



**“Colaw group companies”** means Colaw, Colaw Limited, Colaw Nominees Limited, Colaw Second Nominees Limited, Colaw Secretaries Limited, Colaw Fiscal Consultants Limited, Colaw Offshore Services (UK) Limited and their respective directors, officers, employees, agents and consultants and their respective successors in title and their assigns.

**“Indemnified Person”** means Colaw and/or any member of the Colaw group of companies.

**“Letter”** means the letter of engagement attached hereto.

**“Services”** means the Services, full particulars of which are set out in the Letter.

In these Terms and Conditions the masculine gender shall include the feminine and vice versa and the singular shall include the plural and vice versa. References to persons shall include individuals bodies corporate unincorporated associations and partnerships

## Terms

The Client gives the undertakings and indemnities set out herein in consideration for Colaw agreeing to provide the Services to the Company.

### 1. Colaw’s duties

- 1.1 Colaw is appointed to act by the Company and its duties are owed solely to the Company on the basis of the Agreement. Colaw will provide the Services (or such other Services as may be agreed in writing between the Company and Colaw) with the reasonable skill and care of a professional corporate service provider in all cases as soon as reasonably practical. Time shall not be of the essence of the Agreement.
- 1.2 Colaw is entitled to take any steps that it may in its absolute discretion think fit without being responsible for any loss whatsoever and howsoever arising to protect the interests and/or assets of the Company.
- 1.3 The Client and the Company agree that in connection with the provision of the Services Colaw may instruct legal and other advisors from time to time on behalf of the Company and it is agreed that such costs shall be covered by the indemnity arrangements referred to herein.
- 1.4 Colaw shall be entitled and is hereby irrevocably authorised to liquidate any assets to which the Company has full title in order to discharge any liability that the Company has incurred and the Company and the Client will give every assistance to the Administrator in this request.

### 2. The duties of the Company and the Client

- 2.1 The Client and the Company agree on demand to provide to Colaw such information, records and financial statements as it considers necessary in order to ensure that the Company complies with all applicable legislation and that any officers provided by it can perform their duties to the standard imposed by all applicable legislation.
- 2.2 The Client is responsible for ensuring that he has taken and warrants that he has taken all necessary tax and legal advice in all relevant jurisdictions with regard to the establishment and operation of the Company and for ensuring that the activities or proposed activities of the Company will not breach the laws of any relevant jurisdiction. Save as agreed in writing Colaw is not responsible for advising the Client in relation to any such matters.
- 2.3 In order to enable Colaw to meet its legal and regulatory obligations in respect of the administration of the Company, the Client and the Company agree to keep it fully and promptly informed of the beneficial ownership of the issued share capital of the Company and of any changes or dealings in relation thereto (whether by transfer or grant of option or agreement to do so or otherwise). Failure to comply may result in Colaw terminating the Services forthwith.
- 2.4 The Client and the Company undertake forthwith to inform Colaw of any other matters that might affect the Company and/or Colaw's willingness to provide, or continue to provide, any of the Services described in the Letter or any matter that is material to the management or affairs of the Company.
- 2.5 The Client hereby undertakes to inform Colaw immediately upon changing his usual business address or residential address or telephone or fax number or e-mail address in addition to any other contact address provided by the Client.
- 2.6 The Client irrevocably agrees that Colaw can (but shall not in any event be obliged to) rely on communications received from him in determining what steps it is required to take in administering the Company.
- 2.7 The Client hereby agrees that he will make all necessary disclosures and returns to the requisite authorities as required by the law to which he is subject in relation to the Company and Services.
- 2.8 The Client must notify Colaw of the nature of the activities of the Company and of any material changes in those activities of the Company. In the event failure or refusal to comply with this obligation Colaw may suspend the Services or terminate this agreement forthwith by written notice to the Client as set out in clause 9.
- 2.9 Upon request the Client and the Company undertake to provide Colaw with whatever information it may reasonably require in relation to the

background of the Client and/or business dealings and transactions of the Company. In the event failure or refusal to comply with this obligation Colaw may suspend the Services or terminate this agreement forthwith by written notice to the Client as set out in clause 9.

