RULES OF SOUTH PACIFIC FREE DEVELOPMENT FOUNDATION INCORPORATED INC.

The model rules, if any, for foundations prescribed by the Foundations Incorporation Act are hereby excluded.

1. **DEFINITIONS**

In these Rules unless inconsistent with the context or subject matter:

(a) "Annual Meeting" means an annual general meeting of the Foundation;

(b) "Foundation" means the "SOUTH PACIFIC FREE DEVELOPMENT FOUNDATION INCORPORATED INC.";

(c) "Committee" means a quorum of the Committee for the time being of the Foundation appointed pursuant to Rule 25 of these Rules and present at a duly constituted meeting of the Committee;

(d) "General Meeting" shall include Annual Meeting and extra-ordinary general meeting;

(e) "Member" means a member for the time being of the Foundation;

(f) "Month" means a calendar month;

(g) "Chairman " means the Chairman of the Foundation or in case of his absence or illness the acting Chairman;

(h) "Secretary General" means the Secretary General of the Foundation or in case of his absence or illness the acting Secretary General;

(g) "Treasurer" means the Treasurer of the Foundation or in case of his absence or illness the acting Treasurer;

(h) Words importing the singular number include the plural and vice versa and words importing one gender shall include all other genders;

(i) "Writing" means written or printed or type-written or partly written or printed or typewritten;

(j) headings and marginal notes are for reference purposes only.

2. **NAME**

The name of the Foundation is "SOUTH PACIFIC FREE DEVELOPMENT FOUNDATION INCORPORATED INC".

3. **OBJECTIVES**

(a). The objectives for which the Foundation is formed are:

I. To promote awareness of and to address economic issues affecting Papua New Guinea and Bougainville Region;
II. Accepting donations from institutions, groups, and individuals in China and Papua New Guinea;
III. Carrying out public fundraising activities to raise funds;

IV. Establish a public welfare special fund to implement targeted assistance;
V. Reward and support youth groups and individuals in Papua New Guinea, Bougainville and overseas who have made outstanding contributions in education or other fields;
VI. Conduct exchanges and activities related to education, youth, and social development in Papua New Guinea and overseas in a non-profit manner;
VII. Provide funding and opportunities for university students in Papua New Guinea, Bougainville and overseas to participate in entrepreneurship and employment skills training;
VIII. Invest prudently and steadily to preserve and increase the value of the fund.

(b). That the foundation will apply its profit (if any) or other income in promoting its objectives;

(c). That the foundation will prohibit the payment of any dividend or payment in the nature of a dividend to its members.

4. **POWERS**

In addition to any others powers conferred by law, the Foundation shall have the following powers:

(a) To purchase take on lease or in exchange hire or otherwise acquire and maintain any real or personal property and any rights and privileges in relation thereto;

(b) To sell exchange lease mortgage hire dispose of or turn to account or otherwise deal with all or any part of the real and personal property of the Foundation;

(c) To borrow raise or secure the payment of money in such manner as the Foundation thinks fit with power to issue debentures grant mortgages charges or any other class of security upon or charging all or any of the properties real or personal howsoever or wheresoever situate and both present and future of the Foundation and to redeem or pay off any existing or future security;

(d) To invest and deal with the monies of the Foundation not immediately required for the purpose of the Foundation in such manner as may from time to time be determined by the Committee;

(e) To amalgamate co-operate affiliate and enter into reciprocal arrangements with any other Foundation having objects wholly or in part similar to those of the Foundation;

(f) To appoint employ and pay officers and servants and to dismiss or suspend any officer or servant;

(g) To do all such other things as are incidental or conducive to the attainment of its objects.

5. **INCOME AND PROPERTY**

(a) The funds of the Foundation are to be derived from subscriptions paid by members of the Foundation, from the raising of such monies as the Foundation may be empowered to raise and from any other source as may be from time to time approved by the Foundation.

(b) The income and property of the Foundation however derived shall be applied solely towards the promotion of the objects of the Foundation and no portion thereof shall be paid or transferred directly or indirectly as a dividend or otherwise

howsoever by way of profit to the Members provided that remuneration may be paid in good faith to officers and servants of the Foundation and other persons for goods supplied or services actually rendered to the Foundation and further the Committee in its absolute discretion may make ex gratia payments for the purposes of the Foundation and such payments shall not be construed as being by way of a distribution of profits.

