

MEMORANDUM OF UNDERSTANDING BETWEEN WSA and MSF
16 January 2010
Christchurch, New Zealand

Preamble

The **World Subud Association (WSA)** is a non-profit Association whose members are the national Subud bodies. WSA was legally established in 1991. WSA is registered as non-profit, tax-exempt body in Washington D.C., USA.

The **Muhammad Subuh Foundation (MSF)** was established to fund the long-term aims of the World Subud Association. MSF is registered as non-profit, tax-exempt body in the Commonwealth of Virginia, USA.

The predecessor of MSF and WSA was the **Subud Brotherhood International Foundation (SBIF)** which was set up in 1968.

WSA and MSF now wish to further develop and establish certain cooperation mechanisms for the implementation of strategy and policy as well as operational matters. These mechanisms shall be based on the principles of information, consultation and joint agreements.

The MSF and WSA bylaws that define in more detail their relationship will not be superseded by this Memorandum of Understanding (MOU).

The term of this MOU is for a period of four calendar years from the date of its commencement. The terms and conditions of the MOU may be altered by mutual consent of both parties.

1. Cooperation Agreement

1.1 Strategy and Policy

a) Subud symbol.

The WSA permits MSF to use the Subud symbol and the Subud name and the talks of YM Bapak and Ibu Rahayu, all of which are owned by the WSA so long as these are used in accordance with the policies of the WSA.

b) Board seats.

With the objective to facilitate close cooperation and implementation of strategy and policy issues the WSA Chair is ex-officio a voting member on the MSF Board of Trustees while the MSF Chair is a non-voting member of the World Subud Council.

c) Appointment of MSF Trustees.

Appointment procedure for the MSF Board of Trustees will be changed as follows:

- Nominations can be made by the MSF BoT, the WSA BoD and the WSA Members.
- Appointments require the votes of the majority of the WSA BoD and the majority of the MSF BoT.

- Removals of Trustees require the votes of the majority of the WSA BoD and the majority of the MSF BoT, or the unanimous decision of the WSA BoD.

d) Relationship between MSF and its partner organizations.

Partner organizations of MSF (Yayasan Muhammad Subuh, MSF Colombia, Yayasan Subud) are founded with the intention to hold and manage assets for the World Subud Association and the international Subud membership in general, and as such they should be responsive and responsible to the international Subud organization in a manner that nevertheless respects the legal autonomy of the partner organizations in their respective countries. WSA and MSF will jointly work towards establishment of agreements between MSF and such partner organizations that correspond to and reflect this MoU.

e) Operations.

MSF will establish an Executive Team that will cooperate with the WSA Executive on operational issues of joint interests and importance. (see below)

f) Financials, grants and fundraising.

- In accordance with its article 3, the MSF holds and manages certain assets (which as of 1 January 2009 are listed in Appendix 1) for the WSA that are assets of the worldwide Subud community which have been placed within the MSF. The MSF trustees will not sell such assets or place any lien or loan guarantee on such assets without first consulting the WSA directors. The MSF board will also ensure that the assets of the worldwide Subud community that are held by the partner organizations of MSF are used in a manner that accords with the policies of the WSA, and the MSF board will ensure that all its branches do not place a lien or a loan or a guarantee or sell such assets without first consulting the directors of the WSA (such assets as of January 2009 are listed in Appendix 2). However, it is understood that assets owned or managed by MSF partner organizations can only be included once agreement have been established between MSF and its partner organizations (as per 2.1.d).
- Voting rights for assets (e.g. voting shares) owned by MSF on behalf of WSA (to be defined) will be exercised according to the strategy of WSA. The WSA Executive and the MSF executive (still to be established) will propose a mechanism (Agency Agreements) based on principles of cooperation and consultation.
- Budgeting. Prior to seeking approvals for annual budgets WSA and MSF will consult each other on executive level and where agreed adjust their respective budgets to needs and means.
- Grants. The MSF board and officers will consult with the relevant members of the WSC and WSA executive and with the Subud national body when applying a grant to a WSA or WSA affiliates program or project as well to the project of an individual Subud member. With regard to grants for Subud houses and centres, the MSF will consult with the relevant national body, zonal representative and the WSA executive and international helpers before applying a grant.
- Fundraising. Subject to consultation with national bodies, the officers of the WSA will actively support the fundraising of MSF for non-earmarked bequests and legacy donation among all Subud members through its various publications and through word of mouth.

For special projects, subject to consultation with national bodies, the MSF may fundraise among the WSA's membership organisations and their members in accordance with the approved annual program of the MSF and in accordance with the joint policies of the WSA and MSF that will be defined by the executive bodies of WSA and MSF and approved by the boards of both organizations. The WSA and MSF executive teams will further explore ways to make fundraising more efficient and transparent to individual Subud members.

- In case of exceptional financial needs of either party the other one is committed to provide assistance within the limits of its fiduciary and legal responsibility and on conditions mutually agreed.

2. Operations

The WSA and MSF Executives will establish operational mechanisms based on the principles of information, consultation and joint agreements. These will among others address

- Agency agreements including voting rights
- Reporting
- Budgeting
- Grants
- Fundraising

A mechanism will be established for jointly monitoring, evaluating and reporting on activities of common interest and responsibility on an ongoing basis.

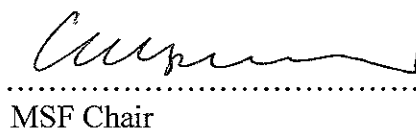
3. Implementation

Implementation of this MoU will take place in three phases:

- Ratification by the WSA Board of Directors, with input from the zones, and the MSF Board of Trustees.
- World Congress in 2014 would decide whether the Articles of Association and Bylaws of both organisations should be amended to reflect the agreement, wherever necessary.
- A joint Agreement on Internal Procedure will be established that more specifically will define how the WSA and the MSF intend to cooperate.
- The WSA and MSF will explore the possibility of creating a tripartite agreement with Susila Dharma International Association.
- This MOU will be reviewed in twelve months' time and amended as necessary to further refine and improve upon this MOU.

Signed on 16 January 2010


WSA Chair


MSF Chair