

BOARD CHARTER – THE PINNACLE FOUNDATION ACN 127 662 604

Approved by the Board on 4 February 2020.

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1 PURPOSE OF THE BOARD CHARTER

The Board of The Pinnacle Foundation has adopted this Board Charter to outline the manner in which its powers and responsibilities will be exercised and discharged by the Board members.

The Charter ensures compliance with the principles of good governance, the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards and applicable laws.

This Charter includes an overview of:

- (a) the role and responsibilities of the Board
- (b) the requirements and duties of Board members (including director term limits)
- (c) the relationship and interaction between the Board and management; and
- (d) relevant Board procedures.

The Board Charter has been prepared and adopted on the basis that strong corporate governance can add to the performance of The Pinnacle Foundation and engender the confidence of the community.

This Charter is to be reviewed by the Board as required and this is recommended annually.

2 ABOUT THE PINNACLE FOUNDATION

2.1 Vision

The Pinnacle Foundation's vision is:

To empower young LGBTIQ+ Australians to achieve their full potential and transform society for the better.

2.2 Purpose

The primary role of the Board is to ensure The Pinnacle Foundation carries out its purposes as expressed in the Constitution, which are to provide educational and vocational support to young adults across Australia where their gender identity, sexual orientation or sexual characteristics have prevented or hindered achievement of their career aspirations or personal development, by, without limitation:

- (a) assisting them to achieve their full potential when personal circumstances might otherwise prevent this
- (b) providing scholarships, bursaries and prizes
- (c) providing programs and facilitating mentoring and support networks in relation to career and educational advice; and
- (d) promoting awareness of disadvantages and discrimination due to gender identity, sexual orientation or sexual characteristics in relation to career and education opportunities.

2.3 Stakeholders

The key stakeholders of the Pinnacle Foundation are:

- (a) the LGBTIQ+ community and its allies
- (b) individual and corporate donors
- (c) scholarship recipients
- (d) mentors
- (e) regional committees; and
- (f) employees and volunteers.

3 ENTITY TYPE, CHARITY AND TAX STATUS

3.1 ABN and entity type

The Pinnacle Foundation is a company limited by guarantee.

The Pinnacle Foundation operates a DGR endorsed scholarship fund.

The charity's name (and any trading names or DGR names) and its ABN are listed on the Australian Business Register.

3.2 Not-for-profit

The Board must ensure the not-for-profit nature of The Pinnacle Foundation is maintained by not providing any profit, distribution or benefits to members or Board members other than in carrying out the purposes.

3.3 No political activities

While The Pinnacle Foundation may, from time to time, engage in advocacy in furtherance of its purposes as expressed in the Constitution, it must not engage in political activities or lobbying, including by:

- (a) donating to political parties or lobby groups
- (b) promoting or opposing a political party or candidates for political office; or
- (c) engaging in public policy debates.

3.4 ACNC

The Pinnacle Foundation is on the ACNC register as a charity under the following sub-type:

- Advancing education.

3.5 ATO

The Pinnacle Foundation is endorsed by the ATO for:

- (a) Income tax exemption
- (b) GST concessions
- (c) FBT rebate; and
- (d) Deductible gift recipient in respect of its scholarship fund.

4 BOARD ROLE AND RESPONSIBILITIES

4.1 Board role

The role of the Board is to govern The Pinnacle Foundation in such a way that it is able to pursue its purposes successfully.

The Board is responsible for and has the authority to determine all matters relating to the policies, practices, administration and operations of the organisation. This includes ensuring good corporate governance, determining and approving strategies and providing guidance and oversight to management.

The Board will:

- (a) set strategies, plans and policies for The Pinnacle Foundation carrying out the purposes, including ensuring there are adequate resources
- (b) monitor and evaluate performance or impact against the purposes, strategies and plans
- (c) consider the viewpoints of the various stakeholders; and
- (d) implement effective risk management strategies.

