

Statutes of the Association “Friends of Bhutan, Austria”

Reg. No.: 1715097917 (Central Register of Associations Austria)

Article 1: Name, Location, Mandate and Objectives

(1) The Association is called:

“Friends of Bhutan, Austria”

(2) The Association's headquarters are located in the capital of Austria Vienna.

Address of the Association: Kapellenweg 9, 1220 Vienna.

The Association shall be active in all of Austria and, if necessary, beyond including Bhutan, for the purpose of the Association.

Article 2: Mandate

The Friends of Bhutan Association, Austria (hereinafter referred to as the Association) shall exclusively and immediately pursue charitable purposes and is, thus, non-profit oriented. The Association's objective is to promote and strengthen relations between Austria and Bhutan and to support and encourage social, cultural and medical institutions in Bhutan. The objective shall be achieved by training and education measures, exchange programmes as well as cooperation in general and at university level in particular.

Article 3: Means to achieve the Association's Objectives

- (1) The Association's objectives shall be achieved through the activities and financial means mentioned under paragraphs 2 and 3.
- (2) Non-material means shall be:

- a. Events of any kind, lectures, information events, meetings and social gatherings, panel discussions;
- b. Public Relations activities which benefit the objectives of the Association such as setting up a website and/or other electronic media and releasing of publications
- c. Mutual visits and study visits

(3) The required means will be raised as follows:

- a. Membership fees and voluntary contributions of officials and Association members
- b. Proceeds resulting from events organized by the Association
- c. Donations in kind and monetary donations, collections, legacies and financial contributions of natural persons, companies and associations
- d. Public subsidies and grants

Article 4: Membership Categories

- (1) The Association shall have full members, associate members and honorary members.

(2) Full members shall be persons who voluntarily and actively contribute to the Association's work. Associate member shall be who supports the Association through financial donation, but does not actively contribute to the Association's work. Honorary members shall be nominated by the Board in recognition of their special merits for the Association.

Article 5: Obtaining Membership

- (1) Any natural person and legal entity as well as legal personality who wish to support the mentioned goals and objectives of the Association.
- (2) The Board shall decide on the admittance of full members, associate members and honorary members. The admission may be denied without giving any reasons.
- (3) The appointed Board shall admit full members, associate members or honorary members until the Association has been formed. These memberships, however, shall become effective only after the Association has been formed.

Article 6: Membership Termination

- (1) Membership in the Association shall expire in the event of the death of a member, the loss of legal status in the case of legal entities or through voluntary resignation and exclusion.
- (2) The resignation may be submitted at any time.
- (3) The Board may exclude a full, associate or honorary member for gross violation of the membership obligations and as a result of disreputable behaviour. The excluded member shall be verifiably notified about the resolution in writing. An appeal against exclusion can be made to the General Meeting, with the member's rights being revoked until the General Meeting's decision has been made.

Article 7: Rights and Obligations of Members

- (1) Members are entitled to attend all events of the Association. Only full members shall be entitled to vote in the General Meeting, the right to vote and to be elected shall be reserved to full members and honorary members.
- (2) Full members and honorary members shall be informed about the Association's activities and the financial development and situation by the Board during every General Meeting.
- (3) Full members shall be informed by the Board about the audited accounts (financial statement). If this information is provided during the General Meeting, the auditors shall be involved.
- (4) The members are obliged to further the interests of the Association by all means and to refrain from any activity which could harm the reputation and purpose of the Association. They have to respect the Association's Statutes and the decisions of the Association's bodies.

Article 8: Association's Bodies

The Association's bodies are the General Meeting (Articles 9 and 10), the Board (Articles 11 to 13), the Auditors (Article 14) and the Arbitration Board (Article 16).

Article 9: General Meeting

(1) The General Meeting is the meeting of the members according to the Austrian Association Act 2002. A regular General Meeting shall take place every two years.

(2) An extraordinary General Meeting shall take place within four weeks:

- a. upon decision of the Board or the regular General Meeting,
- b. following a written application of at least one third of the voting members,
- c. upon request of the auditor/s (Article 21 par. 5 first clause of the Austrian Association Act, *VereinsG*),
- d. upon decision of the auditor/s (Article 21 Para. 5 second clause of the Austrian Association Act *VereinsG*, Article 11 Para. 2, third clause of these Statutes).

