

3P Learning Limited

# 2021 Corporate Governance Statement

## Overview

3P Learning Limited (“3P Learning” or the “Company”) is committed to high standards of corporate governance and recognises good corporate governance is essential for creating and maintaining long-term shareholder value and meeting the expectations of the Company’s stakeholders. It is also critical to help 3P Learning to realise its ambition to be a leading global SaaS K-12 education brand and business.

Our Corporate Governance Statement addresses the recommendations contained in the 4<sup>th</sup> Edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (“ASX CGC Principles and Recommendations”). This document was approved by the Board of Directors of 3P Learning and summarises the governance practices which were in place throughout the financial year ended 30 June 2021. The Company’s ASX Appendix 4G has been lodged with the ASX and is also available on the Company’s website at:

<http://www.3plearning.com/investors/governance/>.

This statement should be read in conjunction with the Directors’ Report, including the Remuneration Report, contained in our 2021 Annual Report, available at:

<http://www.3plearning.com/investors/results/>.

## Principle 1 – Lay solid foundations for management and oversight

### Recommendation 1.1 – The Board and its Charter

The Board’s roles and responsibilities are formalised in the Board Charter, which is available on the 3P Learning website at: <http://www.3plearning.com/investors/governance/>. The relationship between the Board and management is critical to the group’s long-term success. The Charter sets out those functions that are delegated to management and those that are reserved for the Board.

In accordance with the Board Charter, the Board has reserved to itself the following specific responsibilities to:

- provide leadership and set the strategic objectives of the company; and oversee management implementation of those strategic objectives and performance generally;
- appoint the Chairperson (and deputy), the CEO, and senior executives;
- through the Chairperson, oversee the role of the Company Secretary;
- approve operating budgets and major capital expenditure;
- oversee the integrity of 3P Learning’s accounting and corporate reporting systems (including external audit);
- oversee the 3P Learning process for making timely and balanced disclosure;
- ensure 3P Learning has in place an appropriate risk management framework and setting the risk parameters within which the Board expects management to operate;
- approving the 3P Learning remuneration framework; and
- monitoring the effectiveness of 3P Learning’s governance practices.

The Board has delegated to the Chief Executive Officer (“CEO”) the authority to manage the day-to-day affairs of 3P Learning and authority to control the affairs of 3P Learning in relation to all matters other than those responsibilities reserved to itself in the Board Charter.

The CEO has authority to sub-delegate to the senior management team.

## **Recommendation 1.2 – Appropriate Checks**

One of the responsibilities of the People and Culture Committee is to identify and make recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise.

Before a Director is appointed, 3P Learning undertakes appropriate checks on a candidate's character, experience, education, criminal record, bankruptcy history and other factors which would affect the Company's or the individual's reputation. On 6 August 2021, after conducting the aforementioned appropriate checks, Ms Kathy Ostin and Mr Allan Brackin were appointed to the Board of 3PL and will be up for formal election at the upcoming Annual General Meeting to be held in November later this year.

As set out in the Board Charter, the Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

## **Recommendation 1.3 – Terms of Appointments**

All 3P Learning executive directors and senior executives have entered into written employment agreements with 3P Learning. Non-executive directors have each executed a letter of appointment setting out the terms and conditions of their appointment and executive director and senior executives of 3P Learning have entered into service contracts, setting out the terms and conditions of their employment.

## **Recommendation 1.4 - Company Secretary**

The Company Secretary of 3PL is responsible for:

- advising the Board and its committees on governance matters;
- monitoring the Board and committees to ensure that the relevant policy and procedures are followed;
- coordinating the timely completion and dispatch of Board and committee papers;
- ensuring the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors and the Company Secretary.

Each director can communicate directly with the Company Secretary and vice versa. For the financial period ended 30 June 2021, the Company Secretary was Ms. Jia Chen (Elizabeth) Wang.

## **Recommendation 1.5 – Diversity and inclusion**

The 3P Learning Board and executive leadership team are committed to workforce diversity in its broadest sense and consider this diversity and inclusiveness as a strength of the business and an investment in the creation of a sustainable business capable of delivering long term shareholder value.

The 3P Learning Diversity Policy is available on the 3P Learning website [here](#).

The Diversity Policy is underpinned and supported by a suite of policies and practices that are applicable to all who work at 3P Learning and which promote an environment that attracts, retains, and provides opportunities for well qualified employees, senior management and Board candidates regardless of gender, and reflective of diversity of thought and experience.