4.2 Board key responsibilities

The responsibilities/functions of the Board are:

- (a) selecting and appointing a CEO and evaluating from time to time the CEO's performance
- (b) ensuring there are adequate staff and resources;
- (c) ensuring Board members:
 - (1) are not disqualified from managing a corporation, within the meaning of the Corporations Act 2001; and
 - (2) are not currently disqualified by the ACNC Commissioner nor have been disqualified by the ACNC Commissioner at any time during the preceding 12 months
- (d) contributing to and approving development of strategy, including setting measurable goals
- (e) approving operating budgets and sources of funding

- (f) reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance
- (g) monitoring performance, impact and implementation of strategy and policy
- (h) approving major capital expenditure, acquisitions and divestitures, and monitoring capital management
- (i) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting; and
- (j) developing and reviewing policies, processes and procedures which seek to ensure The Pinnacle Foundation's is accountable to its members and other stakeholders.

4.3 Board Committees

The Board has the following four standing committees to assist it in discharging its responsibilities:

- (a) Audit and Risk Committee
- (b) Investment Committee
- (c) Partnerships Committee; and
- (d) People, Remuneration and Nominations Committee.

5 BOARD MEMBER RESPONSIBILITIES

5.1 Individual responsibilities

Board members will:

- (a) use all reasonable endeavours to attend every Board meeting either in person or by videoconference or phone, and to attend in person The Pinnacle Foundation's biennial strategy planning workshop
- (b) maintain a strong commitment to the purposes of The Pinnacle Foundation and its not-for-profit character
- (c) participate in any induction and Board programs and all training arranged for them
- (d) be well informed on the activities of The Pinnacle Foundation and the issues affecting the activities
- (e) assist in securing sponsorships and fundraising
- (f) actively promote The Pinnacle Foundation and leverage their personal networks to support it
- (g) be well informed on all matters to be discussed by the Board and participate in discussions and express their views at Board meetings

- (h) be well informed on the finances and the financial management to ensure the Board is responsible and there are adequate resources for on-going operations
- (i) adhere to all policies of The Pinnacle Foundation (including this charter and the Code of Conduct) and the Constitution of The Pinnacle Foundation
- (j) treat all Board meetings and Board discussions as confidential and not share Board papers or Board discussions outside of the Board, without the Board's permission
- (k) if appointed as a representative, or if otherwise on the Board to represent an interest or stakeholder group, ensure that decisions are made in the interests of The Pinnacle Foundation as a whole and not only in the interests of the stakeholder group
- (l) immediately declare a possible perceived or actual conflict of interest and follow the conflict of interest procedure and policy
- (m) following the end of their term as a director as outlined in clause 9.2 of this Charter, immediately resign if they are not confirmed by the Board for a further term
- (n) immediately notify the Chair and resign as and when requested by the Board, if they are likely to be or are:
 - (1) disqualified from managing a corporation, within the meaning of the Corporations Act 2001; or
 - (2) disqualified by the ACNC Commissioner
- (o) immediately raise any concerns with the Chair or the Board on any matter, including any behaviours that may be inconsistent with the purposes of The Pinnacle Foundation, this charter, the Code of Conduct, the Constitution, any duties of the Board members or any policy; and
- (p) always act in a manner which promotes the public reputation and integrity of The Pinnacle Foundation.

5.2 Participation in Committees and sponsorships

- (a) It is expected that each Board member will generally participate in at least one Board Committee, regional committee or act as a Board sponsor for a designated area of focus for The Pinnacle Foundation.
- (b) Specific committee memberships and sponsorships will be discussed with new Board members during the recruitment process and will be reviewed periodically by the People, Remuneration and Nominations Committee.

6 DUTIES AND GOVERNANCE STANDARDS

6.1 Key duties

Board members will:

- (a) exercise their powers and discharge their duties with the degree of care and diligence of a reasonable person in their position
- (b) act in good faith, in the best interests of The Pinnacle Foundation and to further its purposes
- (c) not misuse their position e.g. not use the position as Board member to gain an advantage for a Board member or someone else or to the detriment of The Pinnacle Foundation
- (d) not misuse information obtained in the performance of being a Board member e.g. only use this information to further the charity's purposes in its interests and not for the benefit of the Board member or someone else, nor for the detriment of The Pinnacle Foundation
- (e) disclose perceived, potential and actual conflicts of interest in accordance with the policy and procedures and not vote or participate in Board discussions if requested not to
- (f) ensure The Pinnacle Foundation's financial affairs are managed responsibly by considering the systems and processes in place to ensure the finances are effectively applied for the purposes of The Pinnacle Foundation
- (g) not allow The Pinnacle Foundation to engage in political activities or lobbying, as outlined in clause 3.3 of this Charter; and
- (h) not allow The Pinnacle Foundation to operate while insolvent. The Board members must adequately understand the finances and ensure there are sufficient resources to pay debts as and when they are due, and that the CEO is required to inform the Board if there is a risk or possibility of this occurring.

