



St. Gilgen International School Privatstiftung

SALZBURG | AUSTRIA

VERSION Jan. 30, 2019

BOARD POLICY MANUAL

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1. The School's Foundation and Not-For-Profit Legal Status

The Foundation

The School's owner is a Foundation ("Stiftung") under Austrian law that was established by nine founders, mostly parents of students, on May 2, 2016 in Salzburg, Austria, with a founding capital of € 880.000. It has been subsequently extended by additional founders and continues to do so. The Foundation's registered name at the court of Salzburg is "St. Gilgen International School Privatstiftung", trade register no. FN452758x. The trade register holds public records of the current statutes of the Foundation, which provide further legal and financial details, where necessary.

A Foundation of this kind has designated beneficiaries, and no owner. The designated beneficiary of this Foundation is solely the St. Gilgen International School. Thereby, any profits, or capital donated, can be used for the School only, after tax. Therefore, the School can claim to be a not-for-profit organization.

The Foundation cannot be dissolved voluntarily. In case of an insolvency, or an involuntary dissolution for whatever reason, all remaining assets must be donated to the School. If the School does not exist anymore, a comparable institution has to be selected.

The Foundation has an Executive Board ("Vorstand"), and an Advisory Council ("Stiftungsbeirat"). Their specific roles are described in the relevant chapters.

The Operating Company

The School's operations are conducted not by the Foundation directly, but by a commercial subsidiary, being a limited Company under Austrian law that is registered by the name of "St. Gilgen International School GmbH", trade register no. FN 271815d. This Company (the "GmbH" for short) was founded on November 24, 2005 and has been operating the School ever since. The trade register holds public records of the current statutes of the Company, which provide further legal details, where necessary.

The Company was acquired by the Foundation on May 10, 2016 from a British-American investment fund that had bought the business from the founder, architect Alexander Serda. Of the shares, 15% were sold in 2016 and 2018 to related parties, one being the then Managing Partner, the other being a debt-financing parent, respectively. Each of these parties holds a 5% and 10% share, with no profit participation, which leaves 85% of shares but 100% of profit rights with the Foundation. The minority shareholders hold certain veto rights, e.g. related to the selection of the Head of School.

The Company has a Managing Partner "Geschäftsführer", and a Head of School ("Direktor"). Their specific roles are described in the relevant chapters.



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2. The Foundation Executive Board (“Vorstand”), also just the Board

Note: the statutes of the Foundation provide further legal details, where necessary.

Selection and Membership of the Executive Board

The Advisory Council appoints the three members of the Executive Board. Any person fit to conduct business can become an Executive Board member; there is no obligation to select a parent, or former parent of the School's students. Further, there is no restriction regarding nationality. If an Executive Board Member is selected from amongst the Advisory Council, his or her Council seat rests for the time of service on the Executive Board.

The duration of a Board member's term must be defined at selection, but cannot be more than 5 years at a time. A repeated selection of the same person is permissible, without limitations in number of terms or total duration. A preliminary dismissal, within one term, is only possible for serious reasons. Any Board member can resign at will at any time.

The Board members must select a Board Chairman (“Vorstandsvorsitzender”), and a Delegate Board Chairman (“Stellvertretender Vorsitzender”). Simple majority decides votes in the Executive Board, i.e. 2 votes out of 3.

Function and Purpose of the Executive Board

The Executive Board is responsible for conducting the Foundation's business, that being at the strategic level of the School; it does not run the day-to-day operations, which is the task of the limited Company (the “GmbH”). Generally, the members of the Executive Board work on a part-time and pro-bono basis, devoting some 10-30% of their time to these positions. The Advisory Council may, if needed, decide to compensate the Executive Board members for their work. As of 2017, none of the Board members receive a compensation.

The members of the Executive Board conduct their work as they see fit. There are no specific rules on how they should meet, or communicate. Legally, they are responsible to manage the Foundation according to Austrian law. Amongst other things they are obliged to keep financial accounts and publish these every year as of June 30th, which is the end of the Foundation's financial year.



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3. The Foundation Advisory Council (“Stiftungsbeirat”)

Note: the statutes of the Foundation provide further legal details, where necessary.

Selection and Membership of the Advisory Council

The Advisory Council consists of the following members:

- 1) Every original founder, and every future cofounder, who contributes at least € 100.000, has a seat for life, if he so wishes.
- 2) One delegate from the Parents' Association
- 3) One delegate from the municipality of St. Gilgen
- 4) Dr. Manfred Hückel, for life
- 5) One delegate of the landlord, if applicable

The Council may invite additional members for specified functions and periods.

There are no restrictions to become a member of the Advisory Council concerning nationality, parenthood, or other aspects.

The Council members must select a Council Chairman, and a delegate Council Chairman. Simple majority decides votes in the Advisory Council.

Function and Purpose of the Advisory Council

The Advisory Council has two main purposes: First, the selection of the Executive Board; second, the approval of major decisions of the Executive Board. The statutes list the specific major decisions. One example is any investment or commitment of over € 1 mill, or the employment of a Head of School, or other key personnel.

