

**Terms and Conditions**

**1. Definitions**

In these Terms the following definitions apply:

- (a) **Agreement:** any written or verbal agreement, pursuant to which Services are rendered;
- (b) **Applicable Law:** any law, regulation, rule, requirement, practice and guidelines of any government, regulatory authority or self-regulating organization or any self-imposed rule that applies to the provision of the Services including but not limited to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and the Companies Ordinance and applicable regulations prevailing in Hong Kong, as amended from time to time;
- (c) **Claim:** any and all claims (contractual or otherwise), threatened claims, suits, taxes, penalties, charges, fines, liabilities, losses, damages, amounts paid in settlement, costs and expenses including but not limited to reasonable legal fees incurred in connection with any actual or threatened proceedings, suffered, incurred or expended, directly or indirectly, all in the widest sense;
- (d) **Client Entity:** the individual, legal entity, trust, foundation, association or partnership (whether or not having separate legal personality) receiving the Services;
- (e) **Confidential Information:** all non-public information which relates to the operations or business of a party whether disclosed by a party or by a third party and which (i) is designated or marked as confidential or (ii) given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential;
- (f) **Data:** as defined in clause 11.1;
- (g) **Expenses:** as defined in clause 6.2;
- (h) **Fees:** as defined in clause 6.1;
- (i) **Funds:** as defined in clause 19;
- (j) **FY or Fung Yu:** all companies ultimately beneficially owned by the partners or directors of Fung, Yu & Co., CPA Limited, Fung Yu Trust Services (Hong Kong) Limited, or Harris Corporate Solutions Limited, Fung Yu Advisory Services Limited, Fung Yu Management Consultancy Limited, Harris Property Management (H.K.) Limited or other FY entity from time to time, each of which is a separate legal entity.
- (k) **Know your client file:** as defined in clause 4.2;
- (l) **Services:** any services rendered by FY including but not limited to Directorship Services; and
- (m) **Terms:** these general terms and conditions.

**2. Applicability**

2.1. These Terms apply to:

- (a) all Agreements;
- (b) all agreements arising from and/or in relation to the Agreements; and

(c) all offers, proposals and quotations made by FY or representative to the Client Entity.

2.2. Any general terms and conditions of the Client Entity, and/or of any entity related to the Client Entity, are rejected explicitly.

2.3. Each affiliate, director, officer and/or employee of FY involved in the performance of Services, may at all times rely upon the provisions of these Terms for his/her/its own benefit as a third party beneficiary.

**3. Amendments and additions to the Terms**

3.1. FY has the right to unilaterally amend these Terms. The amended Terms will become effective and take precedence over all other previously notified general terms and conditions within 1 (one) month after notification of such amendment is given by FY to the relevant parties.

3.2. All other amendments and additions to these Terms and/or the Agreement can only be agreed in writing by the relevant parties to the Agreement. If such an amendment and/or addition is agreed in respect of an Agreement, such amendment and/or addition shall only apply to that particular Agreement.

**4. Obligations and responsibilities of the Client Entity**

4.1. The Client Entity is responsible for determining that the scope of the Services is appropriate for its needs.

4.2. The Client Entity shall procure that FY is provided from time to time with any information relating to the Client Entity, the nature of its business, its ultimate beneficial owner(s), the origins of the funds used within the relevant structure of which it is part, and more generally any other information which it may hold and which FY is or may be required by Applicable Law to collect, update and maintain (the "Know your client file"), as well as all information required to enable FY to determine the volume and nature of the transactions entered into by the Client Entity or necessary to enable FY to properly perform the Services. FY may use the information and data furnished by the Client Entity or others and rely on its accuracy, completeness and lawfulness without audit or verification.

4.3. The Client Entity is not and will not, directly or indirectly, be engaged in unregulated gambling, arms or sex-related business or any illegal activities including but not limited to money laundering, terrorism financing and tax fraud.

**5. Obligations and responsibilities of FY**

5.1. FY shall discharge its duties in good faith and with due professional care, and in accordance with Applicable Law. FY shall not do or omit to do anything which it considers to be in conflict with Applicable Law.

5.2. FY shall determine in what manner and by which person(s) the Services shall be performed.

5.3. FY may at any time without notifying the Client Entity make any changes to the Services which are necessary to ensure compliance with Applicable Law, or which it considers necessary and do not materially affect the nature or quality of the Services.

