

## FINANCING AGREEMENT

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This **FINANCING AGREEMENT** (hereinafter "**Agreement**"), effective from 13 Day June Month 2019 Year (the "**Effective Date**"), is made and entered into by and between:

**Druk Holding & Investments Limited**, a company registered under the Companies Act of the Kingdom of Bhutan, 2000/2016 having its office in Motithang, Thimphu, Bhutan (hereinafter "**DHI**"), duly represented by the Chief Executive Officer;

AND

M/s **DHAN KUMAR SHYANGDEN** holding a Citizenship ID no. **10308003473** (hereinafter "**Entrepreneur**") owning a business M/s. (**Eco Waste Solutions and Business License number 1034844**) having its office in **Thimphu**, Bhutan;

DHI and the Entrepreneur are sometimes referred to herein individually as the "**Party**" and collectively as the "**Parties**".

### Recital

As the commercial arm of the Royal Government of Bhutan and in keeping with Article III (xii) of its Articles of Incorporation, DHI desires to support entrepreneurs to facilitate private sector development in Bhutan by providing eligible entrepreneurs with access to finance businesses on mutually agreed terms.

The Entrepreneur desires to avail financing to promote their business and agrees to put in sincere and best effort to make the business successful.

The Parties acknowledge and understand the need to mutually collaborate to fulfill the requirements of fund management and repayment, among other things.

**THEREFORE**, in consideration of the foregoing premises and the mutual understandings and agreements set forth herein, the Parties do hereby agree as follows:

### 1. Business Activity

The Parties acknowledge and agree that the financing by DHI shall be for the following business activity:

- Business Name: **Eco Waste Bhutan**
- Nature of Business: **Waste Collection, Segregation and Storage**
- Business License no : **1034844**

*Handwritten signature*

## **2. Financing Amount**

DHI will provide an amount of **Nu. 500,000 only (Ngultrum Five Hundred Thousand Only)** to the Entrepreneur to finance the Business Activity in accordance with the provisions of this Agreement.

## **3. Utilization**

DHI's financing will be utilized, recognized and accounted as part of the Entrepreneur's contribution in the Business activity specified under Clause 1 above. The financing shall be utilized only for the intended purposes as specified by the Entrepreneur to DHI. Utilization of the fund must begin within 4 months of the date of signing of this contract after which nullification of the contract shall be initiated.

## **4. Limitation of Liability**

- a) Unless otherwise decided by DHI, DHI's financing through this Agreement shall not imply automatic additional fund commitment by DHI to the Entrepreneur.
- b) DHI shall not have any ownership stake in the Business of the Entrepreneur and bears no responsibility, whether legal or otherwise, on behalf of the Entrepreneur or the Business Activity including contractual obligations with third parties whether fiduciary, pecuniary, or other such undertakings and liabilities entered into by the Entrepreneur or the Business.
- c) The Business and the Entrepreneur shall be jointly and/or severally responsible for any claims, liabilities, and disputes arising from the Business Activity and shall under any circumstances absolve DHI from any claims, liabilities or disputes due to the Business Activity including indemnification.
- d) DHI and the Entrepreneur are not partners in the Business Activity and any misrepresentation as partners shall be *void-ab-initio*. In the event of any claims or liabilities in violation of this provision, the Entrepreneur shall indemnify DHI.

## **5. Collateral**

The DHI financing is provided as a collateral free financing essentially based on the potential viability of the business proposal and the credibility of the Entrepreneur.

## **6. Guarantor**

The Guarantor of the Entrepreneur in the Agreement shall be subject to the terms and conditions provided in the Letter of Guarantee executed by the Guarantor and provided as Annex I

## **7. Disbursement**

The financing amount will be disbursed on the disbursement requests from the Entrepreneur. This may be in tranches or in entirety based on the agreed financing plan of the business. The disbursements will be made directly to the vendors wherever applicable. DHI reserves the right to stop further disbursements where circumstances relevant to the business has changed resulting in a need to reassess the credibility of the Entrepreneur or the potential of the Business.

## **8. Changes in Business Plan or Circumstances**

The Entrepreneur shall obtain prior consent of DHI for any major changes in the business plan or major changes in circumstances of the Business than that proposed during the application for financing. If DHI is satisfied upon review of the Business Plan or the situation with respect to realignment of Business activity through credible actions by the Entrepreneur, DHI may decide to disburse the



## **26. Final Settlement**

This Agreement shall cease to bind the Parties after final settlement of dues owed to DHI by the Entrepreneur in keeping with the terms and conditions of this Agreement as signified by issuance of the Final Settlement Letter by DHI.

