



# CHARTER OF THE MONGOLIAN FAMILY WELFARE ASSOCIATION

Approved by the meeting of the Board of Directors on  
September 30, 2017.

## SECTION ONE GENERAL PROVISIONS

### Article 1. Proper name, form of the organization

#### 1.1 Proper name of organization:

- a) a) Full name: “The Mongolian Family Welfare Association” NGO /hereinafter referred to as “the Association”/.
- b) Abbreviated Name: “MFWA” NGO

#### 1.2 Form of the Organization:

1.2.1. The Association is a non-profit and non-governmental organization, serving the society, a member of International Planned Parenthood Federation (IPPF) in Mongolia.

1.2.2. The Association shall act on the basis of its Charter, drawn up and approved in accordance with the Civil Code of Mongolia, Law on Non-Governmental Organizations and other related legislations and the purposes and standards of International Planned Parenthood Federation (IPPF).

1.2.3. The Association was founded in 1994 and its Charter has been revised and/or amended further in 2001, 2003, 2007, 2010, 2013 and 2016.

1.2.4. The head-office of the Association is located in Ulaanbaatar. The Association may have branches and representatives in the capital city, provinces and counties of Mongolia.

### Article 2. Description of Terms

2.1. The terms used in this Charter shall be understood as follows:

2.1.1. “**General Meeting of Members**” means the Supreme Governing Body of the Association that realizes the rights and responsibilities described in this Charter.

2.1.2. “**Governing Board**” means the governing unit, elected by the General Meeting of Members that shall act within the framework of this Charter.

2.1.3. “**President**” means the Head of the Association, elected by the General Meeting of Members that shall represent the Association domestically and abroad, preside the meetings of the Governing Board and conclude an Agreement with the Executive Director based on the decision of the Governing Board.

2.1.4. “**Supervisory Board**” means an monitoring unit, elected by the General Meeting of Members that on behalf of the members shall execute monitoring of the activities of the Governing Board and the Executive Director.

2.1.5. **“Executive Director”** means the officer, elected by the Governing Board that shall manage the daily activities, represent and administer the property of the organization within the frameworks of authorization provided by the Governing Board.

2.1.6. **“Working Team”** means the team of officers headed by the Executive Director that shall plan and conduct daily activities of the Association.

2.1.7. **“Branch”** means a branch that was established in accordance with the regulations within the framework of this Charter.

2.1.8. **“Members”** means the members who accepted the purpose and policies of the Association and joined in accordance with the regulations of this Charter.

2.1.9. **“Officials”** means the members of the Governing Board and the Supervisory Board, the President and the Financier.

## **SECTION TWO**

### **PURPOSES OF ASSOCIATION AND GUIDING PRINCIPLES**

#### **Article 3. The Purpose of the Association**

3.1 Strive to be an advanced non-governmental organization that organizes and implements planned, qualitative and affordable services to provide education in the field of sexual and reproductive health and rights. To achieve these goals, the Association, guided by the activities and objectives of International Planned Parenthood Federation (IPPF) and considering that the acquisition of knowledge and education on sexual and reproductive health and rights is one of the basic human rights and necessary conditions for human happiness, progress and healthy well-being, sets the following tasks for its activities:

3.1.1 To promote in society that a free choice of education and knowledge services on sexual and reproductive health and rights is a fundamental human right;

3.1.2 To provide support services on education and knowledge on sexual and reproductive health and rights, assessable to each person;

3.1.3 To ensure the realization of services on providing education and knowledge on sexual and reproductive health and rights, planned on the basis of evidences.

3.1.4 Continually evaluate and improve the results of their activities and services in providing education and knowledge on sexual and reproductive health and rights;

#### **Article 4. Guiding Principles**

To achieve our goals the Association shall guide the following principles:

4.1 To follow the Law of Mongolia and the standards of the IPPF in their activities and services in providing education and knowledge on sexual and reproductive health and rights;

4.2 To carry out support and services to provide education and knowledge on sexual and reproductive health and rights based on voluntariness and respect for personal choice;

4.3 To co-operate broadly with the government and non-governmental organizations, public and private sectors, mass media and international organizations while realizing its activities in providing education and knowledge on sexual and reproductive health and rights;

