Paul | Weiss

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Frequently Asked Questions Raised by Non-U.S. Issuers Concerning the Changed Regulatory Landscape in the United States

The Sarbanes-Oxley Act of 2002 (the "Act") has amended significantly the U.S. securities laws governing companies that have offered securities in the U.S or are simply listed in the U.S. Since the July 2002 effective date of the Act, the SEC, in accordance with its mandate under the Act, has adopted a number of rules to implement provisions of the Act.

We are taking this opportunity to update you with respect to the impact of the Act from the general perspective of non-U.S. issuers. As in the past, to minimize the detail in this memorandum, we cross-reference the more detailed discussions from our update memos, which are available on our web site under securities publications (www.paulweiss.com):

- U.S. Congress Passes Accounting Reform and Corporate Governance Legislation (the "SOA Memorandum")
- SEC Issues Rules for CEO/CFO Certifications of Quarterly and Annual Reports and Internal Disclosure Controls and Procedures (the "302 Memorandum")
- SEC Adopts Rules Regarding Codes of Ethics and Financial Experts (the "406/407 Memorandum")
- Developing Procedures to Comply with the New SEC Certification Requirements (the "Procedures Memorandum")
- SEC Adopts Rules on Disclosure of Off-Balance Sheet Arrangements and Other Commitments (the "401 Memorandum")
- Use of Non-GAAP Financial Measures and Filing of Earnings Releases (the "Pro Forma Memorandum")
- SEC Adopts Rules Strengthening its Requirements Regarding Auditor Independence (the "Title II Memorandum")
- SEC Adopts Rules Regarding Insider Trades During Pension Fund Blackout Periods (the "BTR Memorandum")
- SEC Adopts New Requirements to Strengthen Independence of Audit Committees (the "301 Memorandum")
- SEC Adopts Rules Regarding Internal Control Over Financial Reporting (the "404 Memorandum")
- SEC Issues Further Guidance on MD&A (the "MD&A Update")
- SEC Adopts Amendments to Rule10b-18 and New Rules Governing Disclosure of Issuer Repurchases of their Equity Securities (the "Equity Repurchase Memo")

1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3000

1615 L Street, NW
Washington, DC 20036-5694
(202) 223-7300

Alder Castle, 10 Noble Street
London EC2V 7JU England
(44-20) 7367 1600

2, rue du Faubourg Saint-Honoré
75008 Paris, France
(33-1) 53.43.14.14

Fukoku Seimei Building 2nd Floor
2-2, Uchisawaicho 2-chome
Chiyoda-ku, Tokyo 100, Japan
(81-3) 3597-8120

Oriental Plaza, Tower E3, Ste.1205
No. 1, East Chang An Avenue
Beijing 100738, People's Republic of China
(86-10) 8518-2766

12th Fl., Hong Kong Club Building
3A Chater Road, Central
Hong Kong
(852) 2536-9933

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Summary of Concerns

Which provisions of the Act generated concern on the part of non-U.S. issuers?

- CEO/CFO certifications under the Act
- CEO/CFO certifications adopted by the SEC
- Prohibition on loans to directors and executive officers
- Forfeiture of compensation and profits following certain restatements
- Listing standards addressing audit committee independence and the disclosure requirements in respect of "financial experts"
- Auditor independence and limitation on performance by auditors of non-audit services
- Assessments of internal control over financial reporting by CEOs/CFOs
- Disclosure in 20-F/40-Fs of management's annual report on, and assessment of, internal control over financial reporting and the evaluation of any changes to internal control over financial reporting that materially affected, or are reasonably likely to materially affect, internal control over financial reporting
- Auditor attestation as to management's assessment of internal control over financial reporting
- Impact on issuers of obligations of attorneys to report violations or effect so-called "noisy withdrawals" in response to issuer violations

Are all of the provisions of the Act final?

The rules contemplated by the Act have been finalized (though they may not yet be effective due to transition rules). However, some of the rules have raised interpretive questions and many more are likely to arise. These questions are only now beginning to arise as the issuer community and its advisers fully consider the practical implications of the rules and seek to comply. We have already seen certain initial SEC clarifications, and we expect to see both formal and informal interpretive guidance from the SEC in the months to come.

Can we obtain waivers or exemptions from the new requirements?

Although non-U.S. issuers will continue to obtain waivers from stock exchange rules, as described below, none of the provisions of the Act contemplates waivers or exemptions that can be granted by the SEC staff.

Components of the Act

Does the Act contain all the measures companies need to be concerned about?

No. The Act contains some stand-alone provisions that were effective immediately. Other provisions amended existing securities laws, criminal statutes and other laws. Many called for further action by the SEC. In addition, the stock exchanges are actively reviewing their listing standards, on their own or as required by the Act.

Will each provision apply to every company?

No. Each provision contains a reference as to which entities are covered. Some provisions apply (or will apply when effective) to all "issuers" -- that is all companies that have securities listed in the United States or that have conducted a registered public offering in the United States, as well as companies that are in the process of conducting a registered public offering in the United States. Others only apply to issuers

that are "reporting companies" (that is, they file reports with the SEC, such as a Form 20-F or Form 40-F) or only to companies that have publicly traded equity securities in the United States but not companies with only public debt securities.

Coverage of the Act

If our company has only issued securities in the United States under Rule 144A, does the Act apply to us?

No. None of the provisions of the Act apply to your company unless your offering under Rule 144A was followed by a registered exchange offer and your company is still required to file reports with the SEC.

If our company has only obtained a 12g3-2(b) exemption in connection with a Level I ADS program or otherwise, does the Act apply to us?

No. None of the provisions of the Act apply to your company. The purpose of the 12g3-2(b) exemption is to permit nominal activities in the U.S. capital markets without triggering the registration requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), which governs the obligations of reporting companies in the United States. Your company is not a reporting company.

If our company has a Level I ADS program and upgrades to a Level II program, will the Act apply to us?

Yes, in connection with the listing as part of the Level II upgrade, your company will become a reporting company and will be subject to most of the provisions of the Act. This will be true whether or not you upgrade to a Level III program, and raise capital.

If our company has securities listed on a U.S. stock exchange, does the Act apply?

Yes, most of the provisions of the Act will apply to your company if your company is listed in the U.S., whether or not your company also raised capital in a public offering.

If our company is about to go public in the United States through a public offering and has publicly filed a registration statement, does the Act apply to us?

Yes, some of the provisions apply immediately (the ban on personal loans to executives and liability of CEOs and CFOs for reimbursement due to accounting restatements) by reason of the filing which triggers "issuer" status, others would apply today if you had completed your offering and now had a reporting obligation, and will apply when you go public and become a reporting company. See "Practical Implications" below.

