

## Engagement Strategy Example

1. **Client Private Limited** (hereafter known as “Client”), having its registered office at [address], a company registered under the provisions of the Indian Companies Act, (Reg. number: [registration number]), hereby appoints **Healy Consultants Group** (hereafter known as “Healy Consultants”) to assist with their Vietnam business set up requirements;
2. Healy Consultants agrees to provide Client with complete Vietnam business set up services including **i)** company incorporation and corporate bank account opening **ii)** secure approval of the Government-required Foreign Investment Certificate, e-advertisement license and commercial website license **iii)** the provision of a legal registered office address **iv)** provision of a Vietnamese nominee shareholder to act as the Joint Venture (JV) partner and **v)** complete all Government registrations including tax and social security;
3. In addition to Vietnam business set up services above, Healy Consultants can provide Client with services such as **i)** securing short term visitor visas for Indian supervisory staff **ii)** assistance to locate a permanent office **iii)** drafting employment contracts in compliance with Vietnamese laws and **iv)** efficiently discharging monthly, quarterly and annual tax and accounting obligations.

### Quick summary

4. Healy Consultants estimates the remaining engagement costs will be **US\$xx,xxx** as per **Appendix Three** and the engagement period will be 6 months as per **Appendix One**:

Collecting parent company documents attested by the Vietnamese embassy	1 month
Joint Venture company registration and corporate bank account opening	1 month
Government licenses approval	3 months
Other Government registrations	1 month
<b>Total engagement period</b>	<b>6 months</b>

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5. Assuming Client and Healy Consultants complies with the procedures and steps outlined in [Appendix One](#), important dates for Client Vietnam include:

Oct 15	Indian staff to visit Vietnam to locate permanent premises
Nov 10	Client to begin the staff recruitment process, including a team of in-house accountants
Nov 15	Client secure permanent office premises, sign lease
Dec 15	Client Vietnam can legally employ its first staff member
March 1, 2015	Client Vietnam can issue its first invoice to customers

6. For multi-national companies, applications for e-advertisement licenses and the Foreign Investment Certificate (FIC) is a difficult process in Vietnam. Sometimes in the past, the Vietnamese Government approved the FIC after 6 months! to approve them. As always, Healy Consultants will find a work around solution to this challenge. We expect to secure FIC approval after 2 months;
7. As soon as practical, Healy Consultants recommends Client find office space in Vietnam to house its future staff. It is very important to sign a lease agreement before applying for the foreign investment certificate;
8. To minimize Vietnam business set up costs, it is critical Client hire a team of local Vietnamese staff in-house accountants as soon as practical. These staff members will complete the daily, weekly, monthly Government registration and reporting requirements. Otherwise, Client will be paying Healy Consultants and Vietnamese lawyers and accountants' excessive fees to complete these administrative tasks.

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### Vietnam company incorporation

9. Client requested Healy Consultants to assist with the setup of its subsidiary in Vietnam, hereafter known as “Client Vietnam”. Client Vietnam will provide an online restaurant discovery platform including **i)** information re Vietnam restaurants and **ii)** the restaurant’s logos and banners in Client’s webpage. Client will collect advertising fees in the local currency in the form of cheques, cash and bank transfers;
10. To determine the optimum Client Vietnamese entity, Healy Consultants engaged and communicated with 12 lawyers, 10 accountants and 10 consulting firms. To conclude, Healy Consultants recommends the most simple and most efficient Vietnamese entity, the Limited Liability Company (LLC) in Ho Chi Minh. Detailed incorporation procedures for this business entity are outlined in [Appendix One](#);
11. To comply with Vietnamese Company Law, Client Vietnam will be required to have **i)** two shareholders, one of whom must be a 1% Vietnamese shareholder **ii)** one Indian director, who will be appointed as the company’s legal representative and sole bank signatory **iii)** a share capital of US\$50,000 and **iv)** a legal Vietnamese registered office;
12. In accordance with Vietnam [Company Law](#), Healy Consultants will also assist Client with securing approval for **i)** all business licenses and **ii)** a Foreign Investment Certificate (FIC). Unfortunately, best case scenario it will take 3 months for the Vietnamese Government to approve these licenses;
13. It is not necessary for our Client to travel to Vietnam for company registration. Our Client must **i)** travel to the Vietnam Embassy in New Delhi to legalize the director and shareholder documents **ii)** supply our firm a power of attorney. There is, however, a 25% probability the Client Indian director bank signatory will be requested to visit Vietnam for corporate bank account opening;
14. For Client specific business, Vietnamese [Company Law](#) requires multinational companies form a joint venture with a Vietnamese partner before engaging in the advertising business. The Vietnamese nominee shareholder must already have an approved advertising license. The exact shareholding percentage is decided on a case by case basis by the Vietnamese Government depending on **i)** type of advertising services **ii)** the project’s positive outcomes for Vietnam and **iii)** the reputation of the local joint venture partner. To secure the advertising

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license, Healy Consultants believes the Government will approve the 1% shareholding because **a)** our lawyers confirmed the same in writing and **b)** we have found a reputable joint venture partner who has agreed to a mere 1% shareholding and **c)** this JV partner has successfully completed this structure 5 times already;