4.4. Not to conduct racial, national, age, sexual, political, religious and other discrimination based on sexual orientation, position of society and geographical location, to ensure gender equality while realizing its activities in providing education and knowledge on sexual and reproductive health and rights;

4.5 To give attention to greater accessibility for people of a sensitive group, remote, with lower incomes while realizing its activities in providing education and knowledge on sexual and reproductive health and rights;

### **SECTION THREE FINANCING AND FINANCIAL AUDITING**

#### **Article 5. Financial Sources**

5.1 To achieve its goals the Association will make its financing from the following financial sources;

5.1.1 Financing of projects and programs of Government, non-governmental, international and other organizations;

5.1.2 Contributions and donations of members;

5.1.3 Donations, inheritances, gifts, financial support and payment for services that do not violate the laws of Mongolia;

5.1.4 Income from economic activities related to the realization of the purposes of the Charter;

5.1.5 Loans received by the Association for the realization of its objectives;

#### **Article 6. Expenditures of the Association**

6.1 All the incomes, equipment and inventories of the Association shall be spent only for purposes of realization of objectives and task described in Section One of this Charter.

6.2 It is prohibited to distribute incomes as dividend, to issue property guarantees, to pay-off for such guarantees or to transfer directly or indirectly any part of the equipment or property to the members of Governing Board or any of the employees of the Association. .

6.3 It is prohibited for the members of the Governing Board or any of the employees of the Association to conduct any financial and/or commercial activities using the property of the Association.

6.4 It is prohibited for the Governing Board or Working Team to make property donations to candidates for elections to Parliament, to the President and to local assemblies.

#### **Article 7. Financial auditing**

7.1 Auditing of the financial activities of the Association shall be carried out by an independent auditing organization appointed by the Governing Board and approved by the IPPF in accordance with the financial policy of the IPPF on annual basis.

7.2 The independent auditor shall present the Report on Auditing to the Governing Board and the Supervisory Board.

7.3 The Reports on Auditing made by the independent auditors shall be archived at the Head-Office of the Association or at another office appointed by the Governing Board.

7.4 The Reports shall be presented to the members considered openly and placed at the website of the Association.

## **SECTION FOUR MEMBERSHIP OF THE ASSOCIATION**

### **Article 8. Membership**

8.1 Any citizen of Mongolia and any foreign resident legally living in the territory of Mongolia, who accepts the objectives and policies of the Association, may voluntarily become a member of the Association according to the regularities of the Association.

8.2 It is prohibited to make any racial, national, age, sexual, political, religious and other discrimination based on sexual orientation, position of society and geographical location for the candidates who apply to become members of the Association.

8.3 The balance ratios of social groups, territorial representations, specialties, sexes and ages are taken into account.

8.4 Members of the Association can be granted certificates. The certification form shall be approved by the Governing Board.

### **Article 9. Classification of Members**

**9.1 Ordinary member:** a person who joined the Association, paid annual fees, actively participates in the activities of the Association and has the right to vote at the General Meeting of Members.

**9.2 Support member:** a person who, although did not pay contributions, provides support and assistance for the activities of the Association with his (her) knowledge and qualification, actively participates in its work, but does not have the right to be elected to the General Meeting of Members.

**9.3 Exclusive Member:** means a person who has paid the fees established by the Governing Board, provides real financial support for the activities of the Association and has the right to vote to the General Meeting of Members.

**9.4 Honorary Member:** means a person who has participated in the activities of the Association for more than 10 years and has made specific contributions, indicated by an aimag's or city

branch and is entitled by the Governing Board to be elected to the General Meeting of Members.

## **Article 10: Rights, obligations, responsibilities and measures to be taken of members**

### **10.1 Rights of members**

10.1.1 All members, except for support members, shall have right to be nominated and elected as delegates in General meeting of members and if a delegate has been elected to the General meeting of members, then he or she shall be entitled to participate in the General meeting of members as representative of their Branches and to freely express their opinion.

10.1.2 All members, except for support members, who has been elected as delegate for the General meeting of members, shall have right to vote and/or to be elected in the election for officials elected by the General meeting of members.

10.1.3 Members have right to view the decisions made by the management and financial statements.

10.1.4 May participate in any events or services organized by the Association, and to get discounts prescribed in the regulation.