- 5.4. All dates for delivery of the Services given by FY or specified by the Client Entity are intended for planning and estimating purposes only and are not contractually binding.
- 5.5. Although FY may need to review sections of draft agreements or (notarial) deeds prepared by the Client Entity's legal advisers, FY does not provide any legal, investment, exchange control or other advice and none of the communications of FY may be regarded as advice.
- 5.6. FY shall be entitled to retain any other entity which is part of the Fung Yu and/or any sub-contractor to perform part or all of the Services on behalf of FY, without prior consent of the Client Entity. Notwithstanding any such engagement, FY shall remain fully responsible for the fulfilment of any of its obligations under this Agreement.
- 5.7. FY has no responsibility to:
- (a) monitor events occurring after the date of completion of the Services; or
  - (b) to update any deliverable under the Agreement unless otherwise explicitly agreed to in writing.
- 5.8. The Services are performed solely for the benefit of the Client Entity. Third parties cannot derive any rights from the Services.
- 5.9. FY shall be authorised to destroy any documents it has with respect to the Client Entity after expiry of the relevant statute of limitations applicable for the retention of any such document.
- 6. Fees and Expenses**
- 6.1. The Client Entity shall pay all amounts due to FY for the Services rendered as set out in the Agreement (the "Fees").
- 6.2. In addition to the Fees, the Client Entity shall reimburse FY for any and all expenses incurred in the performance of its duties under the Agreement, including but not limited to office expenses and disbursements (the "Expenses"). The office expenses amount to at least 6% of the Fees.
- 6.3. All Fees and Expenses are exclusive of VAT, sales tax or the equivalent thereof.
- 6.4. FY may charge additional fees for the provision of Services where the volume of work required to be carried out by FY is greater than expected, for example, as a result of the Client Entity's (lack of) instructions, failure or delay in providing information, FY having to deal with outstanding queries, the inaccuracy of any material, or otherwise.
- 6.5. Fees for Services not included in the Agreement or as referred to in clause 6.4 may be charged either through: (a) providing the Client Entity with an estimate as to amended or additional fees; or (b) charging on a time spent basis at the prevailing hourly rate commensurate with the work undertaken and the seniority of the person doing the work.
- 6.6. The Fees and Expenses will be automatically adjusted annually in case of inflation. FY is entitled to increase the Fees and/or Expenses (i) annually in case of inflation up to 5% per year; (ii) quarterly in case of inflation between 5% and 10% per year; and (iii) monthly in case of inflation of more than 10% per year. The inflation percentage used for this clause is the percentage as set out in the Hong Kong Consumer Price Index. The Fees and/or Expenses will be increased with this percentage. The adjustments shall take effect 1 (one) month after notice of adjustment has been given to the Client Entity.
- 6.7. In addition to clause 6.6, FY is entitled to adjust the Fees and/or Expenses for currency changes and changing market circumstances, which adjustments take effect as of 1 (one) month after notice of adjustment has been given to the Client Entity.
- 6.8. Any Fees and/or Expenses which are invoiced by FY under the Agreement are to be paid within 30 (thirty) calendar days after the relevant invoice date. If the Fees and/or Expenses are not paid within this payment term, the Client Entity shall be in default without a notice of default being required and FY will be entitled to charge a late payment interest of 1% per month up to a maximum as authorised under Applicable Law. Late payment interest will accrue as per the first day when payment becomes overdue.
- 6.9. All costs incurred by FY to collect any amounts outstanding either in connection with legal proceedings conducted or otherwise shall be borne and paid by the Client Entity. A fee equal to the time spent by FY on an hourly rate basis will be charged to the Client Entity for each notice of default, reminder notice or request for payment of an overdue invoice.
- 6.10. FY is entitled to suspend or cease the provision of the Services with immediate effect whenever any Fees and/or Expenses due to FY are not paid within 60 (sixty) calendar days from the relevant invoice date.
- 6.11. FY shall be entitled to require that the Client Entity provides (supplementary) security in a form to be determined by FY. If the Client Entity fails to provide the required security, FY shall be entitled, without prejudice to its other rights, to suspend the performance of the Services or terminate the Agreement with immediate effect, and everything the Client Entity owes to FY for whatever reason shall be forthwith due and payable.
- 6.12. If the Client Entity withdraws its request to provide Services prior to the signing of an Agreement, but FY has already spent time preparing for the provision of Services, FY may charge all time spent at the prevailing hourly rate or for an agreed fees amount.
- 6.13. In the event the Agreement is terminated during the course of a calendar year, any fixed Fees paid upfront for that year will not be reimbursed.
- 7. Liability**
- 7.1. Nothing in these Terms shall exclude or restrict (or prevent a Claim being brought in respect of) any liabilities which cannot lawfully be limited or excluded save to the extent permitted by mandatory Applicable Law.

