

# HALF THE SKY FOUNDATION AUSTRALIA LIMITED

A.C.N. 137 332 364

## MINUTES OF ANNUAL GENERAL MEETING

**Held: 8.00am, Monday 11<sup>TH</sup> October, 2010**  
**At Gilbert + Tobin Law Firm, level 37, 2 Park St, Sydney 2000**  
**Including attendance by telephone conference.**  
**The chairman declared the meeting open at 8.00am.**

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| IN ATTENDANCE   | Stephen Craig Jermyn (Chairman)<br>Gaetano (Guy) Russo (Deputy Chairman)<br>Deanne Maree Bevan (Secretary)<br>Terese Anne Jermyn<br>Joanne Elizabeth Smith<br>Jenny Bowen (by telephone conference)   |
| APOLOGIES RECEIVED  | Dianne Banks<br>Leonie Bell<br>John Caldon<br>Clinton Dines<br>Susan Halliday<br>Phillip Kettle<br>Bob Mansfield<br>Margaret Russo<br>Richard Russo   |
| ANNUAL FINANCIAL REPORT<br>a) AUDIT COMMITTEE REPORT<br>b) AUDITOR'S REPORT | The Audit Committee reported that it had received the audited financial statements and the auditor's report, reviewed and found no issues arising. The audited financial statements and auditor's report were also circulated to all Directors who approved the statements and reports for signature by Directors. The statements and reports were duly signed by the auditor and two Directors and tabled at the AGM. There were no issues arising from the audited financial statements or auditor's report at the AGM. The financial statements and reports will be kept in the Company Register and filed with ASIC and will be made available on the HTSA website for the information of all members and supporters. |
| DIRECTORS' REPORTS  | The Directors' Reports were prepared in conjunction with the financial statements and were approved by all Directors for signature. The reports were duly signed by two Directors and tabled in conjunction with the audited financial statements and the auditor's report at the AGM. Joanne Smith, Director, noted at the AGM that there were no irregular items in the Directors' Reports and there were no issues arising for discussion at AGM. The Directors' Reports will be kept in the Company Register and will be made available on the HTSA website, in conjunction with the audited financial statements and reports, for the information of all members and supporters.                                     |
| FORMAL ADOPTION OF COMPANY CONSTITUTION                                     | The Company Secretary confirmed that all members of the Company provided consent to the addition of this item to the Agenda at short notice.  |

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|   | <p>IT WAS RESOLVED THAT the Constitution of the Company, a copy of which was lodged with ASIC as part of the application for Registration approved on 26 May, 2009, be formally adopted.</p> <p>MOVED: Joanne Smith<br/>         SECONDED: Guy Russo<br/>         PASSED UNANIMOUSLY</p>  |
| <p>ELECTION OF DIRECTORS</p> <p>a) RESIGNATION OF DIRECTORS</p> <p>b) ELECTION OF DIRECTORS</p> | <p>Before dealing with the annual Election of Directors IT WAS RESOLVED THAT the First Directors of the Company, being the Directors named and listed below as holding office on Registration of the Company on 26 May, 2009, be formally confirmed in their initial appointments:</p> <p>DIANNE MARGARET BANKS (Independent Director)<br/>         DEANNE MAREE BEVAN (Member Director)<br/>         JENNY BOWEN (HTS Director)<br/>         STEPHEN CRAIG JERMYN (Member Director)<br/>         TERESE ANNE JERMYN (Independent Director)<br/>         GAETANO (GUY) ALFRED GERRARD RUSSO (HTS Director)</p> <p>MOVED: Jenny Bowen<br/>         SECONDED: Terese Jermyn<br/>         PASSED UNANIMOUSLY</p> <p>The following two Directors were elected as additional Directors at a meeting of the Board on 14 July, 2010:</p> <ul style="list-style-type: none"> <li>- CLINTON JAMES DINES; Executive Chairman Asia, Caledonia Investments Asia; based in Shanghai, China</li> <li>- JOANNE ELIZABETH SMITH; accountant; based in Australia</li> </ul> <p>As required by the Constitution, such Directors must tender their resignations at the next AGM; which they duly did at this meeting. Then both stood for re-election.</p> <p>As required by the Constitution, at least one-third of directors must also retire at each AGM, therefore, the following two Directors also tendered their resignations:</p> <ul style="list-style-type: none"> <li>- JENNY BOWEN (HTS Director)</li> <li>- GAETANO (GUY) ALFRED GERRARD RUSSO (HTS Director)</li> </ul> <p>Guy Russo then stood for re-election, however, Jenny Bowen decided not to stand. Jenny offered instead to continue to actively serve HTSA and its Board in an advisory capacity. This gesture was warmly acknowledged by all present who also enthusiastically invited Jenny to stand for re-election to the Board at any time.</p> <p>In accordance with the Constitution the following three Directors stood for re-election at the AGM and were each elected UNANIMOUSLY:</p> <ul style="list-style-type: none"> <li>- CLINTON JAMES DINES (Independent Director)</li> </ul> |

