



Healy Consultants



Engagement Strategy Agreement

1. <Company Name> (hereafter known as “<Company Name>”), a company registered in India, hereby appoints Healy Consultants Pte Ltd, a Singapore based entity (hereafter known as “Healy Consultants”) to assist with their Indonesia business set up requirements.
2. This Service Level Agreement provides a framework for Healy Consultants and <Company Name> to establish mutually acceptable engagement terms and conditions that will ensure our Client receives a standard of customer service which is commensurate with their expectations and needs. Please sign and date at the bottom of **every** page.
3. Healy Consultants agrees to provide our Client the following services:
 - Setting up of the optimum Singapore - Indonesia corporate structure;
 - Indonesia corporate bank account opening;
 - Advisory services including **i)** employee payroll and visas **ii)** JV exit strategy and **iii)** JV law and regulations and **iv)** engineering a JV agreement;

Quick summary

4. Healy Consultants estimates total remaining engagement costs will approximate \$23,593, refer to [Appendix One](#) to view detailed engagement invoice;
5. Healy Consultants estimates total engagement period to be 23 weeks. Refer to [Appendix Two](#) to view detailed engagement project plan. A summary follows:

Engagement planning	5 weeks
Company name reservation	2 weeks
Company incorporation	13 weeks
Corporate bank account approval	3 weeks
Total engagement period	23 weeks

6. For Additional services, Healy Consultants will be pleased to provide include **i)** residency and employment visas **ii)** annual accounting and tax **iii)** staff recruitment **v)** nominee shareholders and directors **v)** legal support and **vi)** any other business services for <Company Name>;

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Joint Venture corporate structuring

7. Healy Consultants recommends the JV agreement be signed in the name of the Singapore entity under Singapore contract law. The JV partner to merely own 45% of <Company Name>. Healy Consultants will assist our Client engineer a fair and reasonable JV agreement. Refer to [Appendix 3](#) to read the advantages and disadvantages of this corporate structure;
8. To minimize JV partner legal control over Indonesian operations, the Indonesian subsidiary will be owned by <Company Name1> (40%) and <Company Name2> (60%);
9. Healy Consultants will support <Company Name> by **i)** becoming the company secretary to facilitate corporate restructuring **ii)** implementing tax minimization strategies and **iii)** preparing a detailed JV agreement under Singapore law;
10. If properly structured, the Singapore company will be legally tax exempt on global income. The purpose of this entity includes **i)** maximizing JV profits **ii)** accounting for all income and expenses of the JV **iii)** housing the JV agreement. Healy Consultants will assist our Client achieve these goals;
11. To achieve the goal of legal tax exemption, the following criteria must be met **i)** the Singapore company only engages in offshore business activities, does not carry out any business in Singapore **ii)** the majority of the shareholders and directors of the Singapore company reside overseas and therefore the Company is managed and controlled outside of Singapore **iii)** the Singapore company neither has customers nor suppliers in Singapore. The Company neither has employees nor business premises in Singapore **iv)** the Singapore entity will have a corporate bank account in Indonesia to receive project income gross, without suffering local withholding tax. Healy Consultants will obtain from the Singapore Tax Authority, an email confirming legal tax exemption;
12. Indonesian companies are taxed at a flat company tax rate of 25%. The Indonesian PMA is taxed on worldwide income. Therefore, <New Company Name> will maintain a mere 5% annual profit by invoicing the Singapore entity for cost plus reimbursement;

