

[Company Letterhead]

[Date]

[Recipient Name]

[Title]

[Company Name]

[Address]

Subject: Advisory Report - Corporate Governance and Board Structure IPO Readiness

Dear [Recipient Name],

As [Company Name] prepares for its Initial Public Offering (IPO), we have conducted a preliminary assessment of your corporate governance framework and board structure. To meet the regulatory requirements of the [Exchange Name, e.g., NYSE/LSE] and to satisfy institutional investor expectations, we recommend the following transitions:

1. Board Composition and Independence

- **Independence Ratio:** Transition the Board to a majority of independent directors as defined by [Applicable Listing Rules].
- **Diversity:** Enhance Board diversity (gender, ethnicity, and professional background) to align with ESG reporting standards.
- **Separation of Roles:** Evaluate the separation of the Chairperson and CEO roles, or appoint a Lead Independent Director.

2. Committee Formation

The following standing committees must be established, each governed by a formal written charter:

- **Audit Committee:** Must consist entirely of independent directors, including at least one designated "Financial Expert."
- **Compensation Committee:** Responsible for executive remuneration and equity incentive plans.
- **Nominating and Corporate Governance Committee:** Tasked with director nominations and board evaluations.

3. Policy Framework and Compliance

Before filing the S-1 or Prospectus, the following internal policies must be formalized and adopted:

- Code of Business Conduct and Ethics
- Insider Trading Policy

- Whistleblower Protection Policy
- Related Party Transaction Policy

4. Internal Controls and Reporting

- Establish a robust Investor Relations (IR) function.
- Formalize the Internal Audit function to ensure compliance with [SOX / Local Regulation] requirements.
- Implement a systematic board evaluation process.

Next Steps

We suggest a meeting on [Date] to discuss the recruitment of independent directors and the timeline for committee activation. Adopting these structures early will minimize execution risk during the due diligence phase.

Sincerely,

[Signature]

[Your Name]

[Your Title/Advisory Firm]