a case-by-case basis. The Committee will make recommendations for new Directors to the Board.

The term of appointment of Directors is for 3 years with the option of a three-year extension. As a general rule Directors will not serve on the Board for more than 2 terms.

The Role of Individual Members

The Foundation has been established as a not for profit company so the Board will operate somewhat differently from the board of a for-profit company. As far as possible pro-bono services will be sought to assist the work of the Foundation. Resources will always be limited and keeping administrative costs under control will be a priority. This means that Directors will be expected to add value not only through the injection of ideas, the development of strategy and providing access to networks, but also to support the Chief Executive with operational expertise and advice from time to time. Directors will also be asked to help identify potential sponsors and pro-bono suppliers, and introduce them to the Foundation.

Members will be expected to maintain the highest possible ethical standards in relation to the Foundation and where there is a potential or actual conflict of interest, will declare this interest to the Board. Directors with conflicts of interest may be requested to absent themselves from discussions and decisions on conflicting issues.

Directors will be required to ensure that the deliberations at the meetings remain confidential unless otherwise agreed.

The Role of the Chairperson

The Chairperson will chair meetings of the Board. The Chairperson will be responsible for ensuring the cohesion of the Board and creating an environment where Directors are able to contribute fully to the purposes and objectives of the Foundation. The Chairperson will conduct an annual review of the individual contribution of Directors.

The Chairperson will work with the Chief Executive to ensure that Board priorities are implemented.

The Chairperson will, in consultation with the Chief Executive, develop a position description with key responsibilities, accountabilities and KPIs for the Chief Executive, and will conduct an annual performance review with another member of the Board.

The Role of the Chief Executive

The Chief Executive of the Foundation will support the operation of the Board and manage the day-to-day activities of the Foundation, in consultation with, and under the overall direction of, the Chairperson. The Chief Executive may also act as the Company Secretary.

Specifically, in relation to Governance, the Chief Executive will be responsible to the Chairperson for:

- Supporting the operation and administration of the Board of Directors by advising and informing the Board, interfacing between Board and staff; and
- With the Company Secretary ensures proper compliance with ASIC and other regulatory agencies, advises the Board on compliance issues and ensures proper preparation for Board meetings.

Board Meetings and Processes

Board meetings will generally last for a half-day with the exception of an annual planning meeting. For convenience and to minimise cost, the majority of meetings will be held in and around Sydney with provision to hold meetings interstate and outside the metropolitan area as the scope of the Foundation's activities broadens. Whilst a physical presence at meetings is preferred Directors may attend meetings by teleconference or videoconference when necessary.

The decision making process will be consensual to enable all Directors' views to be taken into account. Where a consensus is not possible, decisions will be made by a simple majority of the members present at the meeting, with the Chairperson having a deciding vote if required.

The Board will aim to meet bi-monthly but no less than four times a year.

Meeting dates will generally be agreed at a Board meeting with all members present prior to, or at the commencement of, the calendar year, so that as far as possible, all members are able to attend in person.

In addition to the Directors, Government officials, Ministers, and other community representatives may attend meetings as contributors and/or observers from time to time, on the invitation of the Chairperson or the Board. The Company Secretary will also attend all meetings.

Meeting start and finish times will be provided to Directors with their agenda papers and these times will be adhered to as far as possible.

Board Agenda

The agenda for each meeting of the Board will be developed by the Chief Executive in consultation with the Chairperson and Directors. The format of the agenda for all meetings, except the annual planning meeting, will be standardised to include:

- Time date and venue
- Expected attendees and apologies
- Minutes of the previous meeting & business arising
- Declaration of Interests
- Treasurer's Report
- Chief Executive's Report
- Committee Reports – where applicable
- Strategic issues
- Matters for decision
- Matters for Information
- Other business
- Date of next meeting

Board Papers

The agenda and papers for each Board meeting will be provided to members prior to meetings. Email advice will be sent to Directors at the time the papers are dispatched and confirmation of receipt will be requested.

Copies of all Board papers and agendas will be kept by the Company Secretary in soft and hard copy form and will be accessible to Board members on request.

Board Minutes

Draft minutes of the previous meeting will cover the broad issues discussed, and formal resolutions of the Board. They will also include an action list of items arising from the Board meeting identifying the person responsible and timeframe.

Draft minutes will be prepared by the Company Secretary and approved by the Chair and circulated to members as soon as possible after the meeting.

A register of Board resolutions will be kept in both hard and soft copy by the Company Secretary and will be available to Board members on request.

Committees

The Board will also establish Committees and Working Parties as it sees fit, depending on the priorities of the Foundation and the expertise required. Committees and specific project

working parties will generally be chaired by a Director and draw on broader expertise available in the community.

Corporate Strategy Formulation

Corporate strategy will take priority at all Board meetings. One Board meeting a year will be dedicated to reviewing and developing corporate strategy and priorities.

Monitoring and Reporting

Annual targets will be set in specific areas of operation of the Board and these will be reviewed at the annual planning meeting.

An annual report will be prepared in plain English, which is reader friendly and seeks to report on and promote the activities of the Foundation. It will contain the annual financial statements for the Foundation and will comply with the Corporations Act. The annual report will be published on the Foundation's website.

Risk Management and Compliance

A comprehensive Risk Management Plan will be developed for the Foundation when it has achieved an annual income target of \$1million, and will be considered twice yearly by the Board.

An annual audit of the Foundation's finances will be conducted and the audit report will be included in the annual report.

Delegation of Authority

The Board will, from time to time, delegate its powers and function to the Chief Executive, Committees and officers of the Board as required and within the framework of the Constitution. A delegations register will be kept and will be reviewed annually.

Member Protection

Directors and Officers liability insurance will be available to all directors and the Company Secretary.

Board Evaluation

The Board will engage the pro-bono services of an appropriate professional firm to evaluate its performance at the end of 2009 and thence annually.

Endorsed by the Board of Directors on 23 April 2012.