During the FY17 financial year the Board established measurable objectives for achieving gender diversity and set a target of 50% gender diversity at a Board, Senior Leadership and global organisation level. These gender diversity objectives are reviewed and assessed annually.

These objectives and our progress against these objectives as at 30 June 2021, 30 June 2020 and 30 June 2019 are outlined below:

Level	Board (%)			Senior Leadership (%)*			Company – globally (%)		
Year	FY21^	FY20	FY19	FY21	FY20	FY19	FY21	FY20	FY19
Female	25	40	40	50	33	29	56	53	53
Male	75	60	60	50	67	71	44	47	47
Total	100	100	100	100	100	100	100	100	100

\*Senior Leadership (including C-level roles, Global Heads of Functions and Sales Directors)

^As at 30 June 2021, the Board composition was sitting at 25% for female participation. This increased to 33% female participation with the appointment of two additional directors on 6 August 2021.

At an aggregated level, women comprised 56% of our employees globally as at 30 June 2021. While as at 30 June 2021, our Board composition was 25% female due to the resignation of our former Managing Director, Rebekah O'Flaherty, two new directors were appointed on 6 August 2021 which takes our current female Board participation to 33%.

At a senior leadership team level, our numbers increased to 50% from FY19 to FY21, meeting our target of achieving gender parity. We are continuing to actively create a pipeline of female talent internally.

We are committed to improving female representation in management roles, ensuring there is no discrimination within the organisation and encouraging diversity of thought. The Company continues to undertake a number of initiatives, designed in part to facilitate our commitment to an inclusive and diverse workplace:

- **Employee feedback:** The Company monitors diversity and inclusion engagement metrics gathered as part of employee engagement surveys. Diversity and inclusion engagement metrics were last collected as part of our 2020 People Voice survey, where statements related to diversity rated, on average, at 90%, and represented the highest scores across all areas that the survey seeks to explore.
- **Flexible working:** The Company's results have also consistently shown that 3P Learning is a flexible and supportive employer that supports employee needs at all stages of life and in a range of circumstances. Our results also ranked highly compared to a benchmark of technology companies of a similar size to 3P Learning (based on number of employees).
- **Pay equity:** The Company's commitment to pay equity forms part of its annual remuneration review process.
- **Learning, Development and Opportunities:** The Company actively monitors and seeks to develop and retain high performing employees who are considered future leaders of the business. We are also rolling out a formal leadership development program that is focused both on developing a diverse group of leaders to enable them to continue to grow their career at 3P Learning, as well as educating leaders around diversity and inclusion more broadly;
- **Recruitment:** Additionally, diversity, in the broadest sense, forms part of the Company's assessment of candidates for all roles, in recognition of the diversity and geographic dispersion of, and to better serve, our customers and stakeholders. The Company will continue to review its approach to recruitment, and that of recruitment agencies acting on its behalf, to ensure that approach isn't inadvertently limiting the diversity of candidates in the talent pipeline. For example, we actively ask recruitment firms about their approach to ensuring diversity. We assess the quality of their response as a factor in determining which partners we want to work with. We also assess understanding of diversity and inclusion with all executive and senior candidates as part of our internal interview process; and
- **Benefits:** To further support our people to focus on their individual purpose, such as learning, volunteering, innovating or nurturing connections with family, the Company offers 3 additional days off (in excess of statutory annual leave) to all employees.

3P Learning's most recent report under the Australian Workplace Gender Equality Act, outlining a detailed breakdown of employment in Australia based on gender and seniority, is available on the

## **Recommendation 1.6 – Evaluation of the Board, Committees and Directors**

The People and Culture Committee assists and advises the Board on the re-election of directors. Retiring directors standing for re-election are assessed by considering a number of factors including but not limited to skills, experience, expertise, personal qualities and attributes, the capability to devote the necessary time and commitment to the role, and potential conflicts of interest and independence.

In accordance with the Board Charter, each Director's performance will be assessed when standing for re-election. Before each Annual General Meeting ("AGM"), the Chairperson of the Board will assess the performance of any Director standing for re-election and the Board will determine their recommendation to security holders on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chairperson) will conduct the review of the Chairperson. This assessment is supported by the board performance review process outlined below.

In its recommendation to security holders in relation to the election or re-election of a director, the notice of meeting for an AGM sets out material information that would be relevant to the security holder's decision.