- 15.** The JV partner will neither **i)** receive dividends nor variable fees of any sort **ii)** nor be a bank signatory **iii)** nor participate or exert control over daily Client business operations. Over the coming weeks, Healy Consultants will supply Client with detailed due diligence on this Vietnamese nominee 1% shareholder;
- 16.** From the submission of a complete application to the Government, Healy Consultants estimates Ministerial approval **i)** within 1 month for e-advertisement business license **ii)** within 2 months for the commercial website license and **ii)** within 2 months for the foreign investment certificate. Healy Consultants will aggressively negotiate with the Vietnamese Government to secure a shorter approval lead time;
- 17.** Healy Consultants will assist Client complete the following Vietnam Government registrations:
- a)** E-advertisement business license;
  - b)** Commercial website license;
  - c)** Foreign investment certificate;
  - d)** Tax registration certificate;
  - e)** VAT invoice registration certificate
  - f)** Employee registration at the HCMC Department of Labor, Invalids and Social Affairs;
  - g)** Employee registration at the Social Insurance Department;
  - h)** Employee registration with the Vietnam General Confederation of Labor.

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### Legal and compliance considerations

18. Healy Consultants will assist Client Vietnam secure approval for **i)** an e-advertising license and **ii)** an online platform and services license. Such license require approval from **i)** the [Ministry of Information and Communications](#) and **ii)** the [Ministry of Sports, Culture and Tourism](#) of the Socialist Republic of Vietnam. On average, it takes one month to secure Government approval of this license;
19. To comply with Vietnamese regulations, Healy Consultants will also assist Client with registering its commercial website with the [Ministry of Industry and Trade](#). On average it takes 2 months to secure government approval for this registration;
20. Client Vietnam must secure a Foreign Investment Certificate from the [Department of Planning and Investment](#). Unfortunately, it may take up to 6 months to secure Government approval. Healy Consultants will find a way to secure approval after 2 months;
21. Before Healy Consultants can begin company incorporation, Client must provide us with the due diligence documents outlined in [Appendix Two](#). 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 Vietnamese Embassy in New Delhi. Thereafter, these legalized documents will be translated into Vietnamese by our Vietnam affiliate office in Ho Chi Minh. Third party translation fees will be borne by Client. Only then can Healy Consultants submit a complete company incorporation package to the [Department of Planning and Investment](#);
22. The share capital of US\$50,000 is not required to be paid-up before company incorporation but within 6 months after legal company incorporation. During the company registration process, Client India will be required to **i)** transfer approximately US\$500 (1% of US\$50,000) to cover the share capital paid by the joint venture partner and **ii)** provide the Vietnamese authorities with a bank statement showing the availability of US\$50,000. To minimise engagement delays, Healy Consultants will deposit these funds in Client Vietnam corporate bank account;
23. The nominee shareholder agreement will be **i)** an open-ended contract (no minimum duration) and **ii)** terminated by Client Vietnam with a notice of 3 months (or equivalent payment);
24. To comply with the Vietnamese [Company Law](#), all Vietnamese companies must appoint a Legal Representative, who must be a director of the company. The company's legal

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representative is responsible for **i)** liaising with the Vietnamese Government on behalf of Client **ii)** legal filing of changes of company structure **iii)** signing contracts and invoices **iv)** notifying the progress of capital contributions within 15 days from the date undertaken and **v)** be bank signatory for the Client Vietnam;

- 25.** While Vietnam regulation mandates foreign legal representatives to be resident in Vietnam, our Vietnamese lawyers confirmed in writing that Legal Representative residency **i)** is not required to complete incorporation **ii)** is not enforced by the Vietnam government after incorporation. Consequently, Healy Consultants recommends appointing an Indian staff member to maintain control over the corporate bank account. We recommend Client to merely apply for a work visa and temporary residency card for its Client Vietnamese director;
- 26.** Within 6 months of the commencement of a company's operations, all companies in Vietnam must register the employees with a labor union organization. Healy Consultants recommends Client in-house accounting Department to register the Vietnamese company with the [Vietnam General Confederation of Labor](#);
- 27.** In accordance with Vietnamese [Company Law](#), a Vietnamese company is required to maintain a legal registered address within Vietnam. For this purpose, a memorandum of lease agreement must be submitted during registration;
- 28.** Within 30 days of legal incorporation, an announcement must be published to notify the public of its establishment and operation. This announcement must be placed in three consecutive editions of local or central newspapers or electronic media which are authorized for publication in Vietnam. Also within 30 days, Client Vietnam must officially commence its operations and must provide written notice to the authorities. To minimize external consultants' fees, Healy Consultants recommends Client in-house accounting Department complete this task.

