

# TERMS AND CONDITIONS

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These standard terms and conditions (the "**Terms and Conditions**") govern relations between the Service Provider (as defined below) and the Client (as defined below) and will be deemed to have been agreed by the Client by its acceptance of any of the Services (as defined below). For the avoidance of any doubt, these Terms and Conditions shall apply in respect of all Services actually provided by the Service Provider to the Client or Managed Entity of the Client (as defined below) whether or not there shall be in existence any written or other express acceptance thereof by the Client.

The Service Provider may revise the Terms and Conditions and the Fee Schedules (as defined below) without the prior consent of the Client. The Client shall be bound by any revised Terms and Conditions agreed between the Service Provider and the Client.

### 1. Definitions and Interpretation

1.1 In these Terms and Conditions, the following words and phrases shall, save where the context requires otherwise, have the following meanings:

"**Appointees**" means and includes any individual or company who as part of the Services shall act as a director or other officer, secretary, trustee, protector, enforcer, nominee, partner, manager, signatory, shareholder or Registered Agent of any Managed Entity;

"**Authorised Person**" means the person who is authorized by the Client for and in his name and on behalf to give instructions and/or directions to the Service Provider as if these were given by the Client himself and who is indicated in the **Authorisation Letter** hereby attached as **Schedule 1**;

"**Business Day**" means a day on which the Service Provider is ordinarily open to carry on business;

"**Client**" means the beneficial owner and/or his Managed Entity to whom the Service Provider provides the Services;

"**Employees**" means and includes the directors, other officers, consultants, partners and staff (as appropriate) of the Service Provider;

"**Fee Schedules**" means the attached Schedule of Fees or any agreed between the Service Provider and the Client Schedule of Fees issued from time to time by the Service Provider for the Services.

"**Instructions**" means any communication, confirmation, instruction, notice or request given in writing by the Client or any other authorized person of the Client;

"**Managed Entity**" means ..... and any entity(ies) owned by the Managed entity in respect of which services are provided;

"**Service Provider**" means Totalserve Management Limited, along with any affiliated or associated company and each of its employees, agents, officers and servants from time to time who are engaged in providing the Services worldwide;

"**Services**" means all services carried out or performed for or on behalf of or in connection with (whether before or after its establishment) any Managed Entity by the Service Provider or any Appointee or Employee;

1.2 References to these Terms and Conditions shall include the current version or any other version as amended from time to time.

### 2. Remuneration and Expenses

2.1 The Service Provider shall be entitled to (a) remuneration in accordance with the Fee Schedules; (b) be reimbursed for all disbursements and expenses incurred by it in providing the Services; (c) remuneration as otherwise agreed in writing between the Service Provider and the Client and (d) reasonable fee by reference to the amount of time spent by the Service Provider and the level of expertise of the persons involved in rendering the Services, in respect of additional services not detailed in any Fee Schedule and not otherwise agreed between the Client and the Service Provider.

2.2 Any estimate of the Service Provider's fees is given only as a guide on the basis of the information then known to it and may not be regarded as a fixed quotation unless otherwise agreed. The Service Provider will endeavour to revise an estimate if it becomes clear that the level of charge is likely to be substantially different to the estimate.

2.3 The Client hereby guarantees the due payment of all fees, remuneration, disbursements and expenses payable under these Terms and Conditions or under any other agreement or arrangement between the Client and the Service Provider and agrees that the Service Provider may claim under this guarantee.

2.4 Invoices, if in line with the agreed fees between the Services Provider and the Client, issued by the Service Provider for the Services rendered to the Client will be settled by the Client immediately and the Client agrees to pay and discharge any such invoice immediately. If settlement of the invoice is not effected within 60 days after the invoice, the Service Provider reserves the right to charge interest on overdue accounts at the rate of 1% per month and to refuse to provide any further services to the Client until all outstanding amounts are settled.

