



**INCORPORATION COST SUMMARY - ORDINARY EXEMPTED COMPANIES**

<u>Description</u>	<u>Cost (BD\$)</u>
1. Quorum International Limited fee for incorporation  (minimum, subject to time spent)	\$2,500
2. Government Registration Fee (minimum) based on level of Assessable Capital. (See Note below) Where incorporation takes place on or after 1st September, only one-half of applicable fees are payable.	\$1,870
3. Corporate equipment and advertising costs	400
4. Application fee for incorporation	249
5. Tax Exemption Certificate fee	152
6. Registration fee	<u>74</u>
Total (minimum)	\$2,745 =====

Note: The amount of the Government Registration Fee depends on the Government Fee Scale as follows:

<u>Assessable Capital - US\$</u>	<u>Fee - BD\$</u>
12,000	\$1,870
12,001 - 120,000	\$3,820
120,001 - 1,200,000	\$5,890
1,200,001 - 12,000,000	\$7,850
12,000,001 - 100,000,000	\$9,815
100,000,001 - 500,000,000	\$17,530
500,000,001 or more	\$29,220

"Assessable Capital" is the total of the Company's authorized share capital plus its share premium account, if any.

Deposit on Account Payable to Quorum International Limited

Quorum requests a minimum deposit on account of fees and disbursements as listed above of US\$5,245.00, based on the minimum Government Registration Fee of \$1,870.00. If the Assessable Capital of the Company is to be greater than \$12,000, then the deposit on account payable to Quorum should be increased by the corresponding increase in the Government Incorporation Fee (see Note above).

- Notes:** (1) International businesses incorporate in Bermuda as 'exempted' companies, which are exempt from Bermuda's laws in relation to 'local' companies.  
 (2) BD \$1.00 = U.S. \$1.00



## PER ANNUM COST SUMMARY - ORDINARY EXEMPTED COMPANIES

1. Corporate Administrative Services Fee  
(Quorum Services Limited)

Minimum Fee for corporate administrative services, per annum: US\$4,500.00

The above is a minimum fee subject to time spent, payable in full on 30 June of each year (i.e. one-half in arrears; one-half in advance). As a general guideline, corporate administrative services include the following:

- (a) Providing Registered Office;
- (b) the provision of Bermuda Resident Company Secretary, Assistant Company Secretary and Resident Representative (if applicable);
- (c) telephone attendances and receiving instructions;
- (d) Convening and holding Board Meetings and Shareholders Meetings, including Annual General Meeting;
- (e) Drafting of Minutes, maintaining Minute Book and Share Register, etc.; and
- (f) Ensuring that the Company is kept in good standing through payment of Annual Government Fee and filing of Annual Declaration.

2. Annual Government Fee - Based on Government Fee Scale, as follows:

<u>Assessable Capital - US\$</u>	<u>Fee - BD\$</u>
12,000	\$1,870
12,001 - 120,000	\$3,820
120,001 - 1,200,000	\$5,890
1,200,001 - 12,000,000	\$7,850
12,000,001 - 100,000,000	\$9,815
100,000,001 - 500,000,000	\$17,530
500,000,001 or more	\$29,220

"Assessable Capital" is the total of the Company's authorised share capital plus its share premium account, if any.

The Annual Government Fee is payable in January of each year following the year of incorporation.

3. Auditors' and Accountants' Fees

Auditors and Accountants charge their fees to the Company based upon the nature of the work carried out. Their fees are subject to negotiation.

**Notes:**

- (1) International businesses incorporate in Bermuda as 'exempted companies, which are exempt from Bermuda's laws in relation to 'local' companies.
- (2) BD \$1.00 = U.S. \$1.00

## PERSONAL DECLARATION

Name of Entity in connection with which this declaration is being completed:			
Surname:			
Complete forename(s):			
Known by other name(s):			
Any previous name(s):			
Name of Spouse:			
Residential Address: (P.O. Box <u>not</u> acceptable)			
Country of Citizenship		Passport No:	
Passport Details	Date & Place of issue:		
Date of Birth:	Day:	Month:	Year: Gender:
Place of Birth:	City:	Country:	
Occupation:			
Present Employer:			

1. A separate declaration must be completed and signed by each individual proposing to have a beneficial interest in a company to be registered. In respect of partnerships, a declaration is to be completed by the general partner(s), where the general partner is an individual.
2. Questions 1 - 6 must be completed by each individual proposing to have a beneficial interest in a company to be registered. In respect of partnerships, a declaration is to be completed by the general partner(s), where the general partner is an individual.
3. Questions 7 - 10 must be completed where the entity proposed to be registered or formed is to carry on investment business or is a collective investment scheme.

**IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS YES PLEASE PROVIDE DETAILS IN WRITING IN RESPECT OF THAT ANSWER.**

- |   | <b>Yes</b>               | <b>No</b>                |
|---|--------------------------|--------------------------|
| 1. Do you have any interest in any company or partnership registered or formed in Bermuda?    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Have you ever been refused consent to register a company or form a partnership in Bermuda? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are you or have you ever been an undischarged bankrupt?                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Have you ever been convicted of a criminal offence involving fraud or dishonesty?          | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Has fraud or dishonesty been proven against you in any civil proceedings?                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you ever been the subject of a judicial or other official enquiry?                    | <input type="checkbox"/> | <input type="checkbox"/> |

**Questions 7 - 10 must be completed where the entity proposed to be registered or formed is to carry on investment business or is a collective investment scheme.**

- |   | <b>Yes</b>               | <b>No</b>                |
|---|--------------------------|--------------------------|
| 7. Have you or any entity that you have been associated with, ever been refused or had revoked a licence, permit or other authorisation to provide investment business to the public in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are you a member in good standing of a self regulatory organisation?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8a. If yes, name the organisation(s):   |                          |                          |
| 9. Have you ever been the subject of investigation, proceeding or other enquiry by a self regulatory organisation of which you are or were a member?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Have you or any entity that you have been associated with, ever been refused or had revoked a licence, permit or other authorisation to conduct investment business in any jurisdiction?              | <input type="checkbox"/> | <input type="checkbox"/> |

I hereby certify that the information in this Declaration is true to the best of my information, knowledge and belief.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_



B E R M U D A

COMPANY FORMATION QUESTIONNAIRE  
Exempt Company

**PRIVATE AND CONFIDENTIAL**

**Quorum International Limited**

Thistle House, 4 Burnaby Street, Hamilton HM 11, Bermuda  
Or

P.O. Box HM 796, Hamilton HMCX, Bermuda

Tel: (441) 294-3619

Fax: (441) 292-5962

*This form is for internal use only by Quorum International Limited*

# PART A: INCORPORATION

**PART A OF THIS QUESTIONNAIRE (Items 1 to 9) IS DESIGNED TO ELICIT THE INFORMATION AND THE DOCUMENTATION WE REQUIRE IN ORDER TO INCORPORATE A BERMUDA \*EXEMPTED COMPANY** (\*exempted from Bermuda local ownership laws).

## 1. Name of Company

Please print below the name of the proposed Bermuda company (the "Company") with at least two alternatives in order of preference (Note that name must end with either "Ltd." or "Limited").

1.

2.

3.

If initials are used in the name, please indicate what (if anything) they stand for. The proposed name must first be approved, reserved and then advertised. We will do this as part of our incorporation service.

## 2. Ownership of the Company

Bermuda Government policy requires full disclosure of the direct, intermediate and ultimate beneficial ownership of a Bermuda company. This information is provided to the Bermuda Monetary Authority (the "BMA") on a confidential basis.

Please provide the following particulars (if necessary, on a separate sheet) for each of the direct owner(s), the intermediate owner(s) and the ultimate beneficial owner(s) of the Company.

(i) Name:

(ii) Date of Birth:

(iii) Address:

(iv) Occupation or Business:

(v) Nationality or Place of Incorporation:

(vi) Percentage of Ownership in the Company or intermediate company:

Particulars of the beneficial owners of a public company are not required, except in relation to major or controlling shareholders.

If any owner is a public company quoted on a recognised stock exchange, please specify below the name and address of the company and the stock exchange(s) on which it is listed:

(i) Name:

(ii) Address:

(iii) Stock Exchange(s):

If any individual owner or company in the ownership chain is acting as a trustee or nominee for any other person or company, please disclose this to your MJ&M attorney. Should a trust, settlement or partnership be proposed as the owner of the Company, please consult your attorney for additional requirements.

If you think it would be helpful, please outline below or provide separately an organization chart showing the full ownership structure including companies, individuals, partnerships, trusts, etc.

Organization Chart (Ownership of Company)

**3. Supporting Documentation**

As a general rule, for each individual proposed owner (whether direct or ultimate) of a Bermuda exempted company, we require financial reference (in writing) from an accredited bank which has known that individual proposed owner for at least three years (the actual number of years should be indicated in the reference).

