



Engagement Strategy Agreement

1. This Service Level Agreement provides a framework for Healy Consultants and <Company Name> (hereafter known as our “Client” or “<Company Name>”) to establish mutually acceptable engagement terms and conditions that will ensure our Client receives a standard of customer service which is commensurate with their expectations and needs. Please sign at the bottom of **every** page. Healy Consultants Pte Limited (hereafter known as “Healy Consultants”), a Company registered in Singapore, agrees to provide our Client the following services:
 - Thailand and USA company incorporation;
 - USA and Thailand nominee shareholder and director; and
 - Obtain Amity Treaty approval;
 - Supervise the change of corporate structure;

Quick summary

2. Healy Consultants estimates total remaining engagement costs will approximate \$22,386, refer to [Appendix One](#) to view detailed engagement invoice;
3. Healy Consultants estimates total engagement period to be 12 weeks. Refer to [Appendix Two](#) to view detailed engagement project plan;
 - Engagement planning – 2 weeks;
 - Company incorporation – 3 weeks;
 - Amity treaty approval – 6 weeks;
 - Thai company restructuring – 1 week;
 - Total engagement period – 12 weeks

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Summary of strategy

- 4. <COMPANY NAME> incorporates a Thai holding company with one Thai director who will also be the corporate bank account signatory. Healy Consultants nominee shareholder (Mr. Nominee) will be the majority shareholder of the Thai company. At the same time, <COMPANY NAME> incorporates a New York LLC with Mr. Nominee as majority shareholder and director;
- 5. Following completion of Thai company incorporation including Amity Treaty approval and corporate bank account opening, the sole shareholder of the Thai company will be changed to a USA LLC. This step protects Mr. Nominee from legal and financial risk;

USA shareholder due diligence procedures

- 6. The USA nominee shareholder will visit Thailand on 16 March to view Absolute resorts. Nominee will be accompanied by Ms. Xxxxxx Jacquette from Healy Consultants and Nominee's girlfriend xxxxxxxxxxxxxxxxx. Transport costs for Ms.xxxxxxxxxxxxxxx and Mr. Nominee will be borne by our Client;
- 7. During his visit to Thailand, our Client will supply Nominee with all requested information outlined in Appendix Four. After Nominee and Healy Consultants is satisfied with the quantity and quality of information supplied, Nomine eand xxxxxxxxxxxxxxxxx will return to Thailand on 25 March to incorporate the Thai Holding Company. Before that date, our Client will settle the remaining engagement fees;
- 8. Healy Consultants will not continue with the **Absolute engagement** if i) Nominee and Xxxxxx is unsatisfied with the quantity and quality of information supplied and or ii) Nominee and Healy Consultants conclude there is potential litigation, financial and reputation risk;
- 9. If the engagement is terminated, Healy Consultants expects travel costs to be reimbursed and the retainer fee of us\$5000 is not refundable as per email of 21/11/12;

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10. Legal documentation signed between Nominee and Absolute will include the matters raised in Appendix Five;

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Thai holding company incorporation

11. Detailed engagement procedures are outlined in [Appendix Two](#). To enable Healy Consultants efficiently and effectively incorporate the Thai holding company, we recommend the following strategies:
 - To obtain Amity Treaty approval, the paid up share capital of the company will be of 2,000,000 baht (us\$67,000) (20,000 shares @ 100 baht par value). Mr. Nominee will own 19,998 share at incorporation day and then 10,200 shares of the company. The remaining 9,800 shares will be held by two non-Thai citizens employed by <COMPANY NAME>. The Thai company will maintain a minimum of three shareholders at all times;
 - The three initial shareholders will meet in Bangkok on 26-2-13 to sign incorporation forms. Mr. Nominee will remain in Bangkok for the week to sign company documents. Travel costs to be borne by <COMPANY NAME>;
 - The sole Thai director will be an employee of <COMPANY NAME>. He will also be the sole corporate bank account signatory;
12. At initial incorporation, all initial shareholders must be “natural persons”, because a company cannot be a founding shareholder. However, following initial incorporation, Nominee will transfer his shares to the USA LLC;
13. At time of application for Amity Treaty, Mr. Nominee will obtain a certified copy of his USA passport page from the US Embassy in Bangkok. For each shareholder and director, <COMPANY NAME> provides Healy Consultants with copies of passport photo pages (foreigners) or Thai ID card, plus residence address. If foreigners already have official Thai spelling for their names (such as on marriage certificate or work permit), they should provide these, to ensure consistency.
14. <COMPANY NAME> provides Healy Consultants the building registration number of the initial business address. This number is listed in the “tabiehn bahn” (“house registration” document);

