Approval to incorporate entities in overseas jurisdictions (offshore course relationships)

(i) Subject to (ii), paragraphs 1 and 2 of the University’s Policy for the Establishment and Operation of Incorporated Entities (“Policy”) will not apply to companies proposed to be incorporated in any overseas jurisdiction for the purposes of an offshore course relationship.

(ii) This exemption is subject to:

(a) The University obtaining tax advice from a reputable firm of accountants who must seek advice in relevant jurisdictions confirming that the formation of a company is the most effective method of managing the University’s operation in that country and does not create any adverse tax consequence for the University.

(b) The Senior Executive Group approving the establishment of the offshore course relationship in the relevant jurisdiction, including the operation of that relationship via an offshore incorporated entity (“Offshore Company”).

(c) The Policy will apply to every Offshore Company, including ownership and appointment of directors, except to the extent that it is inconsistent with legislation applicable within the particular jurisdiction. Where there is any inconsistency, the Policy will be modified only to the extent necessary to ensure consistency with local legislation.

(d) Paragraph 3 of the Policy is varied by deleting references to the University Company Secretary and substituting in lieu the Director of Financial Services.

(e) The Director of Financial Services will report to the Senate immediately after the incorporation of each such Offshore Company, providing details of the entity name, directors, shareholding and proposed commercialisation plan for the Offshore Company.

(f) At the first meeting, the board of directors (or equivalent) of every Offshore Company will adopt and evaluate regularly a written statement of its governance principles that contains, as a minimum, standards of governance contained in the University’s Policy for the Governance of University Entities.

(g) Each Offshore Company will prepare an annual business plan, operate on approved budgets, and report to its shareholders on its activities at least quarterly. The business plan, budgets and reports on activities will be presented to its shareholders (or equivalent) for approval.

(h) Each Offshore Company must obtain shareholder approval before: (1) the incurring of any debt; (2) the provision of any guarantee; or (3) the incurring of any contingent liability. Shareholder approval will be given only after careful consideration of a business case (in writing) including a risk assessment of the proposed activity.

(i) The audited financial statements of each Offshore Company must be presented to its shareholders (or equivalent) for review within 3 months of the financial year-end of the entity

(j) Each Offshore Company is responsible for its own administrative, secretariat and accounting support. The University may provide such support on a fee for service basis. The costs of obtaining such support must be accounted for in the business case submitted in support of the proposed offshore course relationship.