

# SOVEREIGN MANAGEMENT SERVICES, S.A.

## The Offshore Choice

### ASSOCIATE AGREEMENT

(Please Print or Type)

Agreement (hereinafter "Agreement") entered into this \_\_\_\_th day of \_\_\_\_\_ 2005 by and between **SOVEREIGN MANAGEMENT SERVICES S.A.**, a Panama licensed company (Registered Agent) and Company or Person

Address \_\_\_\_\_ State \_\_\_\_\_  
Country \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_  
Phone # \_\_\_\_\_ Fax # \_\_\_\_\_  
E-mail \_\_\_\_\_ Contact Person \_\_\_\_\_

### RECITALS

- A. Associate is engaged in the business of investment fund management, administration, financial and offshore planning, and asset management services.
- B. Registered Agent wishes to expand its business and desires to engage the services of the Associate Company to represent the Registered Agent:
  - a) To assist in marketing the Associate Company's services; and
  - b) To render his services on the terms and conditions provided within this agreement.

**THEREFORE**, the Associate Company hereby engages the services of the Registered Agent, and in consideration of the mutual promises herein contained, the parties jointly agree as follows:

**Section 1. Interpretation.** In this Agreement the following words and expressions have these specific meanings:

"*Client*" shall refer to any individual, corporation, trust, or estate or any combination thereof, that establishes a relationship with the Associate Company or any individual or agency directly or indirectly related thereto, to provide advice, assistance, services, or products of any nature in the course of Company's business including, but not limited to, investment fund management,

company incorporation and administration, financial and offshore planning, and asset management services.

“*Confidential Information*” shall refer to any statement made, any letter, fax, or electronic message, or other communication of any other form or nature, any document of any kind whatsoever, which under the circumstance therein the speaker intended only for the person addressed; which has been marked or labeled "confidential"; or which by its very nature may be inferred to be confidential, such as financial information relating to the Company and the operations thereof.

“*With cause*” This Agreement may be terminated "with cause" in any of the following events:

- a) Associate Company fails to comply with his obligations hereunder;
- b) Associate Company should make any unreasonable misrepresentation regarding the Company, commits any willful misfeasance, bad faith or gross negligence in reckless disregard of his obligations or duties hereunder; or

**Section 2.** **Term.** This agreement shall commence on the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 2005, and shall continue in force until notice of termination is given in writing to last known address in accordance with Section 19.

**Section 3.** **Identity** The contact person of the Associate Company must submit his or her own Picture Id, which should be in the form of a copy of a authentic Passport or authentic Drivers License to Sovereign Management Services S.A. offices. Upon receipt of sign agreement, Associate will be issued an assigned Associate ID number to be used on all correspondence.

**Section 4.** **Duties.** The Associate Company shall promote the Registered Agent’s services to individuals and companies through direct or indirect personal contact with said individuals and with the authorized representatives of said companies. Associate Company acknowledges and agrees to abide by the following: The Associate Company shall observe all policies and directives promulgated, from time to time, by Registered Agent's Board of Directors or Officers, in conducting said promotion of the Registered Agent’s services.

**Section 5. Immobilization of Bearer Shares:**

Associate Company for international business companies shall ensure that bearer shares issued by such companies are immobilized in the manner hereinafter provided.

- (a) the Associate Company shall perform his own “know your customer” due diligence with his end user customer;
- (b) the Associate Company shall retain physical custody of the bearer share certificate and shall have a duty to provide “know your customer” information on the end user customer of an international business company to the Registered agent upon request.

**Section 6. Transfer of Bearer Shares:** Where there is a transfer of the beneficial interest in bearer shares, a Associate Company shall exercise the same “know your customer” due diligence principle as mentioned in Section 5 (b).

**Section 7. Procedure for Client Verification:** (1) Associate Company shall ensure that all their staff are familiar with and apply relevant procedures to verify and adequately document the true identity of clients, and for this purpose, identity will usually include a picture Id (Passport or Drivers License) current address or place of business. All applications must be completed.

(2) Associate Company shall not conduct business with persons using obviously fictitious names or addresses and shall not keep anonymous accounts.

(3) Verification of identity will not normally be required in the case of an isolated transaction unless the circumstances surrounding such transaction appear on an objective standard to be unusual or questionable, in which case it will be necessary to make further enquiries

(4) Associate Company may be required to take steps to verify a client’s identity if money laundering is known or suspected according to the results obtained pursuant to paragraph (3) above.

(5) Where money laundering is known or suspected under paragraphs (3) and (4) above, the Associate Company shall not refrain from making a report to the appropriate body under these Regulations merely because of the size of the transaction.