- 7.2. Neither FY nor any of its affiliates, directors, officers or employees is liable for damages incurred by the Client Entity due to a breach of the Agreement if FY is able to cure the breach within 30 (thirty) calendar days from the date notice is given by the Client Entity in respect of such breach with no subsisting material damage to the Client Entity.
- 7.3. In no event shall FY or any of its affiliates, directors, officers or employees be liable for any loss of use, contracts, data, goodwill, revenues or profits (whether or not deemed to constitute direct losses) or any consequential, special, indirect, incidental, punitive or exemplary loss, damage or expense.
- 7.4. Any liability of FY or any of its affiliates, directors, officers or employees shall be limited to the amount paid out in the relevant case by the professional liability insurance of FY. If the insurer makes no payment under such insurance, the liability of FY or any of its affiliates, directors, officers or employees shall be limited to an amount which will not exceed the aggregate amount of the Fees paid during the period of 12 (twelve) months prior to the occurrence of the event or incident which was alleged to have led to the Claim, and, in all circumstances, subject to a maximum liability of HKD 100,000 (Hong Kong Dollar one hundred thousand).
- 7.5. All Claims made by the Client Entity against FY or any of its affiliates, directors, officers or employees shall expire 3 (three) months after the moment that the Client Entity is aware, or could reasonably have been aware, of the event or incident that has led to the Claim. In any event, all Claims against FY or any of its affiliates, directors, officers or employees shall lapse following the 12 (twelve) months' period after the event or incident which was alleged to have led to the Claim.
- 7.6. FY shall not be liable towards the Client Entity for activities conducted or services rendered by third parties to the Client Entity or for any fees due to third parties for services rendered to the Client Entity. The Client Entity shall indemnify and hold FY harmless from and against any and all Claims in this respect.

## **8. Indemnity**

During and after termination of the Agreement, the Client Entity agrees to indemnify and hold FY and any of its affiliates, directors, officers and employees harmless from and against any and all Claims from third parties relating to or arising from the provision of or the failure to provide the Services, except in the event of gross negligence, deliberate recklessness, wilful misconduct or fraud on the part of FY or any of its directors.

## **9. Force Majeure**

No party to the Agreement shall be liable for any delays or non-performance directly or indirectly resulting from circumstances or a cause beyond his/her/its reasonable control.

## **10. Confidentiality**

- 10.1. FY shall not disclose any Confidential Information relating to the Client Entity to any third party, except with respect to, and only to the extent that:
- (a) such disclosure is reasonably necessary or desirable for the proper performance of its duties;

- (b) such disclosure is reasonably necessary or desirable to enable the entity which is part of the Fung Yu and/or the sub-contractor to perform part or all of the Services on behalf of FY;
- (c) such disclosure is required under Applicable Law;
- (d) such disclosure is required upon the order of any court or other governmental, tax, supervising or regulatory body; or
- (e) such information is within, or falls within the public domain through no fault of FY.

- 10.2. The Client Entity agrees to reimburse any costs that FY may incur in complying with any such disclosure requirement relating to the Client Entity or the Services if requested in accordance with clause 10.1(c), not involving any substantive claim or proceedings against FY.
- 10.3. FY may under Applicable Law be required to report and disclose unusual transactions which it becomes aware of in respect of the Client Entity. FY is not liable in respect of any damages resulting from or relating to such reporting or disclosure.

## **11. Use of Data**

- 11.1. The Client Entity acknowledges and agrees that FY will be entitled to process personal data of directors, officers and employees of the Client Entity, its affiliates and to the extent applicable, of its customers (the "Data Subjects"), as well as the information included in the Know Your Client file (the "Data"), including but not limited to transmission of the Data to, from and within the Fung Yu worldwide and to, from and within sub-contractors engaged by FY to perform part or all of the Services on behalf of FY thereby allowing worldwide access to the Data to designated staff members of the Fung Yu and/or to subcontractors with a need to know, in the opinion of FY. The processing and the worldwide transmission shall comply with Applicable Law which includes among others the binding corporate rules of FY on international data transfers.
- 11.2. The Data may be obtained either from the Client Entity or from other (public) sources, whether or not prior, on or after the date of establishing a relationship with the Client Entity.
- 11.3. The Data will be used only for the purposes of communication with the Client Entity (including but not limited to direct marketing), management of the relationship with the Client Entity, performance of the Services and conducting compliance procedures imposed on FY by Applicable Law.
- 11.4. The Client Entity confirms its understanding of the processing of Data and, as far as required hereby, unambiguously grants consent to the processing of the Data as set out above. The Client Entity represents and warrants that the consent of the Data Subject for such processing has been obtained in so far as necessary.

