

INCORPORATION UNDER THE BVI BUSINESS COMPANIES ACT, 2004

1. Introduction

The following is a brief summary of the significant features of a BVI Business Company (“BVIBC”) together with an outline of the incorporation procedure under the BVI Business Companies Act, 2004 as amended (“BVIBC Act”). We have included in this summary details of both our standard incorporation fees and the current Government fees. Also attached are an application for incorporation and a client questionnaire which detail the information that we require from you to enable us to incorporate and organise a BVIBC on your behalf as well as comply with all applicable anti-money laundering laws.

2. Significant Features of BVIBCs

- Subject to any provisions in the Memorandum or Articles of Association (which together form the constitutional documents of the BVIBC) a BVIBC has statutory power to engage in any lawful activity irrespective of corporate benefit.
- A BVIBC is exempt from the provisions of the British Virgin Islands Income Tax Ordinance.
- A BVIBC is exempt from British Virgin Islands tax and stamp duty on documents in respect of transactions carried out by it or relating to its shares or debt obligations save in respect of the transfer of interests in land in the British Virgin Islands or transactions in respect of the shares, debt obligations or other securities of a company owning land in the British Virgin Islands.
- A BVIBC is required to have a Registered Agent. This is a licensed service provider located in the British Virgin Islands which carries out a quasi company secretarial function. Harneys Corporate Services Limited acts as registered agent to all BVIBC’s which we incorporate.
- No public record is maintained as to the identity of shareholders or directors unless the company elects to do so. A copy of the register of members and register of directors must be kept at the office of the registered agent of the company. It is open to any shareholder to request inspection of the registers and minutes of meetings and other resolutions of shareholders. Apart from where the Memorandum or Articles of Association gives a member the absolute right to inspect the corporate records, in all other cases if the company refuses access to a member, an application may be made to the court for an order to allow inspection. Nominee shareholders may be used.

- A BVIBC does not have to file annual returns or accounts, but an unlimited company not authorised to issue shares must file a return of directors and most regulated companies will have to file returns and/or accounts with the BVI Financial Services Commission.
- Public records of BVIBCs are generally limited to the Certificate of Incorporation, the Memorandum and Articles of Association (for details of which see Section 3 below), the name and address of the registered agent and the record of payments of the annual fees and may contain details of any security created by the company over its property.
- A BVIBC may have a single shareholder and it may also have a single director, either or both of which may be corporate and non-resident. No company secretary is required by law. Resolutions of shareholders or directors may be consented to in writing in the manner provided for in the Articles of Association.
- Companies incorporated under the laws of a jurisdiction outside the British Virgin Islands (if the laws of the jurisdiction under which it is incorporated permit) may be converted to BVIBCs.
- Companies incorporated under the British Virgin Islands International Business Companies Act that did not apply for re-registration as a BVIBC during 2005 and 2006 were automatically re-registered as BVIBCs with effect from 1 January 2007. Companies incorporated under the British Virgin Islands local Companies Act (Cap 285) that do not apply for re-registration as a BVIBC during 2005 to 2007 will be automatically re-registered as BVIBCs with effect from 1 January 2008.
- A BVIBC may change its domicile to another jurisdiction.
- A BVIBC may fully indemnify directors, officers and liquidators from corporate funds subject to such persons having acted honestly and in good faith and in what they believe to be in the best interest of the BVIBC.
- A BVIBC may merge or consolidate with other BVIBCs, and with foreign companies (if permitted by the laws of the jurisdiction in which such foreign companies are incorporated).
- A BVIBC may issue bearer shares but they must be delivered to or deposited with an authorised or recognised custodian. In addition, the Government fees for a BVIBC that is authorised to issue bearer shares or convert or exchange registered shares for bearer shares are higher. We will refer any request to incorporate a company with bearer shares to our associated law firm for special advice.
- A BVIBC may purchase its own shares.
- A BVIBC may be incorporated as a company limited by shares, a company limited by guarantee (either authorised or not authorised to issue shares) or an unlimited company

(either authorised or not authorised to issue shares). In the vast majority of cases, a BVIBC will be incorporated as a company limited by shares.

