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Bhutan Insurance Limited
Providing Security, Building Confidence

Your insurer of
CHOICE

ISO/IEC 27001:2022 & ISO/IEC 27701:2019 Certified Company

MEMORANDUM OF UNDERSTANDING OF THE MANAGEMENT OF THE PROVIDENT FUND OF PRIVATE COMPANIES/NGO

This Memorandum of Understanding is executed on this.....(date) between the **Bhutan Insurance Limited**, License No. **1024966**, an insurance company incorporated under the Company Act of Kingdom of Bhutan, having its registered office at Chorten Lam, Post-Box No. 779, Thimphu (hereinafter referred to as "the BIL"), including its representative and permitted assignees.

AND

.....License No..... (Hereinafter referred to as the "Member Organization"), having its registered Office at including its representatives and permitted assignees.

WHEREAS:

- a) An understanding has been reached between the Member Organization and the BIL regarding the management of the Private Provident Fund (PPF).
- b) The Member Organization has offered to entrust BIL to manage the Private Provident Fund for its employees; and
- c) BIL, being duly approved by the Royal Monetary Authority (RMA) of Bhutan (**Approval No RMA/FISD/18/2009/8891, dated 24th MAY 2010**) to manage retirement benefit plans, has agreed to manage the Private Provident Fund of the Member Organization.

NOW, THEREFORE both the parties to this memorandum hereby agree to the following terms and conditions.

1. BIL, under the guidance of its Board of Directors, shall implement, manage, administer, invest, and operate the Private Provident Fund in the best interest of the Member Organization.
2. This MoU shall be valid for a period of _____ years and may be reviewed and renewed upon mutual agreement of both parties.
3. The Member Organization shall have the right to terminate or discontinue this agreement only in the event of the closure of its business entity during the validity period of the agreement.
4. If the member organization decides to terminate or discontinue before expiry of the MoU, beside as stated in Clause No.3, BIL shall pay the interest rate 1% less on the agreed interest rate subject to serving one month notice period.
5. The beneficiaries (Employee) can have the advantage of availing loan against PF. However, BIL shall finance 95% of accumulated Provident Fund not exceeding Nu.500, 000 (Five Hundred Thousand) in line with BIL's Credit and Investment Department policy.
6. The Member Organization shall remit the PF contribution for both employer and employee within 15th day of the following month. BIL shall send a reminder notice if the remittances are not made for two consecutive months. However, this reminder is purely a business courtesy and is not legally binding on the BIL to send. The Member Organization cannot use the non-

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receipt of the notice as an excuse to avoid penalties imposed by relevant agencies due to non-remittance of monthly contributions.

7. Failure to make remittances for more than six months consecutively will result in automatic freezing of account's interest and it will be considered inactive. The account shall be reactivated upon receiving of contribution amount and interest shall be calculated from the date of activation only.
8. BIL shall pay simple interest daily product basis on the Private Provident Fund (PPF) accumulation at the interest rate of(per annum).
9. The Private Provident Fund Policy Document shall be referred as an integral part of this memorandum of understanding.
10. The Member Organization shall intimate BIL on the resignation, retirement, retrenchment, superannuation and termination of employees from service to BIL for withdrawal with respect to PF payment for its employees at any point during office hours.
11. BIL shall process all refund payments related to the members directly to the Member Organization, unless expressly directed or authorized by the Member Organization to make direct payments to the concerned member or the member's nominee (in the event of the member's death).
12. All the correspondence related to Provident Fund shall be between BIL and Member Organization.
13. Any dispute arising between the member organization and BIL shall be settled through a third-party arbitrator mutually agreed and appointed by the parties. In event of non-settlement, the parties shall refer the matter to the court of justice and it shall be dealt with according to the Laws of the Kingdom of Bhutan.

This Memorandum of Understanding have been agreed to by both parties hereto have affix their signature and seal and delivered it on the date.....

Signature of the BIL

Signature of the Member Organization

Name:
Employee ID:
Designation:
Email Address:
Contact No:

Name:
Employee ID/CID:
Designation:
Email Address:
Contact No:

Witness Signature (BIL)
Name:
CID Number
Address:
Contact No:

Witness Signature (Member Organization)
Name:
CID Number
Address:
Contact No:

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BIL-PO.004-Privacy Policy

1. Bhutan Insurance Limited collects personal information (PII) from customers, employees and relevant stakeholders for various purposes, including insurance, loans, identity verification, customer response, recruitments, Private Provident Funds, and Gratuity Funds.
2. The company does not disclose customer, stakeholders and employee PII to third parties or engage in transborder sharing, except to regulators, governments, and law enforcement agencies as required by applicable laws and guidelines.
3. The company implements measures to protect personal information against unauthorized disclosure.
4. Our website and other online platforms use cookies and related technologies to track visitor information, simplify platform use, customize products and services, collect user data, and analyze server logs.
5. While the company takes steps to prevent unauthorized access to personal data, it cannot guarantee complete data security or website access. Users are encouraged to use secure online platforms, strong passwords, and secure browsers, and to report any unauthorized use to the company immediately.
6. Our website may contain links to third-party websites. We are not responsible for the privacy practices of these websites and encourage users to review their policies, even if they are co-branded with our logo or trademark.
7. This policy and website use are governed by Bhutanese laws and company regulations. The company acts as a Data Controller and ensures that consent is obtained before accessing personal information.
8. The company upholds privacy rights, including access to personal data, consent withdrawal, objection to data processing, rectification, erasure, data portability, processing restriction, protection against automated decision-making, and the right to lodge a complaint.
9. Personal information is securely stored at our office for at least 10 years and is destroyed thereafter. While we do not share, sell, or rent PII, we may store it with third parties who are required to respect data security and handle it lawfully.
10. The detailed policy can be found on the Bhutan Insurance Limited website (data_privacy_policy.pdf (www.bil.bt)).

I,....., hereby confirm that I have read the privacy policy of Bhutan Insurance Limited.

Signature of applicant

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Bhutan Insurance Limited, Chorten Lam, Post Box #779, Thimphu 11001, Bhutan.
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