Under any other circumstances, if the Parties mutually wish to no longer proceed with the terms of the Agreement, the following shall apply;

- a) If any or all the agreed financing has been disbursed, the Entrepreneur shall refund the entire outstanding amount along with the applicable administrative charges within a reasonable period determined by DHI. DHI shall then issue a letter of Final Settlement and the Agreement shall then be terminated. In the event, the outstanding amount and the applicable administrative charges are not refunded in the said period, then the Agreement shall continue to remain in force and DHI may choose to initiate appropriate measures as per the provisions of the Agreement.
- b) If no funds have been disbursed, DHI shall issue a Letter of Final Settlement and then the Agreement shall be terminated.

## **27. Governing Law**

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Kingdom of Bhutan.

## **28. Entire Understanding**

This Agreement constitutes entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter of this Agreement. The Annexes to this Agreement shall constitute and be construed as integral part of the Agreement.

## **29. Amendment**

The Parties may amend any provision of this Agreement by executing another agreement in writing and upon fulfilling the requirements of a valid agreement under law.

## **30. Notices and other Communication**

Notices, approvals and other communication under this Agreement shall be in writing and delivered by mail or other electronic transmission or by express or personal delivery, addressed as follows:

To DHI:

Director

Department of Investments

Druk Holding and Investments Limited



Phone: +975-2-337530

PO Box 1127

Thimphu, Bhutan

To the Entrepreneur:

Eco Waste Solution, Bajo

Wangdue Phodrang

+975-17747599

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

For:

DRUK HOLDCO INVESTMENTS LTD.

By:



Name: Dasho Karma Yezer Raydi  
Title: Chief Executive Officer, DHI  
Date:

THE ENTREPRENEUR

By:



Name: Sham Kumar Shyangden  
Title: Entrepreneur  
CID No. 10308003473  
Date: 13/06/19

WITNESS

Name: Somen Shulpa  
Title: Asst. CEO  
CID No. 10103000832  
Mobile No. 17660078

WITNESS

Name: Sangay Gempo  
Title: CEO of Greenpath (T/8000)  
CID No. 10713000121  
Mobile No. 17802609



དཔལ་ལྷན་ འབྲུག་གཞུང་ བསྟན་ཀླུ་ལྷན་ཁག།

Ministry of Economic Affairs  
Royal Government of Bhutan

ལག་ཁྱེར།

## LICENCE



License Number : 1034844

Classification : **Services**

ISIC Code : 90001

Name of Licencee      Dhan Kumar Shyangden

Permanent Address: Norbuling(Lodoma),Trashiding,Dagana

Nationality: Bhutanesse

Citizenship ID No: 10308003473

Registered **Eco Waste Solution**

Exact Location and	Bajo
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Address of Establishment **Bajo, Thedtsho, Wangdue Phodrang**

Investment (in Nu) and Scale : 200000 Cottage

Approval Date : 26-April-2016

Date of Issue : 26-April-2016

Activity Name: **Waste Collection, Segregation & Storage**

Regional Director

Regional Trade &amp; Industry Office

Ministry of Economic Affairs

Signature and Seal of Licensing Authority

## LICENCE RENEWALS

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 **ཡུལ་ལྔ་མཚན་འབྲུག་པའི་རྒྱལ་ཁབ།**  
**KINGDOM OF BHUTAN**  
མི་རྒྱུ་ལག་ཁྱེད། / Citizenship Card

མིང་། པ་སངས་ ལྷ་མོ་ ཏཱ་མང་།  
Name: Passang Lhamo  
Tamang  
Sex: Female  
Date of Birth: 26/04/1991

Citizenship ID No. 11810001071





Date of Issue: 27/04/2017  
Date of Expiry: 26/04/2027

**B0000247070**

Household No.: 181000397




BOBL A/c # 102464139  
Account Name = Passang Lhamo Tamang








 **BHUTAN**

ཨ་མ་ དཔལ་ལྷན་འབྲུག་པའི་རྒྱལ་ཁབ།  
KINGDOM OF BHUTAN  
མི་རུངས་ལག་ཁྱུང། / Citizenship Card




མིང་ དུན་ཀུམ་ཤང་དུན།  
Name: Dhan Kumar Shyangden  
Sex: Male  
Date of Birth: 15/02/1989

Citizenship ID No. 10308003473



Date of Issue: 10/04/2018  
Date of Expiry: 09/04/2028



B0000195633

Household No.: 030800086