**12. Termination**

- 12.1. The Agreement can be terminated by any party to the Agreement at any time by giving 3 (three) months prior notice in writing.
- 12.2. Each party to the Agreement may terminate the Agreement if another party to the Agreement has committed a material breach, provided that a prior written notice of such material breach has been given and the material breach has not been remedied by that party within 30 (thirty) calendar days of the giving of such notice. The inability of a Client Entity to meet its payment obligations arising out of the Agreement shall always be considered a material breach.
- 12.3. To the extent possible under Applicable Law, each party to the Agreement may terminate the Agreement with immediate effect in the event that:
- (a) a request for a moratorium or bankruptcy relating to another party to the Agreement has been filed;
  - (b) another party to the Agreement has been declared insolvent or bankrupt;
  - (c) the assets of another party to the Agreement are subject to attachment of material substance; or
  - (d) the circumstances are such that FY cannot reasonably be expected to continue to provide the Services to the Client Entity, including but not limited to suspicion of fraudulent or criminal activities of the Client Entity or any of its affiliates.
- 12.4. In case of termination of the Agreement, the Client Entity shall procure that all acts are done as may be necessary to give practical and immediate effect to such termination. Where the Client Entity unreasonably fails to do so, FY is entitled to:
- (a) resign from any office it holds for the Client Entity; and
  - (b) transfer the Client Entity to another service provider as it deems fit.
- 12.5. In case of termination of the Agreement and subject to payment to FY of all outstanding Fees and Expenses, including but not limited to any additional fees (or costs for time spent) for assembling and handover of all corporate documents and financial records of the Client Entity, FY shall, if so requested, return the corporate documents and financial records relating to the Client Entity, which are in FY's possession, to the Client Entity. As long as Fees and Expenses remain outstanding, FY has a lien on any such corporate documents and financial records.
- 12.6. Any clause of these Terms which expressly or impliedly has an effect after the termination, rescission or expiration of the Agreement will continue to be enforceable notwithstanding termination, rescission or expiration. This applies in any event for this clause 12.6 and clauses 7, 8, 12.5, 27 and 28 hereof.

- 12.7. In the event that FY also provides domicile to the Client Entity, the Client Entity shall change its business address as soon as possible after the notice of termination of the Agreement has been given, although no later than the date of termination. FY is entitled to take appropriate measures in the event that such change of domicile is not effected within 30 (thirty) calendar days after FY has sent a written notice, including registering the Client Entity with the applicable register at an address to be decided by FY at its sole discretion. In case of termination of the Agreement, the Client Entity irrevocably authorises FY, and as far as necessary, gives a power of attorney to FY, to register a new business address for the Client Entity. FY is not liable for any damages that may result from the change of domicile of the Client Entity.

**13. Non-solicitation**

- 13.1. Neither party nor any of its affiliates, shall during the term of the Agreement and for a period of 12 (twelve) months thereafter, solicit or employ directly or indirectly any employee of another party to the Agreement, other than with the prior written consent of such party. Any party acting in breach of this clause will forfeit a penalty of HKD 100,000 (Hong Kong Dollar one hundred thousand) for each event and each employee thus employed.

**14. Use of Electronic Communication**

- 14.1. Although FY aims to maintain high IT security standards, FY shall not be liable for the incorrect or incomplete transmission of the information contained in e-mail communications or for any delay in reception of e-mail.
- 14.2. The Client Entity acknowledges that internet is inherently insecure and that data can become corrupted, communications are not always delivered promptly (or at all) and that other methods of communication may be appropriate. The Client Entity accepts full responsibility for the possible negative consequences of the use of e-mail and internet as a means of communication, as well as for the retrieval of data.
- 14.3. The Client Entity acknowledges that electronic communications can be prone to contamination by viruses. Each party will be responsible for protecting its own systems and interests and, to the fullest extent permitted by Applicable Law, will not be responsible to the other party or parties on any basis (whether in contract, statute, tort, negligence or otherwise) for any loss, damage or omission in any way arising from the use of or access by FY to internet or networks, applications, electronic data or other systems.