10.1.5 Members have the right to withdraw from the Association membership at any time.

### **10.2 Obligations of the members**

10.2.1 The members shall be obligated to carry out their duties in compliance with Laws of Mongolia, policy, mission and standards of International Planned Parenthood Federation, and Charter and policies to be upheld for the activities of the Association.

10.2.2 Members are obliged to comply with ethical principles and ethical standards and codes of conduct that were approved by the Association.

### **10.3 Responsibilities**

10.3.1 Ethical and other breach of the members shall be discussed by the Supervisory Board, who shall draw a conclusion and present it to the President. The President shall make a decision based on the conclusions of the Supervisory Board, in accordance with Internal Regulation and Code of Ethics of the Association.

## **Article 11: Conflict of Interest of members**

11.1 The Governing Board, Supervisory Board and management officials of branches shall annually issue and sign accurate report of conflict of interest and submit to the President.

11.2 The members are prohibited to place their personal interests above the interests of the Association.

11.3 The members are prohibited from carrying out production activities for direct and indirect financial interests, using the name of the Association and selling products and materials manufactured by them.

11.4 An employee is prohibited from receiving gifts or fees from the following persons:

- Manufacturers that supply the Association with medicines and equipment.
- Suppliers that provide or will provide services to the Association.

11.5 An employees are prohibited from using the structure, activities and property of the Association to support the activities of candidates for elections to the Parliament, the President and local assemblies.

11.6 The members are prohibited from receiving salaries or wages for participating in the General meeting of members, Governing Board and Supervisory Board meetings, and for providing works and services of their profession, but fees necessary for Association activities such as transportation, communication, business trip and food must be provided, in accordance to the regulations.

11.7 A Member shall not operate for more than one official position.

**Article 12: Membership fee**

12.1 Membership fee shall be determined by the Governing Board.

**Article 13: Membership recording**

13.1 The association shall keep and maintain records of members of central and branch offices, including full name, age, gender, date of birth, profession, date of registry and membership fee payment.

13.2 Working team of the Executive Director shall be responsible for maintaining records of Association members.

**SECTION FIVE**

**MANAGEMENT AND MONITORING SYSTEM OF THE ASSOCIATION**

**Article 14: General meeting of members**

14.1 The highest governing body of the Association shall be the General meeting of members.

14.2 The General meeting of members shall be classified as Regular and Extraordinary General Meeting. The Regular General meeting shall be held once every four years.

14.3 The Governing Board shall determine the date for the Regular General Meeting.

*/This Clause was revised by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

14.4 According to election regulations, after the General meeting of members has been scheduled and announced, the Heads of Branches shall determine the Branch meetings. During the Branch meeting 2 representatives, who will participate in the General meeting, shall be determined.

*/This Clause was revised by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

14.5 In accordance with Clause 14.3 indicated in the Charter, the quorum necessary to hold the General meeting of the members must be more than 60%.

14.6 In case the quorum for General meeting of the members does not exceed 60%, the meeting can be postponed for a period of 7 days with the President's decision.

14.7 In case the quorum for General meeting of the members, postponed on the grounds indicated in Clause 14.6, is not fulfilled again, the decisions made in the meeting shall be decided on majority vote and the decision shall take effect.

14.8 The President may announce and hold the Extraordinary General Meeting of members, if more than 60% of the members of Governing Board proposes to hold meeting or on basis of Clause 21.3 indicated in Article 21 of this Chapter. Such meetings shall comply with regulations indicated in Clauses 14.1 to 14.6.

#### **14.8 Rights of General meeting of the members**

14.8.1 Selection and dismissal of the Governing Board members

14.8.2 Selection and dismissal of the President

14.8.3 Selection and dismissal of Supervisory Board I

14.5.4 Selection and dismissal of the Financier

14.8.4 Discussion of reports from Governing Board and Supervisory Board

14.8.5 Transformation and liquidation of the association.

14.9 Members, who has right to participate and to be elected, shall have right to nominate themselves or one another member for the Governing Board, Supervisory Board and the President.

14.10 The election shall be organized by an Election committee, appointed by the Governing Board in accordance with election procedure, approved from the Governing Board. The election committee shall consist of 3 person, including one lawyer and two employee of the Association's working team.

*/This Clause was revised by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

#### **Article 15: Governing Board**

15.1 "Governing Board" means the governing unit, elected by the General Meeting of Members that shall act within the framework of this Charter.