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13. In accordance with Indonesian Companies Act, every PMA Company must have at least one Director, one Commissioner and two shareholders. The commissioner can be a non resident individual such as Mr. <Director>;
14. In accordance with the Indonesia Investment Coordinating Board law ([BKPM](#)), <New Company Name> must deposit to a corporate bank account the paid up share capital of at least US\$300,000. These funds can then be used to fund company expenses. To comply with the BKPM Indonesian business investment plan, <Company Name> will increase paid up share capital to US\$1.2m by year 3
15. In accordance with [BKPM](#) law, every Indonesian company must have a resident director at the time of company incorporation. To optimize <Company Name>'s daily business control, Healy Consultants recommends **i)** <Director> be a director and **ii)** you appoint a Healy Consultants nominee Indonesian resident director and **iii)** your JV partner not be appointed a director. The Indonesian resident director can be **i)** an Indonesian Citizen **ii)** an Indonesian Permanent Resident **iii)** or a person who has been issued an Indonesian Employment Pass;
16. In accordance with [BKPM](#) law, <New Company Name> must appoint a Commissioner, who is the supervisory body over the board of directors. To optimize your daily business control, Healy Consultants recommends **i)** <Director> be the commissioner or **ii)** you appoint a Healy Consultants nominee commissioner and **iii)** your JV partner not be appointed a commissioner;
17. For all Healy Consultants nominees, we will provide <Company Name> with **i)** a trust deed and confidentiality agreement and **ii)** complete due diligence of the resident director and/or Commissioner;
18. In accordance with Indonesian company law, every Indonesian company must have a legal registered office and lease premises before company incorporation. <New Company Name> has two options **i)** your firm supply Healy Consultants a lease agreement for a permanent Indonesian address or **ii)** Healy Consultants supplies the Indonesian government with Healy Consultants Jakarta office address and a virtual lease agreement. Over the coming months after company incorporation, your firm supplies us with your own office premises lease. Please advise;
19. Before company incorporation, Healy Consultants prepares a detailed business plan for the Capital Investment Co-ordinating Board (BKPM), called a Report of Capital Investment

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Activity. To satisfy ([BKPM](#)) requirements, the business investment plan will illustrate a US\$1.2m investment over a three years period. Thereafter Healy Consultants will submit a complete company incorporation application and the BKPM will issue an in-principle business license valid for 1 to 3 years (subjected to Indonesian government);

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Healy Consultants



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Banking Considerations

20. Healy Consultants will be pleased to open a corporate bank account with [Standard Chartered Bank Jakarta](#). It is a time consuming task for an overseas company with a foreign bank signatory, Healy Consultants will shelter our Client from the administrative challenges. There is a 10% probability the banks will request the bank signatory to travel for a one hour bank interview. Healy Consultants will try our best to negotiate with the bank a travel exemption. There will be a fee discount of US\$500 if the bank signatory must travel;
21. To optimise management control over daily business, Healy Consultants recommends Mr. <Director> be the bank signatory of the <New Company Name> corporate bank account. Mr. <Director> will enjoy **i)** world class internet banking together with third party payment facilities **ii)** a corporate ATM card **iii)** a IDR and US\$ corporate cheque book and **iv)** a corporate debit visa card;
22. To minimize administrative challenges, Healy Consultants will be pleased to activate the internet banking on <Company Name>'s behalf;
23. The banks enjoy ultimate power of approval of corporate bank account opening applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the probability of bank approval. To date, we enjoy a 100% approval record;
24. Global banks continue to tighten corporate bank account opening procedures, their internal compliance departments completing more thorough due diligence of Clients. Consequently, our Clients should expect the bank account approval period to take up to 4 weeks. Furthermore, global banks now require evidence of proof of business in the country where the corporate bank account will be, including sales contracts or lease agreement.
25. Healy Consultants will assist our Client prepare a detailed business plan for SCB Indonesia;

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Accounting and tax and legal and compliance considerations