Consistent with an 'agile' approach to performance management, the Board continually monitors and assesses throughout the year its collective performance, the performance of its Committees and the performance of individual directors to address any issues or areas for improvement as they arise. The Board also aims to conduct a more in-depth review its performance and that of individual directors annually.

In the financial period ended 30 June 2021, no formal performance evaluation was undertaken due to the significant amount of corporate activity throughout the year. The Board of Directors also saw the retirement of Mr Roger Amos on 28 May 2021 after serving the Company since its IPO in 2014. The Board identified skill gaps in the risk and governance space and also the technology and business building space and consequently appointed Ms Kathy Ostin and Mr Allan Brackin on 6 August 2021. Their skills, qualifications and experience are set out in the Directors' Report of the FY21 Annual Report.

The Board will undertake a performance evaluation of the new Board, Committee and its individual directors in the next financial period.

## **Recommendation 1.7 – Evaluation of the Leadership Team**

3P Learning senior executive performance is considered by the Directors in a meeting separate to the Board meetings. The Chairperson is responsible for ensuring Director meetings take place on a regular basis.

Consistent with an 'agile' approach to performance management, the performance of senior executives is reviewed regularly throughout the year, to provide feedback, address any issues or areas for improvement as they arise. The Board also conducts an annual performance assessment of the CEO with assistance from the People and Culture Committee. The CEO undertakes assessments of senior executives and discusses the review and any recommendations with the Board.

In assessing the performance of the CEO and other executives, the review includes consideration of the relevant senior executive's function, individual targets, group targets, the overall performance of the Company and the extent to which the executive is living the Company's values. The reviews take into consideration both qualitative and quantitative measures. Any remuneration recommendations must be approved by the Board after consultation with the People and Culture Committee.

The CEO also provides regular feedback to senior executives in relation to their performance and development.

A performance evaluation for senior executives took place during the year in accordance with the process referred to above.

## Principle 2 – Structure the board to be effective and add value

### Recommendation 2.1 – Our Board



**Matthew Sandblom**

**Non-executive Chairman (appointed 28 May 2021); appointed Executive Chairman effective from 25 August 2021**

- An education entrepreneur with over 30 years of experience building successful companies.
- Started his first company, Pascal Press, in 1989 to publish school workbooks and study guides. Since then, he has founded or co-founded many successful companies including Blake Education, Clickview, 3P Learning and Blake eLearning.
- Matthew joined 3PL as Chairman in May 2021.



**Sam Weiss**

**Independent Non-Executive Director (Chairman until 28 May 2021)**

- Over 20 years of experience in senior management and directorship with broad industry experience in education, technology and retail companies in Australia, North America, Europe and Asia.
- Current directorships include: Chairman of Altium Limited.
- Sam joined 3P Learning in July 2014.



**Claire Hatton**

**Independent Non-Executive Director**

Over 20 years of experience in strategy and operations to her role. She has previously held senior roles at Google, Travelport and Zuji.com.

- Current directorships include: board position with Full Potential Labs and director of Australian Pacific Holdings.
- Claire joined 3P Learning in July 2014.



**Mark Lamont**

**Independent Non-Executive Director**

- Deep experience in the global education and EdTech sectors with expertise in technology and Internet applications for education, international markets and strategic planning.
- Current directorships include a non-executive directorship of Education Services Australia Limited, and a Board position with World Mosaic.
- Mark joined 3P Learning in March 2018.



**Kathy Ostin**

**Independent Non-Executive Director**

- Strong financial, audit and risk advisory experience. A proven track record in strategic and superior business outcomes in a broad sector of industries including technology, content and communications, media and entertainment.
- Current directorships include: dusk Group Limited, Capral Aluminium Ltd, Swift Media Limited, Alex Bank and eftpos Payments Australia.
- Kathy joined 3P Learning in August 2021.



**Allan Brackin**

**Independent Non-Executive Director**

- Over 35 years' experience in building revenue growth and market value of both private and public companies in the technology sector. A business leader and advisor, with experience in strategy, sales and marketing, change management, M&A activity and governance.
- Current directorships include: Sovereign Cloud Holdings Limited and Integrated Research Limited.
- Allan joined 3P Learning in August 2021.

The Board has established a People and Culture Committee (formerly known as the Nomination and Remuneration Committee), which has authority and power to exercise the roles and responsibilities granted to it under the People and Culture Committee Charter and any other resolutions of the Board delegated to it from time to time.

