



# Healy Consultants



1. Client Name (hereafter known as “CLIENT”), a company registered in xxxxx, hereby appoints Healy Consultants Group (hereafter known as “Healy Consultants”) to assist with their Saudi Arabia business set up requirements;
2. Saudi Arabia business set up services required of Healy Consultants include **i)** choosing the optimum Saudi Arabia entity **ii)** non-resident and resident corporate bank account opening **iii)** appointing the optimum Saudi Arabia Agent **vi)** registering for Saudi Arabia taxation **v)** providing a temporary office address;
3. Additional Saudi Arabia business set up services Healy Consultants can supply CLIENT include **i)** securing permanent office premises **ii)** assisting with short term visitor visas for CLIENT supervisory staff **iii)** recruiting Saudi Arabia staff and drafting employment contracts in compliance with Saudi Arabia law **iv)** trademark registration in Saudi Arabia **v)** shortlisting and hiring an in-house Saudi Arabia accountant **vi)** legal support **vii)** marketing strategies;

### Quick summary

4. Healy Consultants estimates **i)** the remaining engagement costs will be **US\$48,400** as per **Appendix Five** and **ii)** the remaining engagement period will be 6 months per **Appendix One**:

Collecting parent company documents attested by Saudi Arabia embassy	3 weeks
Saudi Arabia Agent appointment, drafting and signing the Agency agreement	3 weeks
Opening a non-resident and local resident corporate bank account	4 weeks
Internet banking activation	3 weeks
Registering for tax	2 weeks
Residency visa (Iqama) application	8 weeks
Total engagement period	<b>6 months</b>

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Client initials and date



5. Important dates for CLIENT are outlined in the table below. These dates assume CLIENT and Healy Consultants and the Saudi Arabia bank timely comply with the procedures and steps outlined in **Appendix One**. These dates assume all goes to plan. These dates could be affected by potential problems as outlined in **Error! Reference source not found.** below:

<b>1 Dec</b>	Indian staff can visit Saudi Arabia to conduct research;
<b>15 Dec</b>	CLIENT directors sign off the agreement and courier the original to the Agent;
<b>20 Dec</b>	CLIENT can legally hire local staff in Saudi Arabia;
<b>15 Jan</b>	Citibank Saudi approves the non-resident corporate bank account;
<b>30 Jan</b>	CLIENT can issue invoices in Saudi Arabia and receive income.
<b>26 Feb</b>	HSBC or Citibank Saudi Arabia approves the resident corporate bank account;
<b>15 Mar</b>	CLIENT preferred Indian employee Iqama is approved;
<b>26 Mar</b>	CLIENT preferred Indian employee is appointed as the sole bank signatory;

6. To shorten the Saudi Arabia business set up time frame by two weeks, I recommend:
- we appoint CLIENT as partner in the Commercial Agency Agreement. This will shorten the corporate bank account opening by two weeks;
  - we appoint an Indian staff member from the Dubai office as the sole bank signatory so all documents can be attested in the Saudi Arabia embassy in Dubai;

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### **Business set-up Considerations**

1. CLIENT will provide an online restaurant discovery platform including **i)** information re Saudi Arabia restaurants and **ii)** restaurant's logos and banners in CLIENT's webpage. Collect advertising fees in local currency in the form of cheques, cash and bank transfers;
2. To determine the optimum market entry strategy for CLIENT in Saudi Arabia, Healy Consultants engaged and communicated with 10 lawyers, 5 accountants and 2 consulting firms. The result of our research is outlined in **Appendix Two**. To conclude, Healy Consultants recommends the most simple and most efficient Saudi Arabia approach, that is the Saudi Arabia Commercial Agency arrangement;
3. Most foreign companies operate in Saudi Arabia through a local Saudi Arabia Commercial Agent. For example the Hilton Hotels Corporation and Accor Hotel Services Middle East. Healy Consultants will assist CLIENT appoint a Saudi Arabia Agent, which may be either a natural person or a separate legal entity. Healy Consultants will assist CLIENT to **i)** shortlist from a panel of Agents **ii)** negotiate with the Agent the legal contract terms and conditions and annual fees **iii)** draft the Agency agreement in accordance with the Saudi Arabia Commercial Law and **iv)** supply to CLIENT detailed due diligence of that Agent;
4. It is important to choose a Saudi Arabia Agent with a license that will allow CLIENT to legally conduct its business in Saudi Arabia. Healy Consultants will find such an Agent through our local network. CLIENT will pay the Saudi Arabia Agent annual remuneration in the form of a fixed payment. There will be no revenue or profit sharing. Healy Consultants will assist CLIENT negotiate the optimum Agency terms and conditions and minimize annual agency payments. Healy Consultants has significant past experience in this area;
5. In the long term, CLIENT will only need the Saudi Arabia Agent to assist with **i)** renting office premises under the Agent's name and **ii)** hiring local employees under the name and sponsorship of the Agent **iii)** sponsoring short term visas or work permits;