26. For a fee of US\$3,950 excluding third party costs, Healy Consultants will assist <Company Name> prepare a JV agreement to comply with Indonesia and Singapore company law. Independent lawyers in both countries will review and approve this document. The JV agreement will document in detail i) the different exit strategies ii) frequency and form of distributions iii) expected income and expenses iv) contributions and responsibilities of each partner;
27. Complying with MOT No.121/MPP/Kep/2/2002, <New Company Name> will submit annual audited financial statements to the Directorate of Business Development & Regulations of the MOT. Healy Consultants will assist our Client efficiently and timely complete this administrative task;
28. The standard rate of VAT in Indonesia is 10% and applies to goods, services and imports in Indonesia. Registration for VAT is required if total annual turnover exceeds IDR600 million (US\$51,000).
29. The company directors are appointed, replaced, and dismissed by the shareholders. This is an important reason why the JV partner should neither have indirect legal control as a shareholder or direct control as a director. The identities of shareholders and directors are on the public register;
30. The Board of Directors (“BOD”) oversees the daily operations in Indonesia. The directors are usually full-time employees of the company. Under PMA Law, a company is also required to have a Board of Commissioners (“BOC”) who oversees the activities of the directors. They supervise the corporate governance aspects of the company and the policies of the BOD. Minimum requirements are one BOD and one BOC member, and these cannot be the same person;
31. Based on the new Regulation No. 19 of 2007, a multi-class trademark application is allowed in Indonesia to cover maximum 3 classes of goods/services. If required, Healy Consultants will be pleased to assist your firm with the same;
32. Even though an Indonesian company secretary is not legally required, Healy Consultants recommends one be appointed to ensure compliance with the Indonesian corporation act;

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33. There are no Government restrictions on Indonesian overseas repatriations, which means PMA distributions can be remitted to Singapore without government restriction. However, Indonesian withholding tax of 15% is deducted from payments to Singapore and India. To minimize Indonesian withholding tax, the PMA should not be profitable enough to warrant distribution payments overseas. The profitability of the JV project will remain in <Company Name>. Healy Consultants will assist our Client achieve this goal;
34. Because of its software activity, we are happy to report <New Company Name> will not need a special license. Consequently, the business set up process will be normal;

Payroll compliance obligations

35. The PMA will employ project staff, sponsor their employee visas and pay staff through the Indonesian corporate bank account;
36. <Company Name> will deduct monthly payroll tax from staff salaries and remit to the government on a monthly basis by the 10th day of the following month and reported by the 20th day of the following month. The top marginal personal tax rate is 30 percent and applies to taxable income exceeding IDR 500 million (US\$42,000). Healy Consultants will assist our Client with monthly payroll accounting;
37. <Company Name> contributes monthly to Government social security insurance funds including i) old age compensation 3.7% ii) death compensation 0.3% iii) health insurance of 3% for a single person and 6% for a married employee iv) accident insurance 1%. <Company Name> contribution to workers' health compensation is payable only where the employer does not provide equivalent or better health provisions. Employees are required to contribute to worker's old age compensation fund of 2%;
38. The tax year is the calendar year. Indonesia operates a self-assessment system whereby all employees are required to complete a tax return and compute their tax liability by March 31 in the following tax year. Annual tax payments are due before this lodgment deadline. In order to file a personal tax return, an employee must register to obtain a tax identification number (NPWP). Employees without an NPWP are subject to 20% withholding tax. Non-resident employees such as Mr. <Director> does not have an obligation to register for an NPWP or to file an individual tax return;

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39. To continue to obtain work visas for Indian project staff, <New Company Name> must employ at least 20% local Indonesian staff. To employ Indian staff, approval must be sought from the Manpower Plan (RPTKA). The numbers of Indian staff required must be justified by reference to Indonesian citizens who could be trained to replace them. Expatriate employees must have at least i) degree education or ii) five years experience in the field in which they are to be employed. In the KITAS application process, the company needs to demonstrate why a staff position needs a foreign specialist. Healy Consultants will assist our Client efficiently and timely secure employee visas;

Employee residence visas

Indonesia working visa (KITAS)

40. Indian staff will be sponsored by the PMA and it takes a minimum of 60 days to get visa approval. Each KITAS is valid for 1 year and is easily renewed;
41. The exit & re-entry permit is required for KITAS holders when they need to go out of the country and come back during their KITAS validity period. The permit can be single or multiple exit & re-entry. Single permits are valid for 3 months; multiple permits can valid for 6 or 12 months;
42. The exit (only) permit is required by KITAS holders whenever they want to discontinue their KITAS or change their KITAS sponsorship;