- The BVIBC Act makes no distinction between private and public BVIBCs.
- Subject to the provisions in the Memorandum and Articles of Association, the members may by a majority, amongst other things, amend the Memorandum and Articles of Association, change the name and go into voluntary liquidation (if solvent). Subject to certain provisions to protect shareholders, the power to amend the Memorandum and Articles of Association may be given to the directors.
- The directors may protect the assets of a BVIBC for the benefit of the company, its creditors and its members and for any persons having direct or indirect interests in the company by transferring the assets of the BVIBC in trust to trustees, or to another company or legal entity.
- A BVIBC may be incorporated as a restricted purposes company.
- A BVIBC may apply to a Judge in chambers, without the necessity of joining any other party, for a declaration on any question of interpretation of the BVBC Act or of its Memorandum or Articles of Association.

3. Formation

A BVI Business Company is formed by filing a Memorandum of Association (“Memorandum”) and Articles of Association (“Articles”) with the Registrar of Corporate Affairs. The Articles, which are similar to By-Laws in the United States, must (save in the case of an unlimited company not authorised to issue shares) be filed simultaneously with the Memorandum, which is similar to a Certificate of Incorporation in the United States.

Memorandum of Association

The Memorandum must contain the following information:

- **Name**

The proposed name of the BVIBC can be in any language. However, it must end with one of the following:

- “Limited” or “Ltd”;
- “Corporation” or “Corp”;
- “Incorporated” or “Inc”;
- “Soci t  Anonyme” or “S.A.”; or
- “Sociedad An nima” or “S.A.”;

A company that is a restricted purposes company must end with the phrase “(SPV) Limited” or “(SPV) Ltd”, and a company that is a segregated portfolio company, which is not also a restricted purposes company, must include the designation “Segregated

Portfolio Company” or “SPC” immediately before one of the above endings. Additionally, a limited company that is also a private trust company must include the designation “(PTC)” immediately before one of the above endings.

A company name may comprise the expression “BVI Company Number” followed by its company number in figures and an ending required by (i) above. In such cases the company may have an additional foreign character name approved by the Registrar of Corporate Affairs.

The name of a BVIBC must not:

(a) contain any of the following words or expressions:

<i>Assurance</i>	<i>Municipal</i>
<i>Bank</i>	<i>Reinsurance</i>
<i>Building Society</i>	<i>Royal</i>
<i>Casualty</i>	<i>Savings</i>
<i>Chamber of Commerce</i>	<i>Savings and Loans</i>
<i>Chartered</i>	<i>Surety</i>
<i>Co-operative</i>	<i>Trust</i>
<i>Fiduciary</i>	<i>Trust Company</i>
<i>Guarantee</i>	<i>Trust Corporation</i>
<i>Indemnity</i>	<i>Trustee</i>
<i>Imperial</i>	<i>Trustee Company</i>
<i>Insurance</i>	<i>Underwriting</i>

unless special written permission is granted by one or more of the Registrar of Corporate Affairs, the Financial Services Commission or the Governor in Council;

- (b) suggest or imply the patronage of Her Majesty or any member of the Royal Family or any connection with Her Majesty’s Government or any department thereof or any connection with a municipality or other local authority or with a society or body incorporated by Royal Charter;
- (c) be, in the opinion of the Registrar of Corporate Affairs, offensive or otherwise objectionable; or
- (d) be identical or so similar so as likely to confuse or mislead as the name of another company incorporated in the British Virgin Islands.

A name intended for future adoption may be reserved for 90 days.

- **Type of Company**

The Memorandum must state the type of company, which in most cases will be a company limited by shares.

- **Registered Office Address**

This must be an address in the British Virgin Islands. Harneys Corporate Services Limited will provide this.

- **Registered Agent's Name**

We will act as registered agent.

- **Authorised Number of Shares**

The maximum number of shares that the Company is authorised to issue must be set out in the Memorandum or a statement that the Company is authorised to issue an unlimited number of shares. No concept of authorised capital is employed by the BVIBC Act and so it is not necessary to attribute par value to shares. The concept can be built into the constitution of the Company if required but serves no legal purpose under BVI law.

- **Classes of Shares**

A statement must be included as to the classes of shares that may be issued and, if the company is authorised to issue two or more classes of shares, the rights and privileges, restrictions and conditions attaching to each class of shares.

Articles of Association

The Articles must prescribe regulations for the company and must be submitted for registration (filing) together with the Memorandum save in the case of an unlimited company not authorised to issue shares.

Directors

A minimum of one is required. Directors may be corporations or individuals. Harneys Corporate Services Limited may provide directors in suitable cases. Directors' meetings can be held anywhere in the world and can be conducted by telephone. Annual meetings are not required.