If our company is planning just to list in the United States and we have filed a registration statement on Form 20-F, does the Act apply to us?

No, it will not apply until the listing (and the 20-F) is effective, at which point your company becomes a reporting company.

If our company is about to go public in the United States and has submitted a registration statement to the SEC on a confidential basis, does the Act apply to us?

Probably not, as the registration statement will not yet be deemed "filed."

If we are a foreign company and voluntarily file 10-Ks and 10-Qs, will we be able to take advantage of any of the accommodations for non-U.S. issuers?

Your company is subject to all of the SEC rules applicable to U.S. reporting companies, including the new accelerated time periods for filing of annual and quarterly reports. The stock exchange waiver provisions rules applicable to foreign private issuers would continue to be available to you.

If we are a non-U.S. company but cease to qualify as a foreign private issuer, can we still take advantage of any of the accommodations for non-U.S. issuers?

No. At this point your company becomes subject to all of the rules applicable to a U.S. reporting company. Thus, the accommodation for audit committees (discussed below) would cease to apply. Many of the other significant implications of losing foreign private issuer status arise under traditional requirements, and include:

- losing ability to present local GAAP in SEC filings;
- filing quarterly and filing on the U.S. domestic timetable (which time periods are being reduced over a phase-in period), which means additional certifications;
- filing current reports on Form 8-K;
- providing shareholders with an annual report and annual proxy statement for the AGM;
- providing proxy statements for EGMs; and
- subjecting your officers and directors to the short-swing profits reporting and liability regime.

In addition, your company may lose exclusions from the Nasdaq corporate governance rules.

If we issue a high yield bond with registration rights, when does the Act apply?

At the time the bond is issued, your company will not be subject to the Act. When the exchange offer registration statement is publicly filed with the SEC your company becomes an "issuer" and certain of the provisions of the Act will apply at that time. When the registration statement is declared effective (and your company begins the exchange offer for the bonds) your company will be a reporting company and will be subject to the balance of the provisions of the Act.

If we are no longer a reporting company but are required to submit reports to the SEC as a result of covenants in a high yield indenture, are we subject to the Act?

Although voluntary filers of SEC reports are not "issuers" for purposes of the Act, they will be subject to certain requirements. Generally, any of the provisions tied to disclosure will apply. Your management is subject to the SEC certification requirement and the requirements with respect to disclosure controls and procedures and internal control over financial reporting. Your company is also subject to disclosure obligations in respect of audit committee financial experts and codes of ethics. You should consider yourself to be subject to the auditor independence rules, though you will not be required to comply with the audit committee independence rules, and pre-approval of audit and non-audit services could be handled by the board.

Practical Implications

We are required to file annual reports on Form 20-F (or 40-F). By when will we need to be in compliance with the Act?

Some of the provisions of the Act were immediately operative, and we identify those below. Other provisions of the Act called for the SEC to adopt rules and stated the amount of time before such rules were required to go into effect. As to this latter category, all of the rules have been finalized and most are

currently effective. The remainder will be phased in over time. See "Timing" for the specific effective dates.

You say that as a technical matter our company is covered by the Act because we are listed in the United States. Does that mean all of the provisions of the Act will apply?

No. Some provisions amend sections of the securities laws that only affect U.S. issuers, while most of the others apply equally to non-U.S. issuers.

Understanding the Provisions of the Act

From this point on, we assume your company is subject to the provisions of the Act. We address the timing implications of the various new rules at the end under "Timing."

Auditor Independence

Is our company subject to the auditor independence provisions of the Act?

Yes, your company is subject to:

- prohibitions on the ability of your outside auditor to provide a series of non-audit services;
- requirements that your audit committee pre-approve all permissible non-audit services provided by the outside auditor and all audit, review and attestation services;
- new rules on audit partner rotation;
- requirements on auditor communication with audit committees, which require your outside auditor to report to your audit committee on your critical accounting policies; alternative treatments of financial information within GAAP discussed with management, including the ramifications of such alternative treatments and the treatment preferred by the outside auditors; and other material written communications between management and the outside auditor) and
- restrictions on employment of auditor personnel

In addition, these rules will require disclosure in the Form 20-F regarding fees paid for audit services, audit-related services, tax services and other services, as well as disclosure of the pre-approval policies and procedures (described below) and the percentage of services approved under the *de minimis* exception (described below).

Please refer to our Title II Memorandum for more detail.

Do we need to call a meeting of our audit committee each time a service is provided by our auditor?

No, the audit committee can adopt policies and procedures for pre-approval, provided they are detailed as to the particular services. Non-audit services need not be subject to pre-approval if the aggregate fees paid for such services do not exceed 5% of the revenues paid to the auditor for that fiscal year and such services are promptly brought to the attention of the audit committee and are approved prior to the completion of the audit. This *de minimis* exception only applies to services that were not recognized as non-audit services at the time of engagement, and is accordingly not of great practical use to issuers.

Audit Committee Membership and Responsibilities

Did the SEC adopt rules requiring companies to have independent audit committees?

Section 301 of the Act directed the SEC to adopt rules that obligate the stock exchanges to prohibit the listing of any security of an issuer that is not in compliance with certain requirements. These requirements relate to:

- the independence of audit committee members;
- the audit committee's responsibility to select and oversee the issuer's independent accountant;
- procedures for handling complaints regarding the issuer's accounting practices;
- the authority of the audit committee to engage advisors; and
- funding for the independent auditors and any outside advisors engaged by the audit committee.

The SEC has issued these rules and they will apply to both U.S. and non-U.S. issuers with a U.S. listing.

What is the test for independence for audit committee members generally?

Under the listing standards, a two-part test will apply.

- Generally, audit committee members cannot receive, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or an affiliate other than in his/her capacity as a board or committee member. The indirect fee prohibition means that partners, managing directors or executive officers (or persons holding similar positions) in a law firm, investment bank, accounting firm or consulting firm that provides services to the issuer cannot serve on the audit committee.

- An audit committee member may not be an affiliate of the issuer (or an executive director, executive officer, general partner or managing member of an affiliate). Share ownership is not itself an automatic bar to independence, and there is a safe harbor for persons that hold less than 10% of the stock of the issuer. The test for share ownership is whether a person by virtue of that ownership or otherwise controls the issuer.

Will our board be required to have a U.S.-style audit committee?