In the case of a private company proposed owner, the BMA requires the most recent (preferably audited) financial statements for the private company itself as well as a bank reference, as described above, in respect of each individual owner of that private company. Where one or more intermediate companies are involved, the financial statements are required for the direct private company owner(s), but in most cases not for the intermediate companies. Again, if the ultimate owner(s) is an individual, the financial reference described above is required. **Please note the specific requirements of Bermuda Banks with regard to five year references as noted in Information Sheet, # 8.**

In the case of a public company owner, the BMA requires the most recent annual report and subsequent quarterly reports, if available.

Please note that the owner of an existing Bermuda exempted company may be required (upon application to form another company) to provide updated financial information.

Depending on the circumstances, ownership structure and type of company, additional or modified information may be required. Your Mello Jones & Martin (MJM) attorney will advise you on this as necessary.

Please specify below the document(s) you are/will be providing by way of supporting documentation. Documentation provided:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

**4. Objects and Powers**

It is necessary to provide for the objects and powers of a Bermuda company in its Memorandum of Association.

To assist us in preparing appropriate objects and powers, please describe below, in as much detail as possible, the principal intended business of the Company:



Please note that the Government Incorporation Fee (and the Annual Government Fee) increases on a graduated scale from a minimum of \$1,780 for a company with the minimum authorised share capital of \$12,000, as the authorised capital is increased above \$12,000 (see MJ&M Incorporation Cost Summary - Ordinary Exempted Companies.)

If the Company is to be an ordinary exempted company (as opposed to an insurance company), please state below the amount and currency of the proposed authorised share capital:

Authorised  
Share Capital: Currency \_\_\_\_\_ Amount \_\_\_\_\_

**6B. Share Capital (Exempted Insurance Company)**

For insurance companies the minimum authorised, issued and paid-up capital is:

US \$120,000 - for companies writing "general business"

US \$250,000 - for companies writing "long-term business" (i.e. life insurance)

US \$370,000 - for companies writing general and long-term business

It should be noted that the Insurance Regulations made under the Insurance Act 1978 provide for a solvency margin in accordance with a prescribed formula, which may require a higher capitalization than the minimum amounts set out above.

Please state below the amount and currency of the proposed share capital of the insurance company:

Authorised and  
Issued Share Capital: Currency \_\_\_\_\_ Amount \_\_\_\_\_

**7. Par Value and Classes of Shares**

Under Bermuda law, "no par value" shares are not permitted. \$1.00 is the most common denomination for par value where capital is expressed in US\$.

Please describe below the class and par value of the Company's shares. The usual description for an ordinary exempted company with minimum capitalization is: "12,000 ordinary shares of US \$1.00 par value each". If more than one class of shares is contemplated, please also indicate below the basic attributes of each class (e.g. "10,000 7% non-cumulative, redeemable, non-voting preference shares of US \$1.00 par value each").

	<u>Number of Shares</u>	<u>Class of Shares (Description)</u>	<u>Par Value</u>
1.			
2.			
3.			

**8. Registered Office/Corporate Records**

The Company must have a Registered Office in Bermuda at which the statutory corporate records (i.e. Minute Book, Share Register, Register of Directors and Officers, etc.) are maintained. MJ&M will provide a Registered Office for the Company as part of our annual corporate administrative services.

Please indicate below whether you wish Quorum International Limited to provide the Registered Office and/or maintain the statutory corporate records:

Registered Office

Thistle House, 4 Burnaby Street  
Hamilton, Bermuda  
(i.e. Quorum offices)                    \_\_\_\_\_Yes                    \_\_\_\_\_No

If No, please specify the proposed address of the Registered Office:

Maintenance of Corporate Records

Quorum International Limited ("Quorum")                    \_\_\_\_\_Yes                    \_\_\_\_\_No

If No, please specify the name and address of the Company which will be providing these services:

**9. Date of Commencement**

Please state when the Company would wish to commence its business and if the commencement date is critical, say why:

Commencement Date: \_\_\_\_\_ Critical: \_\_\_\_Yes \_\_\_\_No

If yes, please specify reasons:

## **PART B: ORGANISATION**

**THE BALANCE OF THIS QUESTIONNAIRE (ITEMS 10 TO 21) IS DESIGNED TO ELICIT THE INFORMATION AND THE DOCUMENTATION WE REQUIRE TO ENABLE US TO PREPARE THE COMPANY'S ORGANISATIONAL DOCUMENTS.**

### **10. Share Registration/Calls on Capital**

Under Bermuda law, bearer shares are not permitted. The share register of a company is open for inspection by the public on request. Shares may be registered in the name of the beneficial owner or a nominee. A nominee is not required to disclose for whom shares are held, except pursuant to a court order.