The members of the Advisory Council conduct their work as they see fit. There are no specific rules on how they should meet, or communicate. Legally, members are responsible to advise and supervise the Foundation according to Austrian law. Amongst other things, members are obliged to approve the financial accounts every year as of June 30th, which is the end of the Foundation's financial year.



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4. The Head of School (“Direktor”) and the Senior Leadership Team

The School has a Head, who is the key leader responsible for the operative implementation of the School’s claim of “Excellence in Care, Excellence in Education, and Excellence in Opportunities”. The Head reports to the Executive Board.

In commercial matters, the Head works closely with the Managing Partner. The Head is the School’s legal representative in educational, but not in commercial matters.

Organizational Structure / Reporting Lines

The Head of School appoints a Deputy Head, and a Senior Leadership Team.

Effectively, therefore, all staff report to the Head of School.

Selection of the Head of School

The Foundation selects the Head of School. The Foundation Executive Board organizes the process; the Foundation Advisory Council approves the candidate.

The Managing Partner and the Foundation determine the compensation package of the Head. Legally, the Head of School’s employment contract with the GmbH (Company) is to be signed by the Managing Partner, with approval of the Foundation.

Tasks of the Head of School

The Head of School runs the School. Specifically, the Head takes on the following tasks and responsibilities, in line with the school’s policies, and with regard to involvement of the Managing Partner and the Executive Board of the Foundation as mentioned later:

- a) Ensuring the safety, security, health and general welfare of all students and employees for all school-sanctioned activities;
- b) Implementing and administering all Board approved policies and programs, which includes submitting changes of policies to the Board for approval, including Handbooks;
- c) Employing all staff, as well as directing, supervising, evaluating, developing, motivating, reappointing or terminating them, and keeping records as needed;
- d) Drawing up the draft annual budget, together with the Managing Partner, and proposing it to the Board for approval;
- e) Implementing the budget in the day-to-day operations;
- f) Designing and implementing the academic calendar, the daily schedules, the allocation of students and teachers to classes;
- g) Macro-designing of the academic content (curriculum), which is taught, and control of the implementation in teaching, including quality control and continuous improvement;
- h) Macro-designing the activities in sports, arts, culture, leisure;
- i) Applying policies in all disciplinary matters regarding the School and the Boarding Houses;



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- j) Implementing policies regarding boarding, nutrition and clothing;
- k) Welcoming interested parents and students and providing them with information about the School and Boarding;
- l) Enrolling new students, incl. offering contracts to parents
- m) Receiving and evaluating scholarship applications, and proposing them to the Scholarship Committee;
- n) Providing timely and appropriate reports to the Board;
- o) Keeping relations with the IBO (IB Organization) incl. IB-examinations, and all local, national, and international accreditation and authorization organizations;
- p) Maintaining positive relations to the local village of St. Gilgen, officially and unofficially;
- q) Any other operational matters that may arise.

Commercial Responsibilities and Signing Authority

In commercial matters, the Head works closely with the Managing Partner. Annually, the Head and the Managing Partner together draw up a budget for every business year commencing Sep. 1 and ending Aug. 31. The budget needs to be finished by Aug. 31 every year for presentation to the Board, which approves it before Sep. 15 each year.

Thereafter, the Head needs the Managing Partner's consent for the following items:

- a) Employment of personnel, especially in regard to compensation; legally, the Manager signs all employment contracts;
- b) Any purchasing orders over € 10.000, or outside the approved budget;

Note: All bank transfers need the signatures of two authorized persons, out of the Manager, the Head, and the CFO.

Consultation with the Board

The Head is asked to consult the Board where necessary. Specifically:

The Head needs the Board's approval for the following items:

- a) Appointment of the Deputy
- b) The yearly Academic Calendar
- c) Expelling students for misbehavior permanently (not at suspensions)
- d) Major changes of the curriculum
- e) Any decisions with major impact on the strategy and image of the School,

The Head needs to inform the Board about the following items:

- f) Employment of new teachers and department heads;
- g) Termination of teachers, including non-extension of contracts.



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5. The Managing Partner (“Geschäftsführer”), or Manager

The School has a Managing Partner, who is responsible for the business aspects of the School. The Manager reports to the Executive Board.

The Manager works closely with the Head of School. The Manager is the School's legal representative (“Geschäftsführer”) in the trade register (Handelsregister).

The Manager may appoint a Deputy and give him legal power to sign for the School, alone or together with another signatory (“Prokuristen”).

Selection of the Manager

The Foundation selects the Manager. The Foundation Executive Board organizes the process; the Foundation Advisory Council approves the candidate.

The Foundation determines the compensation package of the Manager. The Foundation signs the Manager's employment contract with the GmbH (Company).

Tasks of the Manager

The Manager runs the Business of the Company. The Manager signs all legally binding contracts with external suppliers.