6.2 Access to and reliance on information

Board members have the right to seek independent professional advice, subject to the approval of the Chair.

Board members may rely on information, in good faith, when making decisions if:

- (a) the Board member makes an independent assessment of the information; and
- (b) the information is given by:
 - (1) an employee that the Board member believes on reasonable grounds to be reliable and competent in relation to the matters concerned
 - (2) a professional adviser or expert on matters the Board member believes on reasonable grounds to be within their competence; or
 - (3) another Board member or committee in relation to matters within their authority or area of responsibility.

7 COMPLIANCE AND RISK MANAGEMENT

The Board must ensure The Pinnacle Foundation operates in compliance with all relevant laws and identifies and manages risks to minimise the occurrence and effects of the risks.

The Board has:

- (a) an audit and risk committee
- (b) an investment committee; and
- (c) a risk register maintained by the Risk and Compliance Advisor.

The Board has a communication policy to ensure effective and consistent communication to stakeholders as part of the risk management.

8 TRANSPARENCY AND ACCOUNTABILITY

8.1 Members and stakeholders

The members of The Pinnacle Foundation are its directors.

Accountability to The Pinnacle Foundation means accountability to its stakeholders by being transparent:

- (a) on financial matters by preparing an annual financial report and making it available on the ACNC website
- (b) on activities by reporting on the activities on the website, in newsletters and social media and in the annual financial report; and
- (c) on Board composition and the nomination and election or appointment process to members in its constitution.

8.2 The public

The Board will ensure The Pinnacle Foundation makes available the following documents to the public on request, on the website and will lodge these with the ACNC for the ACNC public register:

- (a) purposes
- (b) Constitution
- (c) annual report (if applicable)
- (d) annual financial report; and
- (e) annual information statements.

9.1 Selection and Appointment of Board members

- (a) Board members will be selected for their individual skills, experience and expertise which they can bring to the Board, and their suitability.
- (b) The Board, in conjunction with the People, Remuneration and Nominations Committee, will review the nomination of potential Board member candidates.
- (c) Factors to be considered when reviewing a potential candidate include, without limitation:
 - (1) the skills, experience, expertise and personal qualities that will best complement Board effectiveness
 - (2) the capability of the candidate to devote necessary time and commitment to the role
 - (3) potential conflicts of interest; and
 - (4) the suitability requirements in this Board charter.

9.2 Director tenure and confirmation process

- (a) Each Board member will hold office for a term of 3 years, at which time their appointment will be reviewed to ensure that they are continuing to effectively participate as a Board member, and they will be eligible to be confirmed by the Board for further 3-year terms.
- (b) Board members may serve for a maximum tenure of 9 years (being, the equivalent of three 3-year terms), The Board may extend the maximum tenure limit for Board members by resolution. On reaching the applicable maximum tenure limit, Board members are expected to step down from the Board. If a Board member fails to step down on reaching the applicable maximum tenure limit, they may be subject to removal from the Board by members' resolution.
- (c) Unless the Board determines otherwise, confirmations of Board members pursuant to clause 9.2(a) will occur annually at the last scheduled Board meeting each year (the Confirmation Meeting).
- (d) Unless the Board determines otherwise, the Board members at each Confirmation Meeting who are subject to review and required to be confirmed for a further term will be those directors who have, at the time of the meeting, been 3 years or more since their appointment or last confirmation (as applicable).
- (e) A Board member who is confirmed for a further term under clause 9.2(a) above will continue to hold office without any break in their tenure.
- (f) A Board member who is not confirmed by the Board for a further term under clause 9.2(a) will be expected to resign from their position or, if they refuse to do so, will be subject to removal from the Board by members' resolution.

