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Sample Engagement Letter – Advisory Services in connection with providing access to a Company in a specific country...



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CORPORATE FINANCE ADVISORY SERVICES IN CONNECTION WITH PROVIDING, (A) ACCESS TO "COMPANY X" IN THE "COUNTRY Z" MARKET, AND (B) CONTACT WITH "COMPANY Y" FOR A POSSIBLE COOPERATION IN "COUNTRY Z"



STRICTLY PRIVATE AND CONFIDENTIAL

CORPORATE FINANCE ADVISORY SERVICES IN CONNECTION WITH PROVIDING, (A) ACCESS TO "COMPANY X" IN THE "COUNTRY Z" MARKET, AND (B) CONTACT WITH "COMPANY Y" FOR A POSSIBLE COOPERATION IN "COUNTRY Z"

This letter sets forth the terms and conditions upon which Company X (the "CLIENT") and its principal Mr. _____ for their own account, or for the account of related parties, agree to engage Pytheas Limited ("PYTHEAS") as its corporate finance advisor with regard to their interest in setting up operations in Country Z ("the PROJECT").

ENGAGEMENT SCOPE

In conjunction with this Engagement Pytheas shall deliver the services outlined below:

Activity 1. (a) Contact Company Y (COMPANY Y); (b) initiate discussions between Company Y and the Client; (c) if both parties express interest, assist the Client in the negotiation process and on deciding the form of association; (d) act as the mediator of the Client with Company Y.

Activity 2. If deemed necessary or if discussions fail with Company Y make contact with other candidate companies and proceed as in Activity 1.

Activity 3. Provide the Client with the necessary additional information and clarifications it may require in the negotiations with Company Y or other potential partners.

Activity 4. Support the Client in taking value creating strategic solutions and introducing value intended control models.

Activity 5. Develop a long-term corporate transformation strategy for the Client, provide execution support for a merger, acquisition, or spin-off; and assist in all the steps of the linkage to post-merger management to ensure the capture of maximum value from the transaction.

This Engagement specifically excludes:

- The preparation of any feasibility study that may be required;
- Legal work associated with the Project;
- Tax work associated with the Project;
- Due diligence or other form of assurance work.

MANAGEMENT PARTICIPATION IN THE ENGAGEMENT

The Client will be responsible for presentations about its plans and expectations, and for disclosure of significant information that might affect the ultimate realization of the project's results.

Additionally, the Client agrees to furnish or caused to be furnished to Pytheas such financial and/or operational information regarding the proposed Project that Pytheas may request. The Client warrants that the information furnished shall be, to their best of knowledge and belief, substantially correct.



In addition to providing required information, the Client will be responsible for:

- Working closely with the Engagement team of Pytheas
- Providing information and responding to document requests on a timely basis;
- Informing Pytheas of any contacts made directly and affecting the progress of this Project and/or the services undertaken by Pytheas.

At the conclusion of the Engagement, the Client agrees to supply Pytheas upon request representation letters that, among other things, will confirm their responsibility for the disclosed information and for the underlying assumptions used in the connection with any projections furnished, the appropriateness of any financial statements that they have prepared and their active decision participation in the Engagement.

INDEMNIFICATION

The Client hereby indemnifies and holds harmless Pytheas and its partners, principals, agents, consultants, and employees (the "INDEMNIFIED PARTIES") from and against any losses, claims, damages, or liabilities (or actions in respect thereof) to which and Indemnified Party may become subject as a result of or in connection with Pytheas rendering services hereunder unless it is finally judicially determined that such losses, claims, damages, or liabilities were caused by fraud or willful misconduct on the part of that Indemnified Party in performing its obligations under this Agreement. This indemnification shall include without limitation any liability related to or resulting from any information provided by the Client that is inaccurate in any respect as a result of misrepresentation, omission, failure to update or otherwise, regardless of whether Pytheas knew of should have known of such inaccuracy. In the event that full indemnification is not available to the Indemnified Parties as a matter of law, then their aggregate liability shall be limited to the total fees collected for the services rendered and, in any event, shall be limited by a final adjudication of their relative degree of fault and benefit received. The Client also indemnifies and holds harmless Pytheas and its staff, if for any reason the project is not successful and the Client is unable to establish itself in Country Z.

TERM OF ENGAGEMENT

The term of this Engagement shall be for the period commencing on the date of this Agreement and continuing for a period of _____ days.

FEES

The professional fees and remuneration associated with the Project and payable to Pytheas or to entity designated by it are detailed below:

1. An initial success fee of €_____ for work done to date and as a retainer for, subsequent work, payable immediately.
2. Reimbursement of all time and out of pocket expenses of Pytheas related to the Project through monthly billings.
3. A flat fee of €_____ payable upon signing by Company X (or a related entity) of a Final Contract with Company Y and/or any other entity as per the Engagement, irrespective of the content of such contract.



4. ___% of the shares in the new company to be formed by the Client or its equivalent in cash value.

INFORMATION & DATA

Pytheas shall be entitled to assume, without independent verification, the accuracy of all information and data that the Client and its representatives provide to Pytheas. All information and data to be supplied by the Client and its representatives will be complete and accurate to the best of the Client's knowledge. Pytheas may use information and data furnished by others if Pytheas in good faith believes such information and data to be reliable. However, Pytheas shall not be responsible for, and shall provide no assurance regarding, the accuracy of any such information data. Client agrees that any documentation prepared or developed by Pytheas for the purposes of completing the Engagement is for the use and benefit of the Client or the Engagement, including the Terms and Conditions of this Engagement Letter. Consequently, they may not be used or relied upon for any other purposes, or be disclosed, or form the basis for any advice to any other person without prior written approval by Pytheas. Any written reports, letters, summaries or other written material produced by Pytheas in connection with the Engagement will not be reproduced or distributed without the inclusion of any disclaimers of liability and acknowledgement as such by the recipients through the execution of a Confidentiality Agreement.

DISPUTE RESOLUTION

Pytheas and the Client agree to work out disputes, if any, by direct discussions and negotiations. Should such discussions and negotiations be unsuccessful, all disputes or differences arising under or in connection with this contract shall be subject to the exclusive jurisdiction of the Courts of Country Z. The decision of such courts shall be binding by both Pytheas and the Client.

GOVERNING LAW

The Engagement Letter shall be governed by and construed in accordance with Country Z Law.

ENTIRE AGREEMENT; AMENDMENTS; SUCCESSORS AND ASSIGNS; SEVERABILITY

This letter sets out the entire Agreement and understanding between the Client and Pytheas with respect to the subject matter hereof and supersedes and cancels any prior communications, understandings and agreements, both written and verbal, between the parties with respect to the Engagement. This agreement cannot be amended or otherwise modified except by mutual written consent. The provisions hereof shall inure to the benefit of and be binding upon the successors or assigns of the Client and Pytheas which assignment cannot be performed without the express written permission of other party signing below. Each provision and agreement herein shall be enforceable, notwithstanding the unenforceability of any other provision of Agreement.



Agreed and accepted for and behalf of Pytheas Limited

Agreed and accepted for and behalf of Company X

Disclaimer

The above notes have been compiled to assist you; however, actions taken as a result of this document are at the discretion of the reader and not Pytheas Limited.

NOTES