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6. As much as possible, CLIENT will not use the Saudi Arabia Agent in their daily business in Saudi Arabia, nor does the Agent wish to be involved in CLIENT business. All sales invoices will be issued to Saudi customers in the name of CLIENT Dubai, with the Saudi Arabia Agent name and address included in the invoice;
7. After three years of Commercial Agency arrangement, CLIENT will re-assess the need to incorporate a new LLC or a GCC branch;
8. After CLIENT is comfortable with our shortlisted Agent, Healy Consultants preferred Saudi Arabia lawyers will draft the Agency agreement for the agent's and CLIENT signature. It is not necessary for CLIENT to travel to Saudi Arabia to sign this legal agreement, nor is it necessary to register this legal Agency agreement with the Saudi Arabia Government;
9. Before CLIENT can issue sales invoices to Saudi Arabia customers, your Firm must secure an office address in Saudi Arabia to place on those invoices. CLIENT has two options:
  - a. CLIENT use the Commercial Agent virtual office address in Saudi Arabia. This is a short term solution until CLIENT staff secure their preferred office premises;
  - b. During your Indian staff visit to Saudi Arabia in November 2014, CLIENT locates a permanent, physical office to house its future staff. This is a long term solution. Annual rent for office space in Saudi Arabia city ranges from USD200 to US\$300 per square meter;
10. From our preliminary research, there is no special license required for CLIENT if we select a Commercial Agent who already has the appropriate license. That said, the Saudi Arabia Government or HSBC or Citibank may revert to Healy Consultants anytime to request for a specific license;

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### **Legal and Compliance Considerations**

11. CLIENT will conduct its activities in Saudi Arabia as a foreign entity under the umbrella of a Saudi Arabia Agent's commercial license. Consequently, CLIENT will neither have to **i)** apply for a Saudi Arabia license nor **ii)** secure any Government approval from SAGIA. All arrangements between a foreign entity and its local agent are governed by Article 6 of the [Commercial Agency Regulations](#) of 1981. The contract agent may not be an agent for more than one firm competing in the same activity and the same area;
12. In compliance with Saudi Arabia Commercial Law, CLIENT cannot directly lease office premises in Saudi Arabia. Consequently, the lease agreement will be signed by the Saudi Arabia Agent's local entity. CLIENT will directly pay rental to the landlord from its resident corporate bank account;
13. Annually, Healy Consultants recommends CLIENT complete an annual review of the Saudi Arabia Agent including **i)** validity of the local Agent's license **ii)** validity of the Saudi Arabia Agent's registration with the Government;
14. It is common for a Saudi Arabia Agency Agreement to have a minimum tenure of at least three years. Thereafter CLIENT may extend the Agreement for further period of five years. If CLIENT wishes to terminate the Saudi Arabia Agent relationship then **i)** two months' notice is supplied to the other party and **ii)** compensation fee is payable to the Agent by law. The specific compensation is outlined in the Saudi Arabia Agent Agreement. CLIENT will not need to pay compensation to the Saudi Arabia Agent if the latter materially breaches the terms and conditions of the Agency contract;
15. Advertising activities require the prior approval for the Ministry of information in Saudi Arabia. As usual, Healy Consultants will negotiate for an exemption for CLIENT;
16. Healy Consultants recommends that CLIENT completes an annual review of the Saudi Arabian local agent including **i)** confirming that the local agent's license is still valid; and **ii)** the Saudi Arabia local agent is still a legally registered Agent with the Government;

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17. For legal disputes, the Saudi Arabia courts favor Saudi Arabia citizens to foreign companies. Consequently, it is important CLIENT place a clause in their customer contracts and in the Commercial Agency Agreement specifying certain types of dispute will be arbitrated. Consequently, Healy Consultants recommends CLIENT specify all disputes arising out of or in connection with the Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules;
18. CLIENT's trade names, trade and service marks, logos, patents, designs, symbols or other commercial or intellectual property rights belonging to CLIENT will remain their exclusive property and the agent will not acquire any proprietary rights to these without the express prior written agreement of CLIENT. CLIENT trademark can be registered for 10 years and may be renewed indefinitely for further 10-year periods. The registration process takes about three weeks to complete. Registration gives CLIENT the exclusive right to use a trademark on its invoices and website, preventing other parties from using the trademark on competing products and services;
19. The Saudi Commercial Agent should be a Saudi national or a 100% Saudi owned company, registered with the [Saudi Ministry of Commerce](#) and Industry;
20. All public adverts published by CLIENT must be in Arabic. If a foreign language is used, Arabic must also be used in the top, right-hand portion of the advert and must be expressed clearly.
21. The Agency Agreement will continue in force for a period to be agreed between CLIENT and the appointed agent. Termination, expiry and renewal clauses will be agreed during the negotiation process. Both CLIENT and the agent will be entitled to terminate the Agency Agreement at any time at their sole discretion on the provision of two months' written notice;
22. Upon expiration or termination of the agency agreement, CLIENT may be required to pay a termination fee to the agent. This can be negotiated between CLIENT and the local agent during the appointment process;