2.5 Where a bank account is in operation, and the Appointee is an authorized signatory, the Service Provider further reserves the right to pay bills, statements or other obligations of the Client by debiting its bank account(s) and this right shall include settlement not only of the invoices of the Service Provider, but also the payment of all duties, taxes, fees, levies and expenses claimed by the authorities of the jurisdiction of incorporation of the Client.

2.6 In the event of non-payment of all or any part of the fees, disbursements or expenses due to the Service Provider or which the Service Provider is liable to pay on the Client's or Managed Entity's behalf, then the Service Provider shall have a lien over, or the right not to release from its possession or control, all or any documents or assets, including assets held on the Client's or Managed Entity's behalf or to the Client's or Managed Entity's order or on behalf of or to the order of any company or other body in common ownership as the Client or

otherwise connected or affiliated to the Client in any manner, until such time as all such fees, disbursements and expenses due and payable are discharged. For avoidance of doubt, this lien shall apply to all documents, property and assets held in relation to the matter in respect of which fees, disbursements, expenses or liability have been incurred and in relation to any other matter whatsoever relating to the Client. Furthermore, if the Service Provider should cease to act for the Client, a final invoice will be submitted and the Service Provider reserves all rights to exercise the right of lien as aforesaid over all documents, property and assets held on the Client's or Managed Entity's behalf or in relation to the Client or Managed Entity until such time as the final invoice is discharged in full. The Service Provider further reserves the right to resign from all posts and appoint the Client in these posts and the Client accepts that such appointment will be valid without any further written acceptance or consent from his part.

### 3. Client Warranties, Undertakings and Covenants

3.1 In consideration of the Service Provider undertaking to provide the Services, the Client warrants, undertakes and covenants that:

- (a) Any and all assets introduced or caused to be introduced to the Managed Entity are from lawful sources, have been lawfully introduced, are not illegal and are not derived from or otherwise connected with any illegal activity and that they are the lawful property of the person or entity introducing the asset and they are not deemed to be unlawful in their country of origin or in the country of destination or in the Republic of Cyprus especially within the meaning of the Laws applicable from time to time to Money Laundering, Drug Trafficking and the Prevention of Terrorism;
- (b) the Managed Entity will not be engaged or involved directly or indirectly in any unlawful activity or be used for any unlawful purpose;
- (c) the Client will keep the Service Provider adequately informed as to all business to be transacted in the name of or for the account of the Managed Entity and the Client will respond in a timely way to any reasonable enquiry from the Service Provider to ensure that the Managed Entity is run in a proper manner and complies with all applicable laws and regulations;
- (d) The Managed Entity will not undertake any activities which will require a license, consent or approval in any jurisdiction without first obtaining such license, consent or approval or which will breach any conditions contained in any such license, consent or approval;
- (e) Instructions or requests or advice given to the Service Provider will not contain any falsehood and if acted upon will not require or involve any unlawful act and that all information given to the Service Provider will be accurate and not misleading;
- (f) The Client shall procure that the Managed Entity complies with all filing requirements in any applicable jurisdiction and that all taxes and governmental dues payable by the Managed Entity are discharged;
- (g) The Client has never been declared bankrupt or insolvent;
- (h) The Client shall provide such information as the Service Provider may in its discretion require in order to comply with all applicable laws and regulations (including "know your customer" requirements) and to provide the Services;
- (i) the Client shall disclose or procure the disclosure to the Service Provider, on request, of any and all information concerning the Managed Entity or its business;
- (j) the Client shall keep the Managed Entity in funds at all times sufficient to honour its liabilities as and when they become due;
- (k) The Client shall notify the Service Provider before alienating, assigning, selling, pledging or otherwise disposing of or encumbering any part of the Client's interest in the Managed Entity;
- (l) the Client will immediately upon becoming aware thereof, notify the Service Provider of:
  - (i) any event which could be reasonably foreseen to have a material effect on the Managed Entity or its assets or activities (including, without limitation, any act evidencing the insolvency of the Client or commencing its liquidation, winding up or dissolution) or upon the Service Provider's willingness to continue to provide the Services;
  - (ii) any actual or threatened litigation in any jurisdiction or any actual or threatened investigation by any judicial or regulatory authority and any progress thereof, and it shall promptly provide such information as the Service Provider may, in its discretion, require in respect thereof;
- (m) the Client will assume full and complete responsibility for any decision or action taken which may at any time be taken by the Service Provider, the Appointees or Employees, in furtherance or in execution of any Instructions received from the Client.