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### Vietnamese employment and immigration considerations

29. If required, Healy Consultants will be pleased to secure a three months short term visa for three Indian passport holders. This type of visa is suitable for those wishing to conduct non remunerated business. The application must be submitted directly to the Vietnamese Embassy in New Delhi and average approval timeframe is 4 weeks;
30. The required documents include **i)** passport with at least 6 months validity from the date of travel **ii)** visa application forms **iii)** two photos with white background **iv)** a cover letter stating the exact purpose and duration of the stay Vietnam **v)** an invitation letter from our Vietnamese partner **vi)** hotel reservation proof **vii)** original letter from Chamber of Commerce **viii)** return ticket from any airline **ix)** six months personal bank statement and **x)** one month credit card statement and **xi)** an authority letter to submit and collect the passport on applicant's behalf;
31. Healy Consultants will project manage the above for a fee of **US\$xxx** per temporary visa per employee. 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.
32. After approval is given by the [Department of Labor, Invalid and Social Affairs](#), the Indian director who will be the Legal Representative and bank signatory will have a work visa and corresponding residency card with a duration of 2 years. Applicants are required to provide **i)** a valid passport **ii)** a health test certificate **iii)** an excerpt of judicial record **iv)** degrees and professional certificates (legalized and notarized) and **v)** a letter of confirmation of experiences (must be notarized and legalized).. At least 3 months will be needed to complete all procedures to obtain a work permit and temporary residence card, due to delays caused by Vietnamese administration;

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### Vietnamese employment and immigration considerations (continued)

#### Hiring local staff in Vietnam

33. Because hiring procedures will take up to 3 months, Client should start recruiting local staff in November 2014. Employment must legally begin after incorporation is complete;
34. In accordance with the Vietnamese [Labor Code](#), employees are hired in Vietnam on **i)** open-ended contracts for permanent positions or **ii)** fixed-term contract for temporary positions. Fixed-term contracts can only be renewed once and are limited to durations of up to 3 years. Probation period should not exceed 60 days for professional, managers, executives and other office employees. All employment contracts with a duration over 3 months must be translated into Vietnamese;
35. The minimum monthly wage is fixed in 2014 at **i)** US\$130 in Ho Chi Minh City and Hanoi and **ii)** between US\$90 and US\$115 in other provinces. Minimum wage in HCMC and Hanoi will increase to US\$145 in 2015. Businesses in Vietnam must pay social insurance, health insurance and unemployment insurance contributions averaging altogether 22% of an employee's gross salary, with a cap fixed at US\$250;
36. The standard working time is **i)** 8 hours per day and **ii)** 48 hours per week. Overtime work must be compensated by an extra payment of at least 50% of the standard rate of pay on weekdays and 100% on rest days. Night work (after 9pm) must also be compensated by an extra payment of at least 30% of the standard rate of pay. All employees are entitled to **i)** sick leave (paid by the Social Security Fund) **ii)** 9 days of paid national holidays and **iii)** 12 days of paid annual leave per year;
37. When terminating a contract for other reasons than disciplinary ones, an employer must provide a notice period (or equivalent payment) of at least **i)** 30 days for employees on a fixed term contract and **ii)** 45 days for employees on an open-ended contract. All employees who have been working for the company for over a year are entitled to severance pay of 15 days per year employed with the company. If the company has not registered for unemployment insurance (such registration is mandatory for all companies with more than 10 employees. In case of unilateral termination, severance pay will amount to at least 2 months of salary;

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38. In accordance with the Vietnamese [Labor Code](#), Client Vietnam must register all employees no later than 1 month from the commencement of their contracts with **i)** the Labor Office **ii)** the Social Insurance Fund. Monthly payments to social and health insurance contributions represent approximately 21% of the employee's gross salary. To minimize external consultants fees, Healy Consultants recommends Client in-house accounting Department complete this task
39. Healy Consultants will be pleased to provide **i)** expert advice on labor regulations and employment contracts in Vietnam **ii)** assistance with selecting the right candidates and **iii)** employees registration services with the [Social Security Authority](#) and the [Vietnam General Confederation of Labor](#). Additional fees will apply for this service;
40. Client Vietnam must disclose all employee wages to the tax authorities for personal income tax calculations purposes. Prevailing income tax rates are **i)** progressive tax rates from 5% to 35% for residents or **ii)** a flat 20% rate for non-residents.

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### Vietnam corporate bank account considerations

41. Healy Consultants will assist Client with corporate bank account opening with **i)** HSBC or **ii)** Standard Chartered Bank or **iii)** Citibank Vietnam. We will choose the bank that **a)** does not require the Client bank signatory to travel and **b)** offers the best internet banking **c)** Vietnam Dong cheque books, ATM card and corporate credit card and **d)** remittance facilities;
42. Vietnamese [Law on Investment](#) requires Client to open two corporate bank accounts: **i)** a local corporate current account (VND and foreign currency), used to pay employees and charge Vietnamese customers and **ii)** a foreign exchange account (also known as a “capital account”) used to transfer funds in and out of Vietnam. Client Vietnam’s accounts may be used to convert US\$ or another foreign currency preferred by Client;
43. Healy Consultants will assist Client to open a VND current account from the commencement of the incorporation engagement, as this account **i)** is needed to invest in Vietnam and **ii)** is complex to open. In accordance with Vietnam regulation, Client Vietnam’s VND corporate account will be opened only after the company registration is complete;
44. No later than six months after incorporation, Client is required to deposit the startup capital of US\$50,000 to its corporate (VND) capital account, transfer such amount to the corporate account of Client Vietnam and obtain a certificate of deposit from the bank. This amount can only be withdrawn after the company is legally registered as the shareholder of the joint venture company and the preferred bank signatory is appointed;
45. Within three weeks after corporate bank account approval, Healy Consultants will be pleased to activate the internet banking on Client’s behalf. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges. Thereafter, we will hand over internet passwords and tokens to Client;

