

Alexander Management Ltd.

Licensed Corporate Service Providers

Belvedere Building, 69 Pitts Bay Road, Ground Floor

Hamilton HM 08, Bermuda

PO Box HM 833, HM CX

Tel: (441) 292 9332 Fax: (441) 292 2024

Email: jafw@alexanders.bm

INSTRUCTIONS FOR THE FORMATION OF AN EXEMPTED LIMITED LIABILITY COMPANY IN BERMUDA

(NB: Subject to Change - Please read attached notes before completing)

1. Name of proposed company (Please give at least one alternative name)

(a) **Limited or Ltd.** (Please indicate preference)

(b)

(c)

2. Type of Company (Please supply description of basic type of business activities envisaged, e.g. commercial trading, investment holding, insurance, operation of a ship or aircraft, etc. and a brief comment, giving fuller details of the trade, insurance or other business activity proposed, as an addendum to this form).

3. Beneficial Owner(s) (see Note 1 (d))

(Please submit notarized photo identification, a bank reference and a recent copy of a utility bill or other verification of address (see Note 8))

a) If an individual:

Name and Address	Occupation	Nationality	No. and Class of Shares	% of Voting Rights	Date of Birth
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b) If a company:

Name and Address	Place of Incorporation	Stock Exchange(s) (if quoted)	No. and Class of Shares	% of Voting Rights
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4. (a) Authorized capital of Company (the capital can be whatever the client wishes. We usually capitalize some of the incorporation fees and set the capital at \$2,500.00 - See also Note 2 (a)).

(b) Par value of shares (we suggest US\$1.00 per share. Shares of no par value are not permitted)

(c) Amount of proposed call on the capital (as a percentage – this is usually 100%)

5. Allotment of share capital as it will appear in share register (Only fully paid shares may be registered in the name of local nominee). (See Note 6).

Name(s)	Residential Address	Nationality	Percentage
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6. (a) Persons to be elected Directors (see Note 5 (b) – The company must have at least one Director. (Please submit notarized photo-identification and bank reference(s) (see Note 8)).

Name(s)	Residential Address	Nationality
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- (b) Persons to be elected Alternate Directors.

Name(s)	Residential Address	Nationality
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7. Address of Registered Office of Company in Bermuda (normally the address above).

8. Location of Share Certificates (usually in Minute book):

9. Name of Officers to be elected:

(a) President:

(b) Vice President

10. Additional officers (if any). (These need not be directors).

(a) Assistant Secretary:

(b) Treasurer:

(c) Other:

11. Person to be appointed Secretary. (This service normally provided by this firm):

12. Name of Auditors for annual audit on behalf of shareholders. (Under certain circumstances the appointment of an auditor may be waived).

13. Name of Accountant (or manager for insurance companies) who will keep the company's accounts and financial records. (Our firm normally provides these services – see Note 5 (c)).

14. Financial year-end of company (if immaterial then at option of auditor or 31st December).

15. Bank account(s) required in Bermuda

- (a) Name of Bermuda bank: The Bank of N.T. Butterfield & Son Ltd.
 HSBC Bank Bermuda Limited
 Bermuda Commercial Bank Ltd.
 Clarien Bank Limited

(b) Signatories: _____ Titles: _____

(c) Number of signatures required:

N.B. Notarized Photo-identification and bank references must be supplied by all signatories (see Note 8)

16. Bank account(s) required outside Bermuda

(a) Name of bank: _____

(b) Signatories: _____ Titles: _____

17. Is tax exemption undertaking required up to 2035? (See Note 3).

18. Will the company require registration of any e-mail or website addresses in Bermuda?* YES/NO

e-mail / Website details: _____

NB: If you are planning to have a website to support operations in Bermuda, please advise us. Please also ensure that any drafts of that website are password protected and unavailable to the public until permission has been received from the Bermuda Monetary Authority to incorporate your Bermuda company. Illumination of misleading websites can lead to serious regulatory consequences for beneficial owners.

