

**MINUTE BOOK  
MEMBERS**

**HALF THE SKY FOUNDATION AUSTRALIA LIMITED**  
ABN: 79 137 332 364

**Minutes of ANNUAL GENERAL MEETING of HALF THE SKY FOUNDATION AUSTRALIA LIMITED held in person in Sydney and by conference call at 4pm, 29 November, 2016.**

MEMBERS AND DIRECTORS PRESENT / MINUTES OF PREVIOUS AGM	Members (and Directors) Present: Stephen Jermyn (chair), Deanne Bevan, Joanne Smith, Daniel Phillips, Lauren O'Hara Independent Directors Present: Terese Jermyn, Di Banks Auditor Present: Vishal Modi, Hill Roger Spencer Steer Minutes of Previous AGM: No issues arising																		
1.WELCOME TO NEW MEMBERS	The chairman welcomed new members and in particular thanked those present at the meeting, Daniel Phillips and Lauren O'Hara.																		
2. PROXIES / APOLOGIES	Apologies: Guy Russo, Bob Mansfield, Rohan Squirchuk, Susan Halliday, Veronica Reich, Andre Reich, Yan (Wing) Lau and Kai Zhou. Proxies: Six proxy forms were received from: Guy Russo (in favour of Stephen Jermyn); Susan Halliday, Veronica Reich, Andre Reich, Yan (Wing) Lou and Kai Zhou(in favour of Deanne Bevan). There were no restrictions placed on how proxies might be voted at the meeting.																		
3. CEO's REPORT 2015/16	<p>The CEO provided the following report to the meeting:</p> <p><b>1. Financial Position &amp; Major Fundraising Activities FY 2015/16 Results Summary</b></p> <table border="1" data-bbox="373 1160 1453 1451"> <thead> <tr> <th></th> <th>2016</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Gross Fundraising</td> <td>1,143,050</td> <td>471,832</td> </tr> <tr> <td>Costs of Fundraising</td> <td>262,261</td> <td>107,789</td> </tr> <tr> <td>Net surplus</td> <td>880,789 (77% of gross)</td> <td>364,043 (77% of gross)</td> </tr> </tbody> </table> <p>Major revenue drivers: Sept, 2015 Melb Gala Fundraiser, Sydney Event June, 2016 and major gifts.</p> <p><b>YTD 2016/17 Results</b> Revenue to Sept 2016: \$913,621; Major drivers: August, 2016 Melb. Gala Fundraiser and major gifts.</p> <p><b>Cash position at Nov 2016:</b></p> <table border="1" data-bbox="373 1794 1565 2040"> <tbody> <tr> <td>Ordinary account</td> <td>\$A 9,545.38</td> </tr> <tr> <td>Overseas Aid account</td> <td>\$A 305,374.97</td> </tr> <tr> <td>US \$ account</td> <td>\$US 627,482.60</td> </tr> </tbody> </table>		2016	2015	Gross Fundraising	1,143,050	471,832	Costs of Fundraising	262,261	107,789	Net surplus	880,789 (77% of gross)	364,043 (77% of gross)	Ordinary account	\$A 9,545.38	Overseas Aid account	\$A 305,374.97	US \$ account	\$US 627,482.60
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The CEO recognized the significant efforts and achievements of the Chief Development Officer in the excellent results for the 2016 financial year as well as year to date.

## **2. China Joint Development Projects Summary**

**A. Changsha Provincial Model Centre & Training Base:** The CEO reported on the successful conclusion of the joint HTSA-HTSF/Onesky initial 5-year project; outcomes include:

- As of April, 2016, the four model programs have been taken over by the Changsha CWI to operate locally with 89 children enrolled and 26 trained caregivers. Over 5+ years, 332 children have been enrolled and received a direct benefit; 36 caregivers have been employed and trained. HTSA may continue to support the transition to local operation under the HTSF/OneSky's Sustained Impact Grant (SIG) program for the short to medium term (approx. 38.5K AUD p.a.); ongoing training and coaching will also be provided by HTSF/OneSky under national training efforts and the 1Jiaren on-line professional development network;
- A provincial training base was successfully established for Hunan; the cumulative impact over 5 years has been: 67 welfare institutions engaged in training, 968 trainees participating impacting approx. 4840 children in their care. In 2016 there are 17 welfare institutions operating their own HTS-inspired programs with ongoing training, coaching and mentoring continuing by HTSF/OneSky under national training efforts and the 1Jiaren on-line professional development network;
- Two Seed sites are operating at Xiangtan (for 2 years) and Chengde (for 1 year) and are showcasing best practice models for the north and south of Hunan;
- Total project funding by HTSA over 5.5 years: AUD 1,117, 882
- A "Legacy" project is now proposed for HTSA consideration from 2017 involving modest annual funding under HTSF/OneSky's Sustained Impact Grant (SIG) program for successful transition to local operation; ongoing support for two HTSF/OneSky Seed sites in Hunan (for up to 3 years each); and partnering with HTSF/OneSky in its ongoing national training efforts which also cover Changsha and other welfare institutions in Hunan province. See C. below.