Timing

In order to file the Memorandum and Articles with the Registry of Corporate Affairs we need to have received from you:

- (a) a completed application for incorporation (see attached);
- (b) payment of our fees;
- (c) an original completed client questionnaire together with requisite documentation (see attached).

Once the Memorandum and Articles are filed at the Registry of Corporate Affairs, a Certificate of Incorporation is issued by the Registry of Corporate Affairs usually within 48 hours.

If you would like further information on BVI Business Companies or details of how Harneys Corporate Services Limited can help you with your incorporation enquiries, please contact Andrew Swapp at incorporations@harneys.com or your usual Harneys contact. Alternatively, you may visit our website at www.harneyscorporate.com.

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BVI BUSINESS COMPANIES – FEE SCHEDULE

Incorporation Fees

➤ Professional Fee

Standard Incorporation (includes Registered Agent and Registered Office fees to December 31)	US\$ 780
Additional Fees:	
Organisational Minutes (recommended)	US\$ 100
Corporate Seal	US\$ 60
Courier	US\$ 60

➤ Government Registration Fee

Authorised to issue 50,000 registered shares or less	US\$ 350
Authorised to issue more than 50,000 registered shares	US\$1,100

Annual Maintenance Fees for Subsequent Years

➤ Professional Fees

Registered Office and Registered Agent	US\$ 420
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➤ Government Fees

Authorised to issue 50,000 registered shares or less	US\$ 350
Authorised to issue more than 50,000 registered shares	US\$1,100

Additional Services

Details of Government and professional fees for other optional services may be obtained on request.

BVI BUSINESS COMPANY INCORPORATION APPLICATION

1. CONTACT DETAILS

Contact Name: _____

Address: _____

Telephone: _____

Fax: _____

Email (required): _____

Will you be responsible for the payment of our fees in connection with the annual maintenance of the Company? Yes No

If No, please provide the name and email address of the person/firm responsible for payment of the annual maintenance fees.

Name: _____

Email (required):* _____

***Please note that invoices for annual maintenance fees will be sent by email to the above email address**

2. NAME OF COMPANY

The name of a BVIBC must end with the suffix: Limited, Corporation, Incorporated, Société Anonyme, Sociedad Anónima, Ltd, Corp, Inc or S.A. Occasionally, your preferred name may not be available. In general this will be because it is too similar to the name of another BVI company or because it contains a restricted word or phrase.

Please insert preferred name of Company:

Please insert any acceptable alternatives:

3. SHARE STRUCTURE

Our standard Memorandum of Association provides for 50,000 no par value registered shares of a single class, which for the vast majority of cases is all that is required. The number of shares which the company may issue is not of particular significance. If you require more than 50,000 shares the BVI government licence fee increases to US\$1,100 (from US\$350). For that reason most BVIBCs are incorporated with 50,000 authorised shares. **If you require a standard company please proceed to section 4.**

If you need a number of shares other than 50,000 please insert below:

If you need more than one class of shares please insert details below:

Shares do not have a “par value”. Ordinarily shares confer a single vote and an equal right to dividends or other distributions (including on the liquidation of the BVIBC). If this is not your intention, please insert any different requirements:

Statutory pre-emption rights on new issues of shares exist but are excluded in the vast majority of cases. If you require statutory or other pre-emption rights on new issues of shares please indicate below, but we would strongly suggest that you obtain specific advice from a Harneys lawyer before making this election:

Ordinarily shares may be transferred unless the shareholder to whom they were issued by the company has not paid for them in full. If there are other circumstances where shares should not be transferable, please insert details of these below:

4. PROPOSED SHAREHOLDERS

You are required to produce verification of names and addresses of shareholders as detailed in the attached client questionnaire. Please ensure that the details inserted here match exactly those on your proposed verification documentation.

If you intend to hold the Shares personally, or wish other individuals (not being companies) to hold the Shares, you may wish to consider succession planning using a simple trust structure created by Harneys Corporate Services Limited, termed the 'Share Trust'. Further information about the Share Trust can be obtained on our website: HarneysCorporate.com, or through your usual contact at Harneys Corporate Services Limited.

Please complete the following details in respect of each proposed initial shareholder:

Name of Shareholder

Address

Number of Shares

Class of Shares (if relevant)

Subscription Monies to be paid per share**

** This is the amount paid by the shareholder to the company for shares when they are first issued. There is no legal reason why the amount paid per share need be substantial and US\$1.00 per share may be an obvious choice unless there are commercial reasons why the amount should be greater. This information is required.