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### **Saudi Arabia corporate bank account considerations**

23. Healy Consultants recommend CLIENT open a **i)** non-resident corporate bank account with HSBC or Citibank affiliate bank in Saudi Arabia and **ii)** resident corporate bank account with [Arab National Bank](#) under the local agent entity. Bank accounts can be opened in SAR, US\$, GBP and EUR currency;
24. To be eligible for a non-resident corporate bank account in Saudi Arabia, CLIENT must have an existing banking relationship with these banks. Before Healy Consultants can begin corporate bank account opening, CLIENT must provide us the due diligence documents outlined in **Appendix Six**. All documents must be in English and some of them attested by a notary public and legalized by the Ministry of Foreign Affairs at the Saudi Arabia embassy in Dubai. Thereafter, these legalized documents will be translated into Arabic and couriered to our Saudi Arabia affiliate office. Only then can Healy Consultants submit a complete company corporate bank account opening package to HSBC or Citibank Saudi;
25. The CLIENT non-resident corporate bank account in Saudi Arabia will **i)** receive local income independent of the Saudi Arabian Agent, and **ii)** pay local Saudi Arabia expenses including rent and salaries, where allowed. The bank signatory of the corporate bank account will be CLIENT preferred employee. The bank signatory will need to be appointed by a CLIENT board resolution. This resolution must be legalized and presented to the bank;
26. Neither HSBC nor Citi actually operates in KSA, but HSBC and Citibank have affiliate banks in Saudi Arabia. As you can appreciate, opening a Saudi Arabia corporate bank account for a foreign entity is a difficult task. This will be the most time consuming part of the engagement. It is a time consuming task and Healy Consultants will shelter our Client from the administrative challenges. There is a 15% probability the bank will request a bank signatory to travel for a one hour bank interview. Healy Consultants will try its best to negotiate with the bank for a travel exemption.
27. Most Saudi customers, both private and public sector, prefer to make payment to a Saudi resident bank account. Consequently Healy Consultants recommends CLIENT to also open a resident corporate bank account with Arab National Bank under the local agent entity. The Saudi Commercial Agent will be the sole bank signatory until CLIENT preferred Indian authorized signatory secures a residency visa (Iqama). This is a legal requirement;

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Client initials and date



- 28.** HSBC and Citibank affiliate bank in Saudi Arabia both provide excellent online banking services and a corporate bank account cheque book. Healy Consultants will be happy to activate the internet banking on our client's behalf (if required);
- 29.** The Saudi Arabian banks enjoy ultimate power of approval of corporate bank account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. To date, we enjoy a 100% approval record;
- 30.** Global banks continue to tighten corporate bank account opening procedures, their internal compliance departments completing more thorough due diligence of Clients. Consequently, our Clients should expect the bank account approval period to take up to 4 weeks. Furthermore, global banks now require evidence of proof of business in the country where the corporate bank account will be, including sales contracts or lease agreement;

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### Labor and visa considerations under the agency agreement

31. In compliance with Saudi Arabian Commercial Agency Law, CLIENT cannot directly hire staff in Saudi Arabia. Consequently, all staff will be hired by the agent, but housed in CLIENT’s preferred premises. CLIENT will directly pay all staff salaries from its Saudi resident corporate bank account;

#### Short Stay Business Visa

32. Healy Consultants can assist three CLIENT staff to obtain business visas to visit Saudi Arabia to **i)** conduct market research **ii)** look for a local agent and **iii)** conduct local employee recruitment for a maximum of 180 days, multiple entry. Our fee is us\$950 per visa. The processing time is 4 weeks, in line with the timeline below.

15-9-14	CLIENT to provide <b>i)</b> colour scan of passport ID page of three Indian employees. Passports must have at least 6 months’ remaining validity and three clean, consecutive pages <b>ii)</b> Job Title of three Indian employees <b>iii)</b> Name of Employer, I assume CLIENT India <b>iv)</b> Location of visa issuance, I assume New Delhi, otherwise please advise;
22-9-14	Issuance of invitation letter through an online system administered by the Ministry of Foreign Affairs in Saudi Arabia;
29-9-14	Three Indian employees to visit the Saudi Embassy in India to process the application;
29-10-14	Issuance of 180 days multiple entry visa to three Indian employees;