Several accommodations have been included that seek to address the special circumstances of particular non-U.S. jurisdictions. These provisions, subject to conditions specified in the rules:

- allow one non-management employee to serve as an audit committee member, consistent with the issuer's governing law or documents, "co-determination" or similar arrangements or other home country legal or listing requirements;
- allow alternative structures such as boards of auditors or statutory auditors to perform auditor oversight functions where such structures are provided for under local law (see next question);
- allow one member of the audit committee to be a representative of a controlling shareholder;
- allow any member of the audit committee to be a representative of a foreign government shareholder; and
- exempt foreign government issuers (i.e., those eligible to use Schedule B) from the independence rules.

Non-U.S. issuers taking advantage of one of these exemptions would need to disclose in, or incorporate by reference into, their annual report on Form 20-F (or 40-F) filed with the SEC:

- their reliance on the exemption; and
- their assessment of whether, and if so, how, such reliance would materially adversely affect the ability of their audit committee to act independently and to satisfy the other requirements of the rules.

The other provisions covered by Section 301 (that is other than the independence requirement) will apply to you, whether or not you can take advantage of one of the exemptions described above, unless you are a foreign government issuer.

In the past, the stock exchanges and Nasdaq have granted waivers from certain corporate governance related listing standards to foreign private issuers. The stock exchanges and Nasdaq will not be able to exempt or waive foreign private issuers from the independent audit committee requirements.

Please refer to our 301 Memorandum.

Can we rely on a board of auditors or statutory auditor, and if so, how do we comply with rules relating to audit committees?

It depends on whether your local law provides for such a function and your auditor meets the terms of the exemption. If so, your board of auditors or statutory auditor will need to comply with the other provisions of the rule, such as establishing procedures to receive complaints and for anonymous submissions. You can rely on the exemption, which means you do not need a separate, independent audit committee, if:

- your company has a board of auditors (or similar body), or has statutory auditors (collectively, a "Board of Auditors") established and selected pursuant to home country legal or listing provisions expressly requiring or permitting such a board or similar body;
- the Board of Auditors is separate from the board of directors, or composed of one or more members of the board of directors and one or more members that are not also members of the board of directors;
- the Board of Auditors is not elected by management and no executive officer of the issuer is a member of the Board of Auditors;
- home country legal or listing provisions set forth or provide for standards for the independence of the Board of Auditors from the issuer and management; and
- the Board of Auditors, in accordance with any applicable home country legal or listing requirements or your governing documents, is responsible, to the extent permitted by law, for the appointment, retention and oversight of the work of any registered public accounting firm engaged (including, to the extent permitted by law, the resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for you.

If we have a two-tier board, how do the audit committee rules impact us?

Your supervisory board (upper-tier) will be deemed the board of directors for purposes of the rules. That board can either form an audit committee that complies with the independence requirements (and any applicable exemption, such as the exemption for a member of the workers' council) or if the entire board is independent within the meaning and the exceptions of the rule, the entire board can be designated as the audit committee.

Can our audit committee serve as the audit committee for our wholly-owned subsidiaries that are also issuers and that don't have their own audit committee?

Yes. It is appropriate for the audit committee of a parent company to, in effect, serve as the audit committee of the parent company and its wholly-owned subsidiaries. In this situation, your subsidiary's disclosure should include the pre-approval policies and procedures of the subsidiary and, also should include your pre-approval policies and procedures of the parent company.

When will we be required to comply with the audit committee rules?

July 31, 2005. The independence requirements do not have "look-back" provisions, which means that the fact that one or more audit committee members received direct or indirect compensation prior to the effective date of the rules generally will not disqualify such member, provided the compensation has ceased by effectiveness.

How do these rules relate to the audit service pre-approval rules?

The audit committee independence rules and the pre-approval requirements are separate. The pre-approval rules do not require that you establish a separate audit committee for pre-approval purposes. If you are not required to have a separate audit committee or do not form one (e.g., because you have a two-tiered board structure and your upper tier is independent), your board will be responsible for pre-approval. If you have a Board of Auditors, that body will be responsible for pre-approval. Whichever body handles pre-approval will also be the body to which the auditors are required to address communications under other parts of the auditor independence rules.

Some of our foreign subsidiaries have statutory audits performed by statutory auditors not affiliated with our "principal" auditors. Do our pre-approval requirements run to the statutory auditors for the foreign subsidiaries or should our pre-approval requirements run just to the principal audit firm?

The SEC's rules relating to listed company audit committees require audit committees to approve all audit services provided to the company, whether provided by the principal auditor or other firms. Therefore, your pre-approval requirements also run to the statutory auditors for your foreign subsidiaries. However, failure of your audit committee to pre-approve audit services to be provided by another firm would not affect the independence of the principal auditor.

How does the "financial expert" concept impact us?

You are required to disclose in your annual report on Form 20-F/40-F the number of persons that your board has determined qualify as "audit committee financial experts," the names of your financial experts and whether such experts are independent directors (although foreign private issuers will not be required to provide disclosure as to the independence of such directors until July 31, 2005). If your board has not made the determination or none of your directors qualify, you must disclose such facts and the reasons why.

If your company has a Board of Auditors, that body will be deemed the audit committee for purposes of this disclosure and will be deemed the board of directors for purposes of making the determination.

If your company has a two-tier board, the supervisory board will make the determination.

If your company is required to have an independent audit committee, then the financial expert provision will require disclosure of the member of the audit committee who meets the test and must state whether that person is independent based on the applicable definition of the stock exchange on which your

securities in the US are listed. If your company is not required to have an independent audit committee (for example, if you are not a listed company in the US), your disclosure can address whether the audit committee that you do have has such an expert, or if there is no separate audit committee, your disclosure would address whether any board member meets the test. If you are not listed, you can choose a definition of independence from among any of the stock exchange definitions, but you must disclose which definition you are using.

Please refer to our 406/407 Memorandum and our 301 Memorandum.

Are we subject to the audit committee rules even though we only have non-voting securities listed in the U.S.?

Yes. The rules apply if any securities, including debt securities, are listed.

Impact on CEOs and CFOs - Generally

Do the provisions affecting senior officers apply to our company?

The requirement of CEOs and CFOs to certify periodic reports contained in the penalty provisions of the Act are operative and apply to non-U.S. issuers for Form 20-F or 40-F annual reports. In addition, any filing of an annual report on Form 20-F or 40-F must include a second set of certifications by the CEO and CFO. Please refer to our 302 Memorandum and 404 Memorandum for more detail.