Name of Shareholder

Address

Number of Shares

Class of Shares (if relevant)

Subscription Monies to be paid per share**

Name of Shareholder

Address

Number of Shares

Class of Shares (if relevant)

Subscription Monies to be paid per share**

Name of Shareholder

Address

Number of Shares

Class of Shares (if relevant)

Subscription Monies to be paid per share**

Name of Shareholder

Address

Number of Shares

Class of Shares (if relevant)

Subscription Monies to be paid per share**

Name of Shareholder

Address

Number of Shares

Class of Shares (if relevant)

Subscription Monies to be paid per share**

If shares are to be issued for consideration other than money, please describe here:

5. PROPOSED DIRECTORS

Please complete the following details in respect of each proposed initial director:

Name of Director

Address

Name of Director

Address

Name of Director

Address

Name of Director

Address

Directors may not be:

1. under 18 years of age (if an individual);
2. an undischarged bankrupt; or
3. subject to a disqualification or bankruptcy undertaking or order under the BVI Insolvency Act.

Each director is required to consent in writing to his appointment. Each director must complete the form of consent set out in Schedule 1 before he can be appointed. The forms of consent do not need to be completed prior to submission of this application.

6. OFFICERS

There is no statutory requirement for a secretary or other specified officers. If any officers are required, please provide the following details:

Name of Officer

Office

Address

Name of Officer

Office

Address

7. COMPANY REGISTERS AND RECORDS

Unless you specifically request otherwise or, following incorporation, the directors determine otherwise, the original register of directors and members of the company will be maintained by Harneys Corporate Services Limited in electronic form.

If minutes of meetings and resolutions of the directors and members of the company are to be kept at an address different to the address set out in Section 1 please provide details below. If this address changes at any time in the future you are required to provide Harneys Corporate Services Limited with written notice of the place at which such records are kept within 14 days of the change.

Address:

8. PAYMENT OF INCORPORATION FEES

FUNDS NEED TO BE RECEIVED AT OUR OFFICES IN ORDER TO PROCEED WITH INCORPORATION OF YOUR COMPANY. PAYMENT CAN BE MADE BY CREDIT CARD, WIRE TRANSFER OR CHEQUE.

PLEASE ARRANGE PAYMENT FOR THE FOLLOWING AMOUNT:

Professional Fees:	Please tick fee that applies and fill in amount	
Standard Incorporation and Maintenance Fee	US\$ 780	<input type="checkbox"/> _____
Additional Fees:		
Organisational Minutes (recommended)	US\$ 100	<input type="checkbox"/> _____
Corporate Seal	US\$ 60	<input type="checkbox"/> _____
Courier	US\$ 60	<input type="checkbox"/> _____
	<u>Total</u>	_____
<u>Government Registration Fees</u>		
Authorised to issue 50,000 registered shares or less	US\$ 350	<input type="checkbox"/> _____
Authorised to issue more than 50,000 registered shares	US\$1,100	<input type="checkbox"/> _____
<u>Total Professional and Government Fees</u>		_____

Payment authorisation via credit card

Please complete the form below and fax this page to us at +1 284 494 3547 (marked for the attention of Andrew Swapp)

VISA MASTERCARD

Preferred Name of Company: _____

Card Holders Name: _____

Card Number: _____

Expiry Date: _____ Amount to charge: _____

I hereby authorise Harneys Corporate Services Limited to debit my credit card the amount stated above.

Signature of Card holder

Payment by wire transfer

Funds can be remitted by wire transfer to:

Main Bank: Wachovia Bank, New York
Swift: PNBPUS3NNYC
ABA (routing #) 026005092

Receiving Bank: FirstCaribbean International Bank
Tortola,
British Virgin Islands
Account # 2000192005393
Swift Code: FCIBVGVG

Beneficiary: **Harney Westwood & Riegels Client Funds Account**
Account # 215066274

NOTE: To ensure proper credit of wire transfer funds please include the preferred name of the Company to be incorporated and “**Incorp Fees**” in the wire transfer instructions. Also please advise us by e-mail at incorporations@harneys.com or by fax on +1 284 494 3547 (marked for the attention of Andrew Swapp) of the amount and date of the transfer together with the wire transfer reference number from your bank.

