

Memorandum
of
The Loden Foundation

**(A Public Benefit Organisation regulated by the Civil Society
Organisation Act of Bhutan, 2007)**

November, 2009
The Loden Foundation

Drafted by Karma Phuntsho and Dorji Tashi for the Loden Foundation

Memorandum of the Loden Foundation

1. The name of the Foundation (hereinafter called “the Foundation”) is The Loden Foundation
2. The Registered Office of the Foundation will be situated in Thimphu, Bhutan.
3. The objects for which the Foundation is established are:
 - (1) **to promote education and learning at preschool, school and post-school stages, and thereby foster an enlightened and educated society in Bhutan.**
 - (2) **to promote awareness of the education and the needs of local communities in relation to entrepreneurship, health education, practical skills and crafts, and literacy among remote villages and communities within Bhutan.**
 - (3) **to preserve and promote the cultures and traditions of Bhutan.**
 - (4) **to undertake, if need be, other charitable works that contribute towards the welfare of the public.**
4. For the purposes of furthering the attainment of all or any of the above mentioned objects, the Foundation shall have, and may exercise all or any of, the following purposes: -
 - 4.1. To engage, train, retrain and employ such persons as it may be expedient to engage, train, retrain or employ in connection with the objects of the Foundation and to pay reasonable and proper fees for their services. To employ skilled professional or technical advisers or workers for the carrying out of the foregoing objects and to remunerate them as may be expedient.
 - 4.2. To purchase, take or lease or exchange, hire or otherwise acquire any heritable or moveable property and any rights or privileges which the Foundation may think necessary for promotion of its objects and to construct, repair, renovate, decorate, maintain and/or alter any building or erection necessary for use in connection with the Foundation’s work.
 - 4.3. To found and maintain and endow scholarships and the like for the beneficiaries of the Foundation.
 - 4.4. To arrange lectures and to publish pamphlets, books, journals and other publications relating to the work of the Foundation.
 - 4.5. To conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Foundation, to apply to the public bodies, local authorities and other councils, corporations, companies, or persons for and to receive grants of money, and to solicit and accept subscriptions and donations (whether heritable or moveable property) and legacies and bequests and endowments for any of the purposes of the Foundation and to manage and administer the same as part of the capital assets of the Foundation.
 - 4.6. To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Foundation as may be thought expedient with a view to the promotion of its objects.

4.7. To undertake and execute any charitable programme which may lawfully be undertaken by the Foundation and may be conducive to any of the objects of the Foundation.

4.8. To borrow or to raise money for the purposes of the Foundation on such terms and on such security as may be thought fit, and for the purpose of promoting the primary objects of the Foundation to co-operate with manufacturers, industrialists, dealers and other traders and organizations and with the press and other sources of publicity.

4.9. To invest monies of the Foundation not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may from the time being be imposed or required by law and subject also hereafter provided.

4.10. To establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with or calculated to further any of the principal objects of the Foundation.

4.11. To do all such other things as are incidental or conducive to the attainment of the principal objects of the Foundation of any of them.

Provided that: -

4.11.1 In the case the Foundation shall take or hold property which may be subject to any trust, the Foundation shall only deal with or invest the same in such manner as allowed by law, having regard to such trust.

4.11.2 The objects of the Foundation shall not extend to the regulations of relations between employers and workers or organizations of employers and organizations of workers and the Foundation shall not support with its funds any object or endeavor to impose on or procure to be observed by its members any regulation, restriction or condition which if an object of the Foundation, would make it a trade union.

4.11.3. In case the Foundation shall take or hold any property subject to the jurisdiction of any competent charitable authority the Foundation shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the Governing Board or Management Council of the Foundation shall be chargeable for such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would have been as such Governing Board or Management Council if no incorporation had been effected, and the incorporation of the Foundation shall not diminish or impair any control or authority exercisable by any court of competent jurisdiction or other authority having jurisdiction in the matter but the Governing Board or Management Council shall as regards any such property be subject jointly and severally to such control or authority as if the Foundation were not incorporated.

