

MODEL RESEARCH DISCLOSURE TEMPLATE FOR FOREIGN RESEARCH UNDER RULE 15a-6

Published by the Broker-Dealer & Investment Management Regulation Group
October 2011

MANDATORY DISCLOSURES (AS APPLICABLE)

I. IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by [INSERT NAME OF FOREIGN BROKER-DEALER], a company authorized to engage in securities activities in [INSERT JURISDICTION]. [FOREIGN BROKER-DEALER] is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through [INSERT NAME AND CONTACT DETAILS OF U.S. REGISTERED BROKER-DEALER], a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through [FOREIGN BROKER-DEALER].

[U.S. REGISTERED BROKER-DEALER] accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority (“FINRA”) and may not be an associated person of [U.S. REGISTERED BROKER-DEALER] and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

A. Analyst Certification/Regulation AC

The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers.

In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

B. Ownership and Material Conflicts of Interest [INCLUDE AS APPLICABLE]

[U.S. REGISTERED BROKER-DEALER] or its affiliates 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of the equity securities of [INSERT SUBJECT COMPANY].¹

[U.S. REGISTERED BROKER-DEALER], its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein.

[Disclose any actual, material conflict of interest of the U.S. registered broker-dealer known at the time of publication.]

C. Compensation and Investment Banking Activities [INCLUDE AS APPLICABLE]

[Disclose whether the U.S. registered broker-dealer or any affiliate managed or co-managed a public offering of securities for the subject company in the past 12 months.]

[Disclose whether the U.S. registered broker-dealer or any affiliate received compensation for investment banking services from the subject company in the past 12 months.]²

[Disclose whether the U.S. registered broker-dealer or any affiliate expects to receive or intends to seek compensation for investment banking services from the subject company in the next 3 months.]³

D. Market Making [INCLUDE IF APPLICABLE]

[U.S. REGISTERED BROKER-DEALER], at the time of publication, makes a market in [INSERT SUBJECT SECURITY].

RECOMMENDED DISCLOSURES (AS APPLICABLE)

¹ Determination of ownership should be calculated as of the end of the month immediately preceding the date of publication of the research report, or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month. It is not necessary to indicate which entity(s) has such ownership, (i.e., the general disclosure "[U.S. REGISTERED BROKER-DEALER] or its affiliates beneficially own..." will suffice), although the disaggregated positions may be disclosed. Computation of beneficial ownership of securities is based upon the same standards used to compute ownership for purposes of Section 13(d) of the Exchange Act. There is relief in the Section 13(d)/Rule 13d-3 context as follows: While the Rule 13d-3(a) definition of "beneficial ownership" includes persons who have both direct and indirect, as well as shared, voting and investment power, and, accordingly, beneficial ownership by business units, divisions or subsidiaries that hold securities normally should be attributed to parent entities that are in a control relationship to the shareholder entity, in those instances where the organizational structure of the parent and related entities are such that the voting and investment powers over the subject securities are exercised independently, attribution may not be required for purposes of the rule. The SEC has stated that determination as to whether the voting and investment powers are exercised independently from the parent and other related entities is based upon the facts and circumstances. One circumstance in which beneficial ownership may not be required to be attributed to the parent is when the entities have in place informational barriers that ensure that voting and investment powers are exercised independently from parent and affiliated entities. Where informational barriers are relied upon to avoid attributing beneficial ownership to the parent, the various companies or groups should maintain and enforce written policies and procedures reasonably designed to prevent the flow of information to and from the other business units, divisions and entities that relate to the voting and investment powers over the securities. An annual, independent assessment of the operation of these policies and procedures should be made. In addition, the controlling entities should have no officers, directors or employees who are involved in the exercise of the voting and investment powers in common with the shareholder. For example, the existence of an independent investment committee would be evidence of an effective separation between the parent and subsidiary entities.

² This disclosure would not be required to the extent that it would reveal material non-public information regarding specific potential future investment banking transactions of the subject company.

³ *Id.*

E. Rating System

If the research report contains a rating, include a description of the rating system and the meaning of each rating in the rating system.

Example (to be tailored to reflect the foreign broker-dealer's actual rating system and ratings key):

Stock ratings are based on the analyst's expectation of the stock's total return during the twelve months following assignment of the rating. This view is based on the target price, set as described below, and on the analyst's opinion, general market conditions and economic developments.

