
Project Proposal

**Sub-contracting bilateral services
provided by Esbjerg municipality in China
&
Asia Base services menu**

for

Esbjerg Municipality: China Project

Revision 1.0



Asia Base

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1 Introduction to the Project

1.1 *Situational analysis*

The Municipality of Esbjerg: China Project, Denmark (hereinafter referred to as "ESB China Project") is present in Suzhou, China through its **South Denmark Asia Office** representative office (hereinafter referred to as "SDAO"). The tasks of the SDAO are to promote cooperation and trade relations between China/Asia and ESB China Project.

SDAO is located in Suzhou New District (SND) and has 3 employees; the current Chief Representative is Mr. Søren Birkelund Pedersen.

SDAO has been operating for 7 years and has built up a strong relationship with the local Suzhou government. However, for various reasons ESB China Project has decided to cease its independent operations in China. The current business license of SDAO expires on December 31, 2011 and ESB China Project is now exploring its options for closing down SDAO but still continue its functions in a different format; such future format may include contracting a third party to carry out a defined scope of functions on behalf of ESB China Project.

Asia Base A/S is a Danish-owned consulting company specializing in provision of real-time market research, company short-listing, company surveys, legal and enterprise incorporation, as well as M&A services in China.¹ Asia Base has conducted more than 500 tailor-made market surveys and more than 200 acquisition projects in China since 1994.

1.2 *About this Proposal*

This proposal outlines specific services Asia Base can offer to ESB China Project to facilitate and carry out the basic functions of the SDAO office on behalf of ESB China Project after the SDAO office is formally terminated (hereinafter referred to as "the Project").

The proposal also outlines some of the standard market and legal consulting services that Asia Base can provide to companies and organizations located in ESB China Project. In the event that these services are requested by companies located in ESB China Project, Asia Base will provide a separate proposal detailing the relevant work scope, terms, and conditions of the respective inquiry.

1.3 *Preparation and project briefing*

Upon launch of a Project, an ESB China Project representative is invited to participate in a project launch meeting and provide the ABR project team with an orientation about the relevant services offered by SDAO. Orientation can take place at Asia Base Research's office in Suzhou or via a teleconference.

¹ Asia Base services in China are conducted through two wholly-owned companies: Asia Base Research (Suzhou) Co. Ltd. and Asia Base Law & Projects (Suzhou) Co. Ltd.

1.4 *Timing and duration*

The proposed date of launch of the Project is January 1, 2012.

It is envisioned that the terms and conditions of this proposal will be effective for a one-year period from the date of launch. The contract between ESB China Project and Asia Base will be renewable in the 11th month of each year following launch of the Project.

1.5 *Copyright*

This proposal is copyrighted. It may not be reproduced nor revealed to a third party, in whole or in part, nor used for any other purpose other than communicating and contracting the Project discussed herein with Asia Base.

1.6 *The project team*

The proposed Project will be carried out by the following team of individuals:

- ☛ Asia Base Managing Director will be responsible for overall quality.
- ☛ Asia Base will designate a full-time project manager to coordinate all bilateral services currently offered by SDAO.
- ☛ In cases where supplemental market research and legal consulting are provided, an experienced Asia Base project manager will lead a team of Asia Base researchers and/or layers in conducting the Project.
- ☛ Other Asia Base staff will participate in research and analysis where necessary and relevant.

1.7 *Reservations*

The Asia Base project team proposed for this Project will be skilled and have experience in performing work as described in this proposal. However, Asia Base can take no responsibility for action, taken directly or indirectly, neither based on the outcome of the proposed Project nor is economically liable for any loss above and beyond the commitments in the Asia Base standard terms and conditions. However, it is with full confidence in our ability to conduct the proposed Project to the highest quality standard, and provide useful and accurate information, that we hereby submit this proposal.

This proposal is valid for one month.

Alex B. Notides
Managing Director
Asia Base Research (Suzhou) Ltd

Suzhou, China
12 December 2011

Kim Lindum
Managing Director
Asia Base Law & Projects Ltd

Suzhou, China
12 December 2011

Project Outline

2 Continuation of SDAO services in China

2.1 Rationale

ESB China Project has decided that if the upon closing of the SDAO in Suzhou it would like to continue to offer selected services currently carried out by SDAO for relevant companies and organizations within ESB China Project.

Asia Base proposes to assume the responsibilities for facilitation and execution of these services as outlined in the following sections.