There is no legal requirement as to the minimum percentage of the call on capital, except in the case of an insurance company where the minimum issued share capital must be called and paid up (See Item 6B above). Unpaid or partly paid shares create a liability for the outstanding balance. If the shares are to be registered in the name of Fernbank Limited, MJ&M's nominee company, all issued shares must be 100% called and paid up at the outset.

Most auditing firms will not accept appointment without details of the beneficial owner(s). If a nominee shareholder is to be used, please indicate below whether or not there is any objection to the name(s) of the beneficial owner(s) being furnished to the auditor.

Name(s) of beneficial owner(s)

To be furnished to auditors: \_\_\_\_\_ Yes \_\_\_\_\_ No

### **11. Increases to Authorized Share Capital**

The authorised and issued share capital of the Company will be as set out in Item 6 above. Please indicate below present intentions regarding authorised share capital.

(a) Minimum authorised share capital to  
Be increased at the outset: \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please indicate

Amount of increase: \_\_\_\_\_

(b) Additional shares created by  
The increase to authorised capital  
To be issued immediately: \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please indicate:

Name of Shareholder: \_\_\_\_\_

Number of Shares to be issued: \_\_\_\_\_

### **12. Share Premium/Contributions to Surplus**

The Annual Government Fee is payable by a Company on a graduated scale, details of which are set out in MJ&M's Annual Cost Summary - Ordinary Exempted Companies. The actual amount of the Annual Government Fee depends on the Company's "assessable capital" which, in the case of a joint stock company, is the sum of its authorised share capital and the share premium account. Contributed Surplus (i.e. payments to the Company such as donations of cash, which are not in payment for shares) is not included in "assessable capital" for purposes of calculating the Annual Government Fee.

Please indicate below whether or not it is intended either to pay a share premium on the shares to be issued or make to a contribution to surplus of the Company.

Share Premium:            \_\_\_\_\_ Yes      \_\_\_\_\_ No      If Yes, Amount \_\_\_\_\_

Contribution  
To Surplus:            \_\_\_\_\_ Yes      \_\_\_\_\_ No      If Yes, Amount \_\_\_\_\_

If the Contribution to Surplus is not in cash, please describe below the form the payment will take:

**13. Directors and Alternate Directors**

Under Bermuda Law, the minimum number of directors is two. Normally, the Bye-Laws provide for a quorum of two. It is possible for a Bermuda company to have either (i) a quorum of resident directors or (ii) a resident director and a resident secretary or (iii) a resident secretary and resident representative ("RR"). The duties of the RR are owed to the Registrar of Companies and require the RR to make written report to the Registrar within 30 days of any material breach of the 1981 Act or regulations thereunder. The RR is entitled to receive notice, attend and be heard at all meetings of the directors of the company. It is recommended that, in normal circumstances, each of any Bermuda-resident Directors should have an Alternate Director so as to facilitate the holding of Board meetings.

The annual fee charged by Quorum will reflect directorial services rendered, if any. Please refer to MJ&M's Per Annum Cost Summary - Ordinary Exempted Companies.

Please indicate below how many directors will constitute the Board of the Company, the quorum requirement.

Number of:      Directors            \_\_\_\_\_ Alternates            \_\_\_\_\_

Quorum, if more than two \_\_\_\_\_

**If MJ&M lawyers will be requested to serve on the Board of Directors, please indicate the reason for such request:**

MJ&M Director(s)            \_\_\_\_\_ Yes      \_\_\_\_\_ No

Please indicate below or on a separate page the names (including given names in full) addresses, nationalities and occupations of all non-MJ&M directors and alternates.

	<u>Name (in full)</u>	<u>Address</u>	<u>Nationality</u>	<u>Occupation</u>
1.				
2.				
3.				
4.				
5.				

**14. Officers**

The officers of the Company are elected by the Directors. The President or Chairman and at least one Vice-President or Deputy Chairman each must be a Director of the Company. The other officers may, but need not, be Directors. If Quorum is to provide corporate administrative

services to the Company and company secretary, it is suggested that one of the Quorum's Corporate Administrators be designated to serve as Assistant Secretary of the Company.

Please indicate below the names and addresses of the Officers of the Company.