(3) All members shall be notified in writing either by fax or by e-mail including the agenda at least two weeks prior the meeting. The Board (Para. 1 and Para. 2 lit. a - c) or an auditor (Para. 2 lit. d) shall convene the meeting.

(4) Motions to the General Meeting shall be submitted in writing by fax or by e-mail to the Board three days prior the General Meeting at the latest.

(5) Valid decisions - except those requesting to convene an extraordinary General Meeting - can only be adopted with respect to items on the agenda.

(6) All members are entitled to take part in the General Meeting. Only full members and honorary members are entitled to vote. Each member has one vote. Legal persons are represented by authorized person(s). The right to vote can be exercised through another member by way of a written authorization.

(7) The General Meeting shall have the quorum irrespective of the number of members present.

(8) As a rule, voting and passing decisions shall require a simple majority. Decisions that change the Association's Statutes or dissolve the Association require, however, a qualified majority of two-thirds of valid votes cast.

(9) The General Meeting is presided by the President and in case of his or her absence by the Secretary. If the Secretary, too, is unable to attend, the oldest attending Board member shall chair the General Meeting.

Article 10: Duties of the General Meeting

The General Meeting shall have the following duties:

- a. accept and approve the statement of accounts upon recommendation of the auditor/s;
- b. take decisions on submitted motions;
- c. elect, nominate and dismiss the Board members and the auditors;
- d. take decisions about appeals against the exclusion from membership
- e. decide the amount of a possible membership fee
- f. decide modifications of the Statutes and the voluntary dissolution of the Association;
- g. formally approve the entire Board;

- h. discuss and approve on any other items on the agenda.

Article 11: Board Members

- (1) The Board shall consist of a President, a Secretary and a Treasurer.
- (2) The Board shall be elected at the General Meeting. If an elected member resigns, the Board has the right to co-opt another eligible member which requires the subsequent approval at the next General Meeting. Should the Board become unavailable for an undetermined period of time without having co-opted other members, the Auditor is obliged to immediately convene an extraordinary General Meeting to elect a new Board. Should the Auditor also be incapable of acting, any regular member recognizing the emergency situations shall immediately file a petition with the competent court for the appointment of a curator who, without delay, convenes an extraordinary General Meeting.
- (3) The Board serves for a period of two years with the possibility of re-election. Every function in the Board has to be fulfilled personally and on a voluntary basis.
- (4) The Board shall be convened by the President or if he or she is prevented by the Secretary by fax or e-mail or also verbally. If the Secretary is also prevented for an unforeseeable period of time, any other Board member can convene the Board.
- (5) The Board constitutes a quorum if all Board members were invited and at least two of them are present.
- (6) Decisions by the Board require a simple majority, in case of deadlock; the President shall have the casting vote.
- (7) The President presides; in case of his or her absence, the Secretary presides.
- (8) Apart from death and expiration of the term of office (Para. 3) the term of a Board Member expires by dismissal (Para. 9) and resignation (Para. 10).
- (9) The General Meeting can, at any time, depose the entire Board or individual members by a two-thirds majority of the votes cast by the full and honorary members present. The dismissal shall become effective with the appointment of a new Board or a new Board member.
- (10) The Board members can submit their resignation in writing at any time. The notice of resignation has to be addressed to the Board, in the event of the resignation of the entire Board to the members of the General Meeting. The resignation shall become effective only after a replacement has been elected or co-opted (Para. 2).

Article 12: Duties of the Board

The Board is responsible for managing the Association. The Board is the management body in line with the meaning of the Austrian Association Act 2002. It shall perform all functions which are not assigned to another body of the Association by its Statutes. Its scope of responsibility includes in particular the following:

- (1) Establishing an accounting system that complies with the Association's requirements including ongoing records of proceeds and spending and keeping statements of the assets as minimum requirement;
- (2) Establishing the annual estimate, the statement of accounts and the clearance of accounts;
- (3) Preparing and convening the regular General Meeting in accordance with Article 9 Para. 1 and Para. 2 lit. a - c of these Statutes
- (4) Informing the members of the Association about the activities, the financial management as well as the balance of the accounts;
- (5) Administration of the Association's property;
- (6) Admission and exclusion of full and associate members as well as honorary members.