2.2 Bilateral cooperation

2.2.1 Description

One of the services currently offered by SDAO in China is what it calls “bilateral projects”. Bilateral projects stem from the sister-city relationship between Suzhou and Esbjerg. These types of projects primarily occur in three forms:

1. Facilitating cooperation on an institution-to-institution level in the fields of energy, ecology, and environmental protection and conservation.
2. Facilitating cooperation on an institution-to-institution level for cultural and educational exchange.
3. Coordinating and facilitating official trade and political delegations travelling between Suzhou and Esbjerg.

The main functions of the SDAO office during bilateral projects are:

- ☛ Coordinating itineraries and logistics for visiting delegations – expected to be around 3 per year from Esbjerg to Suzhou and also from Suzhou to Esbjerg.
- ☛ Mediating and facilitating meetings and delegation tours
- ☛ Maintaining local contact networks in Suzhou (foreign affairs office and other municipal departments)
- ☛ Maintaining contacts with business development centers in Esbjerg
- ☛ General project management related to bi-lateral services
- ☛ Conduct preliminary interviews with companies from ESBJERG which are considering starting cooperation on the Chinese market free of charge
- ☛ Participate in conducting half-day seminars for companies in each of the participating municipalities on request from the municipalities or their business development centers

2.2.2 Asia Base’ role in bilateral cooperation

Asia Base will assign a full time project manager who will be responsible for the day-to-day facilitation and management of selected functions listed in the previous section. The project manager will be contracted employee of Asia Base Research (Suzhou) Co., Ltd.²

The functions will include:

² This might be current SDAO employee, Caroline Hou.

- ☛ Coordinating itineraries and logistics for visiting delegations – expected to be around 3 per year from Esbjerg to Suzhou and also from Suzhou to Esbjerg.
- ☛ Coordinating meetings and delegation tours*
- ☛ Maintaining local contact networks in Suzhou (foreign affairs office and other municipal departments)
- ☛ Maintaining contacts with business development centers in Esbjerg
- ☛ General project management related to bi-lateral services
- ☛ Conduct preliminary interviews with companies from ESBJERG which are considering starting cooperation on the Chinese market. Such interviews are free of charge when the context of the interview is to outline and specify potential “for-fee” projects to be done by Asia Base on behalf of the respective company.
- ☛ Participate in conducting half-day seminars for companies in each of the participating municipalities on request from the municipalities or their business development centers.

It is envisioned that in connection with bilateral cooperation there will occasionally be need for additional, ad-hoc support from Asia Base staff and affiliated resources that are not assigned to work full time on bilateral projects. The ad-hoc support will be considered outside the scope of the fixed fee for bilateral cooperation and will be quoted separately upon request. The ad-hoc support might include:

- ☛ Supplemental market and legal research, company short-listing, performed by Asia Base researchers and legal assistants, beyond what is normal in preparation for tours.
- ☛ Mediation and facilitation of meetings and tours (performed by Asia Base senior staff in China) beyond what is the normal scope described above.*

**The agendas and content of meetings that take place during delegation tours are treated as a “black box”, which will be the responsibility of the respective institutions to facilitate and/or request ad-hoc assistance from Asia Base.*

2.3 Business-to-business consulting

2.3.1 Description and fee range

In addition to bilateral services, companies located in the 11 municipalities affiliated with SDAO will occasionally contract SDAO to provide customized, ad-hoc market research and legal consulting services. Asia Base herein offers to bid and contract directly with these companies for its full range of services.

In connection with the scope and duration of the proposed agreement outlined in this proposal, Asia Base will offer its services at an exclusive discounted fee for companies located in the 11 municipalities currently affiliated with Esbjerg.³ The discount will be 15% off the normal Asia Base fees.

The table below provides an overview of range of services provided by Asia Base and relevant reference prices. Detailed proposals for respective projects can be provided upon request.

