

ECONOMIC SUBSTANCE REPORTING SERVICES AGREEMENT

THIS ECONOMIC SUBSTANCE REPORTING SERVICES AGREEMENT is made as of the _____ day of _____, 20____, between the parties:

1. **The Client(s) (Print Name/Names):** _____
(Please see Definitions and Interpretation)
2. **The Reporting Entity:** _____
3. **The Reporting Agent:** Lennox Paton Corporate Services Limited

WHEREAS, per the Commercial Entities Substance Requirements Act, 2018 (“CESRA”) (as amended) 2018, the Reporting Entity is required to submit an annual declaration to the Competent Authority;

WHEREAS, the Client(s) and the Reporting Entity wish to engage the services of the Reporting Agent to satisfy their reporting obligations arising under CESRA;

WHEREAS It is reasonable and necessary for the Client(s) and the Reporting Entity to indemnify the Reporting Agent so that it will serve and continue to serve the Reporting Entity;

NOW THEREFORE, in consideration of the Reporting Agent, it is hereby **AGREED** as follows.

1. Definitions and Interpretation

- 1.1 ‘Authorised Representatives’ means such persons listed in Schedule 1 hereto being persons authorised to give instructions on behalf of the Client(s).
- 1.2 ‘Controlling Interest’ means a beneficial ownership of at least 10 per cent.
- 1.3 any reference to a statutory provision shall be deemed to include a reference to any statutory modification or re-enactment of it.
- 1.4 any reference to the Reporting Agent shall include its personal representatives, directors, officers, servants, agents, successors and assigns, as the case may be.
- 1.5 ‘Client(s)’ means such individual(s) having a controlling interest in the Reporting Entity.
- 1.6 ‘Reporting Entity’ means the entity on whose behalf the Reporting Agent has been engaged to comply with the reporting provisions of CESRA and includes its authorized representatives, directors, officers and beneficial owners.

2. Term of Engagement

The engagement of the Reporting Agents shall be deemed to have commenced on as of the date above and is subject to termination pursuant to the terms of Clauses 9 and 10 hereof.

3. Duties of the Reporting Agent

- 3.1 The Reporting Agent, shall during its engagement under this Agreement:
- 3.1.1 register the Reporting Entity with the Competent Authority and obtain its Entity Identification Number (“EIN”), except in the circumstance such EIN has already been obtained.
 - 3.1.2 within nine months of the Reporting Entity’s fiscal year end, complete the substance reporting required with the competent authority.
 - 3.1.3 provide evidence of all substance report filing submitted to the Competent Authority on behalf of the Reporting Entity.

4. Limitations of the Reporting Agent

- 4.1 During its engagement under this Agreement the Reporting Agent shall not:
- 4.1.1 complete any reporting where it has knowledge, suspicion or reasonable grounds for suspicion that the entity is not in good standing and/or is not compliant with the laws of The Bahamas;
 - 4.1.2 complete any reporting where it has knowledge, suspicion or reasonable grounds for suspicion that the scope of the entity’s activities extends beyond the activities disclosed to the Reporting Agent in the annexed Schedule 2.
 - 4.1.3 complete any reporting on behalf of an entity which would be defined as an included entity under Part I of CESRA.
- 4.2 **IT IS AGREED** that the Reporting Agent shall not be obliged to act in any manner which may:
- 4.2.1 be ultra vires the Reporting Entity;
 - 4.2.2 conflict with any of the provisions of the constitutive documents of the Reporting Entity;
 - 4.2.3 conflict with any laws of the Commonwealth of The Bahamas or the laws of jurisdiction in which the Reporting Entity is incorporated or domiciled or the laws of any jurisdiction in which the Reporting Entity conducts business;
 - 4.2.4 preclude the disclosure of information under due process of law in any jurisdiction.
- 4.3 The Reporting Agent warrants that by virtue of entering into this Agreement it will not be in breach of any express or implied terms of any contract or of any other obligation binding upon it.

5. Communications from the Client(s)

- 5.1 Any requests, advice receipts and notices (hereinafter together called “Client Communications”) given by the Client(s) to the Reporting Agent on behalf of the Reporting Entity shall be given in writing.
- 5.2 The Reporting Agent shall not be liable for any loss suffered by the Reporting Entity or the Client(s) due to anything done or omitted to be done pursuant to any Client Communication or otherwise in connection with the services rendered under this Agreement, except in the case of fraud or other misconduct by the Reporting Agent.
- 5.4 The Client(s) and/or the Reporting Entity shall inform the Reporting Agent as soon as is reasonably practicable of any changes in the information provided in the annexed Schedule 2 and shall inform the Reporting Agent of any such changes prior to the fiscal year end.
- 5.5 The Client(s) and/or the Reporting Entity shall provide the Reporting Agent with all information and documents as requested or required by the Reporting Agent in carrying out its duties under this agreement.