KITAP

43. KITAP is the permanent stay permit, which can be issued to investors. Permanent stay permit can be obtained for 5 years and extended indefinitely and extension is free of charge. Healy Consultants recommends Mr. <Director> apply for this visa. As an investor, you are eligible for KITAP after having KITAS for three consecutive years;

Visa on arrival

44. This visa is generally granted for 30 days and Indians can obtain this visa on arrival;

Single entry business visa

45. This type of visa is valid for 60 days. The purpose of this visa is doing business activities in Indonesia which do not involve taking up employment (earning money inside Indonesia);

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Multi- entry business visa

46. This visa is valid for 12 months with no more than 60 days per visit. The purpose of this visa is doing business activities in Indonesia which do not involve taking up employment (earning money inside Indonesia);
47. Healy Consultants will assist <Company Name> to obtain employment and residence visas for all its staff. Average employee visa approval takes two to three months. It is a time consuming task, but Healy Consultants will shelter our Client from the administrative challenges. We are proud to say that our approval rate is still 100%. We guarantee visa approval or your money back. Healy Consultants fee is US\$3,950 for the first employee visa and US\$2,950 for the second employee visa and US\$1,950 for every employee's visa thereafter;
48. Healy Consultants Indonesia business visa approval procedures include **i)** preparation of a quality visa application and **ii)** submitting the same to the correct Government immigration officers and securing approval. The Indonesia Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval;
49. Healy Consultants will assist <New Company Name> recruit Indonesia citizens to satisfy local staff ratios;

Advisory services

50. Our Client required information about the following matters:

Equity V/S debt ratio

51. While there is no minimum equity-debt ratio requirement, the BLPM business plan must illustrate a debt to equity ratio of 3: 1. A change from the financing strategy in the BKPM investment plan requires the approval by BKPM. Therefore, the expansion of existing facilities funded with retained earnings, new equity or loan capital requires BKPM approval;
52. Debt holders receive priority distribution in **i)** annual profit and loss distributions and **ii)** on liquidation. That said, control rest with shareholders, as they appoint and remove directors;
53. Debt can be secured on assets, equity is not;

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JV exit strategies

54. All exit strategies should be documented in the JV agreement and in the Singapore M&A. Share valuation methods include i) net assets per share ii) price earnings ratio iii) independent valuations or iii) a stipulated future price. Healy Consultants recommends a future price of S\$1 only;
55. The transfer of shares crystallizes Singapore stamp duty of 2% of balance sheet value. To avoid this cost, Healy Consultants recommends the Indonesian JV partner own his shareholding through a Marshall Islands paper company. When the JV partner is bought out, the shareholders in the MI company will simply be changed by Healy Consultants within one hour at no cost. Healy Consultants will assist the JV partner incorporate a simple Marshall Islands paper company at a cost of US\$2,100;
56. If <Company Name> requires Healy Consultants to draft a JV shareholder agreement, the estimated fee is US\$3,950 (excluding third party fees);
57. If <Company Name> requires Healy Consultants to redraft the M&AA, our estimated fee for the same amounts to US\$1,950 (excluding third party fees);

Other considerations

58. This is the first draft of the Strategy Agreement, awaiting <Company Name>'s amendments with track changes. As the engagement evolves, it may be necessary for either to party to insert additional terms and conditions. For example, a new service is required or a new solution should be documented;
59. As the engagement progresses, the terms and conditions outlined in this agreement will only be amended by either party with the written permission of the other party ;

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Our client expectations

60. Healy Consultants will minimize our Clients costs including local and international tax ii) payroll costs iii) third party fees;
61. Healy Consultants will liaise with the [BKPM](#) Indonesia to incorporate an Indonesian company. Healy Consultants will obtain the necessary business licenses to allow <Company Name> to legally conduct business in Indonesia;
62. Healy Consultants will professionally manage <Company Name> engagement and tenaciously seeking solutions to every challenge that arises. Refer to [Appendix three](#) to view specific examples;
63. Every second day, Healy Consultants will email Mr. <Director> detailed engagement status updates informing <Company Name> of engagement progress;
64. Healy Consultants will use all reasonable endeavors to keep client information confidential. Healy Consultants, in accordance with its statutory obligations will protect personal information and personal data from unauthorized access, use or disclosure.

