Getting the right guidance is important. As part of an international group, we have cutting edge market knowledge and deliver solid legal and commercial advice on time, every time. Top ranked professionals with a proven track record and long standing relationships in the Isle of Man. Appleby.

applebyglobal.com

THE RIGHT PEOPLE. THE RIGHT PLACES. THE RIGHT CONNECTIONS.

Bermuda
British Virgin Islands
Cayman Islands
Guernsey
Hong Kong
Isle of Man

Jersey
London
Mauritius
Seychelles
Shanghai

Offshore Legal, Fiduciary & Administration Services
Proposal regarding the provision of administration services in respect of Isle of Man Companies

We understand that Alimentation Couch-Tard Inc (Client) is considering the establishment of an Isle of Man company (Company). We have been advised that the Company shall be utilised to provide intragroup hedging to the Client in relation to fuel pricing.

We have been requested to quote for the establishment and the provision of annual services in respect of the Company.

In order to allow us to complete our initial enquiries it would be helpful if we could receive the following:

- Details of the mechanics of trading / options granted / option buyers
- Details of the proposed directors of the Company, where not provided by Appleby;
- Details of the proposed shareholders of the Company;
- Details of the proposed beneficial owners of the Company, if different to the shareholders, and their source of wealth;
- Details of any structuring or tax advice issued in respect of the proposed structure; and
- Details on the anticipated level of transactions, to include:
  - Anticipated number of transactions per annum;
  - Anticipated turnover;
  - Confirmation whether VAT registration is required;
  - Any financing arrangements that are to be put in place; and
  - Any other relevant financial information to allow us to understand the record keeping and accounting requirements.

We would be delighted to assist with this matter, subject to receipt of satisfactory due diligence documentation and information, and set out the following Proposal for consideration.
Isle of Man Companies Limited by Shares – Summary

Based on the information that we have received and having made a number of assumptions, a summary of the costs for the proposed structure is as follows:

**Initial fees (excluding disbursements)**

Incorporation of an Isle of Man company: £2,500

**Annual Fees (excluding disbursements)**

Annual Responsibility Fees: £2,600

Directorship Fees: From £5,000

**Ancillary Services**

Employee related services From £2,500

Serviced offices Per annum £6,000

**Annual Accounts Fees (excluding disbursements)**

Annual Accounting Responsibility Fees: From £7,500

Please note that there will be direct costs to the Company relating to employment including employee salary and Employers National Insurance contributions.

The assumptions that we have applied are as follows:

- Provision of registered office and registered agent;
- Provision of two professional directors; and
- Provision of accountancy, tax accounting and bookkeeping services are to be provided.
Isle of Man Company Limited by Shares

Detailed breakdown of services required

Setup and Fees
Collection of client due diligence documentation £1,000
Our fee for the incorporation of a company £1,500
(Subject to standard documentation being adopted)
Government incorporation fee £100 - £500

Our fee for this process includes setting up the statutory books and registers, reviewing and compiling all KYC/due diligence materials, completing compliance checks for each relevant stakeholder, all related correspondence, time spent liaising with you and updating our own systems with records that we are required to hold.

Annual Responsibility Fees
Fiduciary Responsibility Fees £2,600

This fee includes the provision of the following services:

- Registered Office Facility
- Preparation and Filing of Company Annual Return (excluding disbursements)
- Annual Compliance Fee
- Provision of the services of a Registered Agent

Known Annual Disbursements
Isle of Man Government Annual Return Filing Fee £380

Professional Directorship Fees
Provision of the services of Professional Directors (per director) From £2,500

Annual Tax, Accounts and Bookkeeping Services
Preparation of annual Financial Statements From £1,000
Registration for tax purposes and preparation of tax returns £500
Assisting with weekly reconciliations (per annum) From £6,000

Employee Related Services
Sourcing employee, employment contracts, registering company as employer and From £2,500 related services.

This does not include the drafting of the employment contracts
Provision of Serviced Offices
Set up (provide Licence to Occupy, organising phone lines etc)  Time Spent
Annual Fee to occupy premises £6,000

Annual Administration Fees
In addition to the above fees, our standard time charges would be applicable in respect of any further work undertaken on the Company post the take-on process. Our standard hourly time charges within Appleby Trust (Isle of Man) Limited are as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Director / Director</td>
<td>£325 - £450</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>£280</td>
</tr>
<tr>
<td>Assistant Manager / Manager</td>
<td>£195 - £280</td>
</tr>
<tr>
<td>Senior Administrator</td>
<td>£170 - £195</td>
</tr>
<tr>
<td>Administrator</td>
<td>£105 - £170</td>
</tr>
</tbody>
</table>

Isle of Man Companies
There are two forms of Isle of Man Company currently available for incorporation, the 1931 Act Company and the 2006 Act Company. For the majority of clients the 2006 Act Company is the preferred vehicle due to the reduced administration requirements and flexibility afforded. Therefore, unless requested otherwise, and subject to any legal advice to the contrary, we would also recommend this form of company for the Companies. For information, we attach a Guide to the IOM Companies Act 2006 which explains the core properties of companies incorporated under that act, but should you require more information about 1931 Act companies please do let us know.

Due Diligence Requirements
As a licensed corporate service provider in the Isle of Man, we are required to obtain certain information and documentation on our clients and any related parties when we set up or administer structures for them. We will provide details of our exact due diligence requirements in respect of the proposed structure and related parties when further information has been provided.