The ban on personal loans to directors and executive officers was another immediately operative provision of the Act that applies to non-U.S. issuers. The provisions of the Act regarding reimbursement by CEOs and CFOs of bonuses, other incentive-based compensation and stock sale profits following an accounting restatement due to misconduct also were immediately operative and apply to non-U.S. issuers, although it is unclear how they may be enforced in practice. Please refer to pages 8 and 9 of our SOA Memorandum for more detail.

You are required to report on Form 20-F/40-F whether your company has adopted a written code of ethics that applies to your CEO, CFO, chief accounting officer and controller (or persons performing similar functions), and if not, the reasons why not. See our 406/407 Memorandum.

Certain of your executive officers and your directors will be subject to blackout periods on insider trades under new Regulation BTR (see below).

If we do not have persons with the title of CEO or CFO, who is subject to the rules?

Those persons performing the function of the principal executive officer and the principal financial officer.

CEO and CFO Certifications

You say our CEO and CFO are subject to certification requirements. What do you mean?

Under Section 906 of the Act, each periodic report containing financial statements that your company files must be accompanied by a written statement signed by both your CEO and CFO (we refer to these certifications as the "SOA Certifications"). The SOA Certifications require the CEO and CFO to certify that the covered periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and that information contained in such periodic report fairly presents, in all material respects, the financial condition and results of operations of your company. It is our view that this requirement should not apply to non-U.S. issuers submitting quarterly or semi-annual financial

statements to the SEC under a Form 6-K, as Form 6-Ks are "made" and are not deemed "filed" for liability purposes of Section 18 of the Exchange Act.

In addition, each Form 20-F or 40-F must also contain a certification by each of the CEO and CFO (which we refer to as the "SEC Certifications") that:

- he or she has reviewed the covered report (Certification 1);

- based on his or her knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report (Certification 2);

- based on his or her knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in the report (Certification 3);

- he or she and the other certifying officers are responsible for establishing and maintaining "disclosure controls and procedures" and "internal control over financial reporting" and have (Certification 4):

  - designed such disclosure controls and procedures, or caused them to be designed under their supervision, to ensure that material information is made known to them, particularly during the period in which the periodic report is being prepared;
  - designed such internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP;
  - evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the report and have presented in the report their conclusions about the effectiveness of the disclosure controls and procedures based on the required evaluation; and
  - disclosed in the report any change in the issuer's internal control over financial reporting that occurred during the period covered by the report that has materially affected, or is reasonably likely to material affect, the issuer's internal control over financial reporting; and

- he or she and the other certifying officers have disclosed, based on the most recent evaluation of internal control over financial reporting, to the issuer's auditors and to the audit committee of the board of directors (or persons fulfilling the equivalent function) (Certification 5):

  - all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
  - any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

The SEC Certification was recently modified to reflect the adoption of rules under Section 404 of the Act relating to internal control over financial reporting. To account for the differences between the compliance date of the rules relating to internal control over financial reporting and the effective

date of changes to the language of the SEC Certification, an issuer's certifying officers may temporarily modify the content of Certification 4 of their SEC Certification to eliminate certain references to internal control over financial reporting until the compliance dates discussed below. Please refer to Annex A to our 404 Memorandum for details of the permitted modifications.

Please refer to Annex I to this document for a discussion of procedures we believe your CEO and CFO should consider in making the currently effective certifications, and to our 302 Memorandum and 404 Memorandum for more detail on the certifications.

Why are there two sets of certifications?

The Act imposed one set (the SOA Certifications) and at the same time directed the SEC to adopt rules with respect to a second set (the SEC Certifications). The SEC adopted the SEC Certifications on August 29. There is a general belief that Congress erred in imposing the SOA Certifications, but it would take an act of Congress to amend the Act, and that has not occurred. The SEC takes the view that the SOA Certifications are the responsibility of the U.S. Department of Justice and not the SEC and has declined to address the impact of parallel certifications.

How do we file the certifications?

Under new requirements, both sets of certifications must be filed as exhibits to the relevant report (as exhibits 31 and 32).

Internal Procedures

Certifications 4 and 5 of the SEC Certifications refer to internal procedures. What are they?

There are two sets of internal procedures: disclosure controls and procedures and internal control over financial reporting, which we discuss below.

What are disclosure controls and procedures?

"Disclosure controls and procedures" are defined as controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports (including current reports on Form 8-K and 6-K and proxy materials) filed or submitted by it under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. "Disclosure controls and procedures" include controls and procedures designed to ensure that information required to be disclosed by an issuer in its Exchange Act reports is accumulated and communicated to the issuer's management, including its principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

The procedures are to ensure timely collection and evaluation of information potentially subject to disclosure under Forms 20-F and 40-F, and should capture information that is relevant to an assessment of the need to disclose developments and risks that pertain to the issuer's business. For example, for some businesses such as financial services firms, an assessment and evaluation of operational and regulatory risks may be necessary. The procedures should also cover information that must be evaluated in the context of Rule 12b-20, which requires the addition to required disclosure of items of such further material information as may be necessary to make any required statements, in the light of the circumstances under which they are made, not misleading.

What is internal control over financial reporting?

The rules implementing Section 404 of the Act define "internal control over financial reporting" as:

> A process designed by, or under the supervision of, the registrant's principal executive and principal financial officers, or persons performing similar functions, and effected by the registrant's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:
>
> - pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the registrant;
> - provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the registrant are being made only in accordance with authorizations of management and directors of the registrant; and
> - provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the registrant's assets that could have a material effect on the financial statements.

As stated by the SEC, the scope of internal control encompasses policies, plans, procedures, processes, systems, activities, functions, projects and initiatives and endeavors of all types at all levels of a reporting company.

Please refer to our 404 Memorandum for more detail on internal control over financial reporting.

Since we are a reporting company, must we have these disclosure controls and procedures and internal control over financial reporting?

Yes. Your company is required to maintain both "disclosure controls and procedures" and "internal control over financial reporting."

The SEC Certifications refer to an evaluation of disclosure controls and procedures. What is this?

Your company is required, under the supervision of the principal executive and financial officers, to conduct an evaluation of the effectiveness of the design and operation of your company's disclosure controls and procedures, as of the end of the period covered by the report.

Is our company required to include in its annual report an internal control report?

Yes. Forms 20-F and 40-F require a company's annual report to include an internal control report of management that contains:

- a statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting;
- a statement identifying the framework used by management to conduct the required evaluation of the effectiveness of internal control over financial reporting;
- management's assessment of the effectiveness of internal control over financial reporting as of the end of your company's most recent fiscal year, including a statement as to whether or not the company's internal control over financial reporting is effective. The assessment must

include disclosure of any "material weaknesses" in the company's internal control over financial reporting identified by management; and
- a statement that the registered public accounting firm that audited the financial statements included in the annual report has issued an attestation report on management's assessment of the registrant's internal control over financial reporting.

