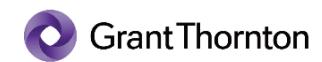






The Journey from Private to Public

How to Best Prepare to Enter Capital Markets





IT, Human Capital & Tax



Information Technology

Compliance to operate as a public entity



Understand and Evaluate Overall IT Strategy – Overall Objectives

- · Identify the inventory of IT applications, their capabilities, and current functionality in place
- Assess the existing IT infrastructure that would include data center, security, storage and network services
- Evaluate the business process controls and how they are enabled through IT applications
- Understand the IT process environment working with the Compliance team on IT controls in place
- Evaluate compliance with security and privacy standards and regulations necessary for IPO readiness
- Document gaps of current systems against expected business process controls
- Develop IT remediation plan and roadmap for implementation

Information Technology - Cont'd

Compliance to operate as a public entity



Procedures

- Review existing architecture and applications systems documentation to develop a list of in scope applications that impact compliance and controls
- Meet with application system owners to review functionality and controls in place for in-scope applications
- Interview key members of the IT leadership team and document roles and responsibilities of group
- Confirm the competencies in place and identify any gaps in skills that are required for a public company
- Assess IT operations and processes and identify gaps to requirements / expectations for publicly traded company
- Develop recommendations for remediation of systems
- Build roadmap, timeline, and resources require for remediation

Human Capital

Evaluating compensation and benefit plans as well as skills required for a public registrant



Understand and Evaluate People Strategy

- Benchmark & Review Compensation Programs
 - Total rewards strategy
 - Executive and director compensation
 - Equity & Long Term Incentives
 - Proxy disclosure needs
 - Compensation philosophy
- Sec 162(M) Preparation Tax deductibility of Executive Compensation
- · Evaluate composition of compensation committee members and structure
- Review current functional design and skills of personnel in the context of a public company setting and provide gap analysis

Human Capital – Cont'd

Evaluating compensation and benefit plans as well as skills required for a public registrant



Procedures

- Review existing compensation and benefit plans and evaluate the appropriateness and effectiveness for a public registrant
- Evaluate plan design to ensure deductibility of executive compensation is maximized
- Evaluate level of risk currently present in existing compensation plans
- Evaluate functional structures and personnel to ensure quality and delivery meet demands of public company reporting & controls

Tax

Requirements, readiness and transition strategy



Understand the tax technical considerations

- Understand existing tax attributes including the tax basis of the equity and assets of each existing legal entity:
 - Consider need to complete stock basis and/or earnings and profits analyses for select subsidiaries
- Assess the tax effects of alternative structures that may be used to effectuate the IPO, considering the impact of the merger:
 - Consider tax impact to current owners
 - Consider tax benefit to new owners
 - Obtain legal opinion on tax consequence of IPO
- Evaluate completeness of existing FIN 48 (or comparable International standard) tax reserves
- Evaluate controls, processes and risks associated with "above the line" taxes such as sales / use, gross receipts, franchise, escheats, payroll
- Prepare prior year, pro forma tax provisions / disclosures needed for inclusion in IPO registration statement
- Consider tax accounting impact of existing incentive based compensation arrangements and new arrangements, especially stock based compensation, focused on impact of new post Tax Reform limitations on officer's compensation and exercises related to the merger

Tax - Cont'd

Requirements, readiness and transition strategy



Procedures

- Perform tax readiness assessment to validate impacts to current tax data, people, process, technology, controls and reporting:
 - Data Validate IPO tax data requirements; ensure data quality, consistency and centralization
 - People Determine tax personnel's new roles and responsibilities
 - Process Create more agile tax processes, identify manual activities for automation
 - **Technology** Evaluate and rationalize current tax system landscape, leverage tax systems to increase tax process automation
 - Controls Address current tax control gaps, design, implement tax process and system controls (manual versus automated controls)
 - Reporting Confirm new IPO tax reporting requirements, enhance speed and flexibility of reporting, increase tax data modeling
 and tax analytical capabilities
- Develop tax transition plan and roadmap, confirm dependencies, align with the organization's larger IPO effort