3.2 The Client's warranties, undertakings and covenants shall be continuing and shall survive the termination of the Services, the resignation of the Appointees and the dissolution, liquidation, winding up or striking off the register of the Managed Entity for any reason whatsoever.

### 4. Indemnity

4.1 The Client undertakes at all times to hold the Service Provider, the Employees, the Appointees and their heirs, successors, assigns and personal representatives and each of them harmless and to indemnify them to the greatest extent permitted by law from and against all actions, losses, suits, proceedings, claims, costs, damages, demands, disbursements, expenses and liabilities whatsoever (or actions, investigations or other proceedings in respect thereof) which may arise or accrue or be taken, commenced, made or sought from or against them in connection with the Managed Entity or arising from the provision of the Services or any of them and will reimburse them for all costs and expenses and any interest in any amount paid by the Service Provider to third parties (including legal and other professional fees).

4.2 This indemnity will not extend to any actions, losses, suits, proceedings, costs, claims, damages, demands, disbursements, expenses and liabilities which may arise or accrue or be taken, commenced, made or sought from or against any of the Service Provider, the Employees, the Appointees or their heirs, successors, assigns and personal representatives in respect of any fraudulent or grossly negligent act or omission or willful misconduct of such company or person. This indemnity shall continue in force without limit in time, whether or not

the Service Provider is continuing to provide the Services, and without prejudice to any other indemnity given in the Service Provider's favour.

4.3 On the cessation by either the Service Provider or the Appointees of the whole or any part of their duties, the Client undertakes that the indemnities referred to in Clause 4.1, 4.2 and 4.3 remain valid in the absence of fraud or gross negligence or willful misconduct on the part of the party seeking to enforce the indemnity.

4.4 The Client will indemnify and keep indemnified the Service Provider and/or its Appointees and/or its Employees against all costs, charges, expenses, loss or damage which they may incur or be liable to pay or sustain by reason of executing any Powers of Attorney upon the Client's request and by reason of the Attorney carrying out the powers and authorities conferred upon him by virtue of any Power of Attorney.

4.5 The Client will indemnify and keep indemnified the Service Provider and/or its Appointees and/or its Employees against all costs, charges, expenses, loss or damage which they may incur or be liable to pay or sustain by reason of appointing signatories to the bank account/s of the Managed Entity upon the Client's request.

## 5. Instructions

5.1 The Service Provider may rely and act upon Instructions given by the Client or by the Authorised Person of the Client as this is mentioned on the **Authorisation Letter**, which is hereby attached as **Schedule 1**.

5.2 Where the Service Provider does not believe that the person giving Instructions is duly authorised or where the Service Provider is given Instructions that it believes are unclear or contradictory, it may refuse to act upon such Instructions until it receives evidence to its satisfaction as to the Instructions or the person giving Instructions and none of the Service Provider, the Appointees or the Employees shall incur any liability for such refusal to act.

5.3 None of the Service Provider, the Appointees or the Employees shall incur any liability (a) for their failure to comply with any Instructions which are incomplete, ambiguous or contain errors; or (b) for the non-receipt of any Instruction, written or otherwise; or (c) by reason of any failure or lack of availability of the Service Provider's computer systems or communication systems or in respect of any failure of any product used by them or their suppliers or suppliers to the Managed Entity to accurately handle date related data or perform date related functions.

5.4 The Service Provider shall provide the Services with reasonable skill and care and shall deal with and act upon Instructions in a reasonably timely manner and undertakes to use reasonable endeavours to do so.