The Committee as at 30 June 2021 was comprised of 3 independent, non-executive directors: Claire Hatton, Sam Weiss, and Mark Lamont. On 6 August 2021, Kathy Ostin and Allan Brackin further joined the People & Culture Committee as additional members taking the composition to 5 independent non-executive directors.

The Chairperson of the Committee, Claire Hatton, is an independent non-executive director. In accordance with the People and Culture Committee Charter, the Committee will meet as frequently as required to perform its functions. The Committee met 3 times during the reporting period.

The Charter of the Committee is available on the 3P Learning website at: <http://www.3plearning.com/investors/governance/>

## Recommendation 2.2 – Board Skills Matrix

The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations.

In accordance with the 3P Learning Board Charter, the Company seeks to achieve a range of skills, experience and expertise on the Board, together with the level of competence and understanding required to deal with current and emerging business issues. Requisite skills include in the areas of education and education technology, digital business, ecommerce and product management.

The People & Culture Committee is tasked with the responsibility to recruit new directors, including evaluating the balance of skills, knowledge, experience, independence and diversity on the board.

The table below provides a summary of the skills identified and highlights the areas where each Director has significant professional expertise.

Skill / experience	Matthew Sandblom	Sam Weiss	Claire Hatton	Mark Lamont	Kathy Ostin	Allan Brackin
Extensive public company board and/or C-level experience		✓	✓	✓	✓	✓
Significant experience in developing effective corporate strategy	✓	✓	✓	✓	✓	✓
Distinguished career in finance and corporate governance	✓	✓			✓	✓
Expertise and significant experience in digital and software enterprise leadership and management	✓	✓	✓			✓
Distinguished career in education and education technology	✓			✓		
Significant global business experience (more than three countries)	✓	✓	✓	✓		✓
Country of Origin	Australia	USA	UK	Australia	Australia	Australia

Note: All directors have experience and insights across all the areas listed. The matrix only highlights each member's most significant areas of professional expertise.

## Recommendation 2.3 – Independent Directors and Length of Service

The Board comprises a majority of independent Directors. The Board considers each of Sam Weiss, Claire Hatton, Mark Lamont, Kathy Ostin and Allan Brackin to be an independent non-executive director.

The lengths of service of the current directors are set out in the table below:

Length of Service	Years
Sam Weiss, Claire Hatton	> 5 years; < 10 years
Mark Lamont	1-5 years
Matthew Sandblom, Kathy Ostin, Allan Brackin	< 1 year

The ASX CGC Principles and Recommendations provide guidance for listed companies about how to assess independence of a director. An independent director is defined as one who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than those of an individual security holder or other party.

Given 3PL's material business relationship with Blake eLearning (Blake) over the years, the Board considers that its Chairperson, Matthew Sandblom, formerly a major securityholder of Blake, and now a substantial security holder of 3PL, is not considered by the Board to be an independent director of the company. This, however, aligns Matthew with the interest of the Company's other shareholders.

Other factors which have been considered in the independence assessment of Matthew include the following:

1. Certain ongoing or temporary related party transactions, which were negotiated at arm's length, due to 3PL's acquisition of Blake on 28 May 2021. These are:
  - a. services under a transition services agreement;
  - b. a short-term lease for 655 Parramatta Road, Leichhardt, the premises for Blake's Sydney head office; and
  - c. sales, printing and distribution arrangement with Kalaci Pty Ltd (a company of which Matthew is a shareholder).
2. Matthew has ownership interest in businesses in the Education Technology space which could be perceived as a conflict with parts of 3PL's business:
  - a. Excel Test Zone – a business of operating online test preparation and practice website for the purpose of preparing students for Naplan, opportunity class, selective school tests and other secondary school tests. A perceived conflict arises due to 3PL's existing flagship product, Mathletics, having assessment functionality which overlap with the business conducted by Excel Test Zone.
  - b. Clickview Pty Ltd – a company that operates a video technology platform. At present, 3PL has a commercial agreement with Clickview under which 3PL is granted a licence to use Clickview's video storage, management and delivery technology to deliver 3PL products. This arrangement was on foot prior to the acquisition and remain ongoing.
3. Matthew has a 12-month consultancy retainer whereby he provides strategic advisory services on an ad-hoc basis to the Company.

The Board regularly reviews the independence of each Non-executive Director in light of information disclosed by the Director. The assessment will then be made in accordance with the guidance provided for listed companies in the ASX CGC Principles and Recommendations. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election to the Board, and each independent Director is required to provide the Board with all relevant information for this purpose.