The attestation report of the company's independent auditor must also be filed as part of the company's annual report.

You say that the annual internal control report is required to include our management's assessment of the effectiveness of our company's internal control over financial reporting as of the end of our company's most recent fiscal year. How does our management evaluate our internal control over financial reporting?

Your management is required to base its evaluation of the effectiveness of your company's internal control over financial reporting on a suitable, recognized control framework that is established by a body or group that has followed due-process procedures, including the broad distribution of the framework for public comment. The internal control report must identify the evaluation framework used by management to assess the effectiveness of the company's internal control over financial reporting.
A suitable framework must:

- be free from bias;
- permit reasonably consistent qualitative and quantitative measurements of a company's internal control;
- be sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of a company's internal controls are not omitted; and
- be relevant to an evaluation of internal control over financial reporting.

The SEC indicated that the framework established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") satisfies these criteria. However, because the final rules do not mandate the use of a particular framework, issuers may use other frameworks so long as they also satisfy the above criteria. The *Guidance on Assessing Control* published by the Canadian Institute of Chartered Accountants and the *Turnbull Report* published by the Institute of Chartered Accountants in England and Wales are also suitable frameworks. If your company uses a home country framework, you will be required to state affirmatively whether the controls are, or are not, effective, even though the home country framework may not require such a statement.

The SEC Certifications also refer to disclosure in the covered report concerning our procedures. What does this entail today?

The 20-F/40-F that you file must disclose:

- the conclusions of the principal executive and financial officers about the effectiveness of the disclosure controls and procedures based on their evaluation of these controls and procedures (Certification 4).

- whether or not there were any changes in internal control over financial reporting that occurred during the period covered by the report that materially affected, or are reasonably likely to materially affect, internal control over financial reporting. (Certification 4).

Are there specific procedures we should be adopting to evaluate our disclosure controls and procedures?

The SEC has not mandated any particular procedures for conducting the required reviews and evaluations. Instead, each issuer is expected to develop a process that is consistent with its business and internal management and supervisory practices. However, the SEC has recommended that for purposes of the disclosure controls and procedures, an issuer create a committee with responsibility for considering the materiality of information and determining disclosure obligations on a timely basis, which would report to senior management, including the principal executive and financial officers, who bear express responsibility for designing, establishing, maintaining, reviewing and evaluating the issuer's disclosure controls and procedures. The committee could consist of the principal accounting officer (or controller), the general counsel or other senior legal officer responsible for disclosure matters, the principal risk management officer, the chief investor relations officer and such other employees in the business units (e.g., heads of business segments or chief operating officers of operating subsidiaries) as are appropriate.

Please refer to Annex II to this document for a list of items that your disclosure committee might wish to consider as part of its procedures, and to our Procedures Memorandum for more detail on the role of the disclosure committee.

Is our company required to evaluate any changes in our internal control over financial reporting on a quarterly basis?

No. The final rules adopted under Section 404 of the Act require management to evaluate any changes in the company's internal control over financial reporting that occurred during a fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting. However, because foreign private issuers are not required to file quarterly reports, the final rules clarify that management of a foreign private issuer need only disclose in the issuer's annual report any change to its internal control over financial reporting that occurred in the period covered by the annual report that materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

What is the auditor attestation?

The internal control rules require that your outside auditor provide an attestation with respect to management's assessment of the effectiveness of the internal controls. An attestation is an expert's communication of a conclusion about the reliability of another person's assertion. The attestation involves evaluating management's assessment process and gathering evidence regarding the design and operating effectiveness of the internal control, determining whether the evidence supports or refutes management's assessment and opining as to whether management's assessment is fair. The PCAOB (the new oversight board for auditors) has proposed standards for the auditor attestation, which introduces the concept of an integrated audit of the financial statements and internal control, but produces two opinions.

Enhanced Disclosure

How will the new disclosure provisions affect our company?

The SEC has adopted rules for enhanced disclosure in annual reports on Form 20-F and 40-F regarding off-balance sheet arrangements, contractual obligations and contractual commitments, which apply to non-U.S. issuers. See our 401 Memorandum. The SEC has also adopted rules on the presentation of pro forma financial information (which in its release it refers to as "non-GAAP financial measures") which

apply to non-U.S. issuers. Non-U.S. issuers, including Canadian issuers filing under MJDS, can expect that their filings will be reviewed at least once every three years.

The auditor independence rules impose certain disclosure obligations in the annual report on Form 20-F (or 40-F). Disclosure is also required if an exemption from the audit committee independence requirements will be relied upon.

Notices issued under new Regulation BTR (see below) will need to be filed as exhibits to your annual report.

The SEC has issued further guidance (discussed below) on the preparation of Management's Discussion and Analysis of Financial Condition and Results of Operations, which in a Form 20-F would be the section on Operating and Financial Review and Prospects.

New rules require all issuers, including non-U.S. issuers to disclose repurchases of their equity securities.

How do the pro forma rules impact us?

The rules on presentation of pro forma financial information (which the SEC referred to in its release as "non-GAAP financial measures") apply whenever a company publicly discloses material information that includes non-GAAP financial measures (whether in a press release, orally, or in a written report) and generally would apply to non-U.S. issuers. The new rules (known as Regulation G) have a limited exception for non-U.S. issuers where:

- the issuer has securities listed outside the U.S.,
- the non-GAAP measure is not derived from or based on a U.S. GAAP measure; and
- the disclosure is made in (or contained in a communication released in) the U.S. as well as outside the U.S., so long as the disclosure or communication is released in the U.S. at the same time or after its release outside the U.S. and is not otherwise targeted at U.S. residents.

Under these rules, you will need to accompany the non-GAAP measure with a presentation of the most directly comparable GAAP measure and a quantitative reconciliation of the non-GAAP measure to the comparable GAAP measure.

In addition, amendments to Form 20-F impose additional disclosure obligations, over and above Regulation G, in respect of non-GAAP financial measures included in a Form 20-F report. See our Pro Forma Memorandum.

If our company reports in U.S. GAAP, does Regulation G mean that our press releases must comply with the reconciliation requirements of the rule?

Yes, if the limited exemption is unavailable, all of your public statements that include non-GAAP financial measures must comply with Regulation G.

Does Regulation G also mean that our public statements are subject to the rules on selective disclosure?