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46. The bank signatory must be one of the directors of Client Vietnam. There is 25% probability the bank will request that bank signatory to visit Vietnam for a one hour bank interview. We will aggressively negotiate a travel exemption with the bank, but the ultimate decision rests with the bank's Legal and Compliance Department;
47. Vietnam banks enjoy ultimate power of approval of corporate bank account applications. Consequently, guaranteed approval 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;
48. 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;
49. Due to stringent capital controls in Vietnam, Client Vietnam must use only its capital bank account to receive or remit funds from Client India. Client Vietnam will only be allowed to repatriate capital and profits overseas only after i) audited annual financial statements and corporate tax filings have been submitted ii) a notice of 7 days has been given to the [General Department of Taxation](#) and iii) approval has been received from the [State Bank of Vietnam](#). Loss-making businesses are furthermore prohibited from remitting profits abroad. To minimize external consultants' fees, Healy Consultants recommends Client in-house accounting Department complete this task.

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### **Audit, accounting and tax considerations**

50. Client Vietnam net profits will suffer corporation tax of 20%, payable quarterly. To minimize external consultants fees, Healy Consultants recommends Client in-house accounting Department complete this quarterly reporting;
51. During the incorporation process, Healy Consultants will assist Client Vietnam with registering for i) a VAT identifier and ii) invoices and iii) corporate income tax. Only when Client has chosen their first employee, Healy Consultants can assist Client register for social security;
52. Client must i) obtain a VAT number with the [General Department of Taxation](#) (Ho Chi Minh City Office) ii) obtain VAT pre-printed invoices and iii) file VAT returns every month. The standard rate for sale of services is 10%. Payments of outstanding VAT are to be made before the 20<sup>th</sup> of the following month. To minimize external consultants fees, Healy Consultants recommends Client in-house accounting Department complete this task;
53. Client Vietnam must submit a monthly payroll and social security report to the tax authorities. Client Vietnam will be required to pay Social Security contributions for all its employees. Rates average 22% of employee gross salaries and withhold 10,5% of the employee's salary for employee contribution. To minimize external consultants fees, Healy Consultants recommends Client in-house accounting Department complete this task;
54. Foreign companies are subject to a license renewal fee each year costing approximately US\$150. To minimize external consultants fees, Healy Consultants recommends Client in-house accounting Department to paying the Business License tax for Client Vietnam;
55. Dividends remitted overseas are not subject to withholding tax in Vietnam;
56. Healy Consultants can help Client recruit a team of Vietnamese in-house accountants for a one-time fee of US\$xxxx;
57. According to Vietnamese [Company Law](#), foreign companies must get their annual financial statements independently audited within 3 months from the end of the year. Accounting records and annual financial statements must be i) written in Vietnamese and ii) denominated in Vietnamese Dongs (VND);

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58. Healy Consultants will be happy to assist our Client effectively discharge Client Vietnam of annual reporting and audit requirements. We will project manage i) preparation of annual financial statements and ii) efficiently and effectively completing the annual statutory audit. An estimate of Healy Consultants' fees approximates US\$xxxx. That said, to minimize external consultants fees, Healy Consultants recommends Client in-house accounting Department complete this task together with a local small to medium accounting firm;

### Other considerations

59. 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;
60. Engagement delays may occur because of i) Client delays in providing Healy Consultants the required due diligence ii) courier delays between Singapore, Vietnam and India iii) public holidays in Singapore, Vietnam and India iv) delays translating documents from English to Vietnamese v) government delays in reviewing the application;
61. This is the first draft of the Strategy Agreement, awaiting Client 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;
62. Unless otherwise agreed in writing between Healy Consultants and Client, these terms of business shall be governed by and construed in accordance with the laws of Singapore;
63. 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;
64. Healy Consultants will prepare a detailed business plan re Client business activities in Vietnam. This will help with Government license approvals and corporate bank account opening.

### Our Client expectations

65. Healy Consultants will liaise with the relevant Vietnamese administration and local bodies to incorporate a Vietnamese company, including the [Ministry of Investment and Planning](#), the

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[Ministry of Communications and Information](#), the [Ministry of Industry and Trade](#) and the [Social Security Authority](#). Healy Consultants will obtain the necessary foreign licenses and registration to allow Client to legally conduct business in Vietnam;

66. Healy Consultants will professionally manage Client 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;
67. 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**

68. Client will provide Healy Consultants the required due diligence information in timely manner, to enable my Firm efficiently and effectively complete the engagement. Client replies to Healy Consultants communications and requests in a timely manner.
69. Client settles Healy Consultants fees in a timely manner. 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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## Engagement Strategy Example

### Conclusion

70. 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;
71. 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;
72. 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;
73. 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>
Xxxxxx – Client		
Aidan Healy – Healy Consultants		

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## Engagement Strategy Example