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- 15. Healy Consultants will register the company for VAT, approval will be received within 4 weeks, depending on the efficiency of the Revenue Department. Following completion of the above, Healy Consultants needs a further 6 weeks to complete the Amity approval process. Thereafter, <COMPANY NAME> will transfer shares to the USA LLC. The Thai director will sign the transfer documents in Bangkok;
- 16. Once the US Company will have been incorporated and has acquired the share of the Thai company, it will open a branch in Thailand and apply for Amity Treaty approval for this branch too. The US company will grant a power of attorney to an employee of <COMPANY NAME> to act as Director of the branch and generally to exercise all powers of the branch and proceed with all formalities.

Amity Treaty Considerations:

- 17. To be eligible to apply for Amity Treaty, the Thai holding company will be capitalized at a minimum of 2,000,000 baht (us\$67,000) (20,000 shares @ 100 baht par value). The Thai company must have **i)** the majority of its shares owned by US citizens and **ii)** a simple majority of company directors must be either Thai or US citizens;
- 18. Amity approval allows <COMPANY NAME> to only engage in business activities [outlined in List Three](#). Refer to attached adobe file to view an example of an Amity Treaty approval business certificate:



Double click on the attachment included here!

Company restructuring

- 19. At the time of incorporation of the USA LLC, Mr. Nominee will be the sole shareholder and director. Following completion of **i)** the Thai holding company incorporation **ii)** receipt of Amity approval, the majority Thai shareholder will be transferred to the USA LLC. Following

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completion of the same, <COMPANY NAME> will present Mr. Nominee with the following options:

- Nominee immediately resigns as USA LLC director and shareholder. <COMPANY NAME> appoints their preferred personnel; or
- Nominee is happy to remain as majority shareholder of the USA LLC and receives an annual fee of US\$6,700 in advance, directly from <COMPANY NAME>. This payment will be made before the USA LLC becomes the majority shareholder of the Thai holding company. To mitigate litigation, financial, reputation risk, Nominee will complete annual due diligence of the <COMPANY NAME> including **i)** receive annual financial statements of the Group **ii)** visit different Group properties in Thailand each year to understand <COMPANY NAME> business;

Annual accounting and taxation considerations

- 20.** To enable Healy Consultants apply for VAT registration, <COMPANY NAME> provides us with **i)** building owner documentation **ii)** photos of building entrance and/or office entrance, showing street address or office number, and company name sign **iii)** street location sketch map (Thai language) **iv)** proof of building ownership **v)** personal or corporate identity documents of building owner **vi)** certification letter from building owner, certifying that company is a registered business tenant under lease.
- 21.** Monthly tax reports must be submitted to the Thai Government including **i)** personal income tax withholding **ii)** social fund withholding **iii)** VAT collected and **iv)** corporate income tax withheld from vendors
- 22.** At the end of the company fiscal year, an annual audit must be performed, and that audit is then used as the basis for a company corporate tax return. For companied operating on a Calendar Year basis, annual audits and tax returns must be submitted by May 31st each year.