³ Esbjerg, Fanø, Billund, Varde, Vejen, Vejle, Fredericia, Haderslev, Aabenraa, Tønder and Sønderborg

	Asia Base Research	Asia Base Law & Projects	Typical fee range (EUR)
Market studies <i>market overview, route-to-market, KSF, positioning, competition</i>	●		20,000-50,000
Company Short Listing <i>potential customers, suppliers, partners, distributors, acquisition targets</i>	●		15,000-25,000
Company Surveys <i>business partners, distributors, acquisition targets, companies under dispute</i>	●		4,000-7,000 per company
Investment Options Studies <i>legal structure, ownership, operations, corporate structure</i>		●	12,000-20,000
Investment Impact Studies <i>assumption tests, financial analysis, business plans, feasibility studies</i>		●	10,000-30,000
Negotiation Support <i>facilitation of negotiations, negotiation support, ad-hoc advice</i>		●	Ad-hoc*
Legal Establishment / company registration changes <i>incorporation and post-acquisition registration, changes of registration</i>		●	15,000-25,000
Physical Establishment Support <i>location studies, facility options, contracting, project management</i>		●	Ad-hoc*
Troubleshooting and conflict resolution <i>authority disputes, employment, trade contracts, commercial disputes</i>		●	Ad-hoc*

*See table below for normal ad-hoc rates.

2.3.2 Normal ad-hoc fees

Fees for ad-hoc/hourly services will normally be charged according to the following price list:

Normal fees for ad-hoc projects with hourly billing

Resource	Billing rate (EUR / day)*	Billing rate (EUR / hr)*
Senior Partners	3,040	380
Projects Directors, Lawyers, CPA	2,320	290
Project Managers	1,600	200
Project Associates	960	120
Back office staff	480	60

Fees do not include discount provided to relevant organizations in ESB China Project.

Note that all fees and costs are exclusive of 5.6% business tax and Danish Moms (if applicable).

Fees and Terms

3 Fees and payment terms

3.1 Project fees

3.1.1 Fixed fee for bilateral services

Following project fee applies for the as described in this proposal:

Item	Fee (EUR)
Contracting of bilateral services	3,000 / month

Note that all fees and costs are exclusive of 5.6% business tax and Danish Moms (if applicable).

3.1.2 Reference fees for standard services and hourly rates

Please refer to the table in section 2.3.2 for rates used in ad-hoc work performed at hourly rates. In connection with this proposal, companies and organizations located within ESB China Project will receive a 15% discount on the rates listed below for the duration of the contract period between ESB China Project and Asia Base.⁴

Note that all fees and costs are exclusive of 5.6% business tax and Danish Moms (if applicable).

3.2 Outlays and taxes

The quoted fees are exclusive of all outlays related to travel, etc., and exclusive of 5.6% Chinese business tax, and Danish Moms (if applicable).

3.3 Payment terms

The fixed fee, bilateral cooperation services performed by Asia Base will be invoiced to ESB China Project in full at the end of each month, starting with the end of the first month in which the sub-contracting begins.

Ad-hoc and other fixed fees are invoiced on a project-by-project basis.

An invoice detailing fees and outlays will be forwarded to ESB China Project upon the completion of each month.

Payments are to be remitted by ESB China Project within seven days from date of invoice.

⁴ Discount does not apply to the fixed fee quoted in this proposal for contracting bilateral services.

3.4 *Standard terms and conditions*

The standard Asia Base Terms and Conditions applies to the Project. Please refer to www.asiabaselaw.com for the latest version.

Letter of Project Acceptance

Date: 29 January 2012
Client: Esbjerg Municipality: China Project
Project: 1553 ESBJERG.Proposal for sub-contracting bilateral services
Proposal: Version 1.0

This letter is to confirm Esbjerg Municipality's acceptance of the Project and associated terms described in the abovementioned proposal. Asia Base requests that DNP sign this Letter of Project Acceptance and return it (via fax or email).

Invoicing will take place as follows:

Invoicing of monthly fixed fee: EUR 3,000
Contract period: January 1, 2012 to December 31, 2012

Invoices will be sent at the end of each month during the contract period (first invoice to be sent on January 31, 2012). The amount are exclusive of relevant Chinese business tax and outlays. Payment terms are seven days from the date of invoice.

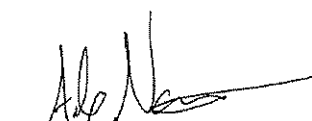
As an authorized representative of Esbjerg Municipality, I hereby accept the above payment terms and conditions,


.....
Esbjerg representative (Please sign)

30.1.2012
.....
Date

OTTO ZESPERESEN
.....
Esbjerg representative (Please print name)

As an authorized representative of Asia Base, I hereby accept the above terms and conditions,


.....
Asia Base representative (Please sign)

.....30 January 2012.....
Date

..... Alex Notides.....
Asia Base representative (Please print name)