(6) In this regulation, “isolated transaction” means:

(i) a transaction carried out other than in the course of an established business relationship, (for example, a single foreign currency transaction for a customer who does not have an account at the bank concerned constitutes an “isolated transaction”); and

(ii) a payment made by or to a person in the transaction which is below US\$30,000 (or its equivalent in other currency) unless the payment is one of a series of transactions carried out within three months which are or appear to be linked and in which the aggregate payment exceeds US\$30,000 ( or its equivalent in other currency).

**Section 8. Receipt of Instruments.** Associate Company shall not accept cash or financial instruments of any manner or kind on behalf of the Company in the course of business, without prior written authorization.

**Section 9. Misrepresentations and Other Tortuous Acts.** Associate Company shall be liable for any damages, expenses or losses incurred due to any act or omission connected with or arising out of services rendered under this Agreement, by reason of misrepresentation, willful misfeasance, bad faith, or gross negligence, by the Associate Company or any sub-agent or employee contracted in accordance with Section 4, in the performance of the Associate Company’s duties or by reason of reckless disregard of the Associate Company’s obligations and duties under this Agreement.

**Section 10. Marketing Materials.** The Associate Company acknowledges that in representing the products of the Company:

All materials provided to the Associate Company, (whether by the Registered Agent or by legal or natural persons affiliated with the Registered Agent), shall remain the property of the Registered Agent or the Registered Agent’s affiliate; and

The Associate Company may not use or reproduce the trademarks of the Registered Agent or of the Registered Agent’s affiliate, or any similar proprietary materials in the operation of promoting the Registered Agent, without prior and specific written authorization from the Registered Agent.

**Section 11. Confidentiality of Company and Client Affairs.** Associate Agent shall not disclose or appropriate to its own use, or to the use of any

third party, at any time during or subsequent to the term of this Agreement, any confidential information of Registered Agent or any of Registered Agent's affiliates or subsidiaries of which Associate Company has been or hereafter becomes informed, whether or not developed by Associate Agent, including, but not limited to, information pertaining to customer lists, services, prices, profits, contract terms or operating procedures, except as required in connection with Associate Agent's performance of this Agreement. The Registered Agent shall have the right to obtain injunctive relief for violation of the terms of this paragraph and the terms of this paragraph shall survive the term of this Agreement.

- Section 12. Termination.** This Agreement may be terminated without cause by either party by giving 30 days written notice and with cause by either party giving 5 days written notice to the other party as provided in Section 18.
- Section 13. Deliveries after Termination.** The Associate Company, or the personal representative thereof shall, upon the termination of this Agreement, deliver up to the Registered Agent all correspondence, documents, specifications, papers and property belonging to the Registered Agent, which may be in the possession or control of the Associate Company.
- Section 14. Effects of Termination.** Upon termination of this Agreement, and surviving the term of this Agreement for one (1) year.
- Section 15. Assignment.** This Agreement is personal between Registered Agent and Associate Company, and neither Registered Agent nor Associate Company may sell, assign, transfer or hypothecate any rights or interests created under this Agreement or delegate any of their duties without the prior written consent of the other, provided that the Registered Agent may assign this Agreement to the parent, subsidiary or any affiliated company. Any other such assignment or delegation of either party hereunder without written consent shall be void.
- Section 16. Severability.** If any provision of this Agreement is held to be unenforceable, invalid or illegal by any court of competent jurisdiction, such unenforceable, invalid or illegal provisions shall not affect the remainder of this Agreement.
- Section 17. Modification of Agreement.** Except as herein provided, modifications to this Agreement by the parties shall only be by written supplemental agreement executed by both parties.
- Section 18. Waiver of Breach.** Failure of either party hereto to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any

similar right or power hereunder at any subsequent time or of any other provision hereof.

**Section 19. Titles.** The titles of the Sections herein are for convenience of reference only and are not to be considered in construing this Agreement.

**Section 20. Governing Law.** The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, and the interpretation and performance of all of its terms shall be governed by the substantive laws of Belize.

**Section 21. Attorney's Fees.** If any proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach or default in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees incurred in this action or proceeding in addition to any other relief to which he or it may be entitled.

**Section 22. Entire Agreement.** This Agreement contains the entire contract of the parties with respect to the subject matter hereof and supersedes all agreements and understandings between the parties concerning the subject matter hereof. It may not be changed orally but only in writing form, signed by the party against whom enforcement of any waiver, charge, modification, extension or discharge is sought.

Executed as of the date first above written.

**Name of  
Company or Contact Person:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Registered Agent: Sovereign Management Services S.A.,**

By: \_\_\_\_\_