6. Remuneration

The Reporting Agent shall be remunerated in accordance with the agreed fee, which amount shall be payable annually in advance and is subject to change from time to time. The Reporting Agent shall not be liable for any loss suffered by the Reporting Entity or the Client(s) due to the failure to remit remuneration in advance.

7. Confidentiality

- 7.1 The Reporting Agent shall not, *except in the proper course of the performance of their duties or with the consent of the Reporting Entity or Client(s)*, during or after the period of its service under this Agreement divulge to any person whatever or otherwise make use of any information in respect of the business of the Reporting Entity and its dealings, transactions and affairs, all of which information is or may be confidential (such information is collectively referred to as “Confidential Information”).
- 7.2 All Confidential Information is and shall at all times remain the exclusive property of the Reporting Entity.
- 7.3 Confidential Information does not include: (i) information in the public domain through no fault of the Reporting Agent; (ii) information received from a third party other than the Reporting Entity; or (iii) information that may be required by law or an order of any court, agency or proceeding to be disclosed.

8. Termination of Reporting Services

The engagement of the Reporting Agent under this agreement shall terminate:-

- 8.1 with immediate effect by reason of non-payment on behalf of the Client(s) and/or the Reporting Entity in respect of Reporting Services;
- 8.2 with immediate effect by virtue of a resolution passed by the members or the Board, as applicable, of the Reporting Entity to remove it as Reporting Agent;
- 8.3 with immediate effect by reason of its resignation as registered office and/or registered agent of the Reporting Entity;
- 8.4 with immediate effect by reason of its awareness or reasonable suspicion that the Reporting Entity has misrepresented its activities and/or is not compliant with the laws of The Bahamas;
- 8.5 by reason of its resignation as Reporting Agent with 30 days' notice to the Client or Reporting Entity.

9. Summary Termination of Engagement

The engagement of the Reporting Agent may be terminated by the Reporting Entity without notice or payment in lieu of notice:

- 9.1 if the Reporting Agent is guilty of fraud or wilful misconduct in connection with or affecting the business of the Reporting Entity;
- 9.2 in the event of any serious or repeated breach or non-observance by the Reporting Agent of any of the stipulations contained in this Agreement;

10. Exculpation And Indemnity

- 10.1 The Client(s) and the Reporting Entity to the fullest extent permitted by law hereby jointly and severally undertake at all times hereafter to indemnify and hold harmless and keep indemnified and held harmless the Reporting Agent against all costs, charges, losses, expenses and liabilities incurred in the performance of the services under this Agreement except where such loss, damage or misfortune arises through the Reporting Agent's fraud or other wilful misconduct.
- 10.2 Should the Reporting Agent institute any legal action to enforce its rights hereunder, or to recover damages for breach of this Agreement, the Reporting Agent shall be entitled to recover from the Reporting Entity all attorneys' fees and disbursements incurred by it with respect to the claims or matters on which it has prevailed.
- 10.3 The right to indemnification and payment of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which the Reporting Agent may be entitled under the constitutive documents of the Reporting Entity or under any statute, insurance policy, agreement, vote of shareholders or otherwise, both as to action in the Reporting Agent's official capacity and as to action in another capacity while holding such office.

- 10.4 The Reporting Agent shall not be liable for any loss suffered by the Client or the Reporting Entity due to any failure to forward or to report to the Client or the Reporting Entity the receipt by the Reporting Agent of any notices or communications concerning the Reporting Entity or any of its assets, either promptly or at all.
- 10.5 The Client's and the Reporting Entity's obligations under this Section shall survive the termination of this Agreement.