**B. Kunming Provincial Model Centre & Training Base:** The CEO reported on successful outcomes (over almost 2.5 years) since commencing this project in mid 2014 including:

- Four model programs are operating; 120 children are enrolled in programs with 29 trained caregivers; the cumulative impact over 2.5 years has been 322 children enrolled & 35 caregivers employed and trained;
- A provincial training base has been established for Yunnan province; the cumulative impact to date has seen: 79 welfare institutions engaged in training, 1,138 trainees participating impacting approx. 5,690 children in their care. 20 institutions are now operating their own HTS-inspired programs with ongoing training, coaching and mentoring provided by HTSF/OneSky under national training efforts and the 1Jiaren on-line professional development network;
- A "Legacy" project now under consideration by HTSA from 2017 may involve

ongoing support for HTSF/OneSky's Kunming model centre (at a reduced rate) for up to a total of 5 years, as well as support for ongoing training, coaching and mentoring by HTSF/OneSky under its ongoing national training efforts impacting Kunming and other welfare institutions in Yunnan province (support for HTSF/OneSky Seed sites in Yunnan may also be considered in future). See C. below.

**C. Proposed Projects 2017 and beyond:** Discussions for a new collaborative project and Agreement between HTSA and HTSF/OneSky for 2017-18 are now underway involving HTSA's broader support for HTSF/OneSky's national training efforts in China, as well as "legacy" support for the now well established Changsha & Kunming model centres. Based on current capacity, total funding commitment by HTSA could be in the order of 600K USD /800K AUD p.a. HTSF/OneSky would be the project implementing partner in China.

### **3. Changes to HTSA Constitution & Public Benevolent Institution (PBI) Application**

The CEO presented the background and substantive changes proposed to the constitution (to be voted on under Agenda Item 5. at the meeting) to support HTSA's application to become a Public Benevolent Institution (PBI) to better reflect its PBI character, to provide flexibility to expand its work outside China including into other developing countries as resources and demands might dictate in future, and to communicate a 'development' focus. The key aspects of the proposed changes to the constitution were laid out in an Explanatory Memorandum prepared for members and made available by internet hyperlinked within the notice calling this meeting (or such other format as may have otherwise been requested). In summary, the proposed changes to the constitution are to:

1. Amend the purpose and stated activities of HTSA to allow work beyond China, better reflect our PBI character and also communicate a 'development' focus;
2. Introduce the term 'charitable purpose' for reference in communications with regulators & other parties;
3. Extract the Public Fund rules into a stand-alone set of rules (to better update as required);
4. Ensure that directors not to alter their minimum number without member approval; a technical amendment for legal compliance purposes; and
5. Make amendments to winding up & revocation (of DGR status) clauses for PBI status compliance.

### **4. New China Charity Laws**

New China charity laws impacting foreign (and domestic) charities in China are set to come into effect in January 2017. While all the regulations as to how the new laws will operate are not yet known, HTSA is taking all reasonable steps to manage and ensure its compliance.

Under the new laws, foreign charities undertaking activities in China must be registered. HTSF, the US Half the Sky Foundation (now also doing business as OneSky) - which is HTSA's project implementing partner in China - is already registered as a foreign charity operating in China.