6. **REGISTERED OFFICE**

(a) The office of the Foundation shall be located in Papua New Guinea (the "Office") or such other place as the Committee may decide.

(b) Notices to be served on the Foundation may be served by:

(i) leaving such notices addressed to the Foundation at the Office or

(ii) forwarding such notices addressed to the Foundation by prepaid registered mail to Papua New Guinea.

7. **MEMBERSHIP**

The Foundation shall consist of the following classes of Members:

(a) **Full Members**

Full Members shall be entitled to the full rights and privileges of membership of the Foundation including the right to attend and vote at any General Meeting of the Foundation;

(b) **Honorary Members**

Honorary Membership may be conferred at the discretion of the Committee upon any person whom the Committee considers to be worthy and Honorary Members shall be accorded all the privileges of a Full Member except the right to attend General Meetings of the Foundation and vote thereat. Honorary Membership shall expire three (3) months from the date of the Committee resolution granting such Membership or at such earlier time as the Committee in its sole discretion may resolve at the time of granting such Membership.

8. **APPLICATION FOR MEMBERSHIP**

Any funding or investing entity or individual is eligible to become a full member of the foundation. The Committee has authority to approved members. All memberships in the foundation must be announced at a Committee meeting as a formality and recorded in the minutes of the Committee.

9. **RIGHTS OF MEMBERSHIP MAY NOT BE TRANSFERRED**

A Member may not transfer the rights and privileges of membership of the Foundation.

10. **RESIGNATION**

Any Member who has paid all moneys due or payable to the Foundation may resign from the Foundation upon first giving one month's notice in writing to the Secretary General of his or her intention in that behalf and upon the expiration of such notice such Member shall cease to be a Member. Any cessation of membership of the Foundation shall take effect without prejudice to any prior act omission matter or thing.

11. **FAILURE TO TAKE UP ELECTION**

No applicant shall be entitled to exercise any of the privileges of a Member unless and until he or she shall have paid all fees and subscriptions payable by him on his admission.

12. **MEMBERSHIP REGISTER**

The Secretary General shall keep and maintain a register of Members in which shall be entered the full names and date of admission of every Member and the class of Membership to which that Member belongs and further the Secretary General shall also keep and maintain a record of the financial status of such Members.

13. **GENERAL MEETING**

(a) The Annual Meeting of the Foundation shall be held between the 1st day of November and the 31st day of December in each year on such date as the Committee may determine each year.

(b) The Secretary General shall whenever required by a Manager or the Committee or by written requisition of not less than thirty per centum (30%) of Members of the Foundation stating the objects for which the meeting is desired, convene an extraordinary general meeting of Members. Such meeting shall be convened not less than fourteen (14) days or more than one (1) month after receipt by the Secretary General/Treasurer of such request and if in a case of requisition by Members as aforesaid the meeting shall not be convened within the time aforesaid, the requisitioners may by a resolution, appoint one of their number to convene such meeting.

14. **PLACE OF MEETING**

Every General Meeting shall be held at a location determined by the Committee as being convenient to the Members.

15. **NOTICE OF MEETING**

No less than ten (10) days' notice in writing of every General Meeting shall be forwarded to every Full Member at his address appearing in the Register of Members by prepaid post or by delivery of notice to the place of employment of Full Members stating the time of the meeting and the nature of the business transacted. No business other than that set out in the notice convening the meeting shall be transacted at any General Meeting. Any Member desiring to bring forward any business may give notice to the Secretary General who thereupon shall include same in the notice calling the next General Meeting to be called after receipt of such notice from a Member.

16. **QUORUM AND GENERAL MEETINGS**

At all General Meetings twenty per centum (20%) of the Full Members shall constitute a quorum. If within an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week and the same time and place and at such adjourned meeting those present shall form a quorum for all purposes.

17. **CHAIRMAN AT MEETING**

The Chairman and in his absence the Secretary General or in the absence of both the Treasurer shall preside as Chairman at every General Meeting of the Foundation. In the absence of the Chairman, Secretary General and Treasurer those present shall elect one of their numbers to be Chairman.

18. **ADJOURNMENT**

The Chairman may, with the consent of the General Meeting, adjourn any meeting from time to time, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

19. **VOTING**

(a) Subject to the next succeeding sub-clause, resolutions shall be carried by a majority of the Members present either in person or by duly authorised representative at any General Meeting. In the case of equality of votes, the Chairman shall have a second or casting vote.