No, foreign private issuers are not subject to Regulation FD.

Do we need a code of ethics for officers and directors?

No. The rules regarding codes of ethics are disclosure rules, not affirmative obligations to have such a code. If your company has a general code, you may disclose that you have a code provided your general code has provisions that comply with the requirements for a code of ethics. The term "code of ethics" has been defined to mean written standards that are reasonably designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that an issuer files with, or submits to, the SEC and in other public communications made by the issuer;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- accountability for adherence to the code:

What disclosures do we need to make regarding codes of ethics?

You are required to disclose in your annual report on Form 20-F/40-F whether your company has adopted a written code of ethics that applies to your CEO, CFO, chief accounting officer and controller (or persons performing similar functions), and if not, the reasons why not. If your company has adopted such a code, you will either need to file a copy of it with your Form 20-F/40-F, post the text of the code on your website or undertake to provide a copy of your code of ethics to any person without charge upon request. Changes to, or waivers from, the code would be disclosed in the annual report for the year during which the change or waiver took place. Alternatively, you may elect instead to disclose such changes or waivers on your website within five business days of the change or waiver if you have disclosed in your annual report your website address and your intention to provide disclosure in this manner. This information must remain available on your website for at least a 12-month period. You are encouraged, though not required, by the SEC to report changes and waivers in a Form 6-K report. See our 406/407 Memorandum.

What other disclosure may we post on our website?

In addition to any code of ethics disclosure that you elect to post on your website, you may also choose to satisfy any Regulation G disclosure obligations you may have relating to the publication of a non-GAAP financial measure (if such information is made public orally, telephonically, by webcast, by broadcast, or by similar means) by providing the required information on your website at the time the non-GAAP financial measure is made public. The location of the website must be made public in the same presentation in which the non-GAAP financial measure is made public. Information that you post on the website to comply with Regulation G should remain on the website for at least 12 months. You should locate information that you post on the website to comply with Regulation G on the website page that you normally use for investor relations functions.

Are there other disclosure rules we should be aware of in preparing our 20-F?

Yes, the SEC has focused on the quality of issuers' MD&A and generally believes that the quality of disclosure can be improved. This is part of an evolving trend toward a more principle-based regime, rather than a rule-based regime. As part of this effort, the SEC has issued guidance on the preparation of MD&A.

The SEC also issued a report based on its review of filings by the Fortune 500 companies, and cited, in addition to critical accounting estimates, off-balance sheet arrangements and non-GAAP financial

measures, revenue recognition, restructuring discussions, impairment charges generally, goodwill impairment, impairment of securities held for investment, segment reporting, environmental and product liability disclosure and pension liabilities as areas of focus.

See our MD&A Update for a summary of the guidance that you must be aware of as you prepare your next 20-F.

Will we be required to make more frequent disclosures? [New]

Concerning real time disclosure, the SEC has in the past requested public comment on whether the Form 6-K rules should be expanded to require more current disclosure by non-U.S. issuers, but has declined to extend the current reporting requirements applicable to U.S. issuers to non-U.S. issuers. It remains to be seen whether the SEC will modify its traditional views on current reports and, if so, to what extent non-U.S. issuers will be subject to such type of reporting.

If we buy back our ordinary shares in a private transaction, will we need to disclose the repurchase? [New]

If the ordinary shares, or ADSs representing ordinary shares, are listed in the U.S., then under new disclosure rules, you will need to include in the 20-F a table showing for each month in the fiscal year then ended the number of ordinary shares repurchased, whether pursuant to a publicly announced plan or otherwise, together with other information concerning the repurchases. Repurchases of debt would be covered only if the debt is convertible into listed ordinary shares. Disclosure covers open market repurchases, as well as privately negotiated transactions (whether with insiders or others), issuer tender offers, exercise of put options and the like. See our Equity Repurchase Memo.

Other Rules Impacting Executive Officers and Directors

What are the pension "blackout" rules?

Under new rules known as the Regulation on Blackout Trading Restrictions ("BTR"), your management directors and your CEO, CFO and chief accounting officer will be prohibited from trading in equity securities of the company during any so-called blackout period, which securities were acquired in connection with service or employment as a director or executive officer. A blackout period will be any three-day period in which the ability of not fewer than 50% of the U.S. participants or beneficiaries under all individual account plans maintained by the company to trade in company equity securities is suspended, provided the total number of U.S. employees subject to suspension exceeds 15% of the company's worldwide workforce or more than 50,000 of the U.S. employees are subject to such suspension. Relevant directors and executive officers must be timely notified of the blackout, and a copy of the notice must be filed as an exhibit to the Form 20-F or 40-F.

Stock Exchange Rules

Are there any other issues triggered by our U.S. listing?

Yes, you should be aware of new corporate governance standards issued by the NYSE and Nasdaq. As you know, non-U.S. companies typically have requested, and been granted, waivers from a number of the corporate governance standards. Both sets of new standards include a provision that requires non-U.S. issuers to disclose any significant ways in which their corporate governance practices differ from those followed by U.S. companies under the domestic listing standards.

Although many of the new listing standards may not apply for non-U.S. issuers, it is unclear whether existing listed companies will be required to submit new waiver requests to cover new standards (which,

since the new standards did not exist when companies listed, could not have been covered by a waiver, unless it was a blanket one) or whether existing waivers will be deemed to cover the new standards as well. We are in discussions with the NYSE and Nasdaq on this issue.

Professional Conduct

Will our non-U.S. lawyers be subject to the SEC's standards of professional conduct for attorneys? [New]

Most non-U.S. lawyers who are neither admitted to practice law in the United States nor hold themselves out as practicing, nor give legal advice regarding, U.S. federal or state laws will be considered "non-appearing foreign attorneys" and will not be subject to the SEC's new professional standards of conduct. Nevertheless, non-U.S. attorneys who do not hold themselves out as practicing U.S. law, but who engage in activities that would consitute "appearing and practicing" before the SEC (broadly defined to include, among other things, providing advice with respect to U.S. securities laws regarding any document the attorney has notice will be filed with or submitted to the SEC), are subject to the new rules unless they appear and practice only incidentally to their foreign law practice or in consultation with U.S. counsel.

For more information on the SEC's standards of professional conduct, see our memorandum dated February 12, 2003 "SEC Adopts Standards of Professional Conduct for Attorneys."

Timing

When do we need to start addressing all of these new requirements?

Now is the time to consider the impact of all of these new rules, even though some have grace periods. We set forth below a schedule as to when these provisions become effective.