	<p>To address any potential compliance issues HTSA is:</p> <ul style="list-style-type: none"> <li>- Consulting with its project implementing partner in China, HTSF and reviewing partnership and project agreements;</li> <li>- obtaining advice including legal advice in relation to relevant Chinese and Australian laws and regulations;</li> <li>- reviewing operation and documentation of current China projects and considering new (compliant) projects for 2017 and beyond; and</li> <li>- reviewing other communications (website, development materials, etc) to ensure proper messaging.</li> </ul>
<p>4. PRESENTATION OF ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS 2015 – 2016</p>	<p>It was noted that the company auditor, Mr Vishal Modi of Hill Roger Spencer Steer, was present at the AGM to assist the meeting. On behalf of the meeting the chairman thanked Mr Modi for his attendance. There were no concerns raised by the auditor in relation to the audit process.</p> <p>The annual reports and audited financial statements, as made available by internet hyperlinked within the notice calling this meeting or such other format as may have otherwise been requested, were tabled at the meeting.</p> <p>The Hon. Treasurer and the Audit &amp; Finance Committee reported that they had worked closely with HTSA’s Finance Officer and the auditor in 2016 in the preparation and review of the annual financial reports.</p> <p>The prepared financial statements, auditor’s report and directors’ reports were provided to all directors for review and comment and approved for signing by resolutions of directors at the board meeting held on 10<sup>th</sup> October, 2016.</p> <p>The audited &amp; signed 2015-16 Financial Reports (as with all previous years audited financials) shall be kept on the company register and on the HTSA website for the information of all members, supporters and interested parties in the wider community.</p> <p>There were no issues arising in relation to the annual reports.</p>
<p>5. SPECIAL RESOLUTION TO AMEND THE CONSTITUTION</p>	<p>Full details of the proposed changes to the constitution were made available to members with notice of the meeting including in an Explanatory Memorandum made available by internet hyperlinked within the notice calling this meeting or such other format as may have otherwise been requested. In addition to the Memo, an updated constitution showing proposed amendments in track changes and an updated constitution, clean copy, were similarly made available.</p> <p>The CEO again summarized the proposed changes to the constitution to:</p> <ol style="list-style-type: none"> <li>1. Amend the purpose and stated activities of HTSA to allow for work beyond China, better reflect our PBI character and communicate a ‘development’ focus;</li> <li>2. Introduce the term ‘charitable purpose’ for reference in communications with regulators &amp; other parties;</li> <li>3. Extract the Public Fund rules into a stand-alone set of rules (to better update as required);</li> <li>4. Ensure that directors not to alter their minimum number without member approval; a technical amendment for legal compliance purposes; and</li> </ol>

	<p>5. Make amendments to winding up &amp; revocation (of DGR status) clauses for PBI status compliance.</p> <p>The CEO invited discussion in relation to the proposed changes. There were no substantial issues arising.</p> <p>Members voted unanimously in favour of the following special resolution put to the meeting:</p> <p>RESOLVED by special resolution that the constitution of the Company be amended as shown in the version of the constitution displaying track changes made available by internet hyperlinked within the notice calling this meeting or such other format as may have otherwise been requested.</p> <p>Moved: Daniel Phillips Seconded: Joanne Smith</p> <p>Members also voted unanimously in favour of the following ordinary resolution put to the meeting:</p> <p>RESOLVED that each director and the company secretary are authorized to do all things necessary to give effect to the above special resolution, including completing and lodging all forms with the required regulators such as the Australian Charities and Not-for-profits Commission.</p> <p>Moved: Joanne Smith Seconded: Lauren O'Hara</p>
<p>6. ANNUAL RESIGNATION AND ELECTION OF DIRECTORS</p>	<p>As required by the Constitution, at least one-third of directors must retire at each AGM. As advised in the notice of meeting, the two below-named directors (with the support of the board) tendered their resignations:</p> <ul style="list-style-type: none"> <li>a) Dianne Banks, and</li> <li>b) Joanne Smith</li> </ul> <p>In accordance with the Constitution, an election of directors was held. Members voted unanimously in favour of the following ordinary resolutions put to the meeting:</p> <p>RESOLVED THAT Dianne Banks, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the company.</p> <p>Moved: Joanne Smith Seconded: Lauren O'Hara</p> <p>RESOLVED THAT Joanne Smith, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the company.</p> <p>Moved: Lauren O'Hara Seconded: Daniel Phillips</p> <p>IT WAS ALSO RESOLVED THAT Daniel Phillips, having given sufficient notice to the Company in accordance with the Company's Constitution, be elected as a director of</p>

	<p>the company.</p> <p>Moved: Lauren O'Hara Seconded: Joanne Smith</p> <p>It was noted that the composition of the board takes into consideration the requirements of the Constitution to maintain a proper balance of member directors, independent directors, HTSF directors, Australian residents and Responsible Persons.</p>
9. OTHER BUSINESS	There was no other business arising.
10. VOTE OF THANKS, MEETING CLOSE	There being no other business for discussion the chairman thanked members, directors and the auditor for attending, offered a <b>VOTE OF THANKS</b> to Gilbert + Tobin Lawyers for kindly hosting once again AND CLOSED THE MEETING.



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Signed by Chairman

23 January, 2017

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Date