(b) A Member may vote by way of postal vote on any matter at a General Meeting provided that such vote is received by the Secretary General twenty-four (24) hours before the commencement of that meeting.

20. **POLL**

At any General Meeting a declaration by the Chairman that a resolution has been carried and an entry to that effect in the minute book of the proceedings of the Foundation shall be conclusive evidence of the fact without proof of the number or proportion of all votes recorded in favour of or against such resolution provided that any three Members may by standing call for a poll which shall thereupon be taken without further debate.

21. **PROXIES**

Subject to Rule 22 every Full Member shall be by notice in writing entitled to one vote at every General Meeting and may appoint any other Member to vote on his behalf by proxy which shall be deposited with the Secretary General at least twenty four (24) hours before the time of the meeting in respect of which the proxy is appointed.

22. **VOTING WHEN SUBSCRIPTION IN AREARS**

No Member shall be entitled to vote at any meeting or on any poll unless all monies due from him to the Foundation shall have been paid (other than sums due for subscriptions for the current year).

23. **ORDER OF BUSINESS**

The following shall be the order of business at every Annual Meeting:

(a) Confirmation of the minutes of the last Annual Meeting and of any General Meeting or meetings held since the preceding Annual Meeting;

(b) Receipt of the annual balance sheet profit and loss and accompanying accounts and reports of the committee and the auditor and the adoption of the same or otherwise;

(c) The election of the Committee;

(d) The appointment of an auditor (who shall be a qualified accountant); and

(e) General business.

24. **MINUTES**

Minutes of the proceedings at every General Meeting (whether Annual or not) shall be entered and kept in a minute book and such minutes when so signed shall be conclusive evidence that the proceedings minuted therein were regular and actually took place as minuted at a meeting duly convened and held and shall be binding on all Members of the Foundation except as to any irregular proceedings declared and annulled at a General Meeting called for that purpose and held within three (3) months after the irregular proceedings.

25. **COMMITTEE**

(a) The Committee of the Foundation shall consist of the Chairman, Secretary General, Treasurer and either one (1) or two (2) ordinary Members. Unless otherwise resolved by the Foundation membership of the Committee shall not exceed six (6) members.

(b) Each Committee Member shall retire at the conclusion of the Annual Meeting unless that Members appointment to office is renewed. Elections for the Committee shall be held at the Annual General Meeting.

(c) Honorary Members may be elected to any office except that of Chairman.

(d) A retiring Committeeman shall be eligible for re-election or for election to another office and shall hold office until his successor is elected.

26. **ELECTION OF COMMITTEE**

(a) A Member wishing to nominate for Committee membership shall forward a nomination in writing to be received by the Secretary General at least five (5) clear days before the Annual General Meeting.

(b) The election of the members of the Committee shall be by ballot and the Members so elected shall hold office from the conclusion of the meeting at which they were appointed or their appointment was renewed.

(c) In the event of candidates for Committee membership receiving an equal number of votes, the Chairman shall have an additional or casting vote.

27. **DUTIES OF OFFICE BEARERS**

(a) **Chairman**

The Chairman shall preside over all meetings and he shall be an ex officio member of any sub-committees established by the committee. The Chairman shall certify the correctness of minutes of meetings and with the Secretary General and Treasurer shall draw and sign all cheques, drafts, bills of exchange, promissory notes and other documents for and on behalf of the Foundation unless otherwise resolved by the Foundation.

(b) **Secretary General**

(i) The Secretary General shall assist the Chairman and shall carry out the duties of the Chairman during the Chairmans absence.

(ii) The Secretary General shall be responsible for the compilation and safekeeping of minutes of all meetings, the maintenance of a Register of all Members of the Foundation and of the officials and Committee members.

(iii) The Secretary General shall attend to all general correspondence and shall have the custody of all books, documents and securities of the Foundation.

(c) **Treasurer**

The Treasurer shall be responsible for the banking and accounting for Foundation funds. He shall supervise and maintain the keeping of full and proper accounts of the Foundation and he shall arrange for the same to be audited and presented to the Annual General Meeting.

28. **MANAGEMENT**

The business of the Foundation shall be managed by the Committee who may exercise all powers of the Foundation as are not by these Rules required to be exercised by the Foundation in General Meeting subject nevertheless to these Rules.