33. Below is the list of allowable activities for CLIENT’s employees holding business visas: **i)** attending business meetings or discussions; **ii)** undertaking fact-finding missions; **iii)** conducting site visits e.g. facilities and plants; **iv)** attending training, seminars or conferences; and **v)** undertaking signing and negotiating of contract;

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- 34.** In accordance to the Article 49 of the Saudi Arabia employment law, no foreigners shall be brought into the country to work, nor may they be permitted to work, with companies and private establishments except after the approval of the Minister of Labor and after securing a work permit. The following are the conditions for obtaining a work permit:
1. The foreign workman shall have entered the country in a legal manner and shall have satisfied the conditions prescribed in the Residence Regulations.
  2. The foreign workman shall possess the vocational skills and educational qualifications of which the Country is in need, provided that the nationals possessing such qualifications are either lacking or insufficient in number.
  3. The foreign workman shall be under contract with and guaranteed by a Saudi employer, or a non-Saudi employer authorized under the Regulations for the Investment of Foreign Capital, or shall be a member of a liberal profession, guaranteed by a Saudi national, or under contract with and guaranteed by a concessionaire company.

### Hiring Saudi nationals

- 35.** The recruitment of Saudi National staff is relatively straight forward from a process perspective; employment contracts are typically 12 months with a 3 month probation period and there are standard terms and conditions well accepted in the market place.
- 36.** Saudi law requires a 25% accommodation allowance and a 10% transport allowance for all staff;
- 37.** In accordance with Article 109.1 of Saudi Labour Law, employees are entitled to have at least 21 days' paid annual vacation. If the employee has completed five consecutive years in a company, he will be entitled to have at least 30' days paid annual vacation;
- 38.** An employee, whose sickness has been proven, is allowed to take 4 months' sick leave from the company. The employer cannot remove him from the payroll or terminate his employment contract during this period;
- 39.** The employer is responsible for filing monthly social security tax reports with the Saudi Arabian Government. If required, Healy Consultants is happy to assist CLIENT with the same;

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40. For Saudi employees, the employer must contribute 9% of the employee's salary to the General Organization for Social Insurance (GOSI), and the employee contributes an additional 9%. The employers also pays accident insurance equal to 2% of salary for both Saudi and non-Saudi employees;
41. If the contract is for an unspecified period, either party may cancel it for a valid reason, subject to giving the other party a thirty-day prior notice in respect of workmen employed at a monthly rate, and a fifteen-day prior notice in respect of other workmen.
42. The labor contract must be in writing, drawn up in Arabic and in duplicate, one copy to be retained by each of the two parties. However, even though it is not written, a contract shall be considered existent, so that the workman alone may by all means of proof establish his rights, and either party may at any time demand that the contract be put in writing.
43. If required, Healy Consultants is happy to assist CLIENT in the employee recruitment process. This service includes **i)** publishing weekly job advertisements in the local newspaper for two weeks; **ii)** conducting interviews with potential candidates; **iii)** shortlisting potential candidates for final interview with CLIENT; and **iv)** drafting an employment contract in accordance with the Saudi Arabian employment law;
44. Under the local agent's commercial registration, the local agent will open the labor file, social insurance file and apply for the manager visa for CLIENT;
45. Citizens of Saudi Arabia and the Gulf cooperating countries (Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates) are generally exempt from the payment of income tax but, instead, are subject to the payment of Zakat.

*An employment visa for the Indian bank signatory*

46. This CLIENT employee must have an employment visa. This employment visa is valid for 90 days and will be extended when the employee travels to Saudi Arabia and obtains his *iqama* – a residence permit / ID card. Only then can Healy Consultants appoint this employee as a bank signatory to the resident corporate bank account;
47. Like other Gulf States, Saudi Arabia has a sponsorship system (*kafeel*). CLIENT's agent in Riyadh will act as the visa sponsor for CLIENT employees;

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**Client initials and date**



48. To start the process off, CLIENT's local agent will first open an 'immigration file' at the Ministry of Interior and apply for a visa. Once the application is approved, the employee is required to submit the following documents to the Saudi embassy in the country of residence:

- A colour scan of the employee's **passport** ID page. Passports must have at least 6 months' remaining validity and three clean, consecutive pages;
- Three colour **passport photographs**;
- An **Employment contract** signed by both the employee and the sponsor;
- **Letter from the sponsor**, certified by the Saudi Chamber of Commerce and the Ministry of Foreign Affairs, including the number and date of the visa, as well as the name of the applicant and the job title;
- **Degree or diploma** received by the foreign employee, notarised and then legalised by the embassy or consulate of Saudi Arabia in that country;
- Three copies of a **medical report** (with three passport photographs) certifying the absence of the HIV virus and any contagious diseases. This must be issued by a licensed doctor from a Saudi Embassy-approved clinic in the country of origin within three months of the application. All individual copies need the doctor's signature along with details of name, address and licence number (where applicable), and may need to be paid for by the employee;
- **Police report** detailing any criminal records held by the applicant, which must be issued within six months of the application;
- Notification of the **number of the Employment Visa** applied for by the sponsor from the Ministry of Foreign Affairs in Saudi Arabia and its date of issue;