#### **Article 16: Governing Board Composition**



16.1 Governing Board shall consist of 9 members, who were elected to for term of 4 years.

16.2 Head of the Governing board shall be the President of the Association.

16.3 From the total members of Governing Board, at least 50% shall consist of women and at least 20% must be young people under the age of 25.

16.4 A member of the Governing Board must be a person who has performed well for minimum of three years as a member, has contributed significantly for the branch activities, has paid their membership fee on timely basis, has good reputation within the colleagues and must have a good management and teamwork skills.

*/This Clause was revised by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

## **Article 17: Rights and responsibilities of the Governing Board**

### **17.1 Rights of the Governing Board**

17.1.1 Branch establishment and liquidation

17.1.2 Adoption of revised version and/or amendment to the charter of the Association

17.1.2 Appoint and dismiss the Executive Director, and assist the Executive Director for effective management of the Association

17.1.3 To approve the structure, organization and related regulations of the Association and its budget

17.1.4 To review and evaluate the work reports of Executive Director and the President

17.1.5 To review, and approve if necessary, the operation reports of proposed and/or implemented projects and programs that shall be provided to beneficiary organizations

17.1.6 Establish an standing, special and other committees of the Association and review reports

17.1.7 To convene an Extraordinary general meeting of members

17.1.8 Organize and take advocacy work to achieve the vision, goals and objectives of the Association

17.1.9 To reward individuals, business entities and organizations who have contributed significantly on Sexual and reproductive health (SRH) provisions, and nominate for IPPF awards

17.1.10 To monitor whether the Association's rules, policies, regulations, and relevant documents comply with the Laws of Mongolia and rules and policies of IPPF, and to regulate in case of conflicts

17.1.11 To determine membership fee

17.1.12 To determine fees and donations from the members, in situations necessary

17.1.13 To select two members, who shall represent the Association in East and South East Asia and Oceania Region's Council

## **17.2 Obligations of the Governing Board**

17.2.1 The Governing Board shall have following obligations:

17.2.2 To protect the reputation and values of the Association,

17.2.3 To determine the policies and strategy of the Association

17.2.4 Ensure the sustainability of finances needed for activities of Association and to make effort for funding resources,

17.2.5 To approve action plan and budget of the Association and monitor its implementation

17.2.6 To monitor implementation of cooperation agreements between government, non-governmental and international organizations

17.2.7 To develop and approve the Policy Documents that meets the goals and objectives of the Association

17.2.8 Annually select and appoint an auditing agency that shall make independent audit on financial activities and statements of the Association and review the reports

17.2.9 Protect and maintaining of properties (PP&E) of the Association and monitoring of the financial activities

## **Article 18: Transfer of authority**

18.1 The Governing Board may transfer its full rights for a specific period, except for rights indicated in Clauses 17.1.1, 17.1.2, 17.1.3, 17.1.7 and 17.1.11 of this Charter, to the President and/or the Executive Director by making a resolution, and review and evaluate the reports of activities conducted and realization of decisions within the scope of rights granted.

## **Article 19: Supervisory Board**

19.1 Supervisory Board means the monitoring unit, which consists of 5 members, who were selected by the (Regular) General Meeting of Members, held once every 4 years.

19.2 The Supervisory Board must consist of members who are healthy, has financial and legal knowledge, and capable to conduct monitoring and evaluation.

*/This Clause was added by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

## **Article 20: Rights and responsibilities of the Supervisory Board**

20.1 The Supervisory Board shall implement following functions within the scope of rights granted by the Governing Board.

20.2.1 To monitor the realization of decisions made by the Regular and Extraordinary Meetings

20.2.2 To carry out financial and operational monitoring (audit) on the activities of the Governing Board, the President and the Executive Director.

20.2.3 Review and conclude ethical misconduct of members and employees of the Association

20.3 When exercising its functions allocated by the chapter, the Supervisory Board has right to write recommendations on activities of Governing Board and the President of the Association, and if necessary, make demands in accordance with the Law of Mongolia pertaining to activities of the Association, and within the scope of rights indicated in this Chapter.

20.4 The Supervisory Board shall hold a meeting twice a year and the recommendations issued by the meeting shall be delivered to the Governing Board, President and Executive Director and monitor its implementation. If necessary, if the majority of members, who has right to vote, express in favor of a decision in written form for any matter, such matters may be accepted by receiving the votes without holding a meeting.