Item	Status	Practical Implication
CEO/CFO certification	Effective	File as exhibits to the relevant reports.
Disclosure controls and procedures	Effective	Annual reports on Form 20-F or 40-F are subject
Internal control over financial reporting	Adopted	Foreign private issuers must begin to comply with the internal control report disclosure requirements for their first fiscal year ending on or after July 15, 2005
Prohibition on loans	Effective	Currently effective
Independent audit committee	Adopted	Rules apply beginning July 31, 2005
Audit committee financial expert disclosure	Effective	Disclosure required in 20-F/40-F for fiscal years ending after July 15, 2003 (except as to independence, which is July 31, 2005)
Prohibition on certain non-audit services	Effective	
Pre-approval of audit and non-audit services	Effective	
Disclosure of fees for audit and non-audit services	Effective	Disclosure required in 20-F/40-F for fiscal years ending on or after December 15, 2003
Non-GAAP measures	Effective	**Regulation G** - Applies to any disclosures made after March 28, 2003 **Form 20-F disclosures** - will need to be made in any annual report filed for a fiscal year ending after March 28, 2003, and similar disclosures will be required in

		any 6-K report incorporated in a registration statement containing financial statements for periods ending after March 28, 2003
Code of ethics disclosure	Effective	Disclosure required in 20-F/40-F for fiscal years ending on or after July 15, 2003
Insider trades during pension blackouts	Effective	Disclosure of notices given under Regulation BTR required in 20-F/40-Fs for fiscal year that covers January 2003, and thereafter
MD&A guidance	Effective	
MD&A rules on off-balance sheet arrangements	Effective	In filings required to include financial statements for fiscal years ending on or after June 15, 2003
MD&A disclosure of contractual obligations	Effective	In filings that are required to include financial statements for fiscal years ending on or after December 15, 2003
Disclosure of repurchases of equity securities	Adopted	Disclosure required in 20-F/40-F for fiscal years ending on or after December 15, 2004

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This memorandum provides only a general overview of certain provisions of the Act and is not intended to provide or constitute legal advice, and no legal or business decision should be based on its contents.

Any questions concerning the foregoing should be addressed to members of the Paul Weiss Securities Group (see below). In addition, memoranda on related topics may be accessed under Securities Group publications on our web site (www.paulweiss.com).

Mark S. Bergman	(44 20) 7367 1601	David K. Lakhdhir	(44 20) 7367-1602
Richard S. Borisoff	(1) 212-373-3153	Edwin S. Maynard	(1) 212-373-3024
Andrew J. Foley	(1) 212-373-3078	Raphael M. Russo	(1) 212-373-3309
John C. Kennedy	(1) 212-373-3025		

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Annex I

PROCEDURES FOR CEO/CFO CERTIFICATIONS

As part of the Sarbanes-Oxley Act of 2002 that was signed by the President, each periodic report containing financial statements filed by a reporting company (U.S. or non-U.S.) must be accompanied by a written statement by the company's CEO and CFO. In addition, SEC rules now mandate certifications as well.

We are providing guidance to CEOs and CFOs on how to prepare to comply with the certification requirements as they relate to the contents of the covered report.

Set the Stage for an Effective Reporting Process

Although the company's most senior officers may not necessarily be directly involved in the actual drafting of a reporting company's periodic reports, it is important for them in light of the new certification requirements to:

- Establish the appropriate "tone at the top."
- Send a clear message to the entire organization that the company places a high priority on the best disclosure practices.
- Remind all employees of their responsibility to protect the integrity of the company's systems and procedures regarding the collection, analysis and disclosure of information relevant to investors.
- Provide a clear mandate and authority from the top of the organization to those responsible for gathering information and for preparing the company's financial statements and other disclosure.
- Maintain an "open door" policy for any individual who wants to raise issues or ask questions about the company's reporting obligations and disclosure.
- Remain actively involved in the disclosure process.

CEO/CFO Review of Periodic Reports and Certification

Given that many reporting companies have only a short time before the first filing of a report subject to the new provisions of the Act, CEOs and CFOs need to take steps now to make sure that reports in preparation are adequately prepared and reviewed. While the amount of "due diligence" that the CEO and CFO should undertake prior to making the certification will depend on their degree of familiarity with the details of the company's financial results, its public filings and its approach to accounting issues, the following steps should be considered as part of the process of preparing to make the certifications:

- Carefully review the company's financial results and how they were prepared. Speak to the company's senior accounting officers, with particular attention given to any material discretionary issues and accounting policies followed in respect of your primary financial statements if they are prepared under U.S. GAAP or in respect of your U.S. GAAP reconciliations.

- Carefully review the non-financial statement information in the remainder of the report, especially the Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A"). Discuss the report with the principal authors of the MD&A and the descriptions of the company's businesses. Focus on the information included in the report and review any matters excluded from the report, with attention to any material discretionary judgments. Also address the critical accounting estimates and the underlying assumptions.

- In reviewing financial disclosure, remember that compliance with GAAP may not be sufficient. In certifying that the financial disclosure fairly presents financial condition, results of operations and cash flows, the CEO and CFO will also be certifying as to:

  - selection of appropriate accounting policies;
  - proper application of appropriate accounting policies;
  - disclosure of financial information that is informative and reasonably reflects the underlying transactions and events; and
  - the inclusion of any additional disclosures necessary to provide investors with a materially accurate and complete picture of financial condition, results of operations and cash flows.

- Discuss the report with the company's disclosure counsel. Ask counsel to confirm that the report meets the form requirements of the Securities Exchange Act referred to in the certification.

- Review with the appropriate officers responsible for internal controls the procedures that were followed in preparing the report. Review a list of the persons from whom information was gathered and to whom the draft report was circulated. Consider whether information was gathered from the persons best able to provide it and whether the report was circulated to the persons best able to assure its accuracy and completeness. Assess the adequacy of the time and resources devoted to the preparation of the report.

- Review the company's internal controls with officers responsible for maintaining such controls, including any changes to the nature and scope of procedures relating to internal controls. Review issues raised by the company's auditors regarding the company's controls. Consider how such issues, or any others raised concerning weaknesses in the financial and reporting systems or internal controls, have been addressed. Inquire about any impact that company growth or internal reorganization may be having on the effectiveness of the company's controls.

- Identify issues that are worth further consideration. Consider issues raised in past SEC comment letters, issues identified by the company's auditors, issues raised internally involving the disclosure process or judgments or discretion, and issues raised by analysts or others outside the company. Think about where mistakes would be most likely to occur and where others in the company's industry have had problems.

