

**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 LTD held in person in Sydney and by conference call at 11am on Tues, 20 Nov, 2012

MEMBERS, PROXIES, DIRECTORS & AUDITOR PRESENT / APOLOGIES	<p>Members & Directors Present: Stephen Jermyn, Joanne Smith, Guy Russo, Deanne Bevan.</p> <p>Independent Directors Present: Di Banks, Terese Jermyn</p> <p>Auditor Present: Vishal Modi</p> <p>Proxies Received from Members: Robert Mansfield and Rachael Veronesi in favour of the Chairman, Stephen Jermyn; and Susan Halliday and Suzanne Wyber in favour of Deanne Bevan.</p> <p>Apologies: Clinton Dines, member & director and Robyn Whittaker, member.</p>
1. APPROVAL OF PREVIOUS MINUTES	<p>IT WAS RESOLVED that the minutes of the 2012 AGM as published are true and correct.</p> <p>Moved: Terese Jermyn</p> <p>Seconded: Di Banks</p>
<p>2. ANNUAL STATUTORY REPORTS 2011-2012</p> <p>a. AUDITED FINANCIAL STATEMENTS</p> <p>b. AUDIT & FINANCE COMMITTEE REPORT & DIRECTORS' REPORT</p> <p>c. AUDITOR'S REPORT</p>	<p>It was noted that the company auditor, in the person of Mr Vishal Modi, was also present at the AGM to assist the meeting. The chairman and members thanked Mr Modi for his attendance.</p> <p>The Audit & Finance Committee reported that it had worked closely with the company auditor in 2012 in the preparation and review of the annual statutory reports and in introducing improvements into the reporting format including providing more detail about HTSA's short and long term objectives, the nature of its revenue and expenses and the disclosure of pro bono services provided by a director-related firm, Gilbert + Tobin Lawyers.</p> <p>The Audit & Finance Committee reported that the audited financial statements, auditor's report and directors' report were also circulated to all directors for comment prior to submission to the board for approval. At a board meeting on 23 September, 2012, the Audit & Finance Committee recommended that the annual statutory reports be approved and signed; the board resolved to approve the annual reports for signature by two directors on its behalf. Two directors signed the annual reports, as did the company auditor, and lodged same with ASIC.</p> <p>The 2011-12 annual statutory reports were circulated to</p>

	<p>all members with official notice of the AGM and duly tabled at the AGM for discussion. There were no issues arising at the meeting.</p> <p>The 2011-12 annual reports (as with all annual reports) are to be kept on the Company Register and made available on the HTSA website for the information of all members and supporters and the wider community with an interest in the activities of HTSA.</p>
<p>3. EXECUTIVE DIRECTOR'S REPORT</p>	<p>The Executive Director reported as follows:</p> <p>Since incorporation, the focus of HTSA has been to establish its local office in Melbourne, the creation of a HTSA website (http://www.halfthesky.org.au), expansion of its local supporter base, promotion of HTSA membership and communications with members, initial fundraising efforts, commencement of its first development project in China and application for Deductible Gift Recipient (DGR) status.</p> <p>Initiatives and activities to increase membership have included direct-mailing to existing supporters, outreach by HTSA directors and promotion of new membership applications on the HTSA website. Currently there are 129 registered members of HTSA.</p> <p>In preparation for launching more widespread fundraising activities in Australia, in 2011 HTSA made an initial application to AusAID for Approved Organization Status under the Overseas Aid Gift Deduction Scheme with the ultimate aim of obtaining DGR status. This application did not succeed therefore a second more extensive application was lodged in 2012 (see item 7.). DGR status is vital to underpin major fundraising efforts in future to meet HTSA's longer-term goals in development projects in China.</p> <p>HTSA has been granted authority to undertake public fundraising activities in all states and territories (other than NT where there are no applicable regulations).</p> <p>In 2012, HTSA launched a national cause page with <i>Go-Fundraise Ltd</i> to encourage and facilitate volunteer on-line fundraising for HTSA. The cause page is expected to raise HTSA's profile in the wider Australian community as well as contribute to HTSA's fundraising efforts.</p> <p>To date, other than the <i>Go-Fundraise</i> initiative, HTSA's fundraising efforts have been primarily related to existing supporters, members, directors and friends of HTSA. Outreach within these existing networks including the</p>

	<p>international Half the Sky Network resulted in total revenue of \$188,628 in 2011/12, as shown in the audited financial statements. 92% of donations were from private donors and 7% from corporate and small business contributors. 97% of all HTSA expenditure for the year was directed to HTSA's development project at Changsha. HTSA's Changsha Project opened its doors to children in April, 2011, and is covered at item 8.</p> <p>In efforts to keep members and supporters informed about HTSA activities, all general members' meeting minutes, annual statutory reports and Changsha project reports are published on the HTSA website (www.halfthesky.org.au).</p> <p>Directors meet on a regular basis to oversee all activities of HTSA. The board has appointed an Honorary Treasurer and an Audit and Finance Committee to oversee all financial transactions and financial reporting. The Executive Director manages the operation of HTSA on a daily basis and reports to the board.</p> <p>During the past year, directors discussed and adopted numerous policies and procedures for the good governance of HTSA including: Board Charter and Code of Ethics Policy; Conflict of Interest and Disclosure Policy; Audit and Finance Committee Charter; CEO Delegation of Authority, Roles and Responsibilities Statement; Child Protection and Code of Practice Policy; Anti-Terrorism Measures and Membership & Application Form Policy.</p> <p>Directors welcome the involvement and participation of members, supporters and volunteers in the activities of HTSA especially in helping raise funds and awareness for its mission to benefit orphaned and disadvantaged children in China. Pending the outcome of the current DGR application process, HTSA plans to organize major member and community based fundraising and awareness raising activities in 2013.</p>
<p>4. ANNUAL RESIGNATION 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 below-named directors (with the support of the board) volunteered to resign and stand for re-election. Accordingly, the following two directors tendered their resignations:</p> <p>a) Deanne Maree Bevan, and b) Dianne Margaret Banks</p>
<p>5. ANNUAL ELECTION OF</p>	<p>In accordance with the Constitution, an election of Directors was held. The following two directors stood for</p>