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23. The Thai holding company will prepare annual consolidated financial statements for independent audit and tax reporting;

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Legal and compliance considerations

24. Approximately 45 days following incorporation, a Thai Revenue Department team will do a one-time inspection/verification visit off each new company office;
25. Healy Consultants will assist <COMPANY NAME> prepare and sign a detailed **shareholder** agreement with Mr. Nominee. Furthermore, Healy Consultants will supply <COMPANY NAME> with detailed due diligence about Mr. Nominee. Finally, Healy Consultants will supply Mr. Nominee with detailed due diligence about <COMPANY NAME>;

Other

26. Healy Consultants assumes <COMPANY NAME> will open their preferred corporate bank accounts in Bangkok without Healy Consultants help. Let us know if you need our help on this matter, there will be an extra fee for this service. If required, Healy Consultants will assist <COMPANY NAME> register global and Thai trademarks. There will be additional fees for this service;
27. Healy Consultants preferred mode of communication is email, followed by phone discussions. Therefore, we recommend you maintain a secure, reliable email account and frequently check for updates from Healy Consultants;
28. This is the first draft of the Strategy Agreement, awaiting <COMPANY NAME> amendments track changes. As the engagement evolves, it may be necessary for either to party to insert additional terms and conditions. For example, a new service is required or a new solution should be documented;

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Our client expectations

29. Healy Consultants will liaise with the relevant Thai government and local bodies to incorporate a Thai company, including Ministry of Commerce, Ministry of Labor, Ministry of Finance, Revenue Department, Ministry of Social Development and Human Security;
30. Healy Consultants will obtain the necessary foreign business licenses to allow <COMPANY NAME> to legally conduct business in Thailand;
31. Healy Consultants will provide <COMPANY NAME> with regular email status updates informing them of progress during the engagement term, usually every second day;
32. Healy Consultants will use all reasonable endeavors to keep client information confidential. Healy Consultants, in accordance with its statutory obligations will protect personal information and personal data from unauthorized access, use or disclosure.

Healy Consultants expectations

33. <COMPANY NAME> will provide Healy Consultants the required due diligence information in timely manner, to enable my Firm efficiently and effectively complete the engagement;
34. <COMPANY NAME> settles our fees in a timely manner;
35. <COMPANY NAME> replies to Healy Consultants communications and requests in a timely manner.
36. If during the engagement, Healy Consultants realizes the company incorporation is more complex than anticipated, requiring large investment of time, my Firm will revert to request additional fees;

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Conclusion

- 37. We, the person whose names appear below, declare and by our signature below, confirm that we are the ultimate Beneficial Owners of the Entity we have ordered from Healy Consultants and we have read and agree to be bound by Healy Consultants terms of business outlined in this engagement letter and on Healy Consultants business website;
- 38. We understand that we may have an obligation to report our interest in the company in personal tax returns and that income of the company may be imputed to us. We will take advice on and comply with our own legal obligations in this respect;
- 39. The company will not be used for any criminal activity or other illegal purposes, whether fiscal or otherwise, in any jurisdiction and we understand that Healy Consultants may have an obligation to report any arrangement involving the proceeds of criminal conduct;
- 40. We have never been convicted of any criminal offence or the subject of an investigation by a governmental, professional or other regulatory or statutory body.

<u>Name</u>	<u>Signature</u>	<u>Date</u>

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Appendix One

Engagement costs

Professional services rendered	Notes	US\$
Thai company formation fees	1.	5,575
USA LLC company incorporation	2.	1,900
Nominee shareholder and director fees for both companies (3 months)	3.	6700
Nominee shareholder and director fees <u>refundable</u> deposit	4.	2,200
Thai Government registration costs	5.	6,011
Retainer fee received on 21/11/12	6.	(5,000)
Funds transfer required to complete your Firm's engagement	7.	17,386