49. Due to the Saudi sponsorship system, CLIENT's local agent will apply for an *iqama* on behalf of CLIENT, and will keep the CLIENT employee's original passport. The local sponsor is responsible for requesting an exit visa through the Ministry of Interior if CLIENT's employees wish to leave Saudi Arabia;

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50. In the event of a legal dispute, a foreign national living and working in Saudi Arabia may be prevented from leaving the country until the issue is solved. Saudi sponsors have substantial leverage in any dispute and may ban departure or future employment in the country.

51. Foreigners in Saudi Arabia who overstay a visa face a fine or up to SR10,000 (equivalent to US\$3,000), or even imprisonment, before being deported.

### Dependent Visa

52. Only male employees whose job requires a university degree are eligible to bring family members (wife and children) to Saudi Arabia. Only after the male employee's *Iqama* has been issued, with the assistance of the local agent, can he apply for a residency visa (*Istiqdam*) for his wife and children.

53. Men and women are allowed to arrive or travel together in Saudi Arabia only if they are either married (with an official marriage licence), or are members of a larger group. Men and women travelling together without these conditions being met can face a fine or imprisonment, prior to deportation.

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### **Tax and accounting considerations**

54. The CLIENT Saudi Commercial Agency accounting and tax obligations include i) registering with the [tax department \(DZIT\)](#) within 1 month of signing the Saudi Commercial Agency Agreement ii) filing of annual tax declarations by 30 April and settling 20% corporate tax on taxable profits. Maintaining books of accounts in Arabic iii) monthly employee social security tax (GOSI) is paid by the 15<sup>th</sup> of the following month;
55. While Healy Consultants is happy to help CLIENT discharge KSA monthly and annual accounting and tax obligations, we recommend CLIENT hire an in-house accountant. This action will minimize external consultants fees. If you need our help, Healy Consultants can complete monthly reporting including i) receiving in Dropbox the monthly invoices ii) labelling monthly bank statement transactions iii) preparing a trial balance and general ledger and iv) monitoring monthly profit levels to minimize annual tax;
56. Tax in Saudi Arabia consists primarily of corporate income tax, withholding tax, and Zakat. There is no personal income, sales, and VAT tax in Saudi Arabia;
57. There is withholding tax on payments from Saudi to CLIENT overseas companies. According to the current income tax law i) the withholding tax rates range from 5 to 20 percent, depending on the nature of the services involved. A license fee for the use of CLIENT's intellectual property is a good way of repatriating some profits however payments between a resident entity and a non-resident entity for intellectual property usage are usually subject to withholding tax of 5%.
58. There are no specific transfer pricing rules in Saudi Arabia, although Saudi Arabian tax laws include a general 'anti-avoidance' clause that requires related-party transactions to be at arm's length.
59. Saudi Arabia has signed [double taxation treaties](#) with 29 countries, including: France, India, China, Pakistan, Austria, South Africa, the United Kingdom, Korea, Spain, Malaysia, Italy, the Netherlands, Turkey, Greece, Uzbekistan, Belarus, Japan, Russia, Singapore, Syria, Tunisia, Vietnam, Bangladesh and Poland.

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## Other considerations

60. This is the first draft of the Engagement Strategy Agreement, awaiting CLIENT's amendments with tracked changes. As the engagement evolves, it may be necessary for either party to insert additional terms and conditions. For example, a new service is required or a new solution should be documented;
61. Before Healy Consultants starts with the Saudi Commercial Agency, CLIENT must provide us the due diligence documents outlined in [Error! Reference source not found.](#) All documents must be in English, attested by a notary public and legalized by the Ministry of Foreign Affairs at the nearest Saudi Arabian embassy;
62. 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;
63. The terms and conditions outlined in this agreement may be amended by either party with the written permission of the other party as the engagement progresses;
64. 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 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;

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Client initials and date



## **Healy Consultants expectations**

- 65. CLIENT will provide Healy Consultants the required due diligence information in a timely manner, to enable my Firm efficiently and effectively complete the engagement. CLIENT replies to Healy Consultants' communications and requests in a timely manner.
- 66. CLIENT settles Healy Consultants' fees in a timely manner;
- 67. 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;

## **Our client expectations**

- 68. On CLIENT's behalf, Healy Consultants will liaise with the relevant Saudi Arabia government and local bodies including Ministry of Industry and Commerce, Ministry of Justice, Municipalities Office, Ministry of Information, and the Labour Market Regulatory Authority.
- 69. Healy Consultants will professionally manage CLIENT's engagement and tenaciously seek solutions and alternatives should problems arise. Healy Consultants will provide CLIENT with regular detailed email engagement status updates informing them of progress during the engagement term, usually every third day;
- 70. 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;
- 71. Any report, letter, information or advice provided by Healy Consultants to our Clients, is given in confidence solely for the purposes of providing our professional services. Our Clients will not, without Healy Consultants' prior written permission, disclose engagement information to third-parties.