18. A remittance is requested as payment on account in respect of preliminary incorporation disbursements in the event that this proposal is accepted. The amount required depends on the authorized capital fixed for the company and should be discussed with us on submission of this questionnaire. Wiring instructions are as follows for Alexander Management Ltd.'s U.S. Dollar Client Trust Call Account:

Correspondent Bank:	The Bank of New York Mellon, New York One Wall Street New York, New York 10266, USA SWIFT: IRVTUS3NXXX or Fedwire #021000018
Beneficiary Bank Account # at correspondent bank	8900570903
Beneficiary Bank Account Name:	The Bank of N. T. Butterfield SWIFT: BNTB BM HM XXX
For credit to:	Alexander Management Ltd.
Account Number:	840 0934 060040
Beneficiary Address:	Belvedere Bldg. 69 Pitts Bay Road, Pembroke HM 08 Bermuda
N.B. Please have instructions state the name of the proposed company.	

19. Special instructions:

20. I/We hereby confirm the above instructions and request Alexander Management Ltd. to incorporate an exempt company in accordance with them.

Signature/Authorized Signatory

Date

NOTES ON THE FORMATION OF EXEMPTED COMPANIES IN BERMUDA

1. Most exempted companies can be formed by registration within a week from the date when complete instructions are received at our offices. To enable our office to accomplish registration on your behalf, we will require the following:
 - (a) The proposed name of the exempted company, preferably with two alternative names. The Registry is quite flexible and allows registration of names that are case sensitive (e.g. with certain letters or words in block capitals), or using plays on words or letters. Accordingly, please insert the name as you want it to appear.
 - (b) A Business Plan containing a full description of the intended activities of the proposed exempted company (as opposed to what its objects and powers are to be). The company will have the powers of a natural person and will be able to conduct any business that is allowed by law.
 - (c) The full names, including middle names (initials are not acceptable), residential addresses, occupations and nationalities of all beneficial owners of the proposed exempted company.
 - (d) Personal Declarations (as attached), completed and signed by each beneficial owner, for submission to the Bermuda Monetary Authority. If the parent of the proposed company is listed on a recognized stock exchange, these are not necessary.

2. Our standard fees for the formation and organization of an exempted company, incorporated by registration, are set out in the attached Form A. These fees do not include any additional work such as the drafting of special objects or bye-laws and also do not include disbursements in connection with the incorporation, which would be as follows:
 - (a) An Annual Fee is payable to the Bermuda Government based on share capital. US\$2,095.00 is charged on share capital of US\$NIL up to \$12,000.00 for each year the company is in existence on a calendar year basis, the first installment of which is due immediately upon organization of the company.

If the company is formed between 1st September and 31st December, the Annual fee for the balance of that year is reduced by half (i.e. US\$1,047.50 on the lowest band of capitalisation).
 - (b) A fee for incorporation of \$320.00 is payable on application to the Bermuda Monetary Authority, together with a registration fee of \$95.00.
 - (c) Miscellaneous disbursements (faxes, long distance calls, photocopies, printing, corporate supplies, etc.) which normally amount to approximately \$450 - \$500.00.

3. An exempted company is entitled to apply for an undertaking from the Bermuda Government for an exemption from tax in the event of direct taxation being introduced through the legislature, such as corporation or dividend tax, income or capital asset, gain or appreciation tax or tax computed on profits. This undertaking, or statutory guarantee, is provided for under The Exempted Undertakings Tax Protection Act 1966 and is valid until 31st March 2035. A fee of US\$195.00 is payable to Government for this tax exemption, which is optional.

4. Apart from the above, there are no fees or taxes payable in Bermuda by the exempted company.
5. The annual running expenses of an exempted company will be as follows:
 - (a) The Annual Fee mentioned above.
 - (b) Costs for the provision of directors, secretary and registered office of the corporate client. (Bermuda law requires that an exempted company have a registered office in Bermuda at which the corporate and financial records must be maintained).