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Notes to invoice above

1. Healy Consultants fees to efficiently and effectively incorporate a Thai company. These cost include processing and registration fees, including Public Notary fees, drafting of articles of incorporation and articles of association, publication of notices, including Government fees;
2. These costs include **a)** annual Government License fees **b)** Registered Business Office for 12 months and **c)** Company Secretary fees for 12 months. Please note, the Registered Office address shall **not** be printed on our clients' sales invoices, business cards or business websites, without the written consent of Healy Consultants. Our clients requirement to have a USA business address is a separate service explained in more detail under Virtual Office services;
3. Healy Consultants fees to appoint a USA citizen until the Thai Holding company is majority owned by a USA LLC. Thereafter, the nominee relationship will exist between Mr. Nominee and <COMPANY NAME> in accordance with a mutually agreed nominee service agreement;
4. Healy Consultants will collect a refundable deposit of US\$2,200 from our client. This refundable deposit will be held in trust until <COMPANY NAME> no longer requires Healy Consultants nominee shareholder services. In the unfortunate event our client misuses their Thai Company, Healy Consultants (as majority shareholder) will be left to face the Thai Government Authorities. In this instance, the client forfeits his refundable deposit and the funds will be used to cover future litigation expenses or liquidation costs incurred by Healy Consultants.
5. Healy Consultants fees to project manage the approval of the following registrations:

Professional services rendered	US\$
Healy Consultants fee for VAT registration	975

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Healy Consultants fee for Amity treaty registration	1,900
Estimate of Government fees	3,136
Total registration costs	6,011

6. Estimate of Government fees includes company stamp/seal, MOA Capital registration fee, Government application fee MOA, fee for publishing newspaper announcement, Thai government application fee for Amity Treaty application, Government fee registration change (transfer shares to US company). All Government costs will be supported with original invoices and receipts;
7. During the engagement, it may be necessary to appoint a Thai lawyer/accountant. Unanticipated third party costs will be borne by <COMPANY NAME>, supported with original invoices and receipts;
8. If during the engagement, Healy Consultants realizes the company incorporation is more complex than anticipated, requiring large investment of time, my Firm will revert to <COMPANY NAME> to request additional fees;
9. As stipulated on our business website and in section 3 of our engagement letter, Healy Consultants will only commence the engagement following **i)** settlement of our fees and **ii)** completion and signing of our legal engagement letter;
10. Healy Consultants will only incorporate <New COMPANY NAME> holding company after 100% of all original due diligence documentation is received by courier;
11. All fees quoted in this invoice correspond to fees quoted on Healy consultant's [business website](#). Please review this invoice carefully to identify errors. During the rush of a business day, it is possible Healy Consultants inadvertently made fee calculation errors, typing errors or omitted

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services or omitted historic fee payments from Clients. In the unfortunate event you identify invoice errors, please revert to me directly re the same. I apologize in advance if I or my staff made invoice errors;

12. To efficiently and effectively complete your engagement in a timely manner, we recommend your Firm transfers these funds to Healy Consultants corporate bank account. Thereafter, our Incorporation and Banking Team will aggressively advance your engagement, providing your Firm daily feedback as to engagement status. Healy Consultants corporate bank account details are outlined in the attached Adobe file, thank you. I would be grateful if you email us the bank transfer advice slip to enable my Accounting Department to accurately and timely identify bank receipts:



Double click on the attachment included here!

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Appendix Two

Detailed engagement procedures

No.	Procedures	Time
1.	Healy Consultants Compliance Team receives the required corporate and personal due diligence information from our Client, including all shareholders, directors, beneficial owners and bank signatories;	Week 1
2.	Our Client signs Healy Consultants engagement letter and returns the original to our Singapore Head Office together with original due diligence documents;	Week 1
3.	Our Client confirms the Thai corporate structure. Only then, will Healy Consultants proceed with company incorporation;	Week 2
4.	Healy Consultants Incorporation Team submits for approval the Thai Company name to the local Administrative Bureau for Industry and Commerce. We apply for your company seal;	Week 2
5.	Healy Consultants ascertains the business licenses and permits required for <COMPANY NAME> activities. We prepare Memorandum of Association including desired amount of registered capital and registered address;	Week 2
6.	To enable Healy Consultants apply for VAT registration with the Ministry of Finance Revenue Department, <COMPANY NAME> provides us i) building owner documentation ii) photos of building entrance and/or office entrance, showing street address or office number, company name sign iii) street location sketch map (Thai language) iv) proof of building ownership v) personal or corporate identity documents of building owner vi) certification	Week 2

