

802.51

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, June 27, 2012 4:54 PM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: 802.51 -- Sales In or Into the U.S.

Mike:

Further to our discussion on June 27th, 2012, as noted, I represent the seller and [REDACTED] represents the purchaser in a transaction involving the acquisition of voting securities of a foreign issuer ("Target"). Target has operations around the world, including the United States. Its revenue is primarily generated by subscriptions to an online service (the "Service") that aggregates information, analytics, reports etc. in a particular industry sector. The sales generated from US-based customers (plus additional revenue generated from US-based customers from Target's other offerings) is not in excess of \$68.2 million. However, if one looks at all sales worldwide generated from the Service, the revenue would be in excess of \$68.2 million.

All contracts for the Service are written out of non-US offices. All IP relating to the Service is held by non-US entities of the Target. All invoicing for the Service is done from non-US offices. The customer contracts relating to the Service entered into by non-US customers are governed by non-US law and enforceable in non-US courts (and this is in fact true for many of the contracts with US customers as well). The development and maintenance of the Service is a joint effort by employees located around the world (including, but not limited to, the US). However, the Service is hosted on servers that are based in the US. Customers access the Service purely on the internet, i.e., they do not interact with any US-based employees in using the Service.

Notwithstanding the presence of the host servers in the US, you advised that given the facts presented, sales "in or into the United States" for purposes of 16 C.F.R. Section 802.51 would be limited to the sales to customers located in the United States.

Please confirm, correct or clarify your view at your earliest opportunity. As always, we are grateful for your input.

Kind regards,

[REDACTED]

AGREE -
[Signature]
6/28/12

[REDACTED]

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