Healy Consultants expectations

65. <Company Name> will provide Healy Consultants the required due diligence information in timely manner, to enable my Firm efficiently and effectively complete the engagement. <Company Name> replies to Healy Consultants communications and requests in a timely manner.
66. <Company Name> settles Healy Consultants fees in a timely manner;
67. Healy Consultants preferred mode of communication is email, followed by phone discussions. Therefore, we recommend our Client maintain a secure, reliable email account and frequently check for updates from Healy Consultants;

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68. If during the engagement, Healy Consultants realizes the project is more complex than previously anticipated, requiring a larger investment of time, my Firm will revert to our Client to request additional fees;

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Conclusion

- 69. We, the person whose names appear below, declare and by our signature below, confirm that we are authorized to sign on behalf of the Entity we have ordered from Healy Consultants and we have read and agree to be bound by Healy Consultants terms of business outlined in this engagement letter and on Healy Consultants business website;
- 70. We understand that we may have an obligation to report our interest in the company in personal tax returns and that income of the company may be imputed to us. We will take advice on and comply with our own legal obligations in this respect;
- 71. The company will not be used for any criminal activity or other illegal purposes, whether fiscal or otherwise, in any jurisdiction and we understand that Healy Consultants may have an obligation to report any arrangement involving the proceeds of criminal conduct;
- 72. We have never been convicted of any criminal offence or the subject of an investigation by a governmental, professional or other regulatory or statutory body.

<u>Name</u>	<u>Signature</u>	<u>Date</u>
<Director>- <Company Name>		
Aidan Healy – Healy Consultants		

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Appendix One

Detailed engagement procedures

No.	Procedures	Time
1.	Our Client signs Healy Consultants engagement letter and returns the original to our Singapore Head Office. Our team then receives the required corporate and personal due diligence information from our Client;	Week 1
2.	Healy Consultants assists our Client i) draft a JV agreement and ii) obtain email approval from the Singapore Tax Authority;	Week 2
3.	Our Client confirms the PMA corporate structure, including shareholders and directors and Commissioners. Only then will Healy Consultants start company incorporation.	Week 2
4.	Healy Consultants obtains an email from IRAS confirming <Company Name> Singapore company will be tax exempted.	Week 3
5.	Healy Consultants prepares a lease agreement to obtain the domicile letter from BKPM;	Week 3
6.	Healy Consultants will prepare a detailed business plan for SCB Jakarta and agree on the documents required by the bank including the KYC of the directors and shareholders of the Indonesian company;	Week 3
7.	Healy Consultants will prepare all the incorporation forms including all the director, commissioner and shareholders appointment forms including the power of attorney, trust and confidentiality agreement;	Week 4

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8.	<p>On our client's behalf, Healy Consultants applies for the name reservation and an Initial Investment License from BKPM. Documents submitted to the BKPM include:</p> <ul style="list-style-type: none"> i) An application form from the BKPM; ii) A Business Plan (prepared by Healy Consultants) outlining the planned activities of the company, its marketing strategies and financial projections; iii) Shareholders information including a) Articles of association of the investing company (if the shareholder is a company) and b) Passport copy of individuals; iv) Premises lease agreement; v) Proof of deposit to SCB Jakarta of US\$300,000 paid up share capital; 	Week 5
9.	Healy Consultants' Incorporation Team receives an Initial Investment Registration number from the BKPM, a scanned copy of which is e-mailed to our client;	Week 7
10.	The Indonesian government issues a one year temporary license to enable your PMA i) open a local corporate bank account and ii) deposit the minimum paid up share capital of US\$300,000;	Week 9
11	Healy Consultants' Incorporation Team draws up the Articles of Incorporation, and arranges for the documents to be notarised by an Indonesian notary. The notarised documents are submitted to the Ministry of Law and Regulations and the Director of Civil Affairs for approval.	Week 10
12.	Healy Consultants receives notification from Ministry of Law and Regulations and the Director of Civil Affairs Indonesia that the Articles of Association have been approved.	Week 11