- 2.10 For the avoidance of doubt where Colaw provides directors for or arranges for others to be directors of the Company, the opening and control of all Company bank accounts shall remain with the directors as will the control of any financial transactions and/or assets belonging to the Company.
- 2.11 Again, for the avoidance of doubt if Colaw provides for or arranges for others to be directors of the Company the directors provided are ultimately responsible in law for the management of the Company and no instructions by any third party, whether given under the terms of the agreement with the Client or otherwise, can be allowed to fetter their discretion.
- 2.12 Where Colaw provides or arranges for nominee shareholders the arrangement shall be recorded in writing and the original nominee shareholders agreement shall be retained by Colaw and a copy shall be forwarded to the Client (if so required and requested in writing).
- 2.13 The Client and the Company acknowledge that they are advised by Colaw that they are entitled by statute to a list of current nominee/security shareholdings. The Client and the Company hereby waives that entitlement. Colaw undertakes to provide such a list however within 7 days of the receipt of a request in writing from the Client so to do.
- 2.14 No reference will be made by the Client or the Company to the registered office of the Company in any advertisement or public announcement without the specific consent of Colaw.

### 3. Fees and invoicing arrangements

- 3.1 A schedule of Colaw's scale of charges as at the date of the Letter is attached to the Letter. Subject to any contrary agreement in relation to annual or other periodic charges Colaw shall be entitled to vary such scale of charges by not less than 30 days notice. All fees and charges are exclusive of VAT and other applicable duties (if any), which shall be payable in addition to such fees and charges.
- 3.2 The Company agrees forthwith on demand to indemnify Colaw in respect of all and any liabilities, costs, charges, demands, disbursements or other expenses incurred by Colaw in the course of providing the Services described in the Letter. Colaw will not be required to incur any expenses

or make any payments of any description in the course of providing the Services unless Colaw has received sufficient funds in advance.

- 3.3 Fee notes (which shall include disbursements incurred on behalf of the Company) will be rendered to the Company periodically. The Client agrees to pay and discharge any such invoice forthwith on demand. In the event that any invoice remains unpaid 30 days after the date thereof interest will be charged at the rate of 8% per annum until payment.
- 3.4 Colaw shall be entitled and is irrevocably authorised to withdraw funds from any moneys held by it on behalf of, or any account managed by it on behalf of, the Client and/or the Company in order to discharge all and any fees, liabilities, costs, charges, demands, disbursements and expenses payable hereunder.
- 3.5 Further if fees do remain unpaid for more than thirty days Colaw may at its discretion give 14 days notice of termination of this Agreement.
- 3.6 Payment of fees shall be by cheque, banker's draft or Telegraphic Transfer from a bank acceptable to Colaw.
- 3.7 The Company and the Client agree that Colaw and/or the Colaw group of companies shall be entitled to retain any commission or fee which is paid or may become payable to them notwithstanding that such commission or fee is payable as a direct or indirect result of this appointment or any dealing with property which is or may become associated with the appointment hereunder.
- 3.8 No refunds shall be given after instructions for the formation or change of ownership of the Company has been processed.
- 3.9 Ownership of any Company incorporated on behalf of or at the request of the Client shall not pass to the Client as the case may be until all incorporation costs have been received by Colaw.
- 3.10 Colaw shall not be liable for any penalties, fines, fees, late filing fees or other liabilities incurred by the Company in relation to the Company and/or the Services and the Client accepts full responsibility to pay these and to indemnify the Company and/or Colaw as the case may be against any liability in respect of them.
- 3.11 If the Client or the Company no longer require the Services provided by Colaw then within 30 days of the receipt of the invoice for the forthcoming year's Services the Client or the company shall advise Colaw accordingly. If the Client or Company do not inform Colaw then they shall be deemed to have accepted liability to pay for the Services for the forthcoming twelve months period and shall be liable for the payment of the fees in full.

#### 4. Indemnity and Limitation of Liability

- 4.1 To the extent permitted by law the Client and the Company jointly and severally undertake and agree to indemnify each Indemnified Person against all and any costs, claims, demands, losses, expenses, damages and liabilities whatsoever and howsoever arising (including without limitation legal costs and expenses) that may be incurred or suffered by any Indemnified Person however arising (other than by reason of fraud or dishonesty on the part of any Indemnified Person) in connection with the provision of the Services or the performance of this Agreement and/or their duties as officers of the Company. Colaw accepts this indemnity for itself and as trustee for each Indemnified Person.
- 4.2 Colaw shall not be liable to the Client or the Company in respect of anything done or omitted to be done by Colaw under this Agreement except arising as a result of fraud on the part of Colaw or any Indemnified Person.
- 4.3 Notwithstanding anything else contained herein to the contrary Colaw's liability in respect of all and any breaches of contract or breaches of duty or fault or negligence or negligent misstatement or otherwise howsoever and of whatever nature arising out of or in connection with this agreement shall be limited to Pounds Sterling One Million in the aggregate whether arising out of one event or arising out of a series of events.
5. Information and confidentiality
- 5.1 Colaw agrees that where the Client or the Company gives it confidential information subject as stated herein it shall use all reasonable endeavours to keep it confidential.
- 5.2 Without prejudice to the said duty of confidentiality, Colaw reserves the right to act for other clients (including competitors of the Client/Company).
- 5.3 The Client and the Company acknowledge that Colaw is bound by regulatory and other obligations under law of the jurisdiction in which the Services are provided and the jurisdiction of incorporation of the Company and agree that any action or inaction on the part of Colaw as a result thereof shall not constitute a breach of Colaw's duties hereunder. The Client and the Company further agrees to indemnify Colaw in respect of all liabilities arising in connection with such compliance and accepts that Colaw its directors, officers, servants or agents will not incur any liability to the Client or the Company in complying with such requirement and shall not be held responsible for such loss in relation to these obligations howsoever caused.
- 5.4 Any report, letter, information or advice Colaw gives to the Client during this engagement is given in confidence solely for the purpose of this engagement and is provided on condition that the Client undertakes not to disclose the same, or any other confidential information made available to the Client by Colaw without its prior written consent.