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|  | <p>MOVED: Terese Jermyn<br/>SECONDED: Joanne Smith</p> <p>- JOANNE ELIZABETH SMITH (Member Director)</p> <p>MOVED: Deanne Bevan<br/>SECONDED: Stephen Jermyn</p> <p>- GAETANO (GUY) ALFRED GERRARD RUSSO (HTS Director)</p> <p>MOVED: Jenny Bowen<br/>SECONDED: Joanne Smith</p>   |
| NEW MEMBER APPLICATIONS                                | <p>IT WAS RESOLVED TO ACCEPT APPLICATIONS FOR MEMBERSHIP from the following supporters of Half the Sky:</p> <ul style="list-style-type: none"> <li>i) ROHAN SQUIRCHUK; Managing Director and Principal Lawyer</li> <li>ii) IAN JAMES PRINGLE; Managing Director and Exploration Geologist</li> <li>iii) ROSARA SQUIRCHUK; Company Director and Psychologist</li> <li>iv) LEVANNA PRINGLE; Administrative Officer</li> <li>v) MIKAELA SQUIRCHUK; Student</li> </ul> <p>The Company Secretary will notify the new members of their membership status in accordance with the Constitution.</p>  |
| APPLICATION FOR DEDUCTIBLE GIFT RECIPIENT (DGR) STATUS | <p>Mr Morgan Lane, solicitor, Gilbert + Tobin law firm, attended the meeting to report on progress in this matter. He advised that the detailed draft application to AusAid was near completion, subject to partner review within the firm. The next stage in the process, subject to agreement on the final details with HTSA, is to submit the application to AusAid for DGR endorsement (subsequently, application must also be made to the ATO). Members moved a vote of thanks to Mr Lane and Gilbert + Tobin law firm once again for their generous pro bono assistance in this substantial matter and wished Mr Lane every success in progressing the matter to finalization. Members noted the vital importance of DGR status in relation to HTSA's fundraising capacity and therefore its ultimate capacity to undertake development and aid work in China in pursuit of its objectives. The Company Secretary reported that substantial gifts have been pledged to HTSA (to support its development work in China) subject to the achievement of DGR status.</p> |
| MOU BETWEEN HTSA AND HTS                               | <p>A duly executed Memorandum of Understanding (MOU) between Half the Sky Foundation Australia Limited and Half the Sky Foundation was tabled at the meeting. The MOU was approved by a Board meeting on 14 July 2010 and was subsequently executed by two directors on behalf of HTSA. The MOU contains the principles and terms under which HTSA and HTS, the US entity, will co-operate and collaborate in non-profit development and relief</p>  |

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|   | <p>activities in China. There were no issues arising from the MOU at the AGM.</p>   |
| <p>DEVELOPMENT PROJECT IN CHANGSHA, CHINA</p> | <p>HTSA's board on 14 July, 2010, invited HTS to prepare and submit a detailed project proposal for a joint development project in Changsha, Hunan Province, China, for HTSA's further consideration and approval. The project proposal was duly received and tabled at the AGM. The objectives of the proposed development project include the establishment and operation of a new model Half the Sky Children's Centre and Family Village in the provincial capital of Changsha; establishment of model programs at the Changsha children's centre for the nurture, early education and ongoing skills development of orphaned children; and the provision of training and training programs for the skills development of teachers, caregivers and administrators in the Hunan province and surrounding regions of southern China. The meeting discussed the merits of the proposal including the fit with HTSA's objectives, the unique opportunity for Australian volunteer/supporters to participate in the 'build', costs for the first 3 years of the 5 year project: 2010 (\$15,000), 2011 (\$175,000) and 2012 (\$135,000) and monitoring of project objectives and expenditures on an ongoing basis by the HTSA board (including potential site visits by HTSA Directors, especially the China-based director).</p> <p>It was noted that while HTSA had already raised sufficient funds to meet the 2010 costs outlined in the project proposal, that substantial further fundraising would be required to meet the projected 2011 and 2012 costs in the proposal (as well as costs for the full 5 year project).</p> <p>IT WAS RESOLVED that HTSA indicate to HTS its willingness to undertake the joint development project with HTS in the general terms of the project proposal tabled at the meeting. Provided that HTSA's commitment to the meeting the full costs outlined in the project proposal would be contingent upon successful achievement of DGR status.</p> <p>It was also noted that in accordance with the MOU between HTSA and HTS, that HTS would be required to submit (among other things) narrative and financial reports to HTSA detailing progress against project objectives and a full accounting of all expenditure of HTSA funds toward the project and that HTSA retained the sole and ultimate decision-making power in relation to use of its funds.</p> |
| <p>OTHER BUSINESS</p>                         | <p>There being no other business the Chairman thanked Gilbert + Tobin law firm once again for their hospitality in hosting the meeting, thanked members for their participation and closed the meeting at 9.00am.</p>   |

Signed:



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Stephen Jermyn, Chairman

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11 December, 2010



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Deanne Bevan, Secretary

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11 December, 2010