### Appendix One

Step	Engagement tasks and deliverables	Time
1.	Client settles the total Vietnam engagement fees with Healy Consultants as outlined in <a href="#">Appendix Three</a> .	25 Sept
2.	Healy Consultants Compliance Team receives the required corporate and personal due diligence information from Client. Our Client signs Healy Consultants engagement letter and returns the original and the required due diligence to our Singapore Head Office.	28 Sept
3.	Our Client confirms by email the planned corporate structure. Healy Consultants' prepares and sends our Client the Powers of Attorney for our Client's signature in front of notary public and legalization in Vietnam Embassy in India. The relevant documents are outlined in <a href="#">Appendix Two</a> . Thereafter, our Client couriers the legalized signed documents together with all supporting corporate documents to our Vietnam affiliate office.	1 Oct
4.	Healy Consultants and Client apply for visas for three Indian staff to visit Vietnam to conduct research and hire local staff.	1 Oct
5.	Healy Consultants provides Client with a Vietnamese nominee shareholder to serve as local partner for the Joint Venture. Healy Consultants then drafts and submits a nominee shareholder agreement to Client.	5 Oct
6.	Client <b>i)</b> reviews the nominee shareholder agreement <b>ii)</b> notifies Healy Consultants of any modification requests <b>iii)</b> signs the agreement and <b>iv)</b> returns it to Healy Consultants.	10 Oct
7.	On receipt of the original legalized documents above, Healy Consultants <b>i)</b> translates them into Vietnamese by an official translator <b>ii)</b> prepares	1 Nov

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	the Memorandum and Articles of Association (in Vietnamese) and <b>iii)</b> emails Client's shareholder the same for review and approval.	
<b>8.</b>	The Vietnam embassy in India approves the visitor visas for three Indian staff who can visit Vietnam to conduct market research and recruit staff.	2 Nov
<b>9.</b>	Healy Consultants Incorporation Team submits to the Government a quality complete LLC incorporation application. To speed up government approval;	3 Nov
<b>10.</b>	Healy Consultants assists Client with the opening of its corporate capital account, required to transfer funds in and out of Vietnam.	4 Nov
<b>11.</b>	Client starts the hiring process for its local staff, including an in-house accounting team of employees.	10 Nov
<b>12.</b>	Client signs a premises lease agreement.	15 Nov
<b>13.</b>	Client receives approval for the opening of a capital account and is now able to transfer funds for government-approved investment projects	7 Dec
<b>14.</b>	Client buys back 99% of the initial share capital of the joint venture partner and submits an application to <a href="#">Ministry of Information and Communications</a> to amend the company's business licenses to have Client's name and the increase of share capital to US\$50,000 on the license.	10 Dec
<b>15.</b>	Healy Consultants receives approval for the inclusion of Client name on the company's advertising license. Upon amending the business license, Client is to apply immediately for a Foreign Investment Certificate.	15 Dec
<b>16.</b>	Healy Consultants applies <b>i)</b> for a seal making license from the HCMC Police Department <b>ii)</b> a tax registration and tax code at the HCMC Taxation office and <b>iii)</b> pays the annual license tax for the company.	15 Dec

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17.	<b>Client Vietnam can legally employ its local staff.</b>	15 Dec
18.	Healy Consultants applies to the <a href="#">Department of Planning and Investment</a> for a Foreign Investment Certificate in advertisement on behalf of Client.	16 Dec
19.	Healy Consultants applies for a corporate bank account in Vietnam with the same bank where the capital account has already been opened.	17 Dec
20.	Healy Consultants receives approval Client's website registration.	1 Feb
21.	Healy Consultants receives approval for the Foreign Investment Certificate	1 March
22.	Healy Consultants obtains approval for the corporate bank account and then assists Client with activating ibanking facilities. <b>Client Vietnam can invoice its first Vietnamese customer</b>	1 March
23.	Healy Consultants assists Client Vietnam director with applying for a Vietnamese residency card and work visa, which will be approved within approximately <u>three months</u> after application.	2 March
24.	Healy Consultants receives approval of the tax registration from the Ho Chi Minh City Taxation Department.	8 March
25.	Healy Consultants publishes an incorporation announcement in public newspapers in Vietnam.	16 March
26.	Client proceeds to transfer the share capital (US\$50,000) no later than 6 months after incorporation of Client Vietnam.	30 March
27.	<b>Client Vietnam is fully incorporated and Healy Consultants successfully completes the engagement.</b>	30 March

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Client and Healy Consultants

## Engagement Strategy Example

28.	The Vietnam Government approves Client Vietnam's Legal Representative residency card and work visa.	1 June
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## Engagement Strategy Example

### Appendix Two

No	Documents required by Healy Consultants from the directors, shareholder and beneficial owners of Client Vietnam
1.	Legalized POA** – Healy Consultants to provide template
2.	The detailed due diligence outlined <a href="#">on this web page</a> .
3.	From Client India we require <b>i)</b> Certificate of incorporation <b>ii)</b> Certificate of incumbency or equivalent <b>iii)</b> M&AA <b>iv)</b> Board decision to setup Client Vietnam by purchasing the shares of the joint venture company <b>v)</b> PoA for the Indian Director to become the bank signatory of Client India's capital account and Client Vietnam's corporate account <b>v)</b> Latest audited financial report **.
4.	Notarized lease agreement in Vietnam and the Lessor's legal documents
5.	Official document containing names and addresses of directors, shareholders and team manager**.
6.	Client India bank statement (stamped by the bank) showing the availability of the share capital (US\$50,000).
7.	A complete business plan detailing activities to be conducted by Client Vietnam (to be drafted by Healy Consultants with information provided by Client).
8.	Translated version of Client website (to be translated by Healy Consultants, translation fees to be paid by Client).

