

HARRY B. SANDS, LOBOSKY & COMPANY

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MEMORANDUM ON

Formation of International Business Companies (IBC's)

We are able to act on behalf of clients in the incorporation of an I B C. If we are provided with the information detailed below, we can, in a straight forward case, effect the incorporation within one working day. A Certificate of Incorporation and certified copies of the constitutional documents will be available within 3 days thereafter.

We require the following instructions:

1. The proposed name. As sometimes a similar name may be registered, provide 3 or more of your choices in order of preference. The name must include as its final word one of the abbreviations "Ltd.", "Corp.", "Inc.", "GmbH", "S.A." or "LLC" or their respective full terms to indicate limited liability. Advise us of your preference.
2. An I B C may engage in any lawful activity. We recommend that you advise us of the prime activities of the Company and of any limitations you wish to put on them so that we can give them due consideration.
3. Advise in what currency the capital is to be expressed, the amount of capital, and the way in which the capital is to be divided and whether the shares in the capital are to have a par value or not.
4. Advise us as to how many shares are to be issued and to whom. A minimum of one (1) shareholder is required. We are required to maintain a record of the beneficial owner of the shares and A Register of Shareholders. There is no public record of who are the Shareholders.
5. An I B C must have a Registered Office and a Registered Agent in The Bahamas. We can supply these services. Registers of Shareholders, Directors and Officers are required to be kept at the Registered Office. We shall require that copies of all minutes to kept at the Registered Office so that we are better able to assist the company from time to time on structural matters.
6. The Company must have at least one Director and, we recommend, in addition at least one Officer - a Secretary. These positions may be filled by Companies. **A copy of the Register of Directors and Officers is required to be filed at the Companies Registry.** Advise us of your nominees with their addresses. We are able to provide a secretary and/or an assistant secretary
7. Further information. Advise us if the Company is to open a bank or other account with details and if the Company is to appoint auditors. If you have no previous relationship with Banks in The Bahamas and a Bank Account is essential, we can advise you separately on the usual requirements. Advise us of any other matter affecting structure or purpose, so we may best assist you.
8. Limitations and Exemptions. You should know that where an I B C desires to carry on business with persons resident in The Bahamas it must first obtain approval from the Exchange Control Department of the Central Bank of The Bahamas. The I B C, however, is exempt from Exchange Control requirements with respect to its operations which are or are intended to be exclusively overseas.

9. Cost of Incorporation. Our usual incorporation fee is \$800.00. There are filing fees of \$400.00 for companies payable to the Registry:

In addition there are out of pocket expenses for the Company Seal, Share Certificate Book and Registered Office sign of \$92.00 and a fee of \$60.00 for certifying 2 copies of the Memorandum and Articles of Association.

We require an advance of \$1,900.00

The advance is intended to meet the incorporation fee and expected disbursements together aggregating \$1,350.00 as well as \$550.00 on account of the registered services fees. After incorporation a statement will be provided showing funds (if any) held on account.

10. Annual Maintenance Expenses. The minimum maintenance expenses in connection with each calendar year amount to the following:
1. Annual fee payable to the Registrar General of The Bahamas on 1st January of each year of \$350.00 for companies with an authorized capital of \$50,000.00 or under and \$1,000.00 for companies with a capital of over \$50,000.00
 2. Our professional fee for providing the Registered Office, and the Registered Agent and maintaining the Company's statutory records is \$550.00 per year also payable in advance of the year.
11. Due Diligence: We are required under the provisions of the Financial and Corporate Services Providers Act 2000 to have the following information and/or documentation on file with respect to each beneficial owner of every company we represent:
- (a) Full details of the names, addresses and contact details, including telephone and facsimile numbers and electronic addresses
 - (b) Copies of the relevant pages of the passports of each beneficial owner.
 - (c) Details of the principal place of business.
 - (d) Two sources of reference which provide adequate indication on the reputation and standing of each beneficial owner

To expedite formation we recommend you send the advance of \$1,900.00 by way of Bank wire transfer to our Bankers.