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13.	Healy Consultants' Tax and Accounting Team applies for Tax Identification Number for the company from the Directorate General of Taxes.	Week 12
14.	Healy Consultants receives the Tax Identification Number from the Director General of Taxes, and e-mails our client to confirm the same.	Week 13
15.	Healy Consultants' Incorporation Team applies for company registration approval from the Ministry of Law and Regulations, by submitting the following: i) Company's approved Articles of Association ii) Capital transfer certificate as issued by the bank; and iii) Copy of the Tax Identification Number.	Week 15
14	Healy Consultants receives approval from the Ministry of Law and Regulations that the company is now a legal entity. Our Incorporation Team files the Articles of Association at the Ministry of Trade and Industry.	Week 19
16	Healy Consultants' Incorporation Team lodges the Articles of Association with the State Publisher, published in the State Gazette.	Week 21
17	Upon receipt of original client signed corporate documents, Healy Consultants couriers a Company kit folder (to our Client's preferred international address) containing i) the original Initial Investment License ii) original bound copy of the M&A iii) original share certificates;	Week 22
18	Healy Consultants assists our Client i) obtain employee visas for Indian staff and ii) recruit Indonesian staff for local ratio requirements;	Week 23

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Appendix two

Engagement fees

Professional services rendered for Indonesian PMA	Notes	Year 1 US\$
Engineering the optimum Singapore Indonesia corporate structure	1	3,500
Email confirmation from Singapore Tax Authority	2	1,500
Preparing a Singapore entity JV agreement	3	3,950
Indonesian PMA company set up fees	4	8,650
Indonesia company secretary and legal registered office fees	5	1,100
Estimate of Indonesia Government License registration fees	6	3,950
SCB Jakarta corporate bank account opening fees	7	2,450
Singapore company secretary and legal registered office	8	2,100
Retainer fee received on 23/11/13, thank you for your business	9	(3,607)
Remaining fees to be settled to complete the engagement, assuming our Client agrees with services and fees	10	23,593

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Notes to invoice above

1. Healy Consultants fee to advise on the optimum international corporate structure to **i)** minimize global taxation and **ii)** maximise investor protection including JV exit strategies;
2. Healy Consultants fee to successfully obtain from the Singapore Tax Authority an email confirming the Singapore JV entity is legally tax exempt on all global income;
3. Healy Consultants fees to prepare a high quality Joint venture agreement, excluding lawyer's fees;
4. This cost includes Healy Consultants fees to efficiently and effectively project manage our Clients engagement **i)** without our Client travelling and **ii)** our Client sending one courier to us;

All engagement fees are agreed and paid up front. Consequently, there are no hidden fees or surprises or ambushes throughout the engagement. All engagement deadlines are agreed up front in the form of a detailed project plan, mapping out deliverables by week throughout the engagement term. See [Appendix One](#);

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

5. In accordance with the Indonesia Companies Act, each Indonesia Company must appoint a company secretary, who may be a natural person or a body corporate, but the company secretary must be resident in Indonesia. Healy Consultants will be the legal Indonesia Company Secretary and our annual responsibilities include **i)** preparation and filing of the legal Annual Return **ii)** securely maintain company records and chop **iii)** liaise with the Indonesia Government on behalf of our Client and **iv)** legal filing of changes of company structure;

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In accordance with Indonesia Companies Act, a Company shall as from the date of its incorporation have a legal registered office in Indonesia, to which all official Government communications and notices may be addressed and which shall be open and accessible to the public for not less than 3 hours during ordinary business hours on each day, Saturdays, weekly and public holidays excepted. To comply with this statutory requirement, [Healy Consultants Indonesia business office](#) will be the registered office address for your Indonesian Company. Thereafter, this address will be used to receive Government correspondence including a) [Annual Tax Return](#) b) Notice of changes in Indonesia Company Law c) Notice of liquidation of company.