14.4. FY may rely upon written requests, instruments or documents of any kind, which appear to have been signed (in original, facsimile or scan copy) endorsed or prepared by the Client Entity. FY reserves the right to refuse to accept any instructions by facsimile or e-mail if FY has any reasonable doubt about the validity or authenticity of such instructions. If a request from the Client Entity is rendered to FY by telephone, facsimile or e-mail, FY is not liable in connection with any misunderstanding or transmission error resulting from this method of communication, including any mistake by FY on the identity of the Client Entity.

**15. Notices**

Except as otherwise required by Applicable Law, all announcements, notices and other communications pursuant to the Agreement shall be delivered to the addresses mentioned in the Agreement (or such other address as a party has communicated to the other party or parties in accordance with this clause) by registered post, courier, facsimile, or e-mail.

**16. Assignment**

16.1. Subject to clause 16.2 and 16.3, none of the rights created by the Agreement shall be assignable to a third party by any of the parties without the prior written consent of the other party or parties.

16.2. FY shall be entitled to assign any rights and/or obligations resulting from any Agreement to any other entity which is part of the Fung Yu, whether a direct or indirect parent, subsidiary or affiliate, or other, provided that this does not jeopardize the provision of the Services in any way.

16.3. FY is entitled to transfer or assign its receivables resulting from any Agreement *inter alia* for collection, factoring or security purposes.

**17. Intellectual Property**

17.1. FY retains all rights to the intellectual property which FY, its affiliates, directors, officers and/or employees have developed or provided in the performance of the Services. The Client Entity shall only have the right to use such intellectual property as expressly granted in the Agreement or by Applicable Law. Any right of use shall be non-exclusive, for the term of the Agreement and non-transferable.

17.2. If any documents or information are provided by the Client Entity to FY, the Client Entity shall ensure that such documents or information shall not infringe any intellectual property rights or other legal rights of any third party. The Client Entity shall indemnify FY in this respect against any Claim of a third party.

**18. Severability**

If any part of these Terms shall be held to be illegal, invalid, void or unenforceable, in whole or in part, under Applicable Law, such provision or part shall be deemed not to form part of these Terms and the legality, validity and enforceability of the remainder of these Terms shall not be affected. Parties agree to replace such part of these Terms with a legal, valid and enforceable provision which provision will approach the original intention of the parties as much as possible.

**19. Third Party Account**

Where funds belonging to the Client Entity are held in a FY third party account on a temporary basis to make payments on behalf of the Client Entity including, but not limited to local expenses or adviser costs (the "Funds"), the following conditions shall apply:

- (a) the Funds will be held to the order of the Client Entity and will be administered as such;
- (b) subject to the appropriate invoices or other proof of payment obligation of the Client Entity being submitted to FY, FY is authorised to make the respective payments out of the Funds held on the Client Entity's behalf;
- (c) the Funds will bear no interest. Any costs related to the Funds and transfers thereto will be for the Client Entity's account and settled from the Funds;
- (d) the Funds, or as the case may be, the remaining balance thereof, are repayable to the Client Entity upon request; and
- (e) FY has the right to return the (remaining balance of the) Funds to the Client Entity at any time by bank transfer or cheque and any costs associated which such return shall be for the account of the Client Entity.

## **Part B - Additional Terms for Directorship Services**

In addition to Part A of these Terms, this Part B applies when Directorship Services are provided. For the avoidance of doubt, Part B of these Terms does not replace Part A, but supplements it. If any provision of Part B of these Terms is inconsistent with any provision of Part A of these Terms, the provisions of Part B will prevail.

### **20. Definitions for Part B**

In Part B of these Terms the following definitions apply:

- (a) **Authorised Person:** the person who is expressly authorised to give instructions to FY relating to the Client Entity;
- (b) **Director(s):** a personal director or officer, a corporate director or officer, a statutory representative, an attorney or other representative who acts on behalf of the Client Entity for specific purposes, a board member, a company secretary or a treasurer of the Client Entity provided by FY or its affiliates;
- (c) **Directorship Services:** the services whereby FY or its affiliates provides Director(s) to the Client Entity, with all powers, duties and obligations of that office as are provided for by Applicable Law and the articles of association of the Client Entity;
- (d) **Outside Director:** as defined in clause 26.1; and
- (e) **Principal:** the shareholder(s) of the Client Entity and/or the (legal) entity or group of (legal) entities or individual(s) who ultimately own(s) and control(s) the Client Entity and who is/are the ultimate beneficial owner(s) of the Client Entity as party to the Agreement.

