

**MARKETING PLAN
SUPPLY OF M113 VEHICLES, Or COUGARS ECT
TO THE [PROPOSED CUSTOMER]**

For some months now, we are aware through one of our partner in [Proposed Country] that the [Proposed Customer] may be preparing for the acquisition of M113 A3 tracked vehicles [any other variants of vehicles]. In anticipation of a possible collaboration with the Smith Consulting Group, LLC (“SCG”) we have kept monitoring the evolution of that program.

The following is a detailed description of the project and the marketing plan [Proposed Marketer] proposes to carry on behalf of Smith Consulting Group, LLC (“SCG”):

1. [PROPOSED CUSTOMER] PROJECT

The [Proposed Customer—a government] has a requirement for a total of 300 to 400 M113A3 vehicles. Presently this project is called “{Project Name—if it has a project name}” and has been estimated at a total amount of US\$ [Amount]. The project will be implemented in several phases. The first stage will include approximately 100 M113A3 refurbished vehicles, 40 M548 and a few M577 and M 578 vehicles [or what ever].

The timing and the quantities of the future orders to reach the quantity of 300 to 400 vehicles are not defined yet.

Unless the local industry [Name of Government Agency] confirms its capability to fulfill this requirement, the [Proposed Customer] must be calling for a public tender (International) for the procurement of these refurbished M113A3 vehicles and it is planning to do so sometime between July and August 2006.

2. [NAME OF GOVERNMENT AGENCY]

[Name of Government Agency], ([Address], [Proposed Country]) is the government-owned “arsenal” and deals with a wide range of defence products and services including modernization projects of the [Proposed Customer] armoured vehicles fleet. [Name of Government Agency] is strongly interested in this program and to act as the prime contractor to the [Military Branch]. As of today [Name of Government Agency] has not yet selected a supplier partner from which they can acquire the M113 vehicles.

At this stage, [Name of Government Agency] wishes to identify and to enter into an agreement with a supplier capable of delivering M113 [or other MSAs] from inventory. [Name of Government Agency] intends to procure these vehicles on an” As is- Where is” basis and to perform the upgrade and overhaul work in their existing facilities in [Proposed Country] and deliver them to the [Proposed Customer].

Because of its arsenal status, [Name of Government Agency] enjoys some kind of “right of first refusal” on procurement projects of the [Proposed Customer] and to obtain directed contracts from the [Military Branch] without the need to participate in any public international tender. However in this particular case, before it formally expresses its interest to the [Military Branch], [Name of Government Agency] needs to secure a source of supply for the vehicles and place an order with a potential supplier before July/August or at the latest before the [Military Branch] comes out with its public tender.

From our discussion, we fully understand that the interest of SCG does not reside only in the disposal of the Canadian DND vehicles on a “As is - Where is” basis, but that SCG wishes to optimize the content of SCG products and services within a potential transaction. A participation of SCG to this program above and beyond the supply of vehicles on a “As is - Where is” basis appears feasible and preliminary discussion with [Name of Government Agency] seem to indicate that [Name of Government Agency] does not exclude some kind of additional participation from your company. At this stage, one option we wish to explore is for [Name of Government Agency] to do the upgrade and overhaul work in [Proposed Country] and for SCG to supply the spare parts in support of the refurbishment work on the first 180 vehicles together eventually with an arrangement to pursue the collaboration for the future stages of that program as they materialize. It is to be noted that such an arrangement will give us some inroads with [Name of Government Agency] which will most likely be in charge of the regular maintenance of all the [Military Branch] M113 fleet that today exceeds 900 units in the M1 13A3 and A4 configuration.

3. BACKGROUND INFORMATION AND HISTORICAL PRICINGS

According to the information we have gathered on the [Proposed Country] market, the unit price paid for M113 A1 and A2 vehicles in good condition on an “As is - where is” basis ranged from US\$ [Minimum Price] to US\$ [Maximum Price]. The same vehicles, but in fair condition, could go down to US\$ [Minimum Price] to US\$ [Maximum Price].