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	letter from building owner, certifying that company is a registered business tenant under lease.	
7.	<COMPANY NAME> and Mr. Nominee meet in Bangkok to sign incorporation forms. The following day, Healy Consultants affiliate office will incorporate the Thai holding company and apply for VAT registration;	Week 3
8.	Healy Consultants prepares and files an application with the US Commercial Service requesting eligibility certification letter for Amity Treaty application. Furthermore, we obtain a certification letter from US Embassy. Only then can Healy Consultants submit the application for Amity Treaty approval and Foreign Business Certificate with the Ministry of Commerce, Department of Business Development, and Foreign Business Section.	Week 4
9.	The Ministry of Finance Revenue Department approves <COMPANY NAME> VAT registration	Week 6
10.	Healy Consultants assists our Client incorporate a USA LLC with Nominee as sole shareholder and director	Week 7
11.	<COMPANY NAME> opens a Bangkok corporate bank account to deposit the paid up share capital. Healy Consultants is happy to assists our Client with the same after an additional fee is agreed	Week 8
12.	The Ministry of Commerce approves the Amity application and issues a certificate for <COMPANY NAME>;	Week 10
13.	Healy Consultants assists <COMPANY NAME> restructure the Thai Holding company to appoint the USA LLC as the majority shareholder	Week 11
14.	Healy Consultants sends our Client a Customer Satisfaction Survey to obtain frank and honest feedback as to how efficiently and effectively the engagement was completed;	Week 12

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Appendix Three

Potential engagement problems and solutions

<u>No</u>	<u>Problem</u>	<u>Solution</u>
1.	Our Client does not provide Healy Consultants the required information/documents in a timely manner.	Our Client speedily responds to Healy Consultants requests and efficiently provides my Firm the required information or immediately highlights problems with replying to requests
2.	<COMPANY NAME> is unable to supply Healy Consultants Bangkok building documentation in a timely manner, causing material engagement delays	The engagement period is extended increasing the likelihood Healy Consultants will charge our Client additional project management fees.
5.	The Thai Government advise they need additional information before approving a business license or completing company incorporation	Healy Consultants will revert to our Client requesting additional information.
6.	Unanticipated Thai laws governing <COMPANY NAME> business,	Healy Consultants will outline the proposed operations in the business plan and company articles to ensure issues are

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	thus a delay in the incorporation process.	addressed at the earliest stage.
7.	During the engagement Mr. Nominee changes his mind and is unwilling to continue to be the USA nominee for <COMPANY NAME>	Healy Consultants will appoint the backup nominee for this engagement
8.	Healy Consultants Bangkok accountant is not efficiently and effectively completing the engagement to Healy Consultants standards	Healy Consultants will appoint our back up corporate service provider
9.	Public holidays in Thailand and Singapore cause unanticipated engagement delays	The engagement period is extended increasing the likelihood Healy Consultants will charge our Client additional project management fees.
10.	During the engagement, Thai Government departments revert to Healy Consultants rejecting the business activities of our Client	Healy Consultants will revert to our Client to create a solution. There may be additional fees to efficiently and effectively complete the engagement
11.	The Thai Government departments do not approve applications in a timely manner, causing material delays in the engagement completion date;	Healy Consultants will aggressively solve problems where possible. That said, Healy Consultants will not be responsible for the incompetence and inefficiency of Government departments. That said, Healy Consultants will aggressively supervise and liaise with third parties to ensure your engagement is efficiently and effectively advanced.