### **21. Obligations and Responsibilities of the Client Entity and the Principal**

- 21.1. The Principal and the Client Entity shall promptly provide FY with or make available to FY all such information, documents and instructions as are requested by FY to fulfil its obligations under the Agreement.
- 21.2. The Principal acknowledges that FY enters into the Agreement in reliance upon the information provided by and/or made available by the Principal to FY and undertakes to promptly notify FY of any change of situation leading to such information no longer being correct, complete or true.
- 21.3. The Principal and the Client Entity are jointly and severally liable for the obligations arising out of the Agreement and Part A and Part B of these Terms.
- 21.4. The Principal guarantees as its own independent and separate obligation that it shall procure that the Client Entity will duly perform its obligations, including but not limited to the payment of any outstanding Fees and Expenses, under the Agreement and Part A and Part B of the Terms.
- 21.5. The Client Entity guarantees that it will retain such internal and such external professional advisers as will be required to ensure that the transactions of the Client Entity are made on the basis of adequate advice, and after due and careful consideration of all relevant business and risk factors as are commensurate with the volume and nature

of the transactions.

- 21.6. External professional advisers will be retained in mutual consultation between the Client Entity and FY, unless given the urgency of the matter, external professional advisers need to be retained without delay. In such case, the party retaining external advisers, whether it is the Client Entity or FY, will inform the other party or parties immediately, providing details of the external professional adviser who has been retained. For the avoidance of doubt, external adviser fees will be for the settlement of the Client Entity.
- 21.7. The Client Entity and the Principal will inform FY of any dispute, law suit or judicial procedure, either actual or contingent, in which the Client Entity is or may be involved, or any litigation to which the Client Entity may be a party, which might affect the Directorship Services and/or the reputation of FY or the Directors.
- 21.8. The Client Entity and the Principal jointly and severally ensure and guarantee to FY that the Client Entity will at all times have sufficient funds available to meet its financial obligations towards FY and towards third parties, including but not limited to FY's Fees and Expenses, fees of external professional advisers such as the auditor of the Client Entity and any tax obligations.
- 21.9. FY, at its sole discretion, shall be entitled to require the Client Entity and the Principal to have a bank account in the name of the Client Entity and to maintain a minimum credit balance for which FY acts as sole authorised signatory. At the first request of FY, the Principal and/or the Client Entity will immediately arrange for the transfer of sufficient funds to the Client Entity's bank account to enable the Client Entity to fulfil its payment obligations when due.

### **22. Obligations and Responsibilities of the Principal and authorisations by the Principal**

- 22.1. The Principal shall inform FY in writing and in a timely manner of any anticipated transfer, sale, pledge, encumbrance, right of usufruct, assignment or disposal in whole or in part of the direct or indirect ownership of the shares or ownership rights in the Client Entity and/or rights to control the Client Entity. The Principal shall inform FY of any potential changes in voting rights on the shares in the Client Entity.
- 22.2. The Principal hereby ratifies and confirms any and all acts and other things whatsoever that FY or any of its affiliates, directors, officers or employees shall have performed and/or done in the name of or on behalf of the Client Entity prior to the date of the Agreement.
- 22.3. The Principal hereby expressly authorises FY and its affiliates, directors, officers and employees to release any information relating to the Principal or the Client Entity in its Know Your Client file to third parties for the purpose of opening bank accounts for the Client Entity or engaging any other service provider for the Client Entity.
- 22.4. In the event FY or any of its affiliates receives mail on behalf of the Principal or Client Entity, FY and its affiliates are authorised and retain the right to open that mail in compliance with Applicable Law or as good practice dictates.

**23. Obligations and Responsibilities of FY**

23.1. FY shall discharge its duties in good faith and with due professional care, in the best interests of the Client Entity and in accordance with Applicable Law. Neither FY nor any of its affiliates, directors, officers or employees shall do or omit to do anything which it/he/she:

- (a) considers to be in conflict with the lawful interests of the Client Entity; and/or
- (b) deems to trigger or enhance his/her/its liability as Director vis-à-vis the Client Entity or third parties.

23.2. FY is authorised to take whatever action or refrain from any action it deems necessary to keep the Client Entity in good standing and fulfilling its statutory obligations.

23.3. FY is authorised to use any of its affiliates, directors, officers, employees or other persons to act as a Director. In as far as FY or any of its affiliates, directors, officers, employees or other persons are appointed as Director, they shall have all rights and obligations allocated to this office by Applicable Law and the Client Entity's articles of association. FY can substitute the Director at any time at FY's sole discretion.

23.4. Each such affiliate, director, officer and/or employee or other person involved in the performance of the Directorship Services, may at all times rely upon the provisions of these Terms for his/her/its own benefit as a third party beneficiary.