If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely fashion.

The Board takes its responsibility to corporate governance seriously and has put in place protocols to ensure that the considerations of matters by the Board and any Board Committees is undertaken free

from any actual or perceived conflicts of interest. This is set out in more detail in Recommendation 2.5 below.

#### **Recommendation 2.4 – Independence of the Board**

Although the Chairperson is not considered independent due to the reasons stated above, the remaining Board members which comprise the majority of the Board, are considered independent.

#### **Recommendation 2.5 – Independence of the Chairperson**

The current Executive Chairperson is Matthew Sandblom and the Chief Executive Officer (CEO) is Jose Palmero. While the Chairperson is not the same person as the CEO, he is not considered independent by the Board. Notwithstanding, the Board believes Matthew is the best candidate to communicate the Company's vision, strategy and to set market expectations.

In circumstances where the Chairperson would not meet an objective assessment of 'independence', the ASX CGC Principles and Recommendations suggests the appointment of a senior independent director or deputy chair who can fulfil the role whenever the Chairperson is conflicted.

The role of the lead independent director is to provide leadership to the independent directors, liaise with the CEO on behalf of the independent directors and advise (or arrange for advice to be provided to) the Board on matters where there may be an actual or perceived conflict of interest involving the Executive Chairman or the CEO. The position of senior independent director is determined by the independent directors. The senior independent director may assume the role of Chairman when the Chairman is unable to act in that capacity due to unavailability or lack of independence. The position also offers an alternative point of contact for shareholders.

Upon the recommendations of the People & Culture Committee, the Board has approved the appointment of Allan Brackin as Senior Independent Director of the Board of the Company. The Board has also approved that in the event the Executive Chairman is absent from a meeting or part of a meeting, or resigns from the Board, Allan is to act as Senior Independent Director of the Board of the Company for that period.

No information will be provided to Matthew if that information may give rise to a conflict of interest or potential conflict of interest in relation to Matthew and the Company. Where a matter is to be discussed by the Board that could be in conflict with a matter in which Matthew has an interest, Matthew will not participate in the discussions regarding, nor take part in any decision-making process in relation to, the matter in question. In addition, Matthew will recuse himself from the relevant meeting during any discussion or decision-making process in relation to the matter. These steps will be noted in the minutes of each meeting of the Board. Beyond these express directions, Matthew will act in the best interests of 3PL and the discharge of his duties as a director remains paramount and nothing in this protocol is intended to limit in any way the duties owed to 3PL by the directors of the Company.

#### **Recommendation 2.6 – Induction**

In accordance with the Board Charter, the Directors are expected to participate in an induction or orientation program on appointment, and any continuing education or training arranged for them.

The purpose of the program is to assist new directors to understand the industry and regulatory environment in which the Company operates, the company mission, its business operations, and its leadership team. Directors are also encouraged and supported by the Company to undertake appropriate professional development opportunities and the Company Secretary will help to organise and facilitate the induction and professional development of Directors as required.

The board or the nomination committee also ensures that directors receive briefings on material developments in laws, regulations and accounting standards relevant to the Company.

## Principle 3 – Act Lawfully, Ethically and Responsibly

### Recommendation 3.1 – Company Values

The Company recognises that respect for employees, customers, suppliers and other stakeholders is fundamental to the Company's long-term success and 3PL's social responsibility includes interacting with all stakeholders with integrity, striving to run our business in a way that produces social and economic benefits for the communities we serve globally, whilst minimising our environmental impact.

3P Learning seeks to attract outstanding people from a multitude of different backgrounds and careers. The global team is united in the same purpose – including to create better ways to learn through our educational products and services.

As a result of 3PL's acquisition of Blake eLearning Pty Ltd on 28 May 2021, the now merged business will be looking to create a refreshed set of values which will be aligned with our renewed growth strategy. This review will be undertaken in FY22 and a copy of the company's statement of values will be uploaded to the Company's website in due course [here](#).

### Recommendation 3.2 – Code of Conduct

The Board has adopted a Code of Conduct which sets out the values, commitments, ethical standards and policies of 3PL and outlines the minimum standards of conduct expected of 3PL's business and people, taking into account 3PL's legal obligations and other obligations to its stakeholders. The Code of Conduct applies to all Directors, as well as all officers, employees, contractors, consultants and other persons that act on behalf of 3PL and its associates. It encourages staff to 'speak up' so that workplace related concerns and problems are dealt with fairly, sensitively and quickly.