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**Conclusion**

- 72. We, the person whose names appear below, declare and by our signature below, confirm that we are authorized to sign on behalf 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;
- 73. 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;
- 74. 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;
- 75. 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>
CLIENT		
Aidan Healy		

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### Appendix One

No.	Detailed engagement procedures for a Saudi Arabia Agency Agreement	Dates
1.	CLIENT settles the total Saudi Arabia engagement fees with Healy Consultants as outlined in <a href="#">Appendix Five</a> ;	15 Oct
2.	Healy Consultants Compliance Team receives the required corporate and personal due diligence information from CLIENT outlined in <a href="#">Appendix Three</a> . Our Client signs Healy Consultants engagement letter and returns the original and the required due diligence to our Singapore Head Office;	22 Oct
3.	If required, Healy Consultants applies for short term visas for Indian supervisory staff;	Nov 15
4.	Healy Consultants interviews a panel of Saudi Arabia Agents possessing the required commercial license. We shortlist our preferred Agent and supply CLIENT detailed due diligence of the Agent;	10 Nov
5.	CLIENT signs a Powers of Attorney before a Dubai public notary <b>i)</b> legalizes in the Saudi Arabia Embassy in Dubai and <b>ii)</b> translates them into Arabic by an official translator and <b>iii)</b> emails back to Healy Consultants for review and approval. Thereafter, our Client couriers the legalized signed documents together with all supporting corporate documents to our Saudi Arabia affiliate office;	12 Nov
6.	Simultaneously, Healy Consultants Corporate Banking Team emails HSBC and Citibank Saudi Arabia's non-resident corporate bank account opening forms for our Client's signature in front of a Bank officer from an affiliate Bank in Dubai;	16 Nov
7.	The Saudi Arabia Government approves Indian staff visas. CLIENT can send supervisory staff to Saudi Arabia to conduct market research and recruit local staff;	1-12-14
8.	Healy Consultants submits a complete corporate bank account opening application to HSBC including <b>i)</b> legalized and attested documents from	Dec 11

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# Healy Consultants



	above ii) bank questionnaire forms;	
9.	Provided that both CLIENT and the Agent are agreeable with the terms and conditions of the agreement, CLIENT directors sign off the agreement and courier the original to the Agent;	Dec 15
10.	Only then Healy Consultants Corporate Banking Team can submit HSBC and Citibank Saudi Arabia’s resident corporate bank account opening forms, with the local agent as the sole bank signatory;	Dec 15
11.	If required by CLIENT, only then Healy Consultants Migration Team can start applying for Iqama for CLIENT preferred Indian employee bank signatory;	Dec 15
12.	CLIENT can legally hire local staff under the corporate entity of the Saudi Arabia Agent. CLIENT has a Saudi Arabia city virtual office address to place on sales invoices and contracts;	<b>Dec 20</b>
13.	Healy Consultants registers CLIENT for income tax with <a href="#">tax department (DZIT)</a> ;	Dec 22
14.	Following a review of the corporate bank account opening application pack, HSBC Legal and Compliance Department reverts to Healy Consultants for additional information from CLIENT;	Dec 24
15.	The non-resident corporate bank account with HSBC Saudi Arabia is approved. Healy Consultants emails CLIENT the bank account details;	Jan 15
16.	On behalf of CLIENT, Healy Consultants activates the internet banking;	Jan 25
17.	CLIENT can invoice Saudi Arabia customers and receive income to the non-resident corporate bank account;	<b>Feb 2</b>
18.	The resident corporate bank account with HSBC Saudi Arabia is approved. Healy Consultants emails CLIENT the bank account details;	Feb 26
19.	Assuming the Labor department is satisfied with our visa application packages, Iqama approval is received for CLIENT preferred Indian employee;	Mar 15

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20.	Healy Consultants will then appoint the preferred Indian employee as the sole bank signatory of HSBC/Citibank resident corporate bank account under the agency agreement;	Mar 26
21.	Healy Consultants successfully completes the engagement;	Mar 26