23.5. FY is entitled to send its invoice in respect of Fees and Expenses for Directorship Services in its own name and letterhead to the Client Entity, even if the Directorship Services are provided by a director, officer, employee, other person or an affiliate.

23.6. In the performance of the Directorship Services, FY may communicate or discuss the affairs of the Client Entity with the tax and legal advisers of the Client Entity as well as the auditors of the Client Entity and may do so free from any obligation of confidentiality.

23.7. Any rights and obligations set out in clauses dealing with Confidentiality and Use of Data included in Part A shall equally apply in respect of the Principal. For the avoidance of any doubt, the directors, officers and employees of the Principal, its affiliates and, to the extent applicable, its customers shall additionally be considered Data Subjects.

**24. Bookkeeping of the Client Entity and (Tax) Reporting**

24.1. If FY has not been, or will not be, entrusted with the bookkeeping of the Client Entity, the Client Entity and the Principal hereby jointly and severally warrant and guarantee that the administrative organisation and the internal control procedures of the party entrusted with this task are such that unusual transactions will immediately be queried and that all the Directors will be informed of such transactions immediately upon discovery of their unusual nature. If it appears that the internal controls as applied by the party entrusted with the bookkeeping do not meet the standards as required under Applicable Law, the Client Entity and the Principal shall immediately take all action necessary to rectify this situation in close cooperation with FY. If FY is not satisfied with the actions taken, FY shall be entitled to terminate the provision of Directorship Services to the Client Entity with immediate effect.

24.2. In case FY has not been, or will not be, entrusted with the bookkeeping of the Client Entity, the Client Entity and/or the Principal shall provide FY with the monthly, quarterly and annual reporting of the Client Entity on a timely basis. Any time spent in reviewing or questioning these financial reports will be charged on a time spent basis at the prevailing hourly rate, or for an agreed fee amount.

24.3. The Principal shall take all necessary measures to ensure that the financial statements of the Client Entity are approved and can be submitted for adoption or approval and filed on time as per Applicable Law.

24.4. The Principal and the Client Entity shall promptly and fully comply with all taxation and other reporting obligations in respect of the Client Entity or the Principal's interest in the Client Entity to the relevant tax authorities or regulatory authorities in any relevant jurisdiction. If necessary, FY may require the Principal and/or the Client Entity to produce satisfactory evidence of compliance with this clause.

**25. Activities of the Client Entity**

The Principal guarantees that each transaction that concerns the Client Entity and/or that the Client Entity is a party to or is involved with, is legitimate under Applicable Law. The Principal represents that neither the Client Entity nor the Principal is or will be engaged, directly or indirectly, in any illegal activities including but not limited to money laundering, terrorism financing and tax fraud.

**26. Directors other than FY**

26.1. If, in addition to FY, its affiliates or any of its directors, officers or employees, one or more additional directors or officers are appointed to the board of the Client Entity (each such director being an "Outside Director"), the Principal warrants and guarantees that the reputation and integrity of any such Outside Director is reputable beyond doubt and does not disqualify him/her/it to act as director under Applicable Law. FY may require each Outside Director to submit a statement to that effect. The Client Entity and the Principal jointly and severally warrant and guarantee that no Outside Director will engage in any transaction on behalf of the Client Entity which is illegitimate or corrupt under Applicable Law.

26.2. The Client Entity and the Principal will ensure that each Outside Director shall inform FY in a timely manner of any and all envisaged activities and transactions to enable FY to verify the nature thereof and to request any information and/or documentation related thereto.

26.3. The Principal and/or the Client Entity shall inform FY forthwith with respect to the resignation or dismissal of each Outside Director of the Client Entity and rescission of each power of attorney issued for and on behalf of the Client Entity.

**27. Liability**

Neither FY nor any of its affiliates, directors, officers or employees shall be liable for any damages, costs or expenses sustained or incurred by the Client Entity or the Principal as a result of or in connection with any act or omission by FY or any of its affiliates, directors, officers or employees in the provision of Directorship Services, irrespective of the legal basis of the Claim, such as, but not limited to director's liability, except in the event of gross negligence, deliberate recklessness, wilful misconduct or fraud of FY or its directors.

**28. Indemnity**

28.1. During and after termination of the Agreement, the Client Entity and the Principal, jointly and severally, shall indemnify and hold FY and any of its affiliates, directors, officers, employees or other persons appointed as Director harmless from and against any and all Claims from third parties (including but not limited to any trustee in bankruptcy acting on behalf of the Client Entity), relating to or arising from the Directorship Services, and waive, in as far as legally possible, the right to claim in respect of director's liability, except in the event of gross negligence, deliberate recklessness, wilful misconduct or fraud of FY or any of its directors.