\*\* needs to be authenticated from the authorized party, the Ministry of Foreign Affairs and the Embassy of the country of nationality of Client Vietnam's parent company;

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## Engagement Strategy Example

### Appendix Three

Professional services rendered for Vietnam business set up	Notes	US\$
Healy Consultants project management fees for 6 months	1.	
Vietnam Limited Liability Company formation fees	2.	
Healy Consultants fees to secure the optimum Vietnam JV partner	3.	
Healy Consultants fees to secure Government licenses	4.	
Vietnam corporate bank account opening fees	5.	
Appointing the Legal Representative in Vietnam	6.	
Retainer fee fund transfer received on xx/xx/xxxx, thank you	7.	()
Total Funds to be transferred to Healy Consultants	8.	0

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## Engagement Strategy Example

### Notes to invoice above

1. This cost includes Healy Consultants' fees to thoroughly research and plan Vietnamese business set up for Client including **i)** payment of retainer fees to multiple lawyers, accountants and consulting firms **ii)** preparing a detailed project plan with time lines **iii)** time taken to determine the optimum Vietnamese 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)** completing a detailed engagement strategy document from all of the above **vii)** how to minimize engagement completion time;

This cost also includes Healy Consultants' fees to efficiently and effectively project manage and timely complete the Client Vietnam engagement including **i)** injecting the paid up share capital on Client behalf and **ii)** collating and supervising the legalisation and attestation of all documents **iii)** weekly detailed engagement status updates to Client and **iv)** weekly Friday conference calls and **v)** finding solutions to unexpected challenges that present themselves throughout the engagement;

Healy Consultant's 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)** comply with the need for a Vietnamese shareholder **iv)** minimise tax **v)** comply with the need for regulatory licenses;

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 week during the engagement, Healy Consultants will email our Client a detailed status update. Our Client is immediately informed of engagement problems together with solutions. Your dedicated engagement manager Mr. Simon Guidecoq is reachable by phone, Skype, live chat and email and will communicate in English or French. Healy Consultants never gives up until we complete the engagement, regardless of the complexities or obstacles presented by banks and Governments;

2. For Client specific advertising business in Vietnam, Healy Consultant's fees to efficiently and effectively complete Vietnam company registration including **i)** choosing the optimum

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**Client and Healy Consultants**

## Engagement Strategy Example

regulatory license for Client business activities **ii)** settlement of our accountant and lawyer fees and **iii)** preparing a high quality company incorporation application for the Ministry of Planning and Investment **iv)** reducing Government lead time by 2 weeks **v)** prepare a detailed business plan;

3. According to Vietnamese [Company Law](#), foreign entrepreneurs must form a joint venture with a Vietnamese partner in order to enter into the advertising business. Healy Consultants fee includes the time taken to **i)** find the optimum Vietnamese to setup a joint venture with an existing license **ii)** negotiate the best contract terms on behalf of Client **iii)** complete our detailed due diligence of the Client joint venture partner and supply Client with these documents **iv)** minimise the influence and control of the jv partner **v)** convince the jv partner to not be a bank signatory. This fee excludes the annual fees directly paid by Client to this Joint Venture partner, approximatively **US\$xxxx** per year;
4. Healy Consultants fees to **i)** secure timely Government approval of the Foreign Investment Certificate and **ii)** secure timely Government approval of the Business Licenses including an e-advertising license and an online platform and services license Form together **iii)** reduce the Government approval lead time by two months **iv)** VAT an corporation tax registration with the [General Department of Taxation](#) **v)** payment of all Government fees approximating US\$4,000. Examples of Government and Government costs include paying the business licenses and foreign investor certificates fees. All Government fee payments will be supported by original receipts and invoices. All third party and Government fees needed for legalization of company and/or individual documents will be borne by Client;
5. Healy Consultants will be pleased to open a corporate bank account. It is a time consuming task, thus Healy Consultants will shelter Client from the administrative challenges. There is a 20% probability the banks 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. As you can appreciate, it is a difficult task to obtain bank account approval through a newly formed company, when shareholders, directors and bank signatories reside overseas;

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Client and Healy Consultants

## Engagement Strategy Example

6. Healy Consultants fees to i) find a way to appoint an Indian Legal Representative without the need for that individual to be initially resident in Vietnam ii) secure a 3 year residence visa for the LR and iii) payment of Government immigration fees;
7. Retainer fee payment received to conduct research re Client business set up in Vietnam. Thank you for your business and trusting us with project management of this 6 month engagement;
8. Please review this invoice carefully to identify errors. During the rush of a business day, it is possible that Healy Consultants inadvertently made fee calculation errors, typing errors or omitted services or historic fee payments from Client. In the unfortunate event you identify invoice errors, please revert to me directly re the same. I apologize in advanced if my staff or I made invoice errors;
9. 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;
10. The fees quoted in this invoice are an preciction of the fees required to efficiently and effectively complete Client Vietnamese 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;
11. In accordance with the Vietnamese Company Law, a Company shall as from the date of its incorporation have a legal registered office in Vietnam, to which all official Government communications and notices may be addressed. To comply with this statutory requirement, Healy Consultants recommends Client secure physical office premises in November 2014 before we apply for the Foreign Investment Certificate. If required, Healy Consultants can assist Client find permanent office premises, for a one-time fee of **US\$xxxx**;

