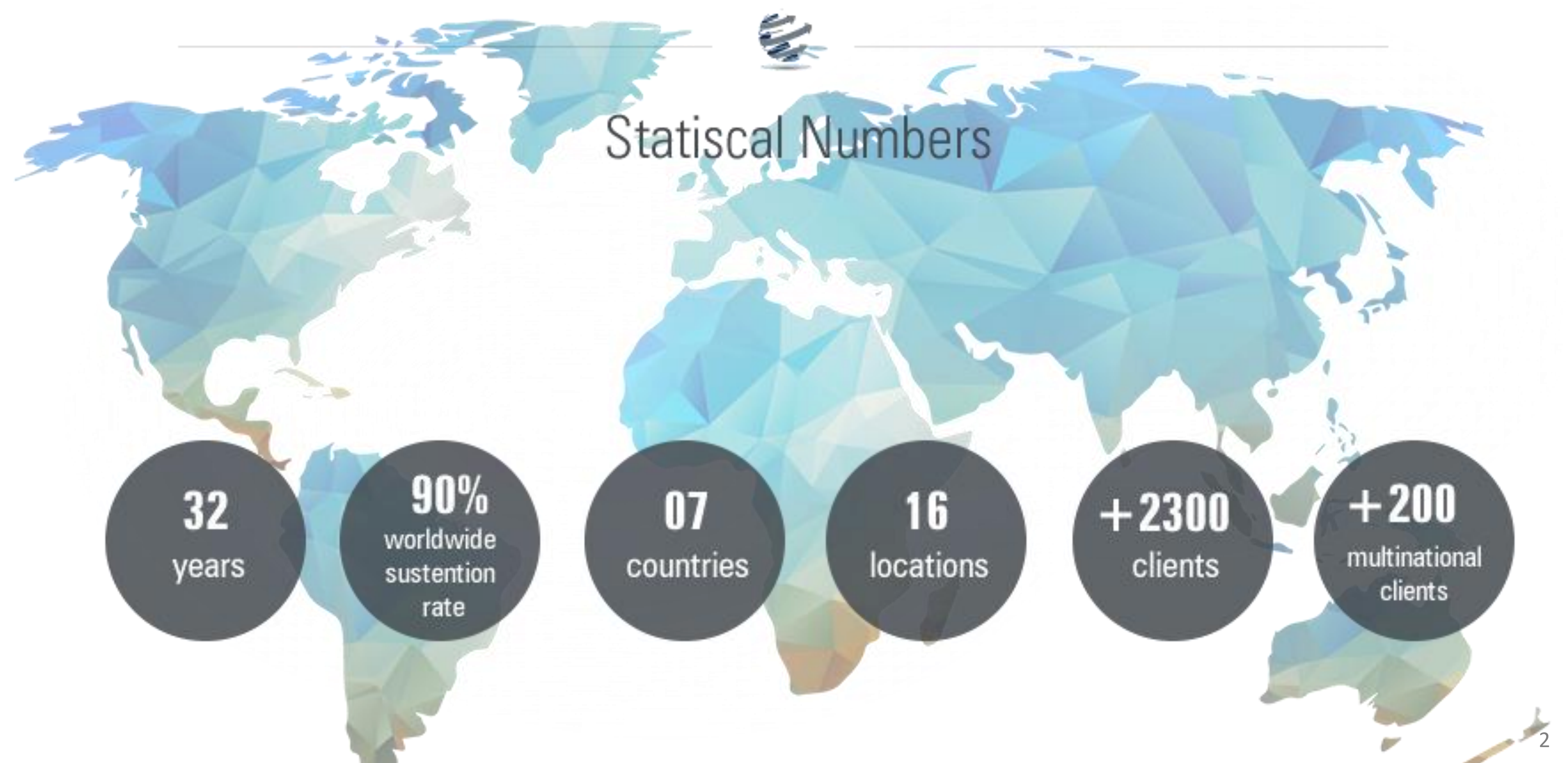
Braithwaite Global

RESEARCH TAX CREDIT SERVICES

About us

A single-focused Research Tax Credit (RTC) service provider with over 150 professionals, including engineers, scientists, lawyers, CPAs, that are located throughout 7 countries.