### Recommendation 3.3 and 3.4 – Whistleblower Policy & Anti-bribery and Corruption Policy

In keeping with the spirit of the Code of Conduct and to further support a culture of transparency and disclosure, we also have in place a standalone Whistleblower Policy and Anti-bribery and Corruption Policy.

In accordance with the terms of the policies, any material breaches under either of the policies will be immediately reportable to the Board.

The policies mentioned above are available on the 3P Learning website [here](#).

## Principle 4 – Safeguard the Integrity of Corporate Reports

### Recommendation 4.1 – Audit Committee

The Board has established an Audit and Risk Committee. This Committee is responsible for, amongst other things, appointing the Company's external auditors and overseeing the integrity of the Company's financial reporting systems and financial statements.

As at 30 June 2021, the Committee was comprised of 3 independent, non-executive Directors, Sam Weiss, Claire Hatton and Mark Lamont. Upon the resignation of Roger Amos on 28 May 2021, an interim Chairperson of the Committee, Sam Weiss, was appointed. On 6 August 2021, two additional independent non-executive directors were appointed, Ms Kathy Ostin and Mr Allan Brackin. Ms Ostin has an extensive audit background, being formerly an audit partner at KPMG as well as being the Chairperson on Audit & Risk Committees of publicly listed companies. It is intended that Kathy be appointed Audit & Risk Committee Chairperson after the release of the results.

The relevant qualifications and experience of each Committee member is set out under Principle 2 above, and also in the FY21 Annual Report which is available on the Company's website [here](#).

The Audit and Risk Committee Charter is available on the 3P Learning website [here](#).

The Committee met 4 times during the reporting period. Further details on meetings of the Committee and director attendance are disclosed in the FY21 Annual Report.

## Recommendation 4.2 – CEO and CFO Declaration

In relation to the financial statements for the financial year ended 30 June 2021 and the half-year ended 31 December 2020, the Company's CEOs and CFO have provided the Board with declarations that, in their opinion:

- the financial records of the Company have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## Recommendation 4.3 – Periodic Corporate Reporting

All periodic reports are subject to approval from the Board or a Board Committee before release and this approval process includes confirmation from management to the Directors that the relevant report has been reviewed and is accurate.

Where a periodic report is not subject audited or reviewed by an external auditor, 3PL ensures it employs processes which minimise the chance of error in the report. Generally, this involves engaging with relevant internal stakeholders throughout the report generation process from start to finish, culminating in internal sign-off by relevant stakeholders that the portion of the report to which they have contributed is accurate.

## Principle 5 – Make Timely and Balanced Disclosure

### Recommendation 5.1 – Continuous Disclosure Obligations

The Board has adopted a Disclosure and Communication Policy, which sets out 3P Learning's commitment to the objective of promoting investor confidence and the rights of shareholders by:

- complying with the continuous disclosure obligations imposed by law;
- ensuring that company announcements are presented in a factual, clear and balanced way;
- ensuring that all shareholders have equal and timely access to material information concerning 3P Learning; and
- communicating effectively with shareholders and making it easy for them to participate in general meetings.

The Disclosure and Communication Policy is available on 3P Learning's website [here](#). The policy is periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.

### Recommendation 5.2 – Material Announcements

The Company Secretary ensures that its Board receives copies of all material market announcements promptly after their release to the market. Automatic notifications have been set up to ensure that all Directors receive a copy of the announcements at their time of release.

### Recommendation 5.3 – Material Announcements

The Company generally conducts investor roadshows soon or immediately after the release of its half year or full year results. The management team aims to provide a comprehensive review of the company's strategy and performance to date. New investors have the opportunity to meet with the senior management team and/or its Board members in accordance with the Company's Disclosure and Communication Policy. In the event any standalone analyst presentations are prepared for any new investors which may contain material new information not yet or not previously disclosed to the market, the Company will release a copy of the presentation materials on the ASX market announcement platform ahead of the presentation.

## Principle 6 – Respect the Rights of Security Holders

### Recommendation 6.1 – Material Announcements

3P Learning respects the rights of its shareholders and has adopted policies and practices to facilitate the effective exercise of those rights through the provision of information about the Company and its operations and the opportunity to participate at general meetings.