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## Appendix Three

No	Documents required by Healy Consultants from CLIENT
1.	Signed engagement letter
2.	The detailed due diligence outlined <a href="#">on this web page</a> ;
No	Documents required for HSBC Saudi Arabia Bank account opening
1.	Certificate of Incorporation and M&AA
2.	Share certificate
3.	Details of Shareholders, <ul style="list-style-type: none"><li>• if person - passport copy</li><li>• if company - Certificate of Incorporation, Articles and Memorandum of Association</li></ul>
4.	Passport Copy of all Signatories
5.	Board of Directors Resolution (BOR) or Shareholder Resolution authorizing persons to open and operate the bank accounts (Notarized/Attested, Registered or Certified as True Copies by the Free Zone Authority if the originals are held with the Free Zone Authority)

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## Appendix five

Engagement Costs – Saudi Arabia Agency agreement	Notes	US\$
Healy Consultants' project management fees	1.	18,750
Healy Consultants fees to secure the optimum Saudi Arabia Agent	2.	12,650
Estimate of independent Saudi Arabia lawyers and accountants fees	3.	12,600
<a href="#">Non-resident bank account</a> opening fees	4.	6,950
<a href="#">Resident bank account</a> opening fees	5.	4,950
Healy Consultants Saudi Arabia tax registration fees	6.	2,500
Retainer fee received on 14-8-14	7.	(10,000)
Total funds transfer required to complete the engagement	8.	<b>48,400</b>

**Note:** this invoice needs to be tailored for each Client. The above services and fees represent the average requirements of our Clients.

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Client initials and date



### Notes to invoice above

1) This cost includes Healy Consultants fees to thoroughly research and plan Saudi Arabia business set up for CLIENT including **i)** payment of retainer fees to multiple lawyers, accountants and other consulting firms **ii)** preparing a detailed project plan with time lines **iii)** time taken to determine the optimum Saudi Arabia corporate structure, including preparation of a detailed comparison table of entities **iv)** ascertain the specific accounting, tax, legal and compliance considerations **v)** anticipating future engagement problems and delays **vi)** complete a detailed 32 page engagement strategy document from all of the above;

This cost also includes Healy Consultants fees to efficiently and effectively project manage and timely complete the CLIENT engagement including **i)** collating and supervising the legalisation and attestation of all documents **iii)** weekly detailed engagement status updates to CLIENT and **iv)** weekly Friday conference call and **v)** find solutions to unexpected challenges that present themselves throughout the engagement;

Healy Consultants project management fees also include the time taken to devise the strategies as to how to **i)** minimise the engagement period **ii)** complete the engagement without our Client travelling **iii)** minimise the control of the Saudi Arabia Commercial Agent **iv)** avoid the need for a specific regulatory license **v)** open a Saudi Arabia corporate bank account without Saudi Arabia Agent involvement **vi)** secure a virtual office address with minimum cost;

All engagement fees are agreed and paid up front. Consequently, there are no hidden fees or surprises or ambushes throughout the engagement. All engagement deadlines are agreed up front in the form of a detailed project plan, mapping out deliverables by week throughout the engagement term.

Every second day during the engagement, we email our Client a detailed status update. Our Client is immediately informed of engagement problems together with solutions. Your dedicated engagement manager is reachable by phone, skype, live chat and email and will communicate in your preferred language; Healy Consultants never gives up until we complete the engagement, regardless of the complexities or obstacles presented by banks and Governments;

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**Client initials and date**



- 2) This fee also includes the time taken to **i)** find the optimum Agent with the correct license **ii)** negotiate the best contract terms on behalf of CLIENT **iii)** complete our detailed due diligence of the Saudi Arabia Agent and supply CLIENT the documents. This fee excludes the annual fees paid to the Saudi Arabia Agent which will approximate us\$60,000 annually;
- 3) Healy Consultants will draft a Saudi Arabia Commercial Agency Agreement for CLIENT. We will engage our Saudi Arabia lawyers or review and approve the same, protecting our Clients' interests and complying with local Saudi Arabia law. All third party fee payments will be supported by original receipts and invoices;
- 4) For CLIENT, Healy Consultants will be pleased to open a non-resident corporate bank account in Saudi Arabia. It is a difficult and time consuming task, but Healy Consultants will shelter our Client from the administrative challenges. There is a 15% probability the banks will request a bank signatory to travel to Saudi Arabia city for a one hour bank interview. Healy Consultants will aggressively negotiate with the bank for a travel exemption. As you can appreciate, it is a difficult task to obtain bank account approval for a foreign company, when shareholders and directors and bank signatories reside overseas. There will be a fee discount of US\$500 if your staff have to travel to Saudi Arabia;

Within two weeks after corporate bank account approval, Healy Consultants will be pleased to activate the internet banking on CLIENT behalf. Thereafter, we will hand over internet passwords and tokens to CLIENT. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges;

Because it is a closed, controlled economy, the majority of global consultants are unaware of the possibility to open a non-resident corporate bank account in Saudi Arabia. Fortunately, Healy Consultants found this solution;