Most of our Clients wish to place [Healy Consultants Indonesia Office address](#) on invoices, contracts, websites and business cards;

6. This fee is an estimate of Government costs to complete your Firm's engagement. All Government fee payments will be supported by original receipts and invoices. Examples of Government costs include i) a certificate of company domicile ii) approval of the deed of establishment from the Ministry of Law and Human Rights and iii) the permanent business trading license from the Ministry of Industry and Trade iv) filing the first manpower compulsory report and company regulations with the Ministry of Manpower and v) obtaining a taxpayer registration number and a VAT collector number from the Tax Office vi) receipt of a Company Registration Certificate (Tanda Daftar Perusahaan or "TDP") vii) submit an announcement in the State Gazette of the Republic of Indonesia;
7. Healy Consultants will be pleased to open a corporate bank account. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges. There is a 10% probability the banks will request a bank signatory to travel for a one hour bank interview. Healy Consultants will try its best to negotiate with the bank for a travel exemption. As you can appreciate, it is a difficult task to obtain bank account approval through a newly formed company, when shareholders and directors and bank signatories reside overseas. There will be a fee discount of US\$500 if you have to travel;

The banks enjoy ultimate power of approval of corporate bank account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. To date, we enjoy a 100% approval record;

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8. Healy Consultants fee to be Singapore company secretary and legal registered office for 12 months including corporate restructuring;
9. Funds of US\$3,607 received on 23/11/13, thank you for your business;
10. All fees quoted in this invoice correspond to fees quoted on Healy consultant's [business website](#). Please review this invoice carefully to identify errors. During the rush of a business day, it is possible Healy Consultants inadvertently made fee calculation errors, typing errors or omitted services or omitted historic fee payments from Clients. In the unfortunate event you identify invoice errors, please revert to me directly re the same. I apologize in advance if I or my staff made invoice errors;
11. In accordance with the Indonesian Companies Act, every Indonesian company must have at least one resident director who is ordinarily residing in Indonesia. If required, Healy Consultants will be happy to act as nominee resident director for your Indonesia PMA. To ensure your assets are fully protected, the nominee will not be a bank signatory nor will he have an active role in daily corporate activities. Our annual fee for the same will be US\$5,950 per nominee as published on our website. When appointing a nominee, Healy Consultants collects a refundable deposit of US\$1,100;
12. In accordance with Indonesian Companies Act and with the Indonesian Board of Investment (BKPM), depending on the business activity a local shareholder is required. In such situations, some of our Clients request Healy Consultants to act as nominee resident shareholder. Healy Consultants' annual fee for the same amounts to US\$5,950 per nominee as published on our website. When appointing a nominee, Healy Consultants collects a refundable deposit of US\$1,100;
13. Before company incorporation is complete, the Indonesian government must review and approve a lease agreement for office premises. Some of our Clients request Healy Consultants to provide temporary shared office space for 6 months until our Client finds their preferred business address. If your Firm requires this service from Healy Consultants, our monthly fee amounts to US\$1,950. Some of our Clients request Healy Consultants to locate permanent office premises. Our one time fee for this service is US\$4,950;

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14. By year 3, an Indonesian PMA must have a minimum share capital of US\$1.2m to obtain successful permanent business license's approval by the BKPM (Indonesia's Board of Investment).
15. If required, Healy Consultants will be pleased to assist your firm obtain Indonesia business visa approvals. Our fee is US\$3,950 per person and includes preparation of a quality visa application and submitting to the correct Government immigration officers. The Indonesian Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval;
16. The fees quoted in this invoice are an average of the fees of a typical Indonesian engagement. Only after agreeing each individual client's business structure and needs, can Healy Consultants provide a custom, tailored accurate fee quotation. Unfortunately, government fees and procedures vary by industry by company. If during the engagement, Healy Consultants realizes company incorporation/corporate bank account opening is more complex than anticipated, requiring a larger investment of time, my Firm will revert to our Client to request additional fees;
17. As stipulated on our business website and in section 3 of our engagement letter, Healy Consultants will only commence the engagement following **i)** settlement of our fees and **ii)** completion and signing of our legal engagement letter;
18. Healy Consultants will only incorporate your company after 75% of due diligence documentation is received by email. Healy Consultants will only open a corporate bank account after 100% of Client due diligence documentation is received by courier;