28.2. During and after termination of the Agreement, the Client Entity and the Principal, jointly and severally, shall indemnify and hold FY and any of its affiliates, directors, officers, employees or other persons harmless against any and all Claims from third parties (including but not limited to any trustee in bankruptcy acting on behalf of the Client Entity), relating to or arising from the fact that Outside Directors have acted or omitted to act and as such have given rise to a Claim, as far as FY and/or any of its affiliates, directors, officers, employees or other persons is or was a Director and as such was not a party to the action or omission that has led to the Claim.

28.3. Insofar as FY has not been entrusted with the bookkeeping of the Client Entity, the Client Entity and the Principal, jointly and severally, shall at all times during and after termination of the Agreement, indemnify and hold FY and any of its affiliates, directors, officers, employees or other persons harmless against any and all Claims from third parties (including but not limited to any trustee in bankruptcy acting on behalf of the Client Entity), relating to or arising from incorrect, incomplete, misleading, untimely or improper bookkeeping by or on behalf of the Client Entity.

28.4. The Principal warrants and guarantees that neither the Principal nor the employees nor the representatives of both the Client Entity and the Principal engage or have engaged in acts of bribery. The Principal warrants and guarantees that adequate procedures have been put in place and will be maintained by the Client Entity and the Principal to prevent them, their employees and representatives from engaging in bribery. The Client Entity and the Principal are obliged to report to FY any (suspected) violations by their employees or representatives of the prohibition to engage in acts of bribery.

**29. Termination**

29.1. FY is entitled to terminate the Agreement with immediate effect and to immediately resign from any position which it or any of its affiliates, directors, officers, employees or other persons holds as a Director and to take any other action appropriate to the circumstances, without any compensation being due to the Client Entity or the Principal, if and when the state of affairs of the Client Entity or the Principal is such that FY or any of its affiliates, directors, officers, employees or other persons cannot reasonably be expected to continue to act as a Director, including but not limited to the following events:

- (a) a resolution to wind up the Client Entity;
- (b) any material change in the ownership of the share capital of the Client Entity or in the composition of the board of directors of the Client Entity, or any other change of control in respect of the Client Entity;
- (c) the commencement of criminal proceedings against the Client Entity and/or the Principal;
- (d) the occurrence of a material breach under Applicable Law by the Client Entity and/or the Principal;
- (e) non-payment of Fees and Expenses;
- (f) material circumstances which include a continued impairment of the moral, legal or financial integrity of either the Client Entity, its shareholder(s) or the Principal, in each case to be determined at the sole discretion of FY;
- (g) in case the information on the ultimate ownership of the Client Entity proves to be inaccurate, untrue, or incomplete, or if the Principal fails to notify FY of the change in the ownership in a promptly manner; or
- (h) attachment of (all or part of) the assets of the Client Entity and/or the Principal.

29.2. In case of termination of the Agreement by FY, the Principal and the Client Entity hereby authorise FY to appoint the Principal and/or the Authorised Person(s) to replace the Director. The Principal and the Client Entity hereby appoints FY as its attorney for the purpose of signing on its behalf all such documents which are necessary to give effect to the termination of the Agreement and/or resignation and/or appointment referred to above and including, without limiting the generality of this power, such documents as are necessary to appoint the Principal and/or the Authorised Person(s) as a director(s) of the Client Entity.

29.3. FY may require the Principal and/or Client Entity to execute documents in blank to give effect to the termination of the Directorship Services. FY is hereby expressly authorised to date, complete and utilize these documents upon termination of the Agreement.



- 29.4. The Directors shall be immediately and fully discharged by the Client Entity and the Principal upon termination of the Agreement by FY following an event as described in clause 29.1. The Client Entity will register the resignation of the Directors with the local relevant register immediately, failing which FY shall be unconditionally authorised to register such resignation(s).
- 29.5. If it has been decided to put the Client Entity into voluntary liquidation, the Director will never be obliged to act as liquidator of the Client Entity. However, in case the Director is automatically appointed as liquidator by operation of Applicable Law or the articles of association of the Client Entity, the Client Entity shall, at first request of FY, dismiss the Director as liquidator in accordance with Applicable Law.
- 29.6. Suspension of a Director will be considered as a notice of termination of the Agreement with immediate effect without waiving any of the financial obligations of the Client Entity and/or the Principal towards FY or such Director.

*August 2022*