It is also a requirement of Bermuda law that a company have a secretary who is ordinarily resident in Bermuda and a registered office. Our firm will be pleased to provide these services under normal circumstances. It is necessary to supply the full names, residence addresses, occupations and nationalities of all intended directors and officers.

Our fees for the provision of corporate administration and secretarial services depend upon the responsibility and activities involved and are normally settled by negotiation. While it is difficult to give a pre-estimate of such fees, our minimum annual service fee is US\$4,500 for the provision of corporate secretarial services and registered office. This is charged separately from the incorporation fees and is usually pro-rated to the end of the year of incorporation.

- (c) Bermuda law specifically requires an exempted company to maintain at its registered office in Bermuda, records of its financial affairs sufficient to show a true accounting on a quarterly basis and further, that such accounts be audited each year (subject to waiver when unanimously agreed by the shareholders). There is no requirement that such audited accounts be filed with any governmental authority or body, nor are they required be made available for inspection.

With regard to those exempted companies writing insurance, governmental policy presently requires that their capital must be at least the minimum specified for the types of risks to be written (ranging from US\$120,000 to US\$370,000), and this should be discussed with the proposed manager of the insurance company.

6. The incorporation costs of a company can be capitalized. If the company has a share capital, there is no legal requirement (other than in the case of those exempted companies writing insurance) that the share capital be fully paid up. Alexander Management Ltd. insists that the share capital be fully paid up where we are requested to act as nominees for a beneficial owner or owners.

Should the need arise; the capital can be increased by simple resolution of the shareholders. In the case of insurance companies, particular attention should be paid with regard to the minimum solvency margin, written premium ratio and admissible assets to ensure the proposed exempted company is within the Regulations of the Insurance Act, 1978, as there is a rigid governmental examination of these types of applications to ensure that they meet the minimum standards of the regulations.

7. All Bermuda exempted companies are normally designated by Foreign Exchange Control as “non-resident” for exchange control purposes, which means that these companies are free to deal in any currency of their choosing (other than Bermuda dollars) and thus are in effect completely free from all exchange control regulations.
8. In keeping with Bermuda Law and International requirements regarding Money Laundering and Proceeds of Crime, we are required to obtain satisfactory information regarding our clients before commencing a relationship. This information ensures that we are able to keep in close contact and provides protection for confidential arrangements. Accordingly, we require the following information on the ultimate beneficial owners of accounts established with us:-
 - (1) A notarized true copy of a current photographic identification (preferably a colour copy of the photo page of passport and valid driver’s license, or some other form of government-issued photographic identification).
 - (2) A notarized true proof of your residential address; e.g. a recent (within 3 months) utility bill or bank statement showing your name and your residential address.
 - (3) Permanent and alternate addresses and contact numbers (i.e. street and mailing addresses, telephone, fax, pager, cellular phone, email). This should be supplied on the Personal Declaration, a copy of which is attached.
 - (4) References attesting to integrity and financial standing. References relating to integrity will be accepted from professionals (e.g. lawyers or accountants) while letters relating to financial standing will usually be from a bank or financial institution. They should include statements regarding the length of time of relationship which should preferably be over three years. In the case of The Bank of N.T. Butterfield all references must be for relationships of over five years. For those companies whose ultimate beneficial owners are publicly listed companies, references are not required. In the case of non-public companies, background information is required on:
 - (a) The source of monies being used to fund the client’s arrangements, and
 - (b) Confirmation that professional tax advice on the proposed structure has been obtained in appropriate jurisdictions.
 - (5) Biographical information such as a resume or curriculum vitae.

N.B. The above information is treated as confidential and would only be disclosed to third parties under process of law or in connection with required transactional procedures in connection with the client’s affairs (e.g. to support opening of bank accounts).