20.5 The Supervisory Board shall report to the General Meeting of the members.

### **Article 21: Withdrawal, dismissal and re-election of member of Governing Board and Supervisory Board**

21.1 The Members of the Governing Board and Supervisory Board shall apply their withdrawal from the membership in written form, if not indicated otherwise in the letter, it shall take effect since date the application was received.

21.2 If a member of the Governing Board is dismissed from their post, the remaining Governing Board members shall continue to operate until the expiration of the term of office.

21.3 If three or more members of the Governing Board have been released from duties, the President shall convene the Extraordinary General Meeting of the Members within 30 days since the third member was released, and shall hold re-election of Governing Board members.

21.4 If a member of the Supervisory Board has been dismissed, the remaining members shall continue to operate until the next General Meeting of Members. If all members of the Supervisory Board has been dismissed, then an Extraordinary General Meeting of Members shall be announced in accordance with Clause 21.3 indicated in this Charter.

## **SECTION SIX MEETING OF GOVERNING BOARD**

### **Article 22. Regular Meetings**

22.1 The Governing Board shall hold meetings twice a year at the appointed date, time and location.

### **Article 23. Special Meetings**

23.1 If the President considers necessary he may convene a meeting of the Governing Board. An urgent meeting may be announced online but the votes shall be confirmed in writing and delivered to the Governing Board.

### **Article 24. Announcement of the Meeting of the Governing Board**

24.1 The President shall issue an order to convene a meeting at the initiative of the majority of members of the Governing Board and the Secretary of the Governing Board shall inform all members of the Governing Board in writing 14 days before the meeting. In this message on the convocation of the Meeting of the Governing Board, there shall be indicated the questions for discussions, the date, time and place of the Meeting of the Governing Board.

#### **Article 25. The Validity of Meeting**

25.1 The meeting shall become valid in the presence of a majority of the members of the Governing Board.

#### **Article 26 Chairman of Meeting**

26.1 The President of the Association presides over the meeting of the Board of Directors. If the President can not chair the meeting for a good reason, then the chairman is elected from the members present at the meeting of the Board of Governors.

#### **Article 27. Adoption of a Resolution by the Governing Board**

27.1 Decision of the Governing Board shall be adopted by a majority of votes of members with the right to vote who are present at the Meeting. If the votes are equal, the President is entitled to a second or final vote.

27.2 The statements made in 27.1 of this Charter apply equally to committees, working groups and other units appointed by the Governing Board who make joint decisions.

27.3 At the request of the timeliness of the issues, some issues may be resolved without convening a meeting if the majority of the members of the Board of Directors with the right to vote confirm their consent in writing to resolve the issues. The President organizes measures to obtain a written vote and takes a decision after receiving votes. The decision of the Governing Board becomes an effective by signing it by the President on behalf of the Board of Directors.

27.4 The statements made in 27.3 of this Charter apply equally to committees, working groups and other units appointed by the Governing Board who make joint decisions.

27.5 The written decisions shall be attached to the minutes of meetings of the Governing Board, Supervisory Board or related committee and/or working group.

#### **Article 28. Use of accreditation**

28.1 If any member of the Governing Board can not participate in the meeting, he may transfer his right to vote to another member of the Governing Board with accreditation. The Accreditation shall be made in a written form, signed and dated, and shall be valid only for the actual meeting of the Governing Board.

#### **Article 28. Minutes of Meeting**

28.1 “The minutes of the meeting of the Governing Board and the Supervisory Board shall be carried-out by the Secretary in cooperation with the Working Team. The Secretary will be one of the members elected by the Governing Board or the Supervisory Board. The Minutes of Meeting, signed by the Secretary and Chairman of the meeting, shall be sent to the members of the Governing Board and Supervisory Board within 14 days from the date of meeting”.

*/This Clause was revised by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

### **Article 29. The Term of Office of the Governing Board and the Supervisory Board**

29.1 The term of office of the Governing Board and the Supervisory Board shall be 4 years. A full member of the Association may be elected to the Governing Board and to the Supervisory Board 2 times for a period of 8 years. A member of the Association, elected twice in the Governing Board and the Supervisory Board, may be elected once again to the Governing Board and the Supervisory Board after a four-year interruption. The total term for election to the Governing Board and the Supervisory Board for each member is 12 years.

