

Daisy Chacón - Corporations

From: MF&Co. - Corporations (Panama)
Sent: Jueves, 30 de Enero de 2003 08:27 a.m.
To: Daisy Chacón - Corporations
Cc: Verna de Nelson - Corporations
Subject: Dar seguimiento FW: FM MANAGEMENT HOLDING GROUP S.A. (6517/ET/vln/dch)

Saludos,

Yvette Rogers
Ext. 111

-----Original Message-----

From: London Representative Office
Sent: Thursday, January 30, 2003 4:51 AM
To: MF&Co. - Corporations (Panama)
Subject: Re: FM MANAGEMENT HOLDING GROUP S.A. (6517/ET/vln/dch)

Dear Verna

Thank you for your email of 9th January 2003, my client has replied as follows:

1 The Panama company is formed to act as the offshore holding company of the UK holding company. Because the UK holding company has been incorporated with USD 5,000,000 authorised capital, I thought it

sensible for the Panama parent to have the same figure. At present the UK company has only issued one subscriber share. It will be used to hold shares of subsidiaries from time to time in order to take advantage of the new UK rules for the taxation of international holding companies.

The reason for the large authorised capital is to give capacity for when shares are put into the holding company and if calls are made on those shares by the subsidiaries. It will not carry on trust, fund or insurance activities. I am the director of the UK company and if it assists I am happy to undertake to inform you if this situation changes or if I cease to be a director. Please let me know if this is necessary as I will need to put the undertaking in an obvious place in the file!

2 The ultimate owner of the structure is FM. At the moment I hold the share of the UK company on trust pending the setting up of the whole structure. We would like to have the shares in the Panama company put into a trust or a foundation. Pending the trust or foundation coming into existence, I would hold the shares on trust for that purpose.

3 FM is Azerbaijani. I have done all the due diligence on him within your guidelines. The nationality of the actual shareholder will be the jurisdiction of the trust.

4 It is intended that the Panama company will act as a holding company receiving dividends from the UK company, which under UK law are paid without any withholding

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tax. It will then pay the dividends to the trust. In other words it is a typical private international holding company. There are no plans to list it or seek private subscriptions for its stock. I also confirm that the UK company is a private company and there is similarly no intention to take it public.

Regarding the indemnity, is it to be signed by my client or his client FM I would be grateful if you could proceed with the incorporation. However of course we will not release anything until we receive the signed letter of indemnity - awaiting your instructions.

We look forward to hearing from you.

Kind regards

Amanda Coyle
Mossack Fonseca & Co. (UK) Limited

Original Message —

From: MF&Co. - Corporations (Panama)

To: London Representative Office

Sent: Thursday, January 09, 2003 9:13 PM

Subject: FM MANAGEMENT HOLDING GROUP S.A. (6517/ET/vln/dch)

Dear Amanda:

Many thanks for your below message.

We hereby confirm that the additional registration fee of US\$1101.00 must be paid only at the moment of the registration of the company's Articles of Incorporation.

The annual franchise tax (license) for Panamanian Companies is of US\$250.00, regardless the authorized capital and the type of shares of the company.

Also, due to the high capital of the company, we would require the provision of a Letter of Indemnity as per the attached draft, and your confirmation on the following matters:

1. What is the purpose of the high capital of the company? Will the company carry on Trust, Fund or Insurance activities?
2. Whom will the shares be issued?
3. What will be the shareholders' nationality?
4. What will the company engage in?

Looking forward to hearing from you soon.

Best regards,

MOSSACK FONSECA & CO.

Verna Lee de Nelson
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