

**Matters that Require Board/Shareholders' Approval
in the
Federated States of Micronesia**

	Board Approval	Shareholders' Approval
1. Appointment of Directors	-Initial directors elected by board. -At annual shareholder meeting directors are elected by the shareholders.	
2. Removal of Directors	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws. Generally listed in bylaws and the shareholders have the power to remove a director.	
3. Appointment of Officers (President, VP, Secretary)	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws. Generally listed in the bylaws and the shareholders elect officers.	
4. Appointment of Auditors upon incorporation	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
5. Change of Auditors	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
6. Change of registered	Not specified in the law, thus, is left to the discretion of the corporation via its articles of	

office/place where the register of members are kept	incorporation and/or bylaws.	
7. Change of company's name		Articles must be amended to change name, and shareholders must approve amendment of articles of incorporation.
8. Opening of Bank Accounts/Change of Bank Signatories	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
9. Directors' Fees	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
10. Change of Financial Year End	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
11. Declaration of Interim Dividend	The Board approves.	
12. Approval of final payment of Final Dividend	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	

13. Appointment of Corporate Representative	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
14. Provision of Indemnities/warranties or guarantees, etc.	The Board approves.	
15. Acceptance of banking facilities	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
16. Setting up of representative office abroad	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
17. Loan agreements	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
18. Tenancy/lease agreements	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
19. Employee share option scheme	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	

20. Vehicle loan agreement	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
21. Any other loans to employees or incentive scheme	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	
22. Amend or adopt articles of incorporation		Shareholder amends or adopts articles of incorporation.
23. Shares	<p>-Introduction of new classes of shares, subdivision of shares, or altering rights to transfer shares may be accomplished in two ways:</p> <p>(1) by resolution if adopted by the affirmative vote of the holders of two-thirds of all of its stock or, if two or more classes of stock have been issued, of the holders of two-thirds of each class of stock outstanding and entitled to vote; or,</p> <p>(2) by the articles of incorporation, which may or may not authorize the board to introduce new classes of shares, subdivide shares, or alter rights of shares.</p>	
24. Acquisition/Disposal of Substantial Property	Authorized by the board but must be approved by the shareholders.	
25. Restructuring	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.	

26. Application for striking the name of Company off the ACRA	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.
27. Any resolution to mark the company's entry into any sales and purchase agreement of the Company's asset/or liabilities	Not specified in the law, thus, is left to the discretion of the corporation via its articles of incorporation and/or bylaws.

Summary of Filing Deadlines in the Federated States of Micronesia

Documents	When to File
Articles of Incorporation	No filing deadline. When Articles of Incorporation is filed, the corporation is generally incorporated and issued a certificate of incorporation within seven days of filing the Articles.
Affidavit (stating, among other things, the number of authorized shares of the stock of each class of the proposed corporation, the par value of such shares as have par value, the names of the subscribers for shares of each class)	Within 60 days of obtaining the certificate of incorporation.
Verified Certificate (for all amendments to the Articles of Incorporation)	Filing is required of the verified certificate, but there is no deadline for filing.
Return of Allotment of Shares	Not specified in the law.

Notice of Resolution	Not specified in the law.
Change of registered office and of office hours	Not specified in the law.
Statement regarding shares issued without par value	Within 30 days after issuance.
Balance Sheet (Only if there are shares without par value outstanding at the end of the fiscal year)	Within 60 days after the close of the fiscal year.
Annual Report	Between January 1 and April 1 if calendar year is used, or within 90 days after the fiscal year ends if calendar year not used.
Initial Written Report	Within 60 days of becoming a major corporation.
Annual Income Tax Return	By the last day of the sixth month period following the last day of the major corporation's taxable year.

**RAMP & MIDA LAW FIRM
DISCLAIMER**

This chart speaks briefly and generally of matters that require Directors and/or Shareholders' Approval under the laws of the Federated States of Micronesia. It is not all encompassing and if there are specific questions regarding any of the above, the law firm will further research the issue and address it accordingly upon request.

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