29.2 The term of office of the Governing Board and the Supervisory Board shall become effective by the Resolution of the Election Committee, approved by the General Meeting of Members. The Resolution of the General Meeting of Members shall be signed by the Chairman of the meeting.

29.3 One person can not be elected to more than one official post.

29.4 Employees of the Association do not have the right to vote and be elected.

## **SECTION SEVEN**

### **OFFICIALS**

#### **Article 30. The President**

30.1 The President shall be elected by the General Meeting of Members for 4 years term.

30.2 The President, being the head of the Board of Directors, has the following rights and duties:

30.2.1 To provide guidance to members of the board of directors when formulating the policy of the Association

30.2.2 To exercise control over the activities of the Association on behalf of the Board of Directors

30.2.3 To preside over the meetings of the Board of Directors and the Supervisory Board.

30.2.4 To represent the Association domestically and abroad

30.2.5 To implement budgets and plans approved by the Board of Directors, to sign financial and other relevant contracts and documents.

30.2.6 To report his activities to the Governing Board

30.2.7 To implement other responsibilities directed by the Governing Board.

#### **Article 31. The Financier**

31.1 The Financier shall be elected by the General Meeting of Members for 4 years term.

31.2 The Financier of the Association shall have the following responsibilities:

31.2.1 To support the financial activities of the Association, to exercise control.

31.2.2 To exercise control over the preparation, use and expenditure of finance and property of the Association

31.2.3 To monitor the budgets of activities of the Association, to conduct financial analysis.

31.2.4 to present the Report on the Financial Activities of the Association to the General Meeting of Members.

31.2.5 To perform other obligations issued by the Board of Directors and the President

## **SECTION EIGHT WORKING TEAM**

### **Article 32. Working Team**

32.1 The Working Team consists of the Executive Director, heads of aimags' branches and other staffs.

### **Article 33. The Executive Director**

33.1 The Executive Director of the Association has the following responsibilities:

33.1.1 To manage the daily activities of the Association.

33.1.2 To realize a good governance and effective management in cooperation with the Governing Board and the President.

33.1.3 To manage and organize activities for ensuring the implementation of budgets and plans adopted by the Governing Board.

33.1.4 To report his activities to the Governing Board.

33.1.5 To implement other responsibilities directed by the Governing Board and the President.

### **Article 34. The Staffs**

34.1 The staff includes all full-time employees who receive salaries from the Association. All matters pertaining to the appointment, release, responsibility and remuneration of staff and heads of offices are decided by the Executive Director in accordance with the relevant rules and regulations.

### **Article 35. Conflict of interests of employees**

35.1 Employees shall annually compile and sign truthful information about conflict of interests.

35.2 Employees are prohibited to place their personal interests above the interests of the Association.

35.3 Employees are prohibited from carrying out production activities for direct and indirect financial interests, using the name of the Association and selling products and materials manufactured by them.

35.4 An employee is prohibited from receiving gifts or fees from the following persons:

- Manufacturers that supply the Association with medicines and equipment.
- Suppliers that provide or will provide services to the Association.
- Members of the Association, clients, cooperating organizations and individuals.

35.5 An employee is prohibited from using the structure, activities and property of the Association to support the activities of candidates for elections to the Parliament, the President and local assemblies.

35.6 The Association adheres to the policy of not employing wives, husbands and relatives of employees and members of the Association.

## **SECTION NINE BRANCHES OF ASSOCIATION**

### **Article 36: Association Branch Нийгэмлэгийн салбар**

36.1 The Association may have branch offices, established according to relevant regulations and in terms of administrative unit, in a city/aimag/soum shall have one unified branch.

### **Article 37: Establishment of branch in aimag/city**

37.1 If a group with 50 or more people, who approve objectives, policy and operation of the Association, wishes to establish and operate for Association branch, they may submit an application for establishment for branch to the Governing Board in accordance with relevant regulations of the Association and this matter shall be decided during the meeting of Governing Board.

### **Article 38: Operation of branch in aimag/city**

38.1 Aimag/city branches shall comply with this Charter and follow relevant procedures on activities and implementation of programs. Aimag/city branches shall operate in accordance with the rules and regulations of the Association and shall comply with the rules and policies approved by the Governing Board.