5.5 If work which the Service Provider has undertaken for the Client or Managed Entity does not proceed to a conclusion or if the Client or Managed Entity withdraws its Instructions, the Service Provider will charge for all work done up to the point the matter becomes abortive together with all costs, disbursements and expenses paid on the Client's or Managed Entity's behalf. In such circumstances the Service Provider will also charge for work done and all costs, disbursements and expenses associated with the orderly termination or the transfer of such work to another professional adviser, if applicable.

5.6 If (a) any demand is made against the Managed Entity for payment of any sum due including, without limitation, any taxes, duties, fees or other governmental or state impositions and such payment has not yet been made; or (b) the Service Provider has not been able to obtain Instructions from the Client in circumstances where, in the Service Provider's opinion, Instructions are required in order to take action that it considers necessary; or (c) the Service Provider has received Instructions from the Client or any authorised person which, in the Service Provider's opinion, are or may be illegal or contrary to the interests of the Client and/or the Managed Entity or which may lead to any of the Service Provider, the Appointees or the Employees incurring personal liability, then the Service Provider may, as it deems necessary, take such action on behalf of the Managed Entity as it thinks fit .

## 6. Client Identity Information and Verification

6.1 The Service Provider is and/or may be required by Anti-Money Laundering regulations to obtain information and documentation to identify and verify the identity of the Client and certain persons interested under an arrangement or who may benefit from it or who have directly or indirectly contributed assets to a Managed Entity or who are connected to the Managed Entity, and to identify the source of assets introduced to a Managed Entity and the source of wealth from which such assets derive, unless an exemption is available. If such information and documentation is not made available when required and/or not in a form acceptable to the Service Provider then the Service Provider may, without liability, terminate its services with immediate effect. The time at which such information and documentation is required and the form in which it shall be delivered to the Service Provider shall be determined by the Service Provider in its absolute discretion subject to the applicable regulations.

## 7. Disclosure

7.1 The Client acknowledges that, in certain circumstances, the Service Provider, the Appointees or the Employees may be obliged to give evidence and information to courts or authorities in connection with the affairs of the Managed Entity, as compelled to do so by the laws. Disclosure of such information will not be made to third parties unless required by law or regulation or where the failure to make such disclosure would, in the opinion of the Service Provider, be prejudicial to the Service Provider, the Appointees or the Employees.

7.2 Without prejudice to clauses 7.1 and 10 all information concerning the Client's business and affairs will be regarded as, and kept confidential by, the Service Provider at all times save where information is already in the public domain or the Client instructs or consents to disclosure of information by the Service Provider to a third party specifically or by implication.

7.3 The Service Provider shall not be obliged to disclose to the Client any confidential or other information obtained by the Service Provider at any time whilst acting in any capacity other than in the course of acting on behalf of the Client.

7.4 All information, correspondence, records and data held by the Service Provider on any computer system is solely the Service Provider's property and for its sole use and neither the Client nor the Managed Entity nor anyone else acting for or on their behalf shall have any right of access thereto or control over that information, correspondence, records or data.

7.5 The provisions of this Clause shall remain in full force and effect notwithstanding the Terms and Conditions ceasing to apply.

## **8. Exclusion of Liability**

8.1 None of the Service Provider, the Client, the Managed Entity, the Appointees or the Employees shall be held liable for any failure or delay in the performance of its obligations in connection with the Services arising out of or in connection with circumstances beyond its reasonable control (including, without limitation, acts of God, civil or military disturbances, outbreaks of war, acts of terrorism, natural disaster, sabotage, riots, strikes, industrial actions, loss or malfunction of utilities, computer or communication services, errors, omissions, distortions, interruptions, delays in transmissions or deliver of post or communications in any medium or format, act of government or any other authority, accidents, labour disputes or any power, telecommunications or computer failure).

8.2 The Service Provider shall be under no duty or obligation whatsoever to the Client or the Managed Entity or any other person in circumstances where the fulfillment of that duty or obligation may (as determined by the Service Provider in its own absolute discretion) involve the Service Provider in the commission of a criminal offence or make the Service Provider liable as constructive trustee to any third party as a result thereof.

8.3 The Service Provider does not accept any responsibility for any deeds or documents held in safe custody that are damaged or lost as a result of theft, fire or water damage, in the absence of gross negligence or willful misconduct.