29. **POWERS OF THE COMMITTEE**

Without prejudice to the powers conferred by the last preceding Rule, the Committee shall have power to do any one or more of the following things:

(a) To determine from time to time the conditions on which and times when Members may use the property of the Foundation or any part or parts thereof and when and under what conditions the premises of the Foundation or any part or parts thereof shall be used by Members;

(b) To appoint officials or servants of the Foundation and to remove them as occasion may require at their discretion;

(c) To delegate (subject to such conditions as it thinks fit) any of its powers to sub-committees consisting of such members of the Committee and other Members of the Foundation co-opted for that purpose as it may determine and to make such regulations as to the proceedings of such subcommittee as may be thought desirable;

(d) to regulate and control Committee meetings and the transaction of business thereat;

(e) to pay to any servant of the Foundation any gratuity for faithful and diligent service as it seems fit;

(f) to elect or vote on the election of Full Members and Honorary Members;

(g) to appoint from time to time any two or more Members of the Foundation (at least one of whom shall be a member of the Committee) to be a sub-committee for any particular purpose and to revoke their appointment;

(h) subject to these Rules, to draw, make, accept, endorse and issue negotiable securities or instruments of whatsoever kind or nature and to determine by what officers of the Foundation such negotiable securities or instruments shall be signed or endorsed.

(i) to borrow or raise financial accommodation with or without giving security and to sell and dispose of the assets of the Foundation.

30. **VACANCY ON THE COMMITTEE**

The Committee may act notwithstanding any vacancy in their body.

31. **DUTY OF COMMITTEE**

It shall be the duty of the Committee to manage and conduct the affairs of the Foundation.

32. **VACATION OF OFFICE**

The office of Chairman, Secretary General, Treasurer or ordinary member shall be vacated if the office holder:

(a) shall cease to be a Member of the Foundation, or

(b) shall hold any office of profit from the Foundation, or

(c) shall become insolvent or assign his estate pursuant to any Act or Regulation relating to insolvency for the time being in force in Papua New Guinea, or

(d) shall fail to attend three (3) consecutive meetings of the Committee.

33. **CASUAL VACANCIES**

Any Member may be appointed by the Committee to fill any casual vacancy occurring in the Committee provided that any person so appointed shall hold office only until the expiration of the term of office resolved by the Annual Meeting for the holder whose office has become vacant. The appointee to any casual vacancy shall be deemed to have held office since the Annual Meeting at which the Committee member ("Committeeman") whose place he has taken was elected.

34. **ADD OR REMOVAL OF COMMITTEE MEMBER**

The Foundation in General Meeting may by resolution add or remove any Committee member before the expiration of his period of office and appoint another person in his stead. The person appointed shall for all purposes be treated as if he were appointed to a casual vacancy under the preceding Rule.

35. **MEETINGS OF COMMITTEE**

(a) The Committee shall meet together for the dispatch of business as often as the Chairman or in his absence the Secretary General shall deem necessary but no less than once in every month. At least three (3) days' notice shall be given to each Committeeman and the Committee may adjourn and otherwise regulate its meetings as it thinks fit.

(b) A quorum of members of the Committee shall be three (3) members present throughout the relevant meeting.

(c) At every meeting of the Committee the Chairman and in his absence the Secretary General shall preside and in the absence of both the Chairman and the Secretary General the Members present shall choose one of their number to be Chairman of such meeting.

(d) Questions arising at any meetings of the Committee shall be decided by a majority of votes and in the case of any equality of votes, the Chairman shall have a second or casting vote.

36. **VALIDATION OF ACT OF COMMITTEE**

All acts done at any meeting of the Committee shall (notwithstanding that it is afterwards discovered there was some defect in the appointment of the Committee or any member thereof or that any member was disqualified), be as valid as if every such member had been properly appointed and was qualified to act as a Committeeman.

37. **MINUTES**

The Committee shall cause to be kept a minute book showing the resolutions proposed and passed and all other proceedings at Committee meetings.

38. **AUDIT**

At least once in each year the accounts of the Foundation shall be examined by the Auditor appointed under these Rules who shall also certify to the correctness of the balance sheet, profit and loss account and accompanying accounts and schedules to be submitted to the Annual General Meeting.