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Client and Healy Consultants



# Healy Consultants



## Vietnam Engagement Strategy Agreement Page 25 of 30

### Appendix Four

No	Problem	Solutions
1.	The Ministry of Communications and Information or another relevant administration requests more information or documents from Client in order to approve the e-advertisement license for its Vietnamese subsidiary. This event will cause engagement delays.	Healy Consultants will immediately liaise with Client to request the additional documents or documents required for advertisement license approval. Delays to the engagement deadlines outlined in Appendix One would be reduced if required documents are immediately provided by Client.
2.	The Ministry of Communications and Information or another relevant administration requests a higher percentage of Vietnamese ownership in order to approve the advertisement license. This event will cause engagement delays.	Healy Consultants would immediately liaise with Client to inform our Client of the government request for a higher level of local ownership. To reduce delays caused by such event, our Firm will contact Vietnamese shareholders. Delays would be reduced if <b>i)</b> written agreement is immediately provided by Client and <b>ii)</b> the new JV agreement is signed in a timely manner.
3.	The Ministry of Communications and Information or another relevant administration does not approve the joint venture partner provided by Healy Consultants to Client. This event will cause engagement delays.	Healy Consultants has selected a reputable JV partner for Client, with extensive experience. However, the Vietnamese government enjoys ultimate power of approval of joint venture partnerships. Consequently, we cannot fully guarantee JV partner approval. To reduce delays caused by such event, our Firm has already contacted alternative Vietnamese potential joint venture partner. Delays would also be reduced if <b>i)</b> written agreement to change JV partner is immediately provided by Client <b>ii)</b> the new JV agreement is signed by Client in a timely manner.
4.	The Ministry of Communications and Information or another relevant administration does not approve advertisement license in a timely	The Vietnamese government enjoys ultimate power of approval for the advertisement license needed by Client Vietnam. Approval for advertisement license in Vietnam is notoriously slow

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**Client and Healy Consultants**



### Appendix Four

No	Problem	Solutions
	manner, causing material delays to the engagement completion date. Healy Consultants may revert to Client for additional fees to timely solve this challenge.	and can take up to 2 months. Timely approval of the license is under the control of the Government. However, Healy Consultants would actively liaise with the Vietnamese government and all other involved third parties in order to speed up approval of the advertisement license. In the very unlikely event that Client's license is not approved, Healy Consultants would provide Client with alternative solutions to proceed with incorporation of its Vietnam subsidiary, including <b>i)</b> change of province of incorporation and/or <b>ii)</b> change of JV partner.
6.	The Ministry of Trade and Industry or another relevant government administration requests more information or documents from Client in order to approve its commercial website. This event will cause engagement delays.	Healy Consultants would immediately liaise with Client to request the additional documents required for commercial website approval.
7.	Vietnam authorities actively monitor and heavily restrict Internet use. Consequently, they may request Client to monitor or restrict its users' ability to post comments on its website. This event will cause engagement delays.	To avoid this event, Healy Consultants will assist Client with providing to the authorities a quality application for website approval. If the Ministry of Trade and Industry still requests additional evidence that Client website complies with Vietnamese internet regulations, Healy Consultants would immediately inform Client of this requirement and assists our Client with re-drafting the website template submitted to the Vietnamese government;
9.	The Ministry of Communications and Information or another relevant administration does not approve Client Vietnam's commercial	The Vietnamese government enjoy ultimate power of approval for the commercial website license needed by Client Vietnam. While we have conducted extended pre-incorporation

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**Client and Healy Consultants**



### Appendix Four

No	Problem	Solutions
	website. This event will cause engagement delays.	research and are therefore highly confident that Client will receive approval its website, we cannot fully guarantee such an outcome. In the very unlikely event that Client's website is not approved, Healy Consultants would provide Client with alternative solutions, including i) a revamped version of Client website and/or ii) less functionalities available to users.
10.	The Ministry of Planning and Investment or another relevant administration requests more information or documents from Client in order to approve the foreign investment certificate for its Vietnamese subsidiary. This event will cause engagement delays.	Healy Consultants would immediately liaise with Client to request the additional documents required for foreign investment certificate approval. Delays to the engagement deadlines outlined in Appendix One would be reduced if required documents are provided by Client in a timely manner.
11.	The Ministry of Planning and Investment or another relevant administration requests an increase of share capital in order to approve the foreign investment certificate. This event will cause engagement delays.	Healy Consultants would immediately liaise with Client to increase share capital. Client provides in a timely manner Healy Consultants with its Board decision to approve the new level of share capital required.
12.	The Ministry of Planning and Investment or another relevant administration requests a higher percentage of Vietnamese ownership in order to approve the foreign investment certificate. This event will cause engagement delays.	Healy Consultants would immediately liaise with Client to inform our Client of the Vietnamese's government request for a higher level of local ownership. Our firm would also assist our Client with re-drafting the joint venture agreement and the company's M&AA. To reduce delays caused by such event, our Firm has already contacted Vietnamese shareholders ready to increase their share in Client Vietnam's capital. However, this would result in higher third party costs for Client, as such partners will request to be compensated