Information concerning 3P Learning and its governance practices is available on the 3P Learning website. Relevant sections of the 3P Learning website include:

- The “Investors” portal contains a snapshot of latest news and key dates, as well as links to other information relevant to investors, as outlined below;
- “About 3P” - which contains information about our Directors, our Leadership team, our AGM, our priorities and information about our products and partnerships;
- “Financials”- which includes financial results information and investor presentations; and
- “Governance” - which sets out the Company’s constitution, Board and Board Committee Charters as well as copies of key 3P Learning policies.

The 3P Learning URL is: [www.3plearning.com](http://www.3plearning.com)

The Investor portal URL is: <http://www.3plearning.com/investors/>

### Recommendation 6.2 – Investors Relations Program

The Board has adopted a Disclosure and Communication Policy which supports its commitment to effective communication with its shareholders. In addition, 3P Learning intends to communicate with its shareholders:

- by making timely market announcements;
- by posting relevant information on to its website;
- by inviting shareholders to make direct inquiries to 3P Learning; and
- through discussion at general meetings.

The Disclosure and Communication Policy is available on 3P Learning’s website [here](#).

3P Learning has a comprehensive security holder engagement program which includes briefings, presentations and events throughout the year. The program includes scheduled and ad-hoc briefings with analysts as well as formal investor roadshows with institutional and private investors, usually after the release of our half year or full year results, in order to foster a forum for communication between 3P Learning and its security holders.

We also take onboard feedback from investors and security holders about the nature of information that they believe would be useful to improve their understanding of our company, operations, strategies and performance, and we seek to incorporate this feedback in our corporate reporting via the ASX.

### Recommendation 6.3 – Meeting Participation

3P Learning security holders are encouraged to attend and participate in its AGM, either in person, by proxy, attorney or by other means adopted by the Board. In FY21, the 2020 AGM and the EGM to approve the Blake merger were conducted physically while other meetings such as the Scheme meeting for the IXL offer was conducted virtually due to COVID-19 restrictions. In addition, the Company’s external auditor is made available to attend the AGM and to answer questions about the conduct of the audit and the preparation and content of the auditor’s report.

Security holders can also contact the company at [investors@3plearning.com](mailto:investors@3plearning.com)

#### **Recommendation 6.4 – Voting at Meeting of Security holders**

Resolutions at 3P Learning's general meetings of security holders have historically all been decided by a poll rather than a show of hands. The Company believes that this approach provides a more equitable basis to ensure all security holders who are capable and willing to vote, have the opportunity to do so.

#### **Recommendation 6.5 – Communication with Share Registry**

3P Learning security holders may elect to receive information from 3P Learning and its registry electronically. 3P Learning and its registry can also communicate by post with security holders who have not elected to receive information electronically. The Company's share registry helps manage these security holder communication preferences. 3P Learning's share registry is Link Market Services and they can be contacted [here](#).

### **Principle 7 – Recognise and Manage Risk**

#### **Recommendation 7.1 – Risk Committee**

The Board has established an Audit and Risk Committee to, amongst other things, ensure 3P Learning has an effective risk management system in place and to manage key risk areas. The Committee has reviewed the Company's risk management framework during the reporting period and satisfied itself that it remains sound.

Please refer to Recommendation 4.1 above for details of the Audit and Risk Committee's composition, the meetings held throughout the reporting period, and their independence.

#### **Recommendation 7.2 – Risk Management Framework**

3P Learning's Senior Leadership team is responsible for the design and implementation of the risk management systems to manage the Company's risks, guided by the risk appetite set by the Board. Management reports to the Audit and Risk Committee Charter regularly on how material risks are being managed and the effectiveness of the controls in place to mitigate those risks. The Audit and Risk Committee reviews those reports at each Committee meeting and the Company's risk management framework annually to satisfy itself that it continues to be sound.

In FY21, a review of the Company's Risk Management Framework was completed and confirmed that it continued to be sound, and that the entity is operating with due regard to the risk appetite set by the board.

#### **Recommendation 7.3 – Internal Audit Function**

3P Learning does not currently have an internal audit function. However, as set out in the Audit and Risk Committee Charter, the Committee has responsibility to ensure that 3P Learning has appropriate internal audit systems and controls in place, and to oversee the effectiveness of these internal controls. The Committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls.

The material business risks faced by the Company, that are likely to have an effect on the financial prospects of the Company, are set out in the Directors' report contained in the FY21 Annual Report available on the 3P Learning website [here](#).

#### **Recommendation 7.4 – Environmental or Social Risks**

The disclosures below relate to potential material exposure to environmental or social risks. This is not a comprehensive list of the risks which the Company faces or the mitigating actions that have been adopted.