DIRECTORS	<p>re-election and were both were elected unanimously:</p> <p>a) Deanne Maree Bevan Moved: Joanne Smith Seconded: Stephen Jermyn</p> <p>b) Dianne Margaret Banks Moved: Terese Jermyn Seconded: Guy Russo</p> <p>It was noted that the current 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>
6. WELCOME TO NEW MEMBERS	<p>The Executive Director reported that since the previous AGM, directors had increased efforts to recruit new members to HTSA, resulting in the receipt of 111 new applications (between October, 2011 and November, 2012) for membership. All such applications had been considered by the board and duly approved. All new members had been officially advised and welcomed and their names entered into the HTSA Members Register.</p> <p>As at the date of the meeting, a total of 129 members are listed on the HTSA Members Register. Directors and members agreed it was a great show of community support for HTSA and its mission.</p> <p>It was also noted that in 2012 HTSA adopted an official Membership Policy to help guide the board in considering membership applications and a Membership Application Form (available on the HTSA website) to assist persons in the membership application process.</p>
7. APPLICATION TO AUSAID / DGR STATUS UPDATE	<p>The Executive Director reported that with the further assistance of Gilbert + Tobin Lawyers, in November, 2012 HTSA submitted a second, more informed and exhaustive application for approved organization status to AusAID. HTSA's previous application, lodged in April 2011, fell short of AusAID's requirements in some criteria (in particular time and experience related). As at the date of the meeting, advice had been received that AusAID had received HTSA's extensive submission and supporting documentation; the assessment, however, might take up to six months (based on previous experience).</p> <p>Members and directors expressed sincere thanks to Gilbert + Tobin law firm for ongoing generous pro bono support in this complex matter.</p>

<p>8. CHANGSHA DEVELOPMENT PROJECT UPDATE</p>	<p>The Executive Director reported on the Changsha development project and its progress to date, reports received from Half the Sky Foundation throughout the year (all of which are available on the HTSA website), and visits made to the project site in Hunan province, China, including by Half the Sky Australia. It was noted in particular that all four of the planned model children’s programs are now operational at Changsha: the Infant Nurture, Preschool, Youth and Family Village Programs. In addition, it was noted that the regional training effort is now well underway in Hunan, led by the Half the Sky Child Development Expert (CDE) housed at the Changsha model centre and training base – a vital element in meeting HTSA’s longer-term objectives in terms of skills and knowledge transfer to local and regional communities.</p> <p>The Executive Director reported that, on the basis of the reports provided by Half the Sky Foundation throughout 2012 and HTSA’s own site visit and evaluation of the work being undertaken at Changsha, the board remained satisfied with the progress and effectiveness of the project in meeting its objectives to date.</p> <p>The ED further reported that the budget and funding for the project for the remainder of 2012 and the full calendar year 2013 was also approved by the board at its last meeting.</p>
<p>8. A. CONSIDERATION OF ADDITIONAL DEVELOPMENT PROJECT</p>	<p>The Executive Director reported to the meeting that after due consideration directors had agreed to request a detailed project proposal from Half the Sky Foundation to assist consideration of an additional development project that might assist in meeting HTSA’s longer-term objectives as well as its current funding considerations. While future fundraising capacity will be dramatically impacted by the outcome of its application for DGR status, in the short term, HTSA has funds sufficient to cover the Changsha project through 2013, and is reasonably expected to raise sufficient funds to cover the Changsha Project for its proposed 5-year duration (to 2016).</p> <p>On that basis, directors agreed that a further development project might begin to be considered at this time – one that might be scale-able should DGR status be granted and HTSA’s fundraising capacity be increased.</p> <p>It was also reported to the meeting that the board had resolved that HTSA would not enter into any new project or funding agreement that it could not be confident in meeting.</p>

<p>9. STRATEGIC PLANS AND OBJECTIVES FOR 2012 - 2013</p>	<p>It was noted that, as previously reported to the meeting, directors had adopted a new and improved format (as suggested by the Auditor) for the 2011/12 annual statutory reports whereby the company's short-term and long-term objectives and strategies are outlined and published annually in the Directors' Report. This practice is proposed to continue in future years, and in addition, as part of its ongoing strategic planning and review processes, the board has agreed to consider and adopt appropriate performance measures to guide the operation of HTSA.</p> <p>It was further reported to the meeting, given the pivotal nature of the application for DGR status in determining the ongoing and longer-term operations of HTSA, that directors had decided to defer any review or setting of additional objectives, strategies and performance measures, pending the outcome of the current application to AusAID (see 7. Above).</p>
<p>10. OTHER BUSINESS.</p> <p>PROPOSED DATE FOR NEXT AGM</p>	<p>Subject to confirmation and proper notice being given to all members in due course, a time and date for the next AGM was proposed and discussed as follows:</p> <p>12 Noon, Tues 19 Nov, in Sydney, and by conference call (to be confirmed).</p>
	<p>THERE BEING NO FURTHER BUSINESS THE CHAIRMAN THANKED DIRECTORS FOR PARTICIPATING AND CLOSED THE MEETING.</p>