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G.N.No. 429/1987.

REPUBLIC OF NAURU  
HIGHER EDUCATION ACT 1986  
SECTION 27 (2)(a)

ORDER

I, REUBEN KUN, Minister for Health and Education, in exercise of my powers under Section 27(2)(a) of the Higher Education Act 1986 and in consultation with the Higher Education Commission established under Section 4 of the said Act, HEREBY MAKE the following Order with the view of chartering the Halcyon Foundation, a body corporate existing pursuant to the laws of the State of Texas, United States of America, for establishing the Pacific International College in Nauru:-

Short Title and Commencement 1. This Order may be called the Pacific International College Order 1987;

(1) It shall come into force on August 28, 1987.

Interpretation 2.

In this Order -

(1) "Act" means the Higher Education Act 1986;

(2) "College" means the Pacific International College established by the Foundation under and in accordance with this Order;

(3) "Commission" means the Higher Education Commission established under Section 4 of the Act;

(4) "Foundation" means the Halcyon Foundation which is a non profit body corporate chartered in the State of Texas, United States of America;

(5) "Gross Income" means the aggregate income of the College derived from any source or in any manner whatsoever and without deductions of any kind;

(6) "Paragraph" refers to a paragraph of this Order;

G.N.No. 429 /1987. (cont'd).

(7) Words and expressions used herein, but not defined, shall unless the context otherwise requires, stand for the meaning assigned to them in the Act.

Establishment of a College 3. The Foundation may at any time establish a College in the Republic of Nauru which shall be called the "Pacific International College, Nauru".

Trust Relationship - 4. (1) The Foundation shall be the sole and exclusive Trustee for the College in all matters contained in or relating to, this Order and the Foundation shall assume such attendant fiduciary obligations as are imposed by law for the time being in force, for the purposes of administration and implementation of this Order.

(2) The Foundation shall be empowered to conduct all business and professional matters on behalf of the College during the operation of this Order without limitation of the College to conduct such business and act in ways not inconsistent with this Order or the Trust relationship.

Governing Law 5. Unless otherwise provided herein, the construction and interpretation of this Order shall be governed by the laws of the Republic of Nauru.

Ratification 6. All things done or actions taken by the Foundation before the date of commencement of this Order shall be deemed ratified in so far as such things and actions are consistent with the provisions of this Order and are lawful.

Duration 7. (1) The College shall exist in perpetuity. However, this Order as it applies to Foundation as Trustee for the College and as to such Trust relationship, shall be effective for a term of fifteen (15) years commencing upon the date of operation of this Order unless sooner modified or revoked by the Minister under and in accordance with the Act.

(2) Upon the expiration of the initial term of fifteen (15) years as provided in the preceding sub-paragraph, this Order shall be extended for a further period of five years unless the College or the Foundation gives an intimation to the Commission of its desire of not having an extension of this Order.

(3) After the expiry of the period of extension of the Order under sub-paragraph (2), it may be further extended for a period of five years by the Minister; provided the College and the Foundation makes a request to the Minister in that behalf at least one year before the expiration of the said period of extension.

G.N.No. 429/1987. (cont'd).

Foundation's  
Retention of  
Non-profit  
Status

8. During the term of the operation of the Order, the Foundation shall retain its character as a non-profit corporation under the laws of the State of Texas, United States of America.

Affiliation  
and Accreditation

9. Without prejudice to the provisions of Section 27 of the Act, the Foundation or the College, as the case may be, shall seek accreditation and affiliation with other Higher Education Institutions or professional associations in the world community and the progress of all such matters shall be reported by the Foundation or the College, as the case may be, as provided in paragraph 11.

Delegation of  
Powers

10. Without prejudice to the provisions of Section 33 of the Act, the Foundation and its Board of Directors shall, for a compliance of this Order, exercise all such powers as the Board of Regents may otherwise exercise except the power of delegation. In exercising such powers, the Foundation shall be subject to review, advice and consent of the Board of Regents.

Written Report

11. The Foundation shall furnish to the College a written report of the activities carried on by the Foundation on behalf of the College every month so however that the summary reaches the College not later than the fifteenth day of the month immediately succeeding such activities.

Quarterly  
Meetings

12. There shall be held a meeting at least between two representatives of the College and two representatives of the Foundation in every quarter of each calendar year at a time and place mutually agreed upon for the purpose of considering matters subject to or relevant to this Order. For such meetings, appropriate notice shall be given by the College to the Foundation or vice versa.