38.2 The branch shall be managed by the Head of Branch, who shall be appointed by the Executive Director. Branch members will submit their nominations for the Head of Branch to the Executive Director.

### **Article 39: Four-year report and election meeting of aimag/city branches**

39.1 Before the General Meeting of Members, aimag/city branch shall convene meeting of branch members and the regular meeting of branch members shall be held once every 4 years, and shall implement following activities. Including:

- Appoint 2 members, who shall represent their Branch in General Meeting of Members,

39.2 If a decision to convene an Extraordinary General Meeting of Members has been issued, the Heads of branches shall hold meeting of branch members 7 days prior of the Extraordinary

General meeting of members and shall select representative who will participate in the Extraordinary meeting.

39.3 The branch may have a council for discussing and making decisions on specific matters, and the branches may spend their incomes funded by local resources, except for hospital income, after discussing in branch council meeting, for realization of mission and objectives, and on development of branches and its members, expending memberships and training activities.

39.4 The branches shall not have right to dispose of real estate properties and PP&E.

39.5 The Governing Board and working team shall have right to review operation report of a branch, to make unannounced and/or planned monitoring and evaluation on branches.

39.6 A branch may be liquidated on following basis. Including:

1. The realization of financial agreement is less than 60% for 2 consecutive years
2. Membership is less than 50% /Membership registration shall be annually updated and delivered to the Executive Director within January 20<sup>th</sup>, and membership fee is not fully paid and confirmed/

*/This Clause was revised by the meeting of the Governing Board held on September 30<sup>th</sup>, 2017/*

## **SECTION TEN**

### **LIQUIDATION OF THE ASSOCIATION**

#### **Article 40: Grounds for liquidation**

40.1 In accordance with Laws of Mongolia and regulations indicated in this Charter, the Association may be liquidated only in case of a decision to liquidate has been made by the overwhelming majority of All Members. If a matter regarding the liquidation of the Association has been not announced in advance, vote for liquidation of the Association shall not take place in Regular and Extraordinary General Meeting of Members. In order to discuss the liquidation, the matter for liquidation shall be included, without fail, in the agenda for General Meeting of Members and shall be notified to the representatives of General Meeting of Members.

40.2 If a decision to liquidate the Association has been issued by the General Meeting of Members, a liquidation committee must be appointed and the terms for operation of the liquidation committee, liquidation fees and payment for the committee shall be specified in the resolution.

#### **Article 40<sup>1</sup>: Remaining properties after liquidation**

40<sup>1</sup>.1 In case of liquidation of the Association, properties remaining after payment of debts and financial liabilities, shall be transferred to non-government organization that operates similar activities with the Association and/or the liquidation committee shall resolve in accordance with laws and regulations.



**SECTION ELEVEN**  
**CHANGES AND AMENDMENT TO THE CHARTER,**  
**APPROVAL AND REGISTRATION OF THE REVISED VERSION**

**Article 41: Changes and amendment to the charter, approval and registration of the revised version**

41.1. Members of Governing Board, members of Supervisory Board and the President shall have right to propose changes and amendments to the charter and shall submit their proposals, with relevant basis to the Governing Board in written form.

41.2. The Governing Board shall deliver the proposal to all branches for discussion and if the overwhelming majority of is in favor for the proposal, it shall be decided on meeting of the Governing Board.

41.3. After a decision for change and amendment to the Charter and adoption of revised version has been approved, it shall be registered to State Registration Office.

1. Revised and approved by the Biennial (two-year) Meeting of the Representatives on September 12<sup>th</sup>, 2001.
2. Revised and approved by the Biennial Meeting of the Representatives on October 18<sup>th</sup>, 2003.
3. Revised and approved by the Biennial Meeting of the Representatives on September 7<sup>th</sup>, 2007.
4. Revised and approved by the Three-year Meeting of the Representatives on September 24<sup>th</sup>, 2010.
5. Discussed and approved by the Three-year Meeting of the Representatives on September 14<sup>th</sup>, 2013.
6. Discussed and approved by the Meeting of the Governing Board on October 29<sup>th</sup>, 2016.
7. Discussed and approved by the Meeting of the Governing Board on September 30<sup>th</sup>, 2017.