*Privacy and data security:* the Company is cognisant of the industry in which it operates and meeting legal, community and customer expectations in relation to privacy of personal information and cybersecurity, as these risks have the ability to impact students, the Company's reputation, sales and consequently shareholder value. The Company also recognises that globally, community attitudes and expectations have evolved, and it is necessary to remain attune with such changes and to reflect them in the Company's operations and practices, for example, expanding risk considerations beyond the scope of personal information to 'big data' ethics (including use of anonymous / deidentified information).

The Company seeks to manage privacy and system security risks through its risk management framework, which includes a periodic review of the nature and severity of the risks and by implementing and monitoring the effectiveness of controls and mitigants put in place to manage these risks. These measures include training/education for staff, policies, transparency and informed disclosures, technical, administrative and physical security measures, audits and testing both internally and by independent advisors.

*A growth focused, high performance culture:* The Company's strategic priorities are underpinned by its people, values and culture and the Company recognises that building and maintaining a diverse, inclusive and high performing culture and workforce is important to drive strong and sustainable performance and security holder returns. The Company operates out of three main regions and serves a diverse range of customers and stakeholders in over 50 countries around the world. The recruitment and retention of high performance staff, from a diverse range of backgrounds, skill sets and geographic backgrounds is important for the Company's continued success to gain insight into and reflect the expectations and needs of its customer base and to position it for future growth in core markets and new markets. The Company has implemented a number of related initiatives, including:

- transitioning to the Culture Amp employee engagement platform to enable a more agile feedback environment;
- implementing a multi-faceted People and Culture plan, with executive ownership, to empower our people to achieve, informed by the insights gathered from, and results of, our employee surveys;
- continue to build a compelling employee experience which includes a global benefits review to ensure best practice and market competitive;
- every 3P Learning team member now has part of their remuneration linked to company performance;
- considering diversity in its broadest sense in recruitment activities; and
- ongoing commitment to the Company's purpose and values to drive a uniform global standard for workplace behaviour through common language and focus.

*Changes in industry / market:* the Company remains constantly in tune with changes in the industry, government policy, funding and expectations, the competitive landscape and innovation and advances in technology. Close engagement with governing education bodies, monitoring policy changes, collecting and actioning customer feedback, developing and leveraging a scalable digital publishing platform that allows rapid development and reconfiguration of products to serve international markets, pedagogy and curriculums, participation in industry events and regular discussion about risks and strategy at a Board and senior management level, are some of the important measures the Company has in place to monitor and mitigate this risk. Further, we focus on ensuring our products provide engaging, educationally sound user experiences to ensure our products remain relevant.

*Environment:* The Company does not consider that it has any material environmental risks.

## Principle 8 – Remunerate Fairly and Responsibly

### Recommendation 8.1 – People & Culture Committee

3P Learning has a People and Culture Committee which is delegated with responsibility for developing, reviewing and making recommendations on:

- 3P Learning's remuneration framework for directors, including the process by which any pool of directors fees approved by security holders is allocated to directors;

- the remuneration packages to be awarded to senior executives;
- equity based remuneration plans for senior executives and other employees; and
- superannuation arrangements for directors, senior executives and other employees.

Please refer to Recommendation 2.1 above for details of the People and Committee's composition, the meetings held throughout the reporting period, and their independence.

### **Recommendation 8.2 – People & Culture Committee**

The policies regarding remuneration of non-executive directors, and the remuneration and employment arrangements of executive directors, other key management personnel and senior management, are disclosed separately in the Remuneration Report section of the FY21 Annual Report available on the 3P Learning website [here](#).

### **Recommendation 8.3 – Equity-based remuneration scheme**

Under 3P Learning's Trading Policy, certain designated persons are prohibited from entering into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:

- has not vested; or
- has vested but remains subject to a holding lock.

In addition, 3P Learning has a policy relating to certain designated persons prohibiting entering into margin lending arrangements relating to 3P Learning's shares, prohibiting short term or speculative trading in 3P Learning's shares or in financial products associated with 3P Learning's securities and prohibiting dealing in financial products associated with 3P Learning's securities.

The 3P Learning Trading Policy is available on the 3P Learning website [here](#).

the award-winning team behind



**3P Learning**

 1300 850 331

 1300 762 165

 [investors@3plearning.com](mailto:investors@3plearning.com)

[www.3plearning.com](http://www.3plearning.com)