Gross Income  
and its  
Allocation

13. The gross income will be allocated according to the percentages indicated below: -

- (1) 7.5% to the Higher Education Fund established under Section 17 of the Act. (Such allocation hereinafter referred to as "College contribution to the Higher Education Fund")
- (2) 2.5% to the Halcyon Foundation (such allocation hereinafter referred to as the "Foundation's Nauru Scholarship Fund")
- (3) 35% to the Halcyon Foundation (such allocation hereinafter referred to as the Foundation's Development Fund")
- (4) 55% to the College (such allocation hereinafter referred to as the "College Development Fund")

G.N.No. 429 /1987. (cont'd).

The Foundation and the College shall have the right to make further allocations by mutual consent to the College Development Fund, as they consider necessary in the interest of the College and for this purpose, it shall be open to them to make variations in the percentages specified in the preceeding sub-paragraph (1).

Bank Account

14. (1) The College shall maintain appropriate account with the Bank of Nauru.

(2) Subject to the preceding sub-paragraph (1), all incomes received by the Foundation as Trustee for and on behalf of the College, which is derived from the sources or locations other than those within Nauru, shall be deposited in such local banks as may be designated by the College upon request by the Foundation.

College contribution to the Higher Education Fund

15. The College contribution to the Higher Education Fund as provided in paragraph 13 shall be paid directly by the Foundation or the College, as the case may be, into the Higher Education Fund.

Foundation's Nauru Scholarship Fund

16. The Foundation shall establish with the Foundation's Nauru Scholarship Fund, a Scholarship Fund to be administered by the Foundation in consultation with the Commission for the use and benefit of the citizens of Nauru and the Foundation shall reserve the same in a separate Trust Account with such financial institutions as the Foundation may select, by disbursements made in accordance with paragraph 19.

Foundation's Development Fund and College Development Fund

17. Disbursements to the percentages allocated to the Foundation's Development Fund and the College Fund shall be made as provided in paragraph 19.

General Trust Account

18. All income and funds payable to the College or to the Foundation as Trustee for the College shall be deposited in an account, which shall be called the "General Trust Account" with the Bank of Nauru and such correspondent financial institutions as the College may hereafter designate upon written request by the Foundation.

Disbursements and Transfers

19. All disbursements and transfers shall be made from the General Trust Account.

Periodic Payment Date

20. Allocations provided by paragraph 13 to the Funds specified therein shall be made on the first regular banking day of each calendar month of the concerned bank or the financial institution, as the case may be. The Foundation and the College may, written agreement between them, alter time and method of payment including provisions for deferral and advancement of funds

G.N.No. 429 /1987. (cont'd).

between them as may be consistent with this Order and accepted accounting principles.

Additional  
Financial Aid to  
students

21. The Foundation may elect to provide financial aid to students attending the College in addition to the scholarship fund established with the Foundation's Nauru Scholarship Fund, and if the Foundation does so, that financial aid shall be from the funds and receivables owned by the Foundation and shall not constitute any financial liability, present or future for the College.

Operation of  
the College and  
Commencement  
of Classes

22. That as from the First day of October 1987, the College for all purposes shall be deemed to be and have been in operation, and without prejudice to the holding of classes in other courses, the classes for the School of Medicine will begin by the end of the year 1987. In the event of failure for commencing the classes of Medicine by that time, this Order may be revoked partly or wholly as the Minister may in his sole discretion decide.

Brochures and  
Admission  
Applications

23. Within thirty (30) days from the date of the commencement of the operation of this Order, the Foundation shall provide the College and file with the Commission, draft copies of the proposed brochures, admission/application forms and curriculum for the School of Medicine. Thereafter the College shall have fifteen (15) days time to review and propose changes to the same and in the absence of the College not proposing any changes, the Foundation shall be authorised to prepare final editions of the same for public distribution.

Administrative  
Facilities

24. By the time the classes begin in the School of Medicine, as aforesaid, the Foundation shall arrange for administrative facilities for the College in Nauru, the United States of America and such other locations as are appropriate.

