



MEMORANDUM OF UNDERSTANDING FOR THE MANAGEMENT OF GRATUITY FUND

This Memorandum of Understanding is drawn up thisday of between the (hereinafter referred to as “Member Organization”) and **Bhutan Insurance Limited** (hereinafter referred to as “BIL”). Whereas an understanding has been arrived at between the Member Organization, and the BIL regarding the management of the Gratuity Fund, and whereas the Member Organization having entrusted the BIL with the management of the Gratuity fund and the BIL having agreed to do so, both parties to this memorandum do hereby agree to the following terms and conditions in connection with the management of the fund with effect from

1. The BIL, under the superintendence and guidance of the Board of Director of the Company, shall implement, manage, administer, invest and operate the Fund to the best interest of the Member Organization.
2. This Memorandum of Understanding is drawn up for the period of 5 years and may be reviewed thereafter. The Member organization shall have the right to surrender the scheme within its term.
3. The disbursing officers of the Member Organization shall remit a lump sum contribution amount so appropriated as annual contribution to Gratuity Fund to BIL on finalization of Financial Statement or as and when its becomes available.
4. Should there be no withdrawal with respect to gratuity payment for its employees during the year; the Member Organization need not make additional payments until such time the lump sum amount so appropriated as annual contribution to Gratuity Fund to BIL fall below the limit. However, if the Member Organization so desire, may make additional gratuity fund contributions over and above the lump sum contribution amount.
5. BIL shall credit return on the Gratuity Fund accumulation on daily product basis @.....% per annum. However, should there be any change of interest rate in between the contract period the same will be intimated accordingly. However, the revised interest rate shall not be below the agreed interest rate in this memorandum of understanding.



6. The Member Organization shall intimate BIL on the resignation / retirement / retrenchment / superannuation / termination of employees from service.
7. The Member Organization shall submit requisition to BIL for withdrawal with respect to gratuity payment for its employee at any point of time during office hours.
8. All the correspondence related to gratuity shall be between BIL and Member Organization.
9. BIL shall pay the amount of gratuity as determined by the member organization so long as the balance is available in the 'Gratuity Fund Account' of the member organization. BIL shall not hold any responsibility for correctness of 'gratuity paid amount'.
10. BIL will make all refund payments related to the members directly to the Member Organization concerned, unless otherwise specially directed/authorized to make direct .payment to the concerned member or member's nominee (in case of death of the member) by Member Organization.
11. Any amendment of the memorandum of understanding shall be effected by an endorsement signed by authorized person of the BIL and the Member Organization
12. In case of any dispute arise from Memorandum of Understanding, the matters shall be settled by the parties through mutual negotiation and if party fails to negotiate, the matters shall be referred to a court by the aggrieved party.
13. This Memorandum of Understanding have been agreed to by both the BIL and thethe said parties affix their signature on this day month of the yearat

**Legal
Stamp**

**For and on behalf of
Bhutan Insurance Limited
Thimphu. Post box 779**

For and on behalf of
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