Name Address

\* President/Chairman

\* Vice-President/Deputy Chairman

Secretary Tracey A. Lange, Quorum  
Asst. Secretary: Quorum International Limited

Other Officers, if any  
(Please specify title)

**\* Please delete inapplicable title**

**15. Business Office**

Please indicate below whether the Company intends to establish a business office in Bermuda.

Business Office in Bermuda:  Yes  No

If yes, please indicate below the staffing requirements:

Non-Bermudian staff may only be employed in Bermuda after strict compliance with immigration requirements. Please consult your MJ&M attorney regarding this matter.

**16. Overseas Bank Accounts**

If the Company intends to operate bank accounts in jurisdictions other than Bermuda, please give the name and address of the bank at which any such account is to be opened, the currency in which it is to be established, the names of the persons authorised to sign on the account and the nature (e.g. sole or joint) and extent of their authority. Please also arrange for the bank's standard resolutions/mandate to be forwarded to us for completion as part of the organizational matters to be dealt with on behalf of the Company.

<u>Bank Name &amp; Address</u>	<u>Names of Authorised Signatories</u>	<u>Description of Signing Authority</u>
------------------------------------	--	---

**17. Accounting/Auditing**

Under the Companies Act 1981 of Bermuda (the "Act") certain obligations are imposed upon the Company and its directors in relation to the maintenance of accounting and financial information and in regards to audit.

Firstly, pursuant to Section 83 of the Act, the Company must keep proper records of account with respect to (1) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place; (2) all sales and purchases of goods by the Company; and (3) the assets and liabilities of the Company. These records may be kept at either:

- (a) The registered office of the Company or at such other place in Bermuda as the Directors think fit, or,
- (b) Some place outside Bermuda. However, in this case, such accounting records must be made available to the Directors in Bermuda so that they can ascertain, with reasonable accuracy, the financial position of the Company at the end of each three month period.

In other words, quarterly management accounts or sufficient quarterly financial information should be sent to the Directors in Bermuda.

Secondly, under Section 84 of the Act, the Directors are required to present to the members (i.e. shareholders) of the Company in general meeting in each year financial statements for the relevant financial period, prepared in accordance with generally accepted accounting principles, together with an auditor's report thereon. Audited accounts may be waived provided that all members and directors of the Company so agree. However, an audit should only be waived in justifiable circumstances, such as in the case of a dormant company or a single asset holding company (please discuss this with your attorney).

Please provide below the name and address of person or firm who will keep the day-to-day books of account of the Company (e.g. Accountant) and of the person or firm who will be appointed as Auditor.

Accountant's Name  
And Address

Auditor's Name  
and Address

Please indicate the date of the  
Company's financial year-end:

\_\_\_\_\_

Please indicate when the first  
Accounting period (i.e. for which  
Audited financial statements  
Will be prepared) will end:

\_\_\_\_\_

**18. Bye-Laws**

It is recommended that the Company adopt MJ&M's standard Bye-Laws which have been developed over the years for the special needs of Bermuda companies. A specimen copy of our Bye-Laws will be forwarded to you on request. Should you wish any special provisions, requirements or matters to be incorporated into the Bye-Laws, please provide details below:

**19. Instructions for Incorporation**

Please provide below the details of the person to whom MJ&M should look to for instructions in relation to the incorporation of the Company.

Name:

Position:

Address:

Telephone:

Fax:

**20. Instructions for Corporate Administrative Services**

MJ&M's associated service company, Quorum, may be engaged for the purposes of providing corporate administrative services (including registered office, maintaining corporate records, and providing Bermuda resident directors) to the Company. If you wish to appoint Quorum as the Company's corporate administrator, please indicate below details concerning the individual from whom instructions for the administration of the Company may be obtained on a continuing basis.

Name:

Position:

Address:

Telephone:

Fax:

**21. Billings**

Please provide details below in respect of the party responsible for payment of our statement of account for the incorporation and organization of the Company:

Name:

Position:

Address:

Telephone:

Fax:

If Quorum is to provide corporate administration services for the Company, please indicate to whom statements for these services (billed bi-annually to the Company) and requests for the Annual Government Fee(s) should be sent:

Name:

Position:

Address:

Telephone:

Fax:

If the Company has MJ&M directors who have signing authority on the local bank account, please indicate below whether they have your authority to pay from that account the Quorum annual fee for corporate administrative services and the Annual Government Fee:

Authority to pay corporate

Administration fee and

Annual Government FEE: \_\_\_\_\_ Yes \_\_\_\_\_ No

**Signed:** \_\_\_\_\_

**Dated:** \_\_\_\_\_