Academic and  
Curriculum  
Development Plan

25. Within two years of the commencement of classes by the School of Medicine, a comprehensive academic and curriculum development plan for the College shall be submitted by the Foundation to the Board of Regents and the Commission for their consideration and such plan shall be subject to review by the Board of Regents with the approval of the Commission: Provided that the Commission may suo moto review such plan and make such additions, alterations or modifications therein as it may consider appropriate.

Land Acquisition  
for Campus

26. The College shall continue and proceed with its discussions and negotiations with the appropriate authorities and persons in Nauru regarding the acquisition and preparation of lease-hold land suitable for the College main campus and physical facility consistent with the Campus Construction Planning provided in paragraph 27 and shall report the status of such negotiations to the Commission as the Commission may request.

G.N.No.429 /1987. (cont'd).

Campus  
Construction  
Planning

27. The working architectural drawings shall, as far as possible, be prepared by the end of the year 1987 and subject to the land being available for the purpose, an official ground breaking ceremony shall be held in 1988 and the preparation and construction work will be commenced and be completed, by the Foundation as early as possible.

Acquisition of  
Miscellaneous  
Property

28. The acquisition and disposition of real property, fixtures and equipment at locations other than on Nauru, if done, shall be subject to an amendment to this Order or a written agreement between the Foundation and the College as they consider to be appropriate.

Minutes of the  
Meetings of the  
Foundation's Board  
of Directors and  
the Meetings of the  
Board of Regents

29. The Board of Directors of the Foundation and the Board of Regents shall provide each other with the minutes of their meetings in so far as they relate to the purpose of this Order.

Authority to  
conduct classes in  
foreign countries

30. The Foundation in its capacity as the Trustee for the College shall undertake to secure the approval or authority for the College to conduct classes in the United States of America, the Republic of Mexico and other countries, and in recognition that such authority may or shall require the creation of a body corporate under the applicable laws of such country, such body corporate, if created, shall, for the purpose of the administration of the College and this Order, be treated as an integral part or division of the College.

Use of College  
Seal, Logo etc.

31. In its capacity as Trustee for the College, the Foundation, inter alia, has the right to use the name "Pacific International College", the variations of same, all logos, seals, service or trade marks in conducting business on behalf of the College and with respect thereto will take appropriate legal action to protect same in the United States of America, and in such foreign countries where by treaty such protection secured in the United States of America is not otherwise available by reciprocity.

Reliance on  
Correspondence  
between

32. In respect of the Trust relationship between the Foundation and the College established by this Order, the Foundation and the College may for the purpose of future implementation of such relationship, rely upon and refer to all correspondence between them and official memoranda of meetings, although such writings are not incorporated by reference as part of this Order and shall not be construed to provide anything in derogation or modification of this Order.

Reporting and  
Disclosure

33. The Foundation shall file with the Commission any relevant documents requested by the Commission and such tax and

G.N.No. 429/1987. (cont'd).

and other reporting documents as the Foundation files annually with the United States Department of the Treasury - Internal Revenue Service, the Comptroller of Public Accounts for the State of Texas and such other similar authorities whenever and for whatever purposes the Foundation may file and report such documents and information.

Reliance on  
Correspondence  
between  
Foundation  
and College

32. In respect of the Trust relationship between the Foundation and the College established by this Order, the Foundation and the College may for the purpose of future implementation of such relationship, rely upon and refer to all correspondence between them and official memoranda of meetings, although such writings are not incorporated by reference as part of this Order and shall not be construed to provide anything in derogation or modification of this Order.

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Multi-Campus  
Institution

34. The name "Pacific International University" is hereby reserved for use by the Foundation as may be appropriate in the context of future development of the College, multi-campus or otherwise.

Over-lapping  
Board Membership

35. All members of the Board of Regents, the Board of Directors of the Foundation and the Board equivalent to the same of any associated, integral, or similar related bodies corporate, shall unless disqualified in law applicable to them be eligible to serve simultaneously on any such other related Board.

Remuneration to  
Members of the  
Board of Regents

36. Members of the Board of Regents shall not be paid any regular salary, but remuneration may be allowed to them at fair open market value for actual services rendered to the College and the Foundation and related entities. This provision shall not affect any compensation or remuneration, howsoever described, paid to the President of the College for services rendered as such President.

Routine  
Functions

37. The Foundation or the College may, in order to carry out their day to day functions and duties, do all such acts and take all such actions as are not incompatible or inconsistent with this Order.

Reuben Kun,  
MINISTER FOR HEALTH AND EDUCATION.