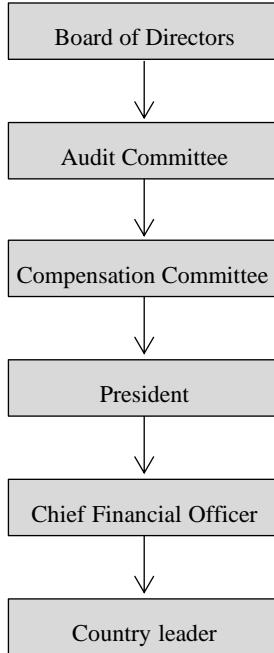


CORPORATE GOVERNANCE UNDER NON PROFIT ORGANIZATIONS

In non- profit organizations corporate governance guidelines centre around the following hierarchy as outlined below:



BOARD OF DIRECTORS (THE "BOARD")

is responsible for the financial management of all activities of the Organization and the specific responsibilities are:

- Approving and overseeing the annual budget.
- Approving signing authority for the bank accounts
- Appointments of staff where not delegated to the President, Executive Director or Country managers
- Approving expenditure above say \$100,000 if not included in the budget.
- Monitoring the financial position based on quarterly reports.
- Approving the annual accounts, auditor's appointment and report.
- Review annual filing of returns as per requirements in the countries of operation.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS ("BOARD").

is responsible for:

- Assisting and advising the Board with regard to its responsibility for the oversight of financial compliance;
- The review of independent registered public accounting firm's qualifications and independence;
- The review and performance assessment of the corporation's internal audit function and independent registered public accounting firm;
- The filing of Form 990, Return of Organization Exempt from Income Tax, to the Department of the Treasury Internal Revenue Service
- The review of Chief Financial Officer's responsibilities to assure that there is in place an effective system of controls reasonably designed to:
 - Safeguard the assets and income of the organization,
 - Assure the integrity of the organization's financial statements, and
 - Maintain compliance with the organization's policies, plans and procedures, and with laws and regulations.
 - Performing any other duties or responsibilities delegated to the Committee by the Board from time to time.

5.1 COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS ("BOARD")

is responsible for:

- Oversight of the Foundation's compensation framework, particularly the study and evaluation of appropriate compensation mechanisms and criteria;
- Compensation levels and arrangements for Associates of the Foundation in accordance with the Bylaws;
- Approve performance management system in accordance with the Human Resource Policy;
- Approve performance based compensation for Associates;
- Performing any other duties or responsibilities delegated to the Committee by the Board from time to time.

5.2 PRESIDENT

is accountable to the Board on all financial matters to ensure that activities carried out are consistent with the Organization's financial and accounting policies, authorities and guidelines. Specific responsibilities include:

- Ensure that the accounts are properly audited and that accepted recommendations of the auditors are implemented.
- Make contractual commitments for bank loans and real estate lease or purchase as per the approved budget. If not, included in the approved budget the amount must not exceed say, \$50,000 per transaction.
- Enter into contracts for activities of the organization.
- Formally present accounts, budgets and financial statements at designated meetings of the Board, drawing attention to important points.
- Guide and advise the Board in the approval of budgets, accounts and financial statements.
- Advise the Board on the financial implications of strategic plans and key assumptions included in the operational plan and annual budget.
- Ensure that activities carried out are consistent with the financial and accounting policies and guidelines.
- Raise funds for the operations in collaboration with Country Directors, Managers and Executive Director of International Affairs
- Report the financial results of operations on a quarterly basis.
- Pay all obligations and file required reports in a timely manner.

The President is authorized to hire and supervise staff and independent consultants, make payments, receive funds, and maintain bank accounts relevant to activities of the organization.

5.3 CHIEF FINANCE OFFICER

is responsible for compliance with the policies of the organization, supervising the Financial Team and supporting the President. The responsibilities include:

- Manage the accounting procedures and key internal controls to assure the Board of the organization's financial integrity
- Prepare annual budget and present to the President followed by the audit committee prior to presentation to the Board.
- Manage expenses within the parameters of the overall approved budget, reporting to the Executive Director on variances and the reason for these variances.
- Authorize payments and contracts for a value not exceeding say, \$25,000.
- Account for grant specific, donor restricted and Board designated funds separately from general operating funds, and clearly define the restrictions applicable thereto
- Ensure Annual Financial Audits

- Ensure necessary returns and authorizations are filed appropriately as per laws in the country of operations.
- Oversee the compliance with the financial policy
- Oversee Compliance for country registration and all grants and donations of all entities under the Foundation.

COUNTRY LEADER

is responsible for the day to day financial management of the respective countries of operation. Specific responsibilities include:

- Ensure that activities carried out in the country are consistent with the financial and accounting policies and guidelines.
- Raise funds for the operations in the country.
- Authorize payments and contracts for a value not exceeding say, \$ 25,000.
- Ensure payment of obligations and file reports in a timely manner as required in the country of operation.