The Manager is specifically responsible for the following tasks:

- a) Ensuring proper accounting of all financial transactions of the company;
- b) Ensuring the compilation of Financial Statements at the end of each financial year of the Company, ending Aug. 31, and submitting these to the Board for approval;
- c) Ensuring external auditing of accounts as required;
- d) Recommending of pricing schedules for students (tuition) to the Board for approval;
- e) Ensuring that all taxes and fees are paid timely and fully;
- f) Ensuring that all necessary insurances are in place;
- g) Ensuring that all safety regulations are being observed as required by law;
- h) Ensuring the selection of suppliers, the negotiation of prices, and signing the necessary contracts;
- i) Running a Marketing Department that promotes the School;
- j) Any other commercial matters that may arise.

The Manager works closely with the Head of School. Annually, the Head and the Manager together draw up a budget for every financial year commencing Sep. 1 and ending Aug. 31. The budget needs to be finished by Aug. 31 every year for presentation to the Board, which approves it before Sep. 15 each year.



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Thereafter, the Manager needs the Board's approval for the following items, unless specific items have been explicitly mentioned and approved within the budget:

- a) Employment of key personnel, or with compensation of over € 50.000 p.a.;
- b) Any agreement regarding pensions of employees;
- c) Employment of relatives of himself or any other employees;
- d) Any purchases or sales over € 100.000, or outside the approved budget;
- e) Any opening or closing of premises, rented or owned;
- f) Any purchase or sale of land or buildings;
- g) Any completion or termination or change of rent or other contracts or obligations with an NPV of over € 100.000;
- h) Entering into any credit or debt agreements;
- i) Actively starting legal procedures, except for collection of outstanding debts from School fees;
- j) Anything that is not in the line of regular business of the School, including financial transactions outside daily business, especially speculative investments.



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6. The Strategic Planning Process

The School regularly reviews its strategy in a two-year cycle. The first strategy paper was presented in July 2016, therefore July 2018, 2020, etc. are the terms for a formal review. The Board initiates this process at the beginning of the respective years. The Board ensures a broad participation in the Strategic Planning Process, including interviews and workshops.

The strategy is to be formulated and documented.

Contents of the School's Strategy

The Strategy Document shall contain at minimum the following information for the next three years, on a strategic level:

- a) The main development objectives for the period;
- b) Student numbers by year, split by boarding/day, and by nationalities (continents);
- c) Cornerstones of the curriculum;
- d) Approximate staff numbers;
- e) The buildings and boarding houses, with planned extensions or renovations;
- f) The intentions for scholarship budgets;
- g) A five-year rough budget development;
- h) Necessary investments, and their possible financing sources.

The Board will present the strategy to the Advisory Council for approval.



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7. The Appraisal Process

Every Employee and Officer is subject to a periodic appraisal process. The appraisal/ performance management system is defined and implemented for all faculty and staff, based on pre-determined, explicit criteria and is supported by a program of professional development and/or training, which is linked to appraisal outcomes and other school priorities for students' learning.

Head of School and Managing Partner

The Board shall formulate annual goals for each of the two key personnel, latest until Aug 31, and then discuss these in individual interviews, in the form of a two-way open feedback, in which at least two of three Board members participate. These interviews should cover the following topics:

- a) A reflection of the common goals and the School's progress towards them
- b) An analysis of the key priorities for the next year
- c) A discussion on what the board can contribute to those priorities and goals

Teachers

Each teacher is to be given yearly formal feedback around the following aspects:

- a) Academic performance, as of students' test results (incl. IB points), possibly measured against development or other reference groups;
- b) Teaching effectiveness, in addition to point a);
- c) Other contributions, including such aspects as extracurricular involvement, or contribution to School's success overall;
- d) Structured feedback by students, in a suitable format.

Executive Board members

Each Board member exchanges feedback in individual personal interviews with

- a) The Head of School and the Manager, preferably together
- b) The Chairman of the Advisory Council.

Administrative Staff

All other members of staff should receive individual annual feedback by their respective supervisor in a way that suits the specific position.

All feedback for employees is to be documented in writing and filed into the respective personnel files.



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8. Succession Planning

The Executive Board is responsible for succession planning of the following positions:

- Chairman of the Advisory Council (in assistance to the Advisory Council, which makes the actual appointment)
- Members of the Executive Board (in assistance to the Advisory Council, which makes the actual appointments)
- Head of School
- Managing Partner

For each of these positions, the following questions need to be answered:

- 1) How long does the current person in the position intend to stay?
- 2) What skills and attributes are needed to fill that position?
- 3) Who can follow the current person, or what process will find a new person? How long can this process usually last?
- 4) If the current person happens to resign or drop out immediately and unexpectedly, who could take up the position in interim?

9. The Board Policy Manual Continual Improvement Process

The Executive Board is responsible for drafting this document, in consultation with the Head of School, and the Manager. The Advisory Council approves the manual, and its revisions.

A revision takes place when needed. The revision date is noted on the cover sheet.