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ROYAL INSURANCE CORPORATION OF BHUTAN LTD.

MEMORANDUM OF UNDERSTANDING FOR THE MANAGEMENT OF THE PRIVATE PROVIDENT FUND

This Memorandum of Understanding (“the MOU”) for the management of the Private Provident Fund is executed on this day of 20..... at

BETWEEN: The Royal Insurance Corporation of Bhutan Limited, an insurance company incorporated under the Companies Act of the Kingdom of Bhutan 2016, having its registered office at Norzin Lam, Post Box No. 315, Thimphu (“the Corporation”), represented by its authorized signatory, Mr./Mrs.....;

AND: The [name the Firm with its registered office address] (“the Employer”), represented by its authorized signatory, Mr./Mrs.....

WHEREAS, an understanding has been arrived at between the Employer and the Corporation regarding the management of the Private Provident Fund (“the Fund”);

AND WHEREAS, the Employer has offered to entrust the RICBL with the management of the Provident Fund of the employees of the Employer and the RICBL has accepted to manage the Fund of the Employer.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Corporation, under the guidance of the Board of Directors of the Corporation, shall implement, manage, administer, invest and operate the Fund to the best interest of the members.
2. This MOU shall be read together with the Guidelines of the Private Provident Fund Scheme, 2011, which shall form an integral part of this MOU.
3. The RICBL shall pay/credit a return on the fund accumulation on daily product basis @ 7% p.a. However, should there be any changes in interest rate during the contract period, the same shall be intimated accordingly
4. Subject to the Employer’s consent in writing, the members shall be allowed to withdraw up to 50% of the total accumulation after actively contributing for a minimum period of 5 years but shall not be permitted to make further withdrawals until a 5-year period has elapsed.
5. Refund from the Fund shall be made as and when there is separation of employees from the service of the Employer.
6. Active members of the Fund can avail loan from the Corporation on the total Fund accumulated, subject to recommendation and/or receipt of irrevocable letter of guarantee (prescribed by the Corporation) from the Employer in writing and subject to terms and conditions and norms of the Credit Department of the Corporation and other rules and regulations in force pertaining to credit facilities.
7. The term of this MOU shall continue to be in force unless terminated by either party.
8. Either party may terminate this MOU at any time during its term by providing two months’ prior notice in writing in advance.
9. The MOU may be reviewed and amended from time to time depending on the investment performance of the Fund.
10. Any amendment to the MOU shall be affected only upon endorsement by of both parties.
11. This MOU and any obligations arising out of and relating to the MOU shall be governed by and construed in accordance with the Contract Act of the Kingdom of Bhutan 2013 and other relevant laws of the Kingdom of Bhutan.
12. In case of any dispute arising from or in connection to the MOU, the matter shall be settled by the parties through mutual negotiation.
13. In the event the dispute cannot be resolved by mutual agreement or negotiated settlement, the Royal Court of Justice,, Bhutan shall have an exclusive jurisdiction to hear, adjudicate and decide the matter.



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ROYAL INSURANCE CORPORATION OF BHUTAN LTD.

To evidence the Parties' agreement to the MOU, the parties hereto have signed and delivered it on the date first above written.

For the Corporation and on behalf of the Members

(Authorized Signature & Seal)

Name:.....
Designation.....

(Authorized Signature & Seal)

Name:.....
Designation.....

Witness of RICBL

Signature:.....

Name :
CID No :
Address :
Contact No :

Witness of the members

Signature:.....

Name :
CID No :
Address :
Contact No :