- 5.5 Colaw shall not in any event be required or obliged to take any action which it considers to be unlawful or improper or which may cause it or any Indemnified Person to incur any personal liability and the Company and the Client agree that Colaw shall not be liable for refusing to take any such action.
- 5.6 Notwithstanding any provision hereof Colaw shall be entitled and is irrevocably authorised to open and read all and any correspondence, letter, fax or other communication received by the Company and/or itself on behalf of the Company or the Client.
- 5.7 The Client and the Company accepts that Colaw has ongoing responsibilities to “Know Your Client” and agree promptly to provide to Colaw such additional information and documents as it may request from time to time. The Client and the Company agree that in the event that either of them refuse or fail to comply with this obligation Colaw may suspend its obligations or terminate this agreement forthwith without being liable for loss by written notice.

6. Monies held by Colaw

- 6.1 Moneys held by Colaw on behalf of the Company and/or the Client shall be held in a clients trust account in trust for the Company or the Client as the case may be provided that for the avoidance of doubt the Company and the Client acknowledges that any money held in the Company’s bank account shall not be held in a trust account.
- 6.2 Colaw shall use all reasonable endeavours to procure that amounts held in clients trust accounts are interest bearing at a reasonably competitive rate of annual interest (and shall provide details of such rates from time to time on request) provided that no interest shall be payable in respect of balances where the annual amount of interest earned did not exceed £500..
- 6.3 All interest earned on monies held in accordance with clause 6.2 hereof shall accrue for the sole benefit of the Client or the Company as the case may be and shall be credited to the relevant account.

7. Notices

Any notice or other document to be served under this Agreement must be in writing and may be delivered by hand or sent by pre-paid letter post or facsimile transmission or unencrypted electronic mail to the party to be served at that party's address as set out in the Letter (or as varied from time to time by notice in writing in accordance herewith from time to time).

8. Electronic Communications

The Company/Client hereby authorise Colaw to communicate with them by unencrypted electronic mail and agree that Colaw shall have no liability for any loss, damage or liability incurred by the Client/Company by reason of the use of electronic mail (whether arising from viruses or otherwise) and hereby release Colaw from any such liability. Colaw shall not be liable for any loss or damage caused by the transmission by it of infected email.

8. Assignment

The terms of this engagement shall be binding upon and enure for the benefit of the successors of the parties but shall not be assignable in whole or in part by any party without the prior written consent of the other parties provided that Colaw shall be entitled to assign its rights and liabilities hereunder by not less than 30 days notice to the Company and the Client.

9. Termination and Suspension of Services

9.1 This Agreement may be terminated by Colaw or the Company giving 30 days written notice (or such shorter notice as the other parties may agree to accept) to the other party whereupon this Agreement and the obligations of the parties (save as set out in clauses 4 and 5 and in respect of antecedent breaches) shall cease and terminate.

9.2 This Agreement may be terminated with immediate effect by notice in writing by either the Company or Colaw in the event that:-

- (a) the other party commits any material breach of its obligations under this agreement or under any other agreement between the parties; or
- (b) the other party goes into liquidation (except for the purpose of a bona fide solvent amalgamation or re-organisation) or is declared bankrupt; or a bankruptcy petition is presented against him or a receiver or administrator is appointed in respect of it; or
- (c) any encumbrancer takes possession of a material part of the property of the other party or execution is levied in respect of the other party's assets; or
- (d) anything analogous to any of the foregoing occurs in relation to the other under the law of any jurisdiction.