11. Notices

All notices hereunder shall be in writing. Notices intended for the Client(s) or Reporting Entity shall be in writing and any such notice, demand or other communication shall be deemed to have been duly given when delivered by hand, courier or overnight delivery service or, if mailed, five (5) Business Days after deposit in the mail, certified or registered mail, return receipt requested and with first-class postage prepaid or, in the case of email notice, when sent and transmission is confirmed, and, regardless of method, addressed to the party at: _____

_____ or its current principal office, or email at _____ or at such other address or email address as the party shall furnish the other parties in accordance with this section. Notices intended for the Reporting Agent shall be in writing and any such notice shall be deemed to have been duly given when delivered by hand, courier or overnight delivery service or, if mailed, five (5) Business Days after deposit in the mail, certified or registered mail, return receipt requested and with first-class postage prepaid and addressed, or, in the case of email notice, when sent and transmission is confirmed.

12. Jurisdiction

This Reporting Services Agreement shall be governed by and construed in all respects in accordance with the laws of The Bahamas and the Reporting Entity hereby submits to the exclusive jurisdiction of the Bahamian courts.

13. Miscellaneous

- 13.1 The failure of either party to exercise any right hereunder shall not operate or be construed as a waiver of any right hereunder.
- 13.2 The terms and provisions of this Agreement are severable and the invalidity, illegality or unenforceability of any term or provision of this Agreement shall not relieve any party of its other obligations under this Agreement or provide grounds for termination or rescission.
- 13.3 This Reporting Services Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts together shall constitute one Reporting Services Agreement.
- 13.4 This Agreement constitutes the complete agreement between or among the parties and supersedes any and all prior agreements, whether written or oral, between or among the parties pertaining to the subject matter hereof.

IN WITNESS WHEREOF this Agreement has been executed by the duly authorised representatives of the Parties hereto as of the day and year set forth below their respective signatures with effect from the date and year first hereinbefore written.

Print Name:
The Client

In the Presence of:

Date: _____

Print Name:

The Reporting Entity

Print Name:
Director

In the Presence of:

Date: _____

Print Name:

LENNOX PATON CORPORATE SERVICES LIMITED
Reporting Agent

By:
Its:

In the Presence of:

Date: _____

Print Name:

**SCHEDULE 1
CLIENT UNDERTAKING & DECLARATION**

Client: _____ **Client:** _____

AND

The Reporting Entity: _____

Hereby jointly and severally confirm the following (check all that apply):

**1. That the Reporting Entity is not engaged in any of the relevant activities listed below:
CONFIRMED**

- Banking Business
- Insurance Business
- Fund Management Business
- Financing and Leasing Business
- Headquarters Business
- Distribution and service Centres Business
- Shipping Business
- Commercial use of Intellectual Property

2. That the Reporting Entity is a private investment vehicle that is solely engaged in the passive holding of investments (e.g. – equities, fixed income, funds, real estate, gold)

YES NO

i. If NO please provide details: _____

3. Does the Reporting Entity hold a controlling interest in another entity? YES NO

i. If YES, please provide details: _____

4. That the Reporting Entity is tax resident in a foreign jurisdiction*: YES NO

i. Name of foreign jurisdiction of tax residency: _____

**The Reporting Agent shall be provided of all documents and information which confirm the Company's tax residency in a foreign jurisdiction*

5. That to the best of the Client's knowledge, the Reporting Entity is in good standing and is compliant with all laws and regulations of The Bahamas. YES NO

6. That the Reporting Entity's fiscal year end is: _____

CLIENT NAME (Print): _____ **SIGN:** _____

CLIENT NAME (Print): _____ **SIGN:** _____

**** Please complete the annexed Schedule 2 with further required details****

SCHEDULE 2
DIRECTOR AND SHAREHOLDER DETAILS

Please provide for each Director and Shareholder. Please add additional pages as needed.

Director Name: _____ Director Email Address: _____
Director Mailing Address: _____

Director Name: _____ Director Email Address: _____
Director Mailing Address: _____

Director Name: _____ Director Email Address: _____
Director Mailing Address: _____

Director Name: _____ Director Email Address: _____
Director Mailing Address: _____

Shareholder Name: _____ Shareholder Email Address: _____
Shareholder Mailing Address: _____
Shareholder Jurisdiction of Tax Residency: _____

Shareholder Name: _____ Shareholder Email Address: _____
Shareholder Mailing Address: _____
Shareholder Jurisdiction of Tax Residency: _____

Shareholder Name: _____ Shareholder Email Address: _____
Shareholder Mailing Address: _____
Shareholder Jurisdiction of Tax Residency: _____

Shareholder Name: _____ Shareholder Email Address: _____
Shareholder Mailing Address: _____
Shareholder Jurisdiction of Tax Residency: _____