- Meet with the Company's outside auditors so that the auditors can share any additional views or thoughts that they may have. Ask them about adjustments to the company's financial statements that they have recommended. Ask if there are any alternative treatments that the company should be considering in preparing its financial statements. Review with them the SEC's "hot-button" accounting (e.g., earnings management, off-balance sheet transactions, related party transactions) and disclosure issues (e.g., pro forma figures, critical accounting estimates), and any other accounting or disclosure issues receiving attention in the company's industry.

- Meet with the audit committee, and with the full board if necessary, to understand any questions or concerns that they may have identified concerning the company's financial and reporting systems, internal controls, risk assessment and risk management policies, auditor independence and effectiveness, financial statements and other public disclosure (whether in SEC reports, home country reports or press releases), or any related matters.

- Review the representation letters delivered by officers of the company to the outside auditors.

- Consider the advantages and disadvantages of obtaining back-up certification from the principal internal officers who participated in the preparation of the report. At a minimum

ask the personnel involved in the preparation of the report if they are comfortable with its contents (would they sign the certification if they were you?). Ask them what have they done to ensure the accuracy of the report.

Keep minutes of the CEO and CFO review. Schedules or checklists indicating the process used to prepare the report, a list of the participants involved in the preparation of the report and a list of the persons to whom drafts of the report were circulated should be reviewed with the CEO and CFO and retained.

Annex II

DISCLOSURE CONTROLS AND PROCEDURES

Checklist of Items to be Addressed -- for Non-U.S. Registrants

Have you read our last annual report on Form 20-F and all of the intervening reports on Form 6-Ks, including any current draft under review (our "Disclosure")?

Are you familiar with the SEC's requirements for the information to be included in the Disclosure?

To your knowledge:

- Does the Disclosure present a full and accurate view of the business, financial condition, results of operations and prospects?
- Are there matters not disclosed in the Disclosure that you believe to be material?
- Are there risks that should be highlighted in the Disclosure that are not or that should be stated more forcefully?
- Do any previously made forward-looking statements, in retrospect, appear inaccurate or in need of clarification?
- Does the MD&A overview properly reflect all of the trends, events and uncertainties in our business?
- Have there been material adverse changes in our business since the last audit?
- Do you have any basis for believing the prior financial statements can no longer be relied upon?

Are you aware of any of the following (which are not addressed in the Disclosure or if addressed should be updated):

Non-ordinary course events

- Any acquisitions, dispositions or other material transactions
- Material amendments of material agreement not made in the ordinary course of business
- Termination of any material agreement not made in the ordinary course of business
- Plans to discontinue any operations
- Plans to restructure any operations

Customers and Suppliers

- Termination or reduction of a business relationship with a material customer or supplier, or any changes in the relative contribution of our major customers, or any potential withdrawal of a customer or supplier from the market (due to liquidity issues or otherwise)
- Where company maintains business relationships with a controlling shareholder, changes in the business relationship with our controlling shareholder
- Other changes that will increase our relative dependence on customers or suppliers

Operational

- Any trends, events or uncertainties (whether general economic, industry-specific or company-specific) that could have a material impact on our reported financial information or our prospects
- Risks posed by implementation of our reported growth strategy
- Risks posed by foreign currency or interest rate fluctuations
- Risks posed by regulatory developments or the impact of existing regulatory environment
- Risks posed by integration of acquired operations
- Any reasons why capital expenditures may exceed budget or amounts previously publicly disclosed
- Material changes in our mix of business
- Changes in competitive pressures
- Changes in insurance coverage or premiums
- Changes in where we are doing business or have operations, and any changes in business environments that affect our operations or results
- Changes in our business segments or in the reporting lines of operational units which will impact our SFAS 131 segment reporting

Financial

- Creation of a direct or indirect material financial obligation (e.g., an issuance of debt securities, a bank loan, a credit facility, a guarantee, a keepwell arrangement)

- Any trigger event for a direct or contingent material financial obligation
- Any options written on non-financial assets
- Any transactions, arrangements or other relationships with unconsolidated entities or other persons that are reasonably likely to affect our liquidity or the availability of, or requirements for, capital resources
- Any commercial commitments and contractual obligations that are not covered in the Disclosure
- Risks posed by any derivative positions or any other hedging transactions

Liquidity and Capital Resources

- Any material changes in debt levels or working capital needs
- Any increases in accounts receivable as a result of customer payment delays
- Any trends, changes in circumstances or uncertainties regarding our liquidity or capital resources, including any circumstances or material risks that could impact our short-term funding. Is there any risk under any financial commitments, debt or lease agreements or other arrangements of early payment, need for additional collateral, acceleration or creation of additional financial obligations
- Possible downgrades in our credit ratings or credit watch
- Any reason why we may fail to meet financial ratios or other debt covenants
- Any circumstances that could impair our ability to engage in transactions integral to our operations or are essential to our results of operations

Accounting

- Any reason why accounting policies that we have selected are inappropriate or are improperly applied
- Were any alternative accounting policies, assumptions or treatment recommended by the auditors or a director
- Any action (including a plan to terminate or exit an activity) that will incur a material write-off or restructuring charge
- Any event that will require a material impairment charge

- Disagreement by the auditors or a director regarding financial reporting policies or procedures
- Any related party transactions, including transactions with persons that fall outside the technical definition of related party whose relationship to us enables them to negotiate terms of material transactions that may not be available from clearly independent third parties on an arm's length basis
- Adverse impact/contribution of investee companies on our results or financial condition
- Material impact of new accounting pronouncements under local GAAP or U.S. GAAP
- Are there disclosures of financial information, which while consistent with local GAAP or U.S. GAAP, nonetheless may be misleading or incomplete

Other Disclosure Issues

- Threatened litigation or governmental investigation
- Tax assessments or re-assessments
- Infringements of our intellectual property or potential claims that our use of intellectual property infringes the rights of others
- Any issues that have been raised internally by employees or externally by the auditors (in management letters or otherwise) or by others that question our accounting practices, our financial reporting procedures or our Disclosure that have not been adequately addressed
- Any issues that are affecting our competitors that could reasonably affect us
- Material changes in headcount or material impact as a result of such changes

Procedural Issues

- Are persons that have information relevant to the preparation of our SEC reports in the proper reporting line?
- Are all office locations and sources of information adequately covered by our reporting procedures?
- Are there changes that needed to address receipt of information from investee companies?
- Is information reported on a timely basis and are drafts of the Disclosure prepared with sufficient time for review?
- Are the persons who reviewed the Disclosure in the best position to conduct such a review?