

Appendix A--Rule 144A Comfort Letters - Summary of Best Practices

The following is a summary of comfort letter best practices that apply to Rule 144A placements (with or without registration rights) of foreign companies that at the time of the offering are not SEC registrants.

International Practices Task Force Highlights (May 19/2015) / May 11, 2000 / Appendix A--Rule 144A Comfort Letters - Summary of Best Practices / SAS 72

SAS 72

Comfort letters should comply with SAS 72. Accountants providing comfort letters should be familiar with, and apply, the requirements of the standard. Some of the more significant features of the application of SAS 72 to Rule 144A placements are as follows:

- **Representation from agents/underwriters.**
 - Where a comfort letter is being provided, a letter of representation must be obtained. (Paragraph 4, SAS 72).
 - With the possible exception of a distribution and use caveat, we insist that the letter of representation obtained from the agents/underwriters be exactly as provided in SAS 72 (Paragraph 6, SAS 72 and Example P, SAS 72)
- **Audit base**
 - A comfort letter should only be issued when the accountant has is appropriate knowledge of a client's internal control in relation to both annual and interim financial information. (Paragraph 36, SAS 72).
 - Compliance with SEC rules and regulations
 - We do not comment on the compliance of the financial statements audited by us with the accounting requirements of the Securities Act of 1933 and the applicable rules and regulations thereunder ("the Act").(Paragraph 21, SAS 72)
 - We do not comment on the compliance of the interim financial statements with the accounting requirements of the Act. (Paragraph 21, SAS 72)
 - We do not comment on the compliance of other information with Regulation S-K. (Paragraph 21 of SAS 72)
- **Interim financial information**
 - We do not provide negative assurance in the comfort letter on interim financial statements if the review report is included in the offering document. Paragraph 37 of

SAS 72 states that the accountants may in this circumstance mention in the comfort letter that they conducted a review.

- **Subsequent changes**
 - We do not provide negative assurance on subsequent changes if the cut-off date is beyond 134 days from the last date of the last audited or reviewed financial statements. (Paragraph 47, SAS 72).
 - We do not comment on “adverse changes” or “material adverse changes”. (Paragraph 48, SAS 72)
- **Pro forma financial information**
 - We do not comment on the compliance of the pro forma financial information with Regulation S-X. (Paragraph 21, SAS 72)
- **Tables, Statistics and other financial information**
 - Accountants should only comment with respect to information expressed in monetary amounts (or percentages derived therefrom) and obtained from accounting records subject to the entity’s controls over financial reporting (or derived directly therefrom by analysis or computation). (Paragraph 55, SAS 72)
- **Auditors report**
 - We do not repeat the auditor’s report in the comfort letter. (Paragraph 28, SAS 72)

International Practices Task Force Highlights (May 19/2015) / May 11, 2000 / Appendix A--Rule 144A Comfort Letters - Summary of Best Practices / Other matters

Other matters

- **Other reports**
 - Where the offering is also being made outside of the United States and other letters are issued to the agents/underwriters outside of the United States (e.g., U.K. Long Form and Working Capital reports), they should include language which would exclude those letters from being used in connection with the 144A placement in the United States.
- **Auditing Standards**
 - When referring to the auditors’ report on the financial statements, the comfort letter should also state explicitly which generally accepted auditing standards were followed in the performance of the audit.
- **Review standards**
 - Negative assurance should only be provided on interim information when it has been reviewed in accordance with SAS 71 or a similar professional standard meeting the requirements of SAS 71, e.g. the International Standard on Auditing “Engagements to

review financial statements”

- **Independence**
 - We do not comment on our compliance with SEC independence requirements.
 - We do not comment on our compliance with AICPA independence requirements unless the auditors’ report states explicitly that the audit has been performed in accordance with generally accepted auditing standards in the United States.
- **Summary of GAAP differences**
 - We do not provide negative assurance on a narrative of differences between US GAAP and local GAAP.
 - We may comment on the compliance of the US GAAP and the local GAAP described in the narrative of GAAP differences with US GAAP and the company’s accounting policies, respectively.
 - When we comment on the narrative of GAAP differences we include a caveat as to the completeness of the GAAP differences described in the narrative.
- **Financial Forecasts**
 - Except as specifically permitted by SAS 72, we do not comment on forecast information in the comfort letter.
 - Where we have issued a report on the forecast information which does not comply with the examination requirements of SSAE No. 1, we do not permit our report to be included in the 144A offering document in the United States.
- **Consent**
 - We do not provide any form of consent in the comfort letter.
 - In a separate letter addressed to our client (but not the agents/underwriters) or in the offering document, we may specifically state that we agree to the inclusion of our report in the offering document.
- **Experts**
 - We insist that the independent auditors not be referred to as “experts” in the offering document.

June 15, 2000