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Appendix three

Advantages of a Singapore JV wholly owning an Indonesia company

- 73. The Singapore JV company will be legally tax exempt, maximizing global profitability;
- 74. The JV agreement will be primarily governed by Singapore law, providing greater investor protection. The Singapore judicial system is transparent while international arbitration is allowed and enforceable. The Indonesian judicial process can be protracted, expensive and unpredictable;
- 75. There will not be withholding tax on distributions to JV shareholders;
- 76. The JV partners legal control is confined to the Singapore entity;

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Appendix Three

No.	Challenge	Solution
1.	Our Client does not provide Healy Consultants the required information/documents in a timely manner. Consequently, causing engagement delays. For example, the <Company Name2> or <Company Name1> company's information as shareholder is not properly provided by <Company Name>.	Our Client speedily responds to Healy Consultants requests and efficiently provides my Firm the required information or immediately highlights problems with replying to requests. Otherwise, the engagement period is extended increasing the likelihood Healy Consultants will charge our Client additional project management fees.
2.	The Indonesian Government advise they need additional information or documents, before approving a business license or completing company incorporation. Consequently, causing engagement delays;	Healy Consultants will revert to our Client requesting additional information and documents. Otherwise, the engagement period is extended increasing the probability project deadlines are missed.
6.	Unanticipated Indonesian laws governing <New Company Name> business, thus a delay in the incorporation process.	Healy Consultants will outline the proposed operations in the business plan and company articles to ensure issues are addressed at the earliest stage.
9.	Public holidays in Indonesia and Singapore cause unanticipated engagement delays	The engagement period is extended increasing the probability project deadlines are missed



Healy Consultants



Engagement Strategy Agreement

Appendix Three

No.	Challenge	Solution
10.	Political unrest either postpones or terminates the engagement	The engagement period is extended increasing the likelihood Healy Consultants will charge our Client additional project management fees. Where there is a termination of services due to external reasons, Healy Consultants will provide a refund for services not rendered.
11.	During the engagement, Indonesia Government departments revert to Healy Consultants rejecting the business activities of our Client	Healy Consultants will revert to our Client to create a solution. There may be additional fees to efficiently and effectively complete the engagement
12.	The Indonesian Government departments do not approve applications in a timely manner, causing material delays in the engagement completion date;	Healy Consultants will aggressively solve problems where possible. That said, Healy Consultants will not be responsible for the incompetence and inefficiency of Government departments. That said, Healy Consultants will aggressively supervise and liaise with third parties to ensure your engagement is efficiently and effectively advanced.
13.	Indonesia banks will not open corporate bank accounts for the proposed business activity, shareholder nationality etc;	Healy Consultants will aggressively solve banking challenges. The Indonesia banks enjoy ultimate power of approval of account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. If a bank is deemed not possible, Healy Consultants will find alternative Indonesia banks more amenable.



Healy Consultants



Engagement Strategy Agreement

Appendix Three

No.	Challenge	Solution
14.	<Company Name> staff will experience difficulties obtaining travel visas to Indonesia, consequently delaying signing of engagement documentation	Healy Consultants will revert to our Client to create a solution, increasing the probability project deadlines are missed. There may be additional fees to efficiently and effectively complete the engagement
15.	Indonesia Government requests additional documents of <Company Name>'s employee to process the visa;	Healy Consultants ensures timely follow up with the Indonesian Government for such requirements and supplies them the documents as soon as possible;
15.	It is difficult obtaining multilateral agreement from all JV parties on terms and conditions of the JV agreement. Requiring so many redrafts and renegotiations.	Healy Consultants will revert to our Client asking for additional fees
15.	It is difficult obtaining multilateral agreement from all JV parties re the corporate structure. Requiring so much reengineering any redrafts and renegotiations.	Healy Consultants will revert to our Client asking for additional fees