- 5) For CLIENT Saudi Commercial Agency, Healy Consultants will be pleased to open a resident corporate bank account. There is a 35% probability the banks will request the CLIENT preferred bank signatory to travel to Saudi Arabia in February 2015 for a one hour bank interview. Healy Consultants will aggressively negotiate with the bank for a travel exemption. There will be a fee discount of US\$500 if your staff have to travel to Saudi Arabia;

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**Client initials and date**



Within two weeks after corporate bank account approval, Healy Consultants will be pleased to activate the internet banking on CLIENT behalf. Thereafter, we will hand over internet passwords and tokens to CLIENT. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges;

Because only a Saudi resident can be the bank signatory of the resident corporate bank account, Healy Consultants will assist CLIENT preferred Indian employees to obtain an Iqama resident visa;

- 6) Healy Consultants fee to register CLIENT for corporation tax with the Ministry of Finance and provide tax registration number to be placed on CLIENT KSA sales invoices;
- 7) Retainer fee of US\$10,000 received on 14-8-14 thank you for your business and trusting us to project manage this 6 month engagement;
- 8) This invoice does not include the **i)** annual fee payable to the local agent **ii)** termination fee payable to the agent at the end of the Agency Agreement **iii)** monthly office rental fee, which will be payable by CLIENT to the Saudi Arabia landlord directly and **iv)** all potential third party fees relating to legalisation and translation of personal and company documents;
- 9) If required, Healy Consultants will be pleased to assist CLIENT secure a employment visa approval for their preferred bank signatory. Our fee is US\$5,950 per person and includes **i)** preparation of a quality visa application and submitting to the correct Government immigration officers **ii)** project managing the collection of legalized documents and **iii)** liaising with the Saudi Commercial Agent. The Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval. To date, we enjoy a 100% approval record;
- 10) To assist CLIENT in minimizing Forex costs, we offer the payment in SG\$, Euro, Pound or US\$. Kindly let me know in which currency your Firm prefers settling our fees and I will send an updated invoice, thank you;

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Client initials and date



# Healy Consultants



- 11) The fees quoted in this invoice are an prediction of the fees required to efficiently and effectively complete the KSA engagement in a timely manner. If during the engagement, Healy Consultants realizes the engagement is more complex than anticipated, requiring large investment of time, my Firm will revert to request additional fees. If Healy Consultants completes the engagement faster than expected and easier than expected, Healy Consultants is happy to refund fees to CLIENT;

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Client initials and date



### Appendix Six

#### 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. For example, the Saudi Arabia company forms are not properly signed, attested and legalized.	CLIENT speedily responds to Healy Consultants requests and efficiently provides my Firm the required information or immediately highlights problems with replying to requests
3.	The Saudi Arabia Government requests a feasibility study on the activity of "Market Research" CLIENT	Healy Consultants will aggressively pursue an exemption from the Saudi Arabia Governments regarding "Stage Details of Company Formation". However, if this is not possible, Healy Consultants may revert to JLL requesting additional information, documents and possible fees.
4.	Unanticipated Saudi Arabia laws governing CLIENT business, thus a delay in the incorporation process. Healy Consultants may revert to our Client to request additional fees;	Healy Consultants will outline the proposed operations in the business plan and company articles to ensure issues are addressed at the earliest stage.
5.	Public holidays in Saudi Arabia and Singapore cause unanticipated engagement delays	The engagement period is extended increasing the likelihood Healy Consultants will charge CLIENT additional project management fees.
6.	Political unrest either postpones or terminates the engagement	The engagement period is extended increasing the likelihood Healy Consultants will charge CLIENT additional project management fees. Where there is a termination of services due to external reasons, Healy Consultants will provide a refund for services not already rendered.



### Appendix Six

#### Potential engagement problems and solutions

<u>No</u>	<u>Problem</u>	<u>Solution</u>
9.	Saudi Arabia banks will not open corporate accounts for the proposed business activity, shareholder nationality;	The Saudi Arabia banks enjoy ultimate power of approval of account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. If a bank is deemed not possible, Healy Consultants will find alternative Saudi Arabia banks more amenable.
10.	CLIENT staff will experience difficulties obtaining travel visas to Saudi Arabia, consequently delaying signing of engagement documentation	Healy Consultants will revert to CLIENT to create a solution. There may be additional fees to efficiently and effectively complete the engagement
	The Saudi Government requests the Commercial Agency Agreement to be registered with the Ministry of Commerce to secure a Certificate of Agency Agreement registration, causing material delays in the engagement completion date. Healy Consultants may revert to our Client to request additional fees;	Healy Consultants will revert to CLIENT requesting additional information and documents.
11.	Saudi Arabia Government requests additional documents of CLIENT employee to process the visa;	Healy Consultants ensures timely follow up with the Saudi Arabia Government for such requirements and supplies them the documents as soon as possible;