As from [Day] [Month] [Year], the formula is:	Prior to [Day] [Month] [Year], the formula was:
Speculative Buy: expected returns of 10% or more over the next 6-12 months on high risk development or "pre-revenue" companies.	Speculative Buy: expected returns of 10% or more over the next 6-12 months on high risk development or "pre-revenue" companies.
Buy: expected returns of 10% or more over the next 6-12 months.	Buy: expected returns of 10% or more over the next 6-12 months.
Hold: expected returns of +/- 10% over the next 6-12 months.	Hold: expected returns of +/- 10% over the next 6-12 months.
Sell: expected returns of - 10% or less over the next 6-12 months.	Sell: expected returns of - 10% or less over the next 6-12 months.

In making a recommendation, the analyst compares the target price with the actual share price and then makes a recommendation derived from the percentage thus calculated.

F. Distribution of Ratings

If the research report contains a rating, include a ratings distribution chart that discloses the percentage of all securities rated by the foreign broker-dealer to which the foreign broker-dealer has assigned a "buy," "sell" or "hold/neutral" rating; and the percentage of subject companies within each of these three categories for which the foreign broker-dealer has provided investment banking services within the previous 12 months.⁴

Example (to be tailored to reflect the foreign broker-dealer's actual ratings distribution):

Coverage Universe	Count	Percent	Inv. Banking Relationships	Count	Percent
Speculative Buy	[No.]	[X]%		[No.]	[X]%
Buy	[No.]	[X]%		[No.]	[X]%
Hold	[No.]	[X]%		[No.]	[X]%
Sell	[No.]	[X]%		[No.]	[X]%

⁴ This information must be current as of the end of the most recent calendar quarter (or the second most recent calendar quarter if the publication date is less than 15 calendar days after the most recent calendar quarter) and must reflect the distribution of the most recent ratings issued by the foreign broker-dealer for all companies covered by the foreign broker-dealer, unless the most recent rating was issued more than 12 months ago.

G. Price Target

If the research report contains a price target, disclose the valuation methods used to determine the price target. Price targets should have a reasonable basis and be accompanied by a disclosure concerning the risks that may impede achievement of the price target.

Example (to be tailored to reflect the foreign broker-dealer's actual valuation methods and risks):

Unless otherwise stated in the text of this report, target prices in this report are based on either a discounted cash flow valuation or comparison of valuation ratios with companies seen by the analyst as comparable or a combination of the two methods. The result of this fundamental valuation is adjusted to reflect the analyst's views on the likely course of investor sentiment. Whichever valuation method is used there is a significant risk that the target price will not be achieved within the expected timeframe. Risk factors include unforeseen changes in competitive pressures or in the level of demand for the company's products. Such demand variations may result from changes in technology, in the overall level of economic activity or, in some cases, in fashion. Valuations may also be affected by changes in taxation, in exchange rates and, in certain industries, in regulations. Investment in overseas markets and instruments such as ADRs can result in increased risk from factors such as exchange rates, exchange controls, taxation, and political and social conditions. This discussion of valuation methods and risk factors is not comprehensive – further information is available upon request.

H. Price Chart

For research reports concerning an equity security to which to which a rating or price target has been assigned for at least one year, include a line graph of the security's daily closing prices for the period that any rating or price target has been assigned, or for a three-year period, whichever is the shorter. The line graph should: (1) indicate the dates on which each rating or price target was assigned or changed, and (2) depict each rating and price target assigned or changed on those dates.⁵

II. ADDITIONAL RECOMMENDED DISCLOSURES/DISCLAIMERS

A. Additional Disclosures

[Disclose whether the research analyst (or household member) serves as an officer, director, or advisory board member of the subject company and the position held.]

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither [FOREIGN BROKER-DEALER] nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

[FOREIGN BROKER-DEALER] may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of [FOREIGN BROKER-DEALER].

⁵ The line graph must be current as of the end of the most recent calendar quarter (or the second most recent calendar quarter if the publication date is less than 15 calendar days after the most recent calendar quarter).

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by [FOREIGN BROKER-DEALER] with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of [FOREIGN BROKER-DEALER] and [FOREIGN BROKER-DEALER] accepts no liability whatsoever for the actions of third parties in this respect.

This publication is a service to our clients and friends. It is designed only to give general information on the developments actually covered. It is not intended to be a comprehensive summary of recent developments in the law, treat exhaustively the subjects covered, provide legal advice, or render a legal opinion.

www.proskauer.com

© 2012 PROSKAUER ROSE LLP. All Rights Reserved. Attorney Advertising.

Beijing | Boca Raton | Boston | Chicago | Hong Kong | London |

Los Angeles | New Orleans | New York | Newark | Paris | São Paulo | Washington, DC