Payment by cheque

Payment can be made by cheque or bank draft in favour of Harneys Corporate Services Limited drawn on a U.S. mainland bank. Please mail payment to:

Attn: Andrew Swapp
Harneys Corporate Services Limited
Craigmuir Chambers
P.O. Box 71, Road Town
Tortola
British Virgin Islands

Schedule 1

Form of consent to act as director of a BVI business company

_____ (name of director)

of _____

_____ (address of director) (the “Director”), consents to be a director, upon incorporation, of the BVI business company which Harneys Corporate Services Limited has been requested to incorporate with the name, _____

_____ (preferred name of company set out in the application for incorporation) whether or not the company is incorporated with such name or any other name.

This form of consent is given in accordance with section 112 of the BVI Business Companies Act, 2004.

The Director confirms that the name and address given above are accurate and may be entered in the register of directors of such company.

Signature

Date: 200

Once completed and signed this form of consent should be sent to Harneys Corporate Services Limited by email with a scanned copy of the form attached to incorporations@harneys.com or by fax to + 1 284 494 3547 (marked for the attention of Andrew Swapp).

Name of Company:

CLIENT QUESTIONNAIRE

Important Notice: This information is required in order to comply with the Anti-Money Laundering legislation in the British Virgin Islands. All information will be held confidentially at our offices.

THIS FORM MUST BE COMPLETED IN ITS ENTIRETY IN RESPECT OF THE APPLICANT FOR BUSINESS WHOSE NAME SHOULD BE SET OUT IN THE APPLICATION FOR INCORPORATION. PLEASE FOLLOW INSTRUCTIONS EXACTLY. WE CAN ONLY PROCEED WITH INCORPORATION OF YOUR COMPANY ONCE WE HAVE RECEIVED ORIGINAL CLIENT QUESTIONNAIRES AND THE STIPULATED DOCUMENTS AT OUR OFFICES AND THEY HAVE BEEN APPROVED BY OUR COMPLIANCE DEPARTMENT.

An Applicant for Business will be one of two types: an end user client (“EUC”) or a professional services client acting on behalf of a client PSC. In the case of an EUC the information requested in this client questionnaire must be completed. In the case of a PSC, the information in the client questionnaire must be provided with respect to the PSC’s client. However, it is not necessary for the PSC to provide this information to Harneys Corporate Services Limited if the PSC has entered into a Qualified Introducer agreement with Harneys Corporate Services Limited. Please contact us for more information about Qualified Introducer Agreements.

Full Name of Proposed Shareholder (*please complete a separate form for each proposed shareholder*):

Current Permanent Residential Address including Postal Code:

Date and Place of Birth:

Nationality:

Telephone:

E Mail Address:

Occupation:

Employer:

If Self-Employed, give details of your business:

Correspondence Address (if different from above):

Notes: If person has lived at this address for a period of less than six months, please provide details of previous address

Please provide the following information for the client:

- a) A copy of the information pages of a valid passport or driver's license, which has been recently certified by a notary public, lawyer or accountant. This is to include the photo ID page and signature page.

Please carefully note the following:

- The certification must state that the original passport or driver's license was examined and that the copy is a true copy of the original passport or driver's license that was examined.
- The person certifying the document must state the capacity in which he/she is making the certification.
- The certification must be done on the face of the copy of the information pages of the passport or driver's license.
- Send us the copy of the information pages of the passport or driver's license, which bears on its face, the original certification and signature of the person making the certification.
- The certification must be written in the English language. If documents are submitted in a foreign language, they must be translated in English and the translation must be certified as a true translation of the foreign language to the English language by a notary public, lawyer or accountant.

- b) A copy of a utility or other bill, bank statement or credit/debit card statement addressed to the proposed shareholder at the proposed shareholder's current residential address given above. The bill/statement should be dated within the last three months.

COMPLETED FORMS AND DOCUMENTS SHOULD BE SENT TO:

**ANDREW SWAPP
HARNEYS CORPORATE SERVICES LIMITED
CRAIGMUIR CHAMBERS
P.O. BOX 71, ROAD TOWN
TORTOLA
BRITISH VIRGIN ISLANDS**

In the event of any queries in relation to this client questionnaire, please feel free to contact a member of our incorporations team :

Tel: +1 (284) 494 2233
Fax: +1 (284) 494 3547
E-mail: incorporations@harneys.com