9.3 Colaw shall be entitled to terminate this Agreement with immediate effect by written notice to the Company in the event that any legal proceedings are commenced against the Company (including any injunction or investigation proceedings).

9.4 Termination shall be without prejudice to any rights or liabilities of any party either arising prior to termination or arising in respect of any act or omission occurring prior to termination.

- 9.5 In the event of termination, Colaw shall not be obliged to return all or any part of the fees and expenses paid to it hereunder (save for amounts paid on account of disbursements to be incurred).
- 9.6 In the event of termination Colaw, the Company and the Client shall each arrange that all such acts are done as may be necessary to give effect to such termination and the Client shall within 30 days of the date of termination procure the appointment of a successor administrator and replacement officers and Colaw shall, subject to payment of all amounts due to it, co-operate with the Client in relation to such appointments.
- 9.7 Upon the termination of this Agreement, Colaw shall deliver to the Company or to whom it may direct all books of account, correspondence and records relating to the affairs of the Company which are the property of the Company and which are in Colaw's possession.
- 9.8 In any case where Colaw is entitled to terminate this Agreement hereunder Colaw shall be entitled, without prejudice to such right to terminate, to suspend the provision of Services hereunder for such period and on such basis as it may determine and during such period Colaw shall not have any duty to provide any Service hereunder.
- 9.9 The Company acknowledges that notwithstanding the right of Colaw to terminate or suspend its Services in accordance herewith Colaw (and/or its officers, agents and employees) may have continuing regulatory/fiduciary duties under applicable law. Accordingly, without prejudice to its rights, it is agreed that Colaw shall be entitled (but not obliged) to continue to provide Services so as to discharge such duties and shall be entitled to charge it's applicable rate for the provision thereof and without prejudice to the generality hereof Colaw reserves the right to cause the Company to be dissolved in accordance with applicable law in such circumstances.
- 9.10 In the event that the Client shall no longer require Colaw to provide the Services then the Client shall give to Colaw 30 days notice. Subject to payment of all outstanding invoices and the termination fee plus VAT (if applicable) (as hereinafter defined) Colaw shall procure the delivery of all Client/Company files as the case may be as the Client shall direct.
- 9.11 A termination fee of £500 plus disbursements and where applicable legal and accounting fees shall be payable by the Client to Colaw upon Services no longer being required whether this is due to winding up, termination, disposal or transfer of management or administration. This termination fee shall be chargeable in addition to any fees payable in respect of documentary work, time spent in effecting such termination including but not limited to dissolution, receivership, legal and accounting expenses and disbursements payable to third parties.
10. Entire Agreement

These Terms and Conditions and the Letter (including any fee and/or revised fee Schedule) constitute the entire Agreement between the parties in relation to the provision of Services to the Company and may only be varied by agreement in writing signed by or on behalf of the parties (save that the fees chargeable hereunder shall be variable as stated in the fee schedule).

11 Complaints

If any Company and/or Client should have a complaint they should make such complaint, in writing, to the Managing Director of Colaw who shall acknowledge such complaint promptly, investigate the circumstances and seek to remedy the complaint as swiftly as possible. Should it prove impossible to satisfy the complainant then the matter shall be subject to arbitration.

12 Arbitration

Should any dispute or difference arising out of or in connection with this Agreement be unresolved by the procedures in 11) above then such dispute or difference shall be referred to and determined by a sole arbitrator (the Arbitrator) and such arbitration shall be held in the Isle of Man or, if Colaw considers it more convenient or appropriate, elsewhere. The Arbitrator shall be appointed by agreement between the parties or in default of agreement by the president for the time being of the Law Society of the Isle of Man. For the avoidance of doubt all parties to this Agreement agree that the decision of such arbitration shall be final and binding on all parties to that arbitration.

13 Severability

If any provisions of this Agreement is or at any time becomes illegal or invalid or unenforceable in any respect the legality and validity and unenforceability of the main provisions of this Agreement shall not in any way be affected or impaired thereby.

14. Law and jurisdiction

These Terms and Conditions and the Agreement shall be governed by and construed in accordance with Isle of Man law and any dispute arising in respect thereof shall be subject to the jurisdiction of the Isle of Man High Court and the Company and the Client hereby submit to the jurisdiction of the Isle of Man High Court.

Yours faithfully

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for and on behalf of  
Colaw (Offshore Services) Limited

We acknowledge receipt of the letter of which the above is a copy together with the attached copy Terms and Conditions which we have read and understood. We jointly and severally confirm our agreement to the contractual arrangements set out therein.

.....  
Signed by the Client  
Dated 2002

Revised as at 6<sup>th</sup> September 2002