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**Client and Healy Consultants**



# Healy Consultants



## Vietnam Engagement Strategy Agreement Page 28 of 30

### Appendix Four

No	Problem	Solutions
		for their increased share capital expenses.
13.	The Ministry of Planning and Investment or another relevant administration does not approve the foreign investment certificate in a timely manner, causing material delays to the engagement completion date. Healy Consultants may revert to Client for additional fees to timely solve this challenge.	The Vietnamese government enjoy ultimate power of approval the foreign investment certificate needed by Client Vietnam. Healy Consultants will communicate with our lawyers and accountants to engineer an alternative corporate structure to enable Client conduct business in Vietnam. Alternative solutions include including i) change of province of incorporation ii) change of parent company for Client Vietnam.
16	The Vietnamese bank requires additional information for acceptance for i) corporate bank account and/or ii) capital account opening. This event will cause engagement delays.	Healy Consultants would negotiate with the bank regarding the necessity of these documents and, if necessary, revert to Client to request them.
17.	The Vietnamese bank requires Client's legal representative or another Client officer to travel to Vietnam for a face to face meeting, before approving the corporate bank account opening.	Healy Consultants would propose an alternative bank to Client for bank account opening, in order to avoid such a need to travel. On Client's request, our Firm may also assist Client to organize a face to face meeting with Client's favorite bank.
18.	The Vietnamese bank does not approve corporate bank account or capital account opening in a timely manner, causing material delays to the engagement completion date.	The Vietnamese banks enjoy ultimate power of approval of account applications. Consequently, guaranteed success is outside of Healy Consultants control. Approval of a capital account is notoriously slow and can take up to 3 months. Healy Consultants cannot be held liable for such bank inefficiency. We furthermore plan to apply for capital account opening early during the incorporation process, so delays would not impact Client Vietnam's

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**Client and Healy Consultants**



### Appendix Four

No	Problem	Solutions
		ability to start operations.
19.	The Vietnamese banks do not open corporate accounts for the proposed business activity or foreign shareholder nationality. This event will cause engagement delays. Healy Consultants may revert to Client for additional fees to timely solve this challenge.	If a bank is deemed not possible, Healy Consultants would find alternative Vietnamese banks more amenable. We already have contacted alternative banks to prevent such outcome to cause important delays for the project.
20.	Client staff experience difficulties obtaining travel visas to Vietnam or the Vietnamese Government requests additional documents of Client employee to process the visa.	The Vietnamese government enjoys ultimate power of approval for the visitor visas needed by Client staff. While we are highly confident that Client will receive approval for visas, we cannot fully guarantee such an outcome. In the very unlikely event that visitor visas are not approved, Healy Consultants would provide Client with alternative solutions, including <b>i)</b> choosing to send other staff to Vietnam and/or <b>ii)</b> sending Healy Consultants staff in Vietnam to propose different permanent premises options in HCMC for Client Vietnam.
21.	The Ministry of Labor, Invalids and Social Affairs does not approve Client Vietnam's legal representative in a timely manner, causing material delays to the engagement date.	Approval for a work permit in Vietnam is notoriously slow and can take up to 6 months. Healy Consultants cannot be held liable for such inefficiency. This event would however not have consequences on Client Vietnam's daily operations. If requested, Healy Consultants may furthermore provide Client Vietnam with a nominee resident director, for an additional fee.
22.	Client Vietnam's appointed legal representative experience difficulties obtaining a work permit visas to Vietnam or the Vietnamese	The Vietnamese government enjoy ultimate power of approval for the visitor visas needed by Client staff. While we are highly confident that Client will receive approval for visas, we

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**Client and Healy Consultants**



# Healy Consultants



## Vietnam Engagement Strategy Agreement Page 30 of 30

### Appendix Four

No	Problem	Solutions
	Government requests additional documents of Client employee to process the visa.	cannot fully guarantee such an outcome. In the very unlikely event that work permit is not approved, Healy Consultants would provide Client with alternative solutions, including <b>i)</b> choosing other staff to apply for Vietnam residence or <b>ii)</b> hiring a Vietnamese as resident director for the company.
25.	Political events in Vietnam and/or abroad either postpones or terminates the engagement.	Where there is a termination of services due to external reasons, Healy Consultants will provide a refund for services not already rendered.
26.	The exchange rate of the Vietnamese Dong significantly appreciate against the USD or another foreign currency used by Client to transfer share capital or other funds to Vietnam.	This event is unlikely, as the State Bank of Vietnam has seldom reevaluated the value of the Vietnamese Dong. If such event occurs, Client will need to adjust the dollar-denominated amount of the transfer needed to fully pay up share capital of Client Vietnam. To protect itself from currency risk, Healy Consultants recommends Client to fully pay up share capital immediately after Foreign Investment Certificate approval.
27.	Our Client does not provide Healy Consultants with all the required information/documents listed in appendix 2. This event will cause engagement delays. Healy Consultants may revert to Client for additional fees to timely solve this challenge.	Client responds to Healy Consultants requests and efficiently provides our Firm the required information. The engagement deadlines outlined in Appendix One will be delayed if required documents are not immediately provided by Client.

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**Client and Healy Consultants**