39. **AUDITOR MAY BE MEMBER**

(a) The Auditor may be a Member of the Foundation, however he may not be the public officer or a member of the Committee of the Foundation, but no person shall be eligible as Auditor who is interested otherwise than as a Member in any transaction of the Foundation. The Auditor may be paid for his services such sum as the Committee may from time to time determine.

(b) The Auditor is to be appointed at each Annual Meeting in accordance with Rule 23 of these Rules and may be removed from office by a resolution of the Members passed at General Meeting.

40. **CASUAL VACANCY**

Any casual vacancy occurring in the office of Auditor shall be filled by a qualified accountant appointed by the Committee for that purpose.

41. **LIST OF BOOKS**

The Foundation shall deliver to the Auditor a list of all books of account and records kept by the Foundation and the Auditor shall at all reasonable times have access to the books and accounts of the Foundation. The Auditor may employ persons to assist him in investigating such accounts and may in relation to such accounts examine the Committee or any employee of the Foundation.

42. **AUDITOR'S REPORT**

The Auditor shall make a report to the Members upon the balance sheet and accounts to be submitted to every Annual Meeting and in every such report shall state whether in his opinion they are properly drawn up to exhibit a true and correct view of the Foundation's affairs.

43. **COMMON SEAL**

The Common Seal of the Foundation (the "Common Seal") shall be in circular form with the words "Common Seal" in the center thereof and the words "SOUTH PACIFIC FREE DEVELOPMENT FOUNDATION INCORPORATED INC." around the margin and the Secretary General/Treasurer shall keep a record of all documents to which the seal shall be affixed. The Common Seal shall be used only by authority of the Committee and every instrument to which

the Common Seal is affixed shall be signed by two (2) members of the Committee or two (2) persons appointed by the Committee for that purpose.

44. **ACCOUNTS**

The Chairman of the Foundation shall initial all accounts to certify to their correctness both as to the quantity of goods or services received and the price charged and all accounts shall be passed for payment by the Committee and paid by cheque drawn in accordance with Rule 45.

45. **AUTHORISED SIGNATURES**

The Chairman, Secretary General and Treasurer shall be authorised to draw, make, accept, endorse and issue negotiable securities or instruments of whatsoever kind or nature and in the absence of one of the three one Committeeman shall be authorised to sign or endorse any such instruments on the absentee's behalf.

46. **FINANCIAL YEAR**

The financial year of the Foundation shall commence on 1 January and shall end on 31 December in any calendar year.

47. **ALTERATION OF RULES**

No object, power or rule of the Foundation shall be repealed or amended and no new object, power or rule shall be made except upon a resolution carried by a majority of three-quarters of the Members present and voting at a General Meeting the notice of which shall have set out the extent of the proposed repeal or amendment or new provision. The effectiveness of any such alteration of these Rules shall be subject to any approval required under the Foundations Incorporation Act Chapter 142 of the Revised Laws of Papua New Guinea.

48. **DISSOLUTION**

The Foundation may be dissolved or wound up by a resolution at any General Meeting called for such purpose.

49. **DISPOSITION OF ASSETS**

If upon the dissolution or winding up of the Foundation there remain after the satisfaction of all its debts and liabilities, any property whatsoever, the be paid to or distributed among the Members of the Foundation but shall be given or transferred to some other Foundation, Club or Institution having objects similar, wholly or in part, to the objects of the Foundation and which shall prohibit the distribution of its or their income and property among its or their members or to some charitable object or objects which Foundation, Club, Institution or object shall be determined by the Members of the Foundation at or before the time of dissolution or winding up or in default thereof or if and insofar as effect cannot be given to such determination then payment or distribution shall be determined by a Judge of the Supreme Court.

50. **LIABILITY OF MEMBERS**

The liability of Members upon the dissolution or winding up of the Foundation shall be limited to the extent of their contributions to the Foundation.

51. **INTERPRETATION**

The interpretation by the Committee of the Rules of the Foundation shall be final and binding upon all Members.

52. **COMMITTEE OFFICERS**

The first Officers shall be as set out hereunder:

Chairman	-	Mr. Peiwei Tang
Secretary General	-	Mr. Sione Paasia
Treasurer	-	Mr. Chow Chua
Committee Members	-	Mr. Solomon Hanets
		Mr. Yuheng Hua
		Mr. Yong Qin

53. **ADDENDUM**

Foundation Charter Part B – will be developed and added for further clarity.