The Isle of Man Bribery Act 2013
On Monday 16 December 2013 the Isle of Man Bribery Act 2013 came into force. The 2013 Act is largely based on the UK’s Bribery Act 2010, and carries similar provisions to capture acts of bribery and corruption not just in the Island but also, in certain cases, in a global context. A commercial body
can be guilty of an offence even in cases where an agent or partnering body commit bribery; therefore, it must be ensured that adequate procedures are in place to prevent bribery occurring. As a means to this aim a new Anti-Bribery & Corruption policy has been prepared by Appleby to provide guidance to Client’s, employees, agents and partnering bodies to ensure compliance with bribery and corruption legislation. We are able to offer this policy to Client’s for adoption by their company and would be happy to provide a fee for this service on application and subject to the proposed activities of the Company.

FATCA

The FATCA provisions enacted as part of the HIRE Act of 2010 in the United States have resulted in unprecedented new client identification and disclosure obligations for virtually all non-US Foreign Financial Institutions and non-US Non-Financial Foreign Entities.

FATCA imposes a reporting system on US taxpayers holding financial assets outside the US, requiring them to report those assets to the US Internal Revenue Service. The US final regulations clarifying the reporting obligations were released on 17 January 2013 and published in the Federal Register on 28 January 2013. These obligations are modified by Intergovernmental Agreements ("IGAs") between the US and other countries, referred to as FATCA partners. On the 26 July 2012 the UK government issued a joint statement with the governments of France, Germany, Italy, Spain and the United States, announcing the publication of the "Model Intergovernmental Agreement" in order to improve tax compliance and to implement FATCA. The Isle of Man signed an IGA with the US on 13 December 2013 and with the UK on 11 October 2013. Under the IGAs, an alternative means of reporting is allowed and withholding obligations are not required.

Appleby is required to register with the IRS as a Participating Foreign Financial Institution and conduct a classification process on entities under management for registration and reporting purposes. From 1 July 2014, in addition to the take-on requirements in connection with anti-money laundering regulations, FATCA provisions require further verification documentation in connection with an individual’s tax status, residence and/or domicile/nationality. For the US IGA Appleby is required to identify any US Specified Persons by conducting US Indicia checks on all new and existing clients and similar for the UK IGA. Reporting requirements must be adhered to for clients for which a reporting obligation under FATCA/UK IGA is identified.

These steps will inevitably result in additional operating costs and operational risks which will need to be built into fee structures in order for Appleby, and our clients, to be compliant. We are currently reviewing these considerations based on the final regulations and further details will be communicated.
to you once agreed.

**FATCA for the Client and the Company**

The implications of the FATCA provisions, both US and other jurisdictions, are far reaching and have resulted in unprecedented new client identification and potential disclosure obligations for virtually all Foreign Financial Institutions and Non-Financial Foreign Entities. Should you have any concerns regarding the potential impact upon the operations and obligations of the Company then Appleby are able to offer assistance and guidance to Client’s in respect of their obligations under FATCA.

Should you require further details or information in respect of our FATCA services, then please do contact us and we would be happy to assist you in identifying and satisfying any FATCA obligations the Company may have.

Please note that all of our fees quoted in this Proposal are subject to VAT, where applicable, at the prevailing rate, currently 20%. VAT does not apply to Government fees.

**For more information, please contact:**

Sandra Georgeson  
Client Director  
Appleby Trust (Isle of Man) Ltd  
Tel:  
Email: 

Aidan McCowliff  
Assistant Manager  
Appleby Trust (Isle of Man) Ltd  
Tel:  
Email:
Isle of Man

- The Isle of Man is a self-governing British Crown Dependency with its own government and laws. The Island is not part of the United Kingdom and has no representation in the British Parliament. The British Crown is ultimately responsible for the Island’s external relations;

- The Isle of Man is not part of the European Union, but it has a limited relationship with the Union under Protocol 3 to the United Kingdom’s Act of Accession in 1972. This allows for the free trade of agricultural and manufactured products across the EU. The Isle of Man is part of the European Common Customs Area;

- The Isle of Man has world-class telecommunications infrastructure and services which cater for the full range of modern corporate voice and data communications requirements;

- The Isle of Man remains a jurisdiction committed to maintaining the highest of standards in terms of regulation and has led the way in respect of the conclusion of Tax Information Exchange Agreements (“TIEAs”). TIEAs are in force between the Isle of Man and a number of jurisdictions including the USA and China;

- The Isle of Man is the most preferred location for non-UK companies wishing to incorporate when listing on the London Stock Exchange’s Alternative Investment Market (AIM). For instance, 75% of the Indian companies listed on AIM are incorporated on the Island;

- The Island’s banking industry is dominated by subsidiaries or branches of the main UK clearing banks, although there are many other UK and foreign banks and also branches and subsidiaries of major UK building societies. Whilst the Island's currency is sterling, deposits are accepted in all major currencies of the world. The banking system is similar to that in the UK. Current accounts, deposit accounts and all other services offered by UK and international banks are also offered from the Isle of Man. Interest rates are comparable to those prevailing in the London Money Market. Competitive returns are available in all currencies; and

- The standard rate of corporate income tax is 0%, except for three defined activities which are taxed at 10%, namely licensed banking business; income from Manx land and property and retail business in the Isle of Man (to Isle of Man customers) with taxable profits greater than £500,000.