5. The income and property of the Foundation, whencesoever derived shall be applied solely towards the promotion of the objects of the Foundation as set forth in this Memorandum and

no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise, howsoever, by way of profit to the members of the Foundation and no member of its Governing Board shall be appointed to any office of the Foundation paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Foundation except in specific cases determined by unanimous agreement among the trustees. Provided that nothing herein shall prevent any payment in good faith by the Foundation:-

5.1. Of reasonable and proper remuneration to any officer or servant of the Foundation for any services rendered to the Foundation.

5.2. To any member of its Governing Board or Management Council of out of pocket expenses;

5.3. Of reasonable and proper rent for premises let by any member of the Foundation.

6. The liability of the members is limited.

7. Every member of the Foundation undertakes to contribute to the assets of the Foundation in the event of its being wound up while he is a member, or within one year after he ceases to be a member for payment of the debts and liabilities of the Foundation contracted before he ceased to be a member, and of the costs, charges and expenses of winding up, such amount as may be required not exceeding Nu.3000.

8. If after winding up or dissolution of the Foundation there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Foundation but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Foundation and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Foundation under or by virtue of Clause 5 hereof, such institution or institutions to be determined by the members of the Foundation at or before the time of dissolution and if and so far as effect cannot be given to such provisions, then to some other charitable objects.

9. True accounts shall be kept of all sums of money received and expended by the Foundation and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Foundation and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Foundation for the time being, such accounts shall be open to the inspection of the members. Once at least every year the accounts of the Foundation shall be examined and the correctness of the balance sheet ascertained by one or more properly qualified Auditor or Auditors.

10. Of the English and Dzongkha versions of the Memorandum, the Dzongkha version shall be final.

We, the persons whose names and addresses are written below, wish to be formed into a civil society organization under this memorandum.

Signatures, Names and Addresses of Trustees

Signature:

Dasho Meghraj Gurung
Gurung Basti
Samtse

Signature:

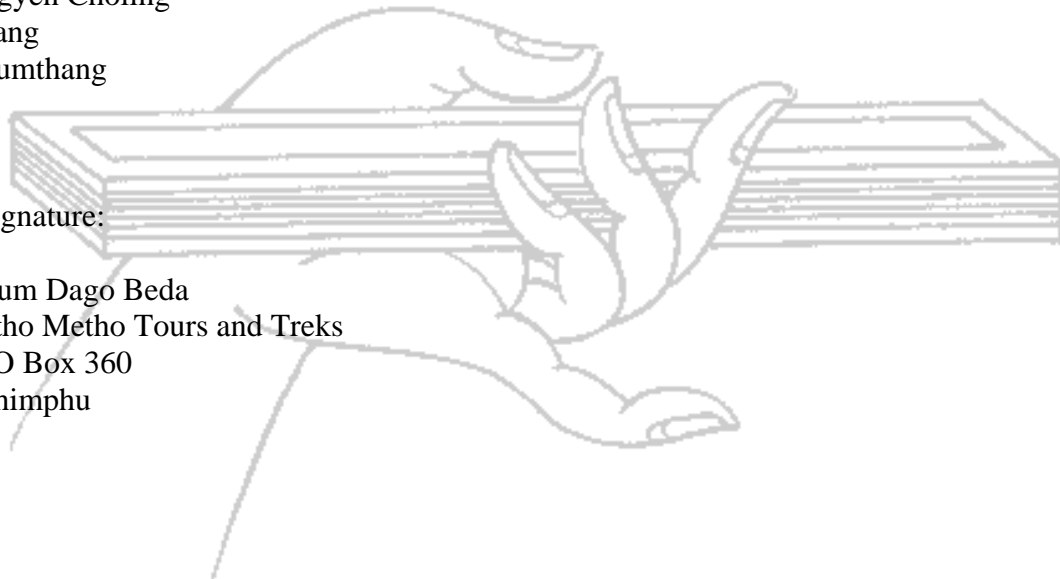
Dr Karma Phuntsho
PO Box 131
Thimphu

Signature:

Kunzang Choden
Ogyen Choling
Tang
Bumthang

Signature:

Aum Dago Beda
Etho Metho Tours and Treks
PO Box 360
Thimphu



Dated:

Witness to the above signatures:

Name: Dasho Gyonpo Tsering
Address: National Library and Archives of Bhutan
Kawajangsa
Thimphu

Occupation: Director