8.4 The Service Provider does not accept any responsibility for the acts or omissions of any holder of any general or special power of attorney with respect to the Managed Entity.

8.5 The provisions of this clause are without prejudice to any other limitation of liability or indemnity given in favour of the Service Provider, the Appointees or the Employees and shall remain in full force and effect notwithstanding termination of the Services.

## **9. Termination**

9.1 The Service Provider may terminate the Services and discontinue providing them by giving 60 calendar days' written notice to the Client.

9.2 The Client may terminate the Services offered by the Service Provider by giving 60 calendar days' written notice to the Service Provider.

9.3 The Service Provider may discontinue providing the Services with immediate effect if invoices issued are not settled by the Client within a period of 60 calendar days from the date of issue.

9.4 The Services may be terminated with immediate effect by notice in writing by either the Service Provider and the Client, in the event that:

- a) any other party commits any material breach of its obligations under this Terms and Conditions or under any other agreement between the parties; or
- b) any other party goes into liquidation (except for the purpose of a bona fide solvent amalgamation or re-organisation), is declared bankrupt, a bankruptcy petition is presented against it, or a receiver or registered agent is appointed in respect of it.

9.5 The Service Provider, its Employees and Appointees shall be entitled to resign from all posts they hold in the Managed Entity or by written notice to the Client terminate the Services with immediate effect in the event that any legal proceedings are commenced against the Client (including, for the avoidance of doubt, any injunctions or investigations).

9.6 Termination shall be without prejudice to any rights or liabilities of any party either arising prior to termination or arising in respect of any act or omission occurring after termination.

## **10. Assignment**

10.1 The Service Provider may assign or transfer the whole or any part of its rights and benefits under the Terms and Conditions, upon the written consent of the Authorized Person. For the purpose of any such assignment or transfer, the Service Provider may disclose information about the Client and the Managed Entity to any prospective assignee or transferee, provided that the Service Provider shall use its reasonable endeavours to procure that such prospective assignee or transferee is placed under an obligation of non-disclosure equivalent to that in Clause 7.

10.2 The Client shall not assign or transfer all or any part of its rights, benefits and/or obligations under the Terms and Conditions.

## **11. Severability**

11.1 If at any time one or more of the provisions of the Terms and Conditions becomes invalid, illegal or unenforceable in any respect, that provision shall be severed from the remainder and the validity, legality and enforceability of the remaining provisions of the Terms and Conditions shall not be affected or impaired in any way.

**12. Notices**

12.1 Any notice required to be given hereunder shall be in writing addressed to the party concerned at its address from time to time notified to the other for the purpose, failing which the registered office or the last known usual address of such party.

12.2 For this purpose, any notice (a) delivered personally shall be deemed to have been given at the time of such delivery; (b) sent by ordinary post shall be deemed to have been given at the expiration of 24 hours after posting; (c) sent by e-mail shall be deemed to have been given at the expiration of 24 hours after it was sent and (d) sent by fax shall be deemed to have been given at the expiration of time of 24 hours after it was sent.

**13. Client Correspondence**

The Service Provider is authorized to open and read all correspondence received by the Service Provider on behalf of the Managed Entity. The Client shall be duly informed of any mail received by the Service Provider which shall be forwarded by the Service Provider with the method chosen and indicated by the Client on the Company Formation Instruction Form of the Service Provider.

**14. Applicable Law and Place of Jurisdiction**

The Client and the Service Provider submit to the non-exclusive jurisdiction of the courts of the jurisdiction in which the Service Provider is incorporated or established, as the case may be, unless the Service Provider elects, at its discretion, to take proceedings within the Client's jurisdiction of domicile or residence and the Client waives any right it may have to object to proceedings being commenced in any such jurisdiction or before any such competent court.

**I/We have read and accept the above terms and conditions and agree to be bound by them.**

**Date:**

<i>Client(s) Signature(s)</i>	<i>Name</i>	<i>% held</i>
<b>TOTAL:</b>		