Vehicles totally refurbished with new parts (engine refurbished with zero hours or new) and with new optronics were ordered by the [Proposed Customer] in 2004 from UNITED DEFENSE in the USA with refurbishing work performed in [Proposed Country] at around US\$ [Price].

For your reference, the last price paid by the [Proposed Customer] for M113 A3 vehicles in [Year] from [Example Buyer] in [Example Country] was approximately US\$ [Price] (CIF [Proposed Country] Port). These vehicles were fully repaired, re-armoured and fitted with a new engine.

4. ALTERNATIVE

If an agreement with [Name of Government Agency] is not desired by SCG or cannot be reached, we will have the possibility to submit a proposal directly to the [Proposed Customer] when it will release its international tender for M113A3 refurbished

vehicles.

However, we would recommend SCG to take all necessary steps to avoid for such a scenario to happen. Indeed, in case of international tender, we can expect:

- to face a very strong competition from different countries such as: Europe (Belgium, Italy and maybe UK), Israel, USA, Korea, Canada (Tecmotiv, although in their case they would need to get access to a surplus fleet),
- the application by the [Proposed Customer] of severe procurement rules and conditions like, for example, requesting from the suppliers to bring a financing package allowing for annual payments (LIBOR + 0.901%) up to the year 2012 and the submission of a bank warranty for a total amount of 10% of the total contract value.

5. MARKETING STRATEGY AND MARKETING PLAN

Based on the information provided herein, [Proposed Marketer] proposes to implement on behalf of SCG the following marketing strategy and plan:

It appears to us that the collaboration with [Name of Government Agency] represents a much faster and a less risky option for SCG and may even allow SCG to establish a long term relationship with [Name of Government Agency]. This short term opportunity to obtain a contract for the supply of these M113 vehicles and the spare parts could be achieved if an agreement could be put in place between the two parties between July and August. If this is not possible, then the [Proposed Customer] will initiate the process to order these vehicles through a public tender.

Considering the tight schedule, it will be key to success that we are responsive and fast in carrying out the actions described below:

1. For cultural reasons and because of the language barrier and other issues, [Proposed Marketer] strongly suggests to appoint a local agent to support our promotional efforts as well as organizing the meetings and following up at the different phases of the projects to ensure constant pressure and monitoring. We wish to recommend the appointment on an exclusive basis of:

[Name of Local Agent]

We have been collaborating with [Name of Local Agent] for many years now and have successfully conducted business together at the [Proposed Customer] and [Name of Government Agency]. Amongst others, we have secured contracts for the transfer of technology and supply of components to [Name of Government Agency]. We consider [Name of Local Agent] as a very efficient and professional organization well connected within the [Government] and industry.

2. If our suggestion is agreeable to you, we shall negotiate and execute under your instructions a representation agreement with [NAME OF LOCAL AGENT] and a letter of authorization will have to be issued and authenticated through the [Proposed Country] Embassy in the USA.

A budget proposal will have to be submitted urgently to [Name of Government Agency] for the 100 M113A2 vehicles, 50 M548, 12 M577 and 14 M578 that are currently available. The offer will state SCG capabilities in the areas of maintenance/overhaul and spare parts for the M113 family of vehicles and will identify the additional work share desired by SCG as a condition to the sale of the vehicles to [Name of Government Agency]. Together with the proposal, we shall submit evidence that SCG acts on behalf of the Canadian Government.

3. Upon a solid expression of interest from [Name of Government Agency], a full and detailed proposal and collaboration framework will be submitted that will include the following information as a minimum:

- individual description of the vehicles (year of manufacture, maintenance/overhaul records, condition ...),
- pictures,
- delivery schedule,
- location,
- spare parts list and pricing,
- ...

4. Following that exercise, should the proposal still be considered interesting by [Name of Government Agency], we may expect that additional exchanges of information will take place. Also, an inspection visit in Canada will be requested. It is anticipated that several meetings in [Proposed Country], USA and Canada will be necessary to negotiate and finalize a contract.

We do hope this document outlines in sufficient details the proposed program and strategy but certainly remain at your disposal to answer any questions you may have. We wish that SCG will select [Proposed Marketer] as its Sales Associate for this opportunity in [Proposed Country] and look forward to start working with you,