

Kissinger China NewCo Structure and Operation:

A new corporation, Kissinger China NewCo (KCN) will be formed that will contain the China-focused business operations of Kissinger Associates.

Roles:

Henry Kissinger will serve as Executive Chairman of the firm. He will have final say on all client selection matters and on operational decisions about how client matters are pursued, hiring decisions and significant capital expenditures.

Joshua Ramo will serve as Chairman and CEO of the firm. He will be responsible for daily operation of the firm, consistent with the practice of the current China operations of Kissinger Associates.

Structure:

KCN profits will be distributed to employees of KCN, but for the first five years, Kissinger will receive profit distributions as follows: 50% in year one, 40% in year two, 25% in year three and 10% in years four and five.

The firm will be owned initially 100% by Ramo, though ownership interest will eventually be shared among partners of the new firm.

General Guidelines and Operational Principles:

The aim of the KCN is to develop a foundation for the creation of the leading advisory firm on China-related commercial matters. The goal is to create a small, focused operation that will be known for the quality of the projects it undertakes.

Questions:

How will expenses be handled: KCN will cover all expenses associated with its operation from revenues in its own business.

How will existing clients be handled: Existing client arrangement with KAI will continue to be with KAI and will be serviced by KCN. Clients will be renewed into the KCN structure and new clients will also be signed as part of KCN.

What are some early plans for KCN: In the first twelve months, KCN will form an advisory board, it will begin to build out a staff (first by hiring a President who will be based in China), and it will pursue the necessary approvals and licenses to normalize its operations in various jurisdictions.