

<p style="margin-right: 0in; margin-bottom: 11.25pt; margin-left: 0in;">We would like to bring to your attention the provisions of a new law which was recently introduced in Cyprus as a result of which, all companies incorporated in Cyprus must from now on pay an annual fee of €350 to the Registrar of Companies (except in their year of incorporation).</p> <p style="margin-right: 0in; margin-bottom: 11.25pt; margin-left: 0in;">The payment of this fee for this year 2011 must be effected until 31st December 2011. Thereafter, this fee must be paid until 30th June of each subsequent year. There is a cap of € 20.000 in the case of a group of companies, which does not apply in your case as you would need to have more than 58 Cypriot companies in the group in order to benefit from the above cap.</p> <p style="margin-right: 0in; margin-bottom: 11.25pt; margin-left: 0in;">Each Cypriot company would be liable to a 10% surcharge on the above fee of €350 if there is a delay of up to two months in the payment of the above fee and to an increased surcharge of 30% on such fee if such delay is between two and five months.</p> <p style="margin-right: 0in; margin-bottom: 11.25pt; margin-left: 0in;">Failure on the part of a company to comply with the obligations for the payment of the fee within the above-mentioned time limits, would result in the striking off of the company from the register of companies by the Registrar of Companies as defunct pursuant to the relevant provisions of the Companies Law.</p> <p style="margin-right: 0in; margin-bottom: 11.25pt; margin-left: 0in;">Please note that a company so struck off, may be re-instated automatically upon the payment of an additional fee (ranging from €500 €750 depending on the default period) to the Registrar of Companies.</p> <p style="margin-right: 0in; margin-bottom: 11.25pt; margin-left: 0in;">The payment of the annual fee of €350 shall not apply in the following cases:</p> Dormant company; or Companies or a group of companies which do not own any assets; or A company which owns property located in areas which are not controlled by the Republic of Cyprus e.g. Turkish occupied areas of Cyprus. The application of the above exemptions is subject to the discretion of the Registrar of Companies and no guidelines have been given as yet as to how such exemptions will be applied and/or interpreted by the Registrar of Companies.