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Appendix Four

To mitigate financial, reputation and litigation risk, Nominee would be grateful if <COMPANY NAME> email Healy Consultants the information below:

1. The Hong Kong main Company's (Absolute Developments Corporation Ltd) Articles of Incorporation, and all amendments thereto. The Company's minute book, including all minutes and resolutions of shareholders and directors, executive committees, and other governing groups.
2. The Group organizational chart showing all companies and locations.
3. The <Company> Company's list of shareholders and directors.
4. A list of all of the Company's assumed trademarks and/or product names and copies of registrations (or application) thereof.
5. unaudited financial statements at the group level. Audited financial statements of Hong Kong and Thai companies;
6. Auditor's letters and replies for the past five years for Hong Kong and Thai companies;
7. The Company's credit report, if available.
8. Any projections, capital budgets and strategic plans.
9. A schedule of all indebtedness and contingent liabilities.
10. A schedule of fixed assets and the locations thereof.
11. A schedule of the Company's business locations.

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12. Resumés of key employees.
13. Copies of any governmental licenses, permits or consents.
14. Any correspondence or documents relating to problems with any regulatory agency.
15. Any Government tax audit reports for Hong Kong and Thai companies;.
16. All guaranties to which the Company is a party.
17. Any letters of intent, contracts, and closing transcripts from any mergers, acquisitions, or divestitures within last five years.
18. A summary of customer complaints or warranty claims.
19. A schedule of all pending litigation and threatened litigation.

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Appendix Five

The following information will be included in the shareholder agreement

1. The Nominee shareholder shall have the duties and powers of trustees as established by the laws of the State of New-York, USA.
2. The shareholder agreement shall be constructed under and governed by the laws of the State of New-York, USA.
3. Any dispute arising out or in connection with the shareholder agreement shall be submitted to the exclusive jurisdiction of the State of New-York, USA.
4. <COMPANY NAME> will provide full legal representation to Nominee in the event of civil or criminal investigation;
5. Nominee will have no financial liability as nominee shareholder, including but not limited to bankruptcy, civil suit, debt payments, etc.;
6. Nominee will have no civil or criminal liability while acting as nominee shareholder in accordance with the outlines of this agreement;
7. Upon arriving in Bangkok, Nominee may consult with one independent lawyer at <COMPANY NAME> expense (agreed by <COMPANY NAME> in advance);
8. Nominee is not bound to sign any incorporation agreement during his due diligence trip to Phuket;
9. In the event that <COMPANY NAME> has acted in such a way as to violate the terms of this contract, Nominee will immediately resign from his position as nominee;
10. In the event of any litigation arising between Nominee, <COMPANY NAME> or government authorities, a Singapore arbitrator will be appointed to resolve the litigation;
11. Upon incorporating both companies, Nominee will have no administrative role in <COMPANY NAME> operations
12. Upon incorporating the companies, Nominee will be able to freely transfer all shares to the beneficial owners of the group (<Director>) or to another person as appointed by Healy Consultants and approved by <COMPANY NAME>. In order to expedite the share transfer process, signed but undated share transfer documents will be safely kept by the beneficial owners of the group;

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13. No <COMPANY NAME> person shall disclose personal details of Nominee and associates to third parties unless otherwise agreed in writing;
14. At the anniversary incorporation date, If Nominee is satisfied with yearly due diligence visits and wishes to remain a nominee shareholder for another 12 months, he will receive the agreed compensation in advance;
15. If <COMPANY NAME> decides to sell the company to a third party, Nominee will be informed in a reasonable time frame and will transfer shares to said third party as per <COMPANY NAME> instructions.
16. If Nominee decides to stay as the nominee of a US company that will become shareholder of the Thai company, the above clauses stay valid without interruption.

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