- (g) The Secretary will keep a schedule of Board member appointments and confirmations. Prior to each Confirmation Meeting, the Secretary will note the period of service of each Board member to determine if any Board member is up for review. Board members subject to review will have an opportunity to speak to their proposed confirmation at that meeting.
- (h) A confidential ballot will be conducted following the relevant meeting. The Secretary will act as returning officer for the ballot, which may be conducted electronically or through any other means approved by the Board.
- (i) In the event that there is a dispute regarding voting on the ballot, the Chair of the People, Remuneration and Nominations Committee will act as scrutineer.
- (j) Where the CEO is a Board member, they are excluded from the processes outlined in this clause 9.2, recognising that they will be separately assessed and evaluated in the course of their executive role.

10 BOARD REVIEW

The Board will, in conjunction with the People, Remuneration and Nominations Committee, periodically consider the following to ensure the role of the Board can be carried out:

- (a) the size and composition of the Board
- (b) the Board succession plan
- (c) the necessary and desirable competencies and skills of the Board members
- (d) the number and type of sub-committees and their size and composition
- (e) the appointment of Board members and consideration of candidates for appointment to the Board
- (f) the performance evaluation of the Board, Board committees and individual Board members, and the development and implementation of plans for identifying, assessing and enhancing Board member competencies
- (g) the suitability of Board members, including satisfying itself that the Board members:
 - (1) are not disqualified from managing a corporation, within the meaning of the Corporations Act 2001; and
 - (2) are not disqualified by the ACNC Commissioner nor have been disqualified by the ACNC Commissioner at any time during the preceding 12 months
- (h) any amendments required to this Board Charter; and
- (i) any remuneration issues.

11 ROLE OF CEO

- (a) The CEO leads The Pinnacle Foundation and is ultimately responsible and accountable to the Board for its operational management.
- (b) The CEO may be a Board member, in which case they will be Managing Director and CEO.
- (c) The Board approves corporate objects for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- (d) The CEO has responsibility for:
 - (1) developing strategic and business plans for approval by the Board
 - (2) implementing strategic and business plans
 - (3) being the public face and speaking for The Pinnacle Foundation
 - (4) maintaining an effective organisational structure that clearly assigns responsibility and reporting relationships
 - (5) developing and implementing appropriate risk management strategies
 - (6) development of staff capacity, measurement of performance and setting of other staff remuneration levels; and
 - (7) providing regular and reliable reports to the Board which allow it to monitor performance and management of The Pinnacle Foundation.

12 ROLES OF CHAIR, DEPUTY CHAIR AND SECRETARY

12.1 Role of the Chair

- (a) The Board must elect one of its members to be Chair, which may be an ongoing appointment or for a set term.
- (b) The role of the Chair includes:
 - (1) setting the Board meeting agendas, with the CEO and Secretary
 - (2) leading Board meetings and ensuring the minutes correctly reflect the meetings
 - (3) providing leadership and promoting cohesive, effective teamwork by the Board
 - (4) ensuring the Board is meeting its functions, duties and responsibilities
 - (5) ensuring proper Board delegations, reporting and monitoring systems
 - (6) reviewing the composition and effective working of the Board
 - (7) guiding, supporting and mentoring the CEO
 - (8) ensuring the Board maintains an effective relationship with the CEO.

- (c) When the Chair is unable to attend a Board meeting, the Deputy Chair will act in their place. Where the Deputy Chair is unable to attend the relevant meeting, those Board members present will elect a Chair for that meeting amongst themselves.

12.2 Role of the Deputy Chair

- (a) The Board may elect one of its members to be Deputy Chair, which may be an ongoing appointment or for a set term.
- (b) The role of the Deputy Chair includes:
 - (1) acting as Chair on an interim basis, where the Chair is unavailable or otherwise unable to act
 - (2) providing a sounding board to the Chair in relation to Board and leadership matters; and
 - (3) undertaking any other roles delegated to the Deputy Chair by the Chair or the Board.

12.3 Role of the Secretary

- (a) The Board will appoint at least one Secretary.
- (b) The Secretary is accountable to the Board.
- (c) The Secretary is responsible for carrying out the administrative functions of the Board, coordinating all Board business and assist in ensuring compliance.
- (d) The role of the Secretary includes:
 - (1) preparing, compiling and distributing agendas and Board papers
 - (2) maintaining minutes of Board meetings and following-up on action items
 - (3) maintaining member registers or other registers as required
 - (4) communication with regulatory bodies and all statutory, financial and other necessary filing
 - (5) ensuring compliance with legislation and reporting requirements, as applicable; and
 - (6) undertaking any other roles clearly delegated to the Secretary or required by the Board.