Article 13: Special Obligations of individual Board Members

- (1) The President shall conduct all business of the Association. The Secretary shall support the President in conducting the Association's business.
- (2) The President shall represent the Association. Written official documents of the Association must be signed by the President and the Secretary to become effective. Legal transactions between Board members and the Association require the approval of another Board member.
- (3) Authorization to represent the Association in legal acts or to sign for the Association can only be provided by Board members mentioned under Para. 2.
- (4) In case of extraordinary circumstances the President shall be authorized to take measures independently even in matters falling within the competence of the General Meeting; however, subsequently, the responsible body of the Association has to approve those measures.
- (5) The President shall preside over the General Meeting and the Board.
- (6) The Secretary shall take the minutes of the meetings of the General Meeting and the Board. He/she shall keep the membership data base and shall handle the correspondence of the Association. He/she has to carry out all duties and tasks assigned to him/her by the President. He/she shall be responsible for the timely sending out of invitations.
- (7) The Treasurer shall be responsible for the financial statements of the Association. He/she takes over all incoming money and has to deposit the money on the official Association's account. He/she shall make use of the money according to the decisions of the Board. The cashbook and the bookkeeping shall be kept up to date to be presented to the President and the Board for inspection at any time.
- (8) If incapacitated, the Secretary or the Treasurer will replace the President

Article 14: Auditor

(1) Two auditors shall be elected for two years by the General Meeting. They can be re-elected. The auditor must not belong to any body the activities of which are subject of the auditing - except the General Meeting.

(2) The Auditors shall be responsible for checking the current business and financial management of the Association regarding the proper accounting and whether the funds are used according to the Statutes. The Board shall provide the Auditors with the necessary documents and information. The Auditors shall report the result of their examination to the Board.

(3) Legal transactions between the Auditors and the Association are subject to approval by the General Meeting. The provisions of Article 11 Para. 8 to 10 shall apply mutatis mutandis for the Auditor/s.

Article 15: Arbitration

(1) The Association's internal Arbitration Board shall be responsible for resolving any disputes arising within the Association. It shall be an "arbitration board" according to the Austrian Association Act 2002 and not an arbitration tribunal according to Articles 577 et. seq. of the Austrian Code of Civil Procedure.

(2) The Arbitration Board consists of three full members of the Association. It is formed according to the following procedure: One of the parties in dispute shall submit in writing the name of a member to function as arbitrator to the Board. Within seven days, the Board will then invite the other party to the conflict to name its representative for the arbitration within 14 days. After having been notified by the Board within seven days, the named arbitrators shall elect a third full member as chair of the Arbitration Board within 14 days. In the event of a tie, a draw among the suggested names shall decide. The members of the Arbitration Board may not belong to any of the bodies - except the General Meeting – the activities of which are subject of the dispute.

(3) The Arbitration Board shall arrive at its decision by a simple majority of votes after having heard both parties in the presence of all its members. It shall decide according to its best knowledge and belief. Its decision shall be final within the Association.

Article 16: Voluntary Dissolution of the Association

(1) The voluntary dissolution of the Association can only be decided by a two-thirds majority of valid votes at an extraordinary General Meeting convened solely for this purpose.

(2) The General Meeting shall also decide on the destination of any remaining assets. In particular, the General Meeting must nominate a person to wind down the Association and to whom this person should transfer any remaining assets once all liabilities have been covered.

(3) The last Association Board must notify the competent authority in Austria of the voluntary dissolution in writing within four weeks after the resolution was passed.

Article 17: Use of the Association's Assets upon Dissolution of the Association or Cessation of the Privileged Purpose

Upon dissolution of the Association or upon cessation of the privileged Association's objectives the funds remaining after having covered the passive shall be used for charitable or non-profit purposes as outlined in Article 34 et. seq. *Bundesabgabenordnung* (BAO, Austrian Federal Fiscal Code).

Vienna, March 2019