**COSTS OF FORMING AND OPERATING AN
EXEMPTED COMPANY IN BERMUDA**

(A) INCORPORATION

Professional fee for incorporation (minimum)	US\$3,500.00
Government Application Fee (Bermuda Monetary Authority)	320.00
Government Registration Fee (Registrar of Companies)	95.00
Registration Fee (Registrar of Companies' Register of Directors)	95.00
Annual Government Fees (Full rate - see note and schedule below) *	2,095.00
Miscellaneous disbursements (corporate equipment, telephone, fax, etc. - approx.)	425.00
Tax Exemption Certificate	195.00
 TOTAL	 US\$6,725.00

Our professional fees cover standard incorporation procedures. Non-standard requirements, such as the drafting of special bye-laws and objects and transactions required as a matter of urgency are charged separately on a time-spent basis.

Legal work performed for the Company on transactional matters is, of course, charged separately.

**(B) ANNUAL CORPORATE ADMINISTRATION FEES FOR
MAINTAINING AN EXEMPTED COMPANY IN BERMUDA**

Annual Government Fees (see note and schedule below)*	US\$ 2,095.00
Registered office and Corporate secretarial services (Minimum) **	4,500.00
Compliance fee	750.00
TOTAL	US\$ 7,345.00
 Directorships (Minimum) ***	 US\$ 5,500.00

* Payable on registration in the year of incorporation and annually on 31st January thereafter. The fee is based on assessable capital (combining authorized share capital and share premium, if applicable). If incorporated in Bermuda between 1st September and 31st December the fee is reduced by half.

** These fees are based on time spent at standard rates subject to the minimum and are invoiced annually in advance. Unless there is frequent activity, the minimum fee should be sufficient to cover minuting and corporate record keeping of the company for the year. Please note that we will keep track of time spent on the Company's affairs and will invoice additionally if time spent exceeds the value of the minimum amount.

*** Directors' Fees are negotiable and are based on a variety of considerations relating to the responsibilities involved.

(C) BANK ACCOUNTS – Bermuda companies can hold bank accounts in whatever country the principals desire those accounts to be located. The opening of corporate bank accounts is frequently a time-consuming process separate from incorporation. Accordingly, the costs are additional to those charged for incorporation.

To open accounts in Bermuda, local Banks now frequently require (inter alia) the following:

1. An explanation of why the applicant has chosen to establish a company and open accounts in Bermuda - The banks seek a solid rationale for having a company and accounts in Bermuda.
2. Evidence of professional tax advice and detailed explanation of why Bermuda was chosen over other jurisdictions.
3. A business plan for the company.
4. Confirmation that the source of funds to establish the account is legal and in future will be generated by the business of the company.
5. Information on expected transactional volume on the account.

Bermuda Banks are now required to assign a risk weighting to all new account applications based on factors that they are required to assess. If the proposed business is deemed to be “higher risk” involving modest balances, it is likely that they will refuse to open accounts. Accordingly, we cannot guarantee that the company will be allowed to hold an account in Bermuda.

Transfer of Companies

The costs of “onboarding” a company or transferring to another service provider are charged on an hourly basis with a minimum charge of US\$500.00.

Accounting, Consulting, Legal Documentation & Other Services

Services outside of standard corporate secretarial activities set out above (and legal services provider through our affiliated law practice, **Alexanders, Barristers & Attorneys**) are charged as separate files on a time spent basis. Hourly charges vary from simple bookkeeping to fees for professional services from US\$180.00 per hour to \$500.00 per hour. Disbursements are charged separately.

Documentation services (notarization, arranging for apostilling and legalization of documents) have a separate fee schedule (attached).

GOVERNMENT FEE SCALE

<u>Assessable Capital</u>	<u>Annual Fee</u>
US\$	US\$
Nil to 12,000	2,095.00
12,001 to 120,000	4,275.00
120,001 to 1,200,000	6,590.00
1,200,001 to 12,000,000	8,780.00
12,000,001 to 100,000,000	10,980.00
100,000,001 to 500,000,000	19,605.00
Greater than 500,000,000	32,676.00