1. BGI Research Tax Credit Delivery Methodology

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1

DEFINE QRAs

Project Mapping

Qualifying Research Activities (QRAs) Determination

2

GENERATE NEXUS

Documenting and linking projects to expenses

3

DETERMINE QREs

Qualifying Research Expenditures (QREs)

4

DETERMINE Method

Calculation(s), Method(s), and Base Year(s)

5

Calculations & Reporting

Deliver Fed and State Tax Credits

Supporting Documentation

2. Strategic Goals

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Broad outreach to identify QRAs and ensure strong organizational support	Assess all QRAs
1. Orientation sessions. 2. Non-intrusive and pro-active interviews done by knowledgeable technical experts. 3. Identification of QRAs for study framework.	1. Apply Four Part Test to all potential QRAs. 2. Documentation assessment for all QRAs. 3. Capture QREs based on framework level to establish NEXUS and substantiate results.

3. Strategic Goals

Comprehensive reporting

1. Specific Summaries capturing participating entities.
2. Executive Summary at the consolidated level.
3. IDR Ready Report (Technical Report).
4. Quantitative and qualitative memorandum.

Engagement done in full transparency

1. BGI team works in full transparency, including interviews, team meetings and access to relevant work documents.
2. BGI provides training workshops and orientation sessions on core RTC concepts.
3. Client selects technical project leaders and accountants for each entity to interface with the BGI team.
4. No reservation on knowledge and methodology transfer.

4. Framework for Capturing RTC Activities

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PHASE I
Initial Assessment and Planning

❶ Planning schedule

a) Deliver statement of work.
b) Planning meetings and calls with staff.
c) Identify key divisions, business components, and relevant personnel.

❷ Determine Initial Value

a) Gather basic historical, organizational, financial, and tax information.
b) Conduct orientation session(s) with relevant personnel.
c) Define RTC project framework and determine preliminary qualifications.
d) Finalize and discuss Work Plan and Timeline.

PHASE II
Implementation

❸ Generate calculations

a) Review candidate QRAs (Qualifying Research Activities) with project leaders or subject matter experts (SMEs).
b) Assess consistency issues and mitigation options for the base period.
c) Confirm allocations, generate preliminary calculations and review findings with client.

❹ Generate technical support

a) Review QRAs and evaluate supporting documentation.
b) Prepare list of "R&D Projects and Project Matrix."
c) Conduct in-depth technical interviews with SMEs for key projects.
d) Assemble appendixes and documents.

PHASE III
Reporting

❺ Draft deliverables / Findings Review

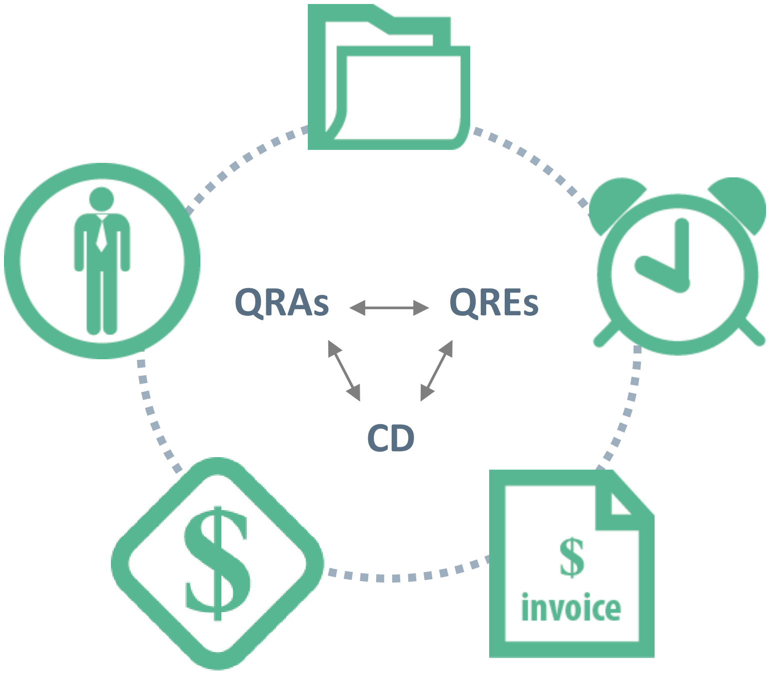
a) Document QRAs: Nexus, qualification, and exclusions.
b) Document QREs: cost schedules, base amount, and forms.
c) Prepare RTC Calculation Package.
d) Finalize various RTC Study reports and memorandums.

❻ Project Completion

a) Deliver RTC Tax Package.
b) Discuss documentation, Nexus records, retention requirements, and recommendations for future practices.

5. Nexus Requirements

- Need to establish the link between a company's **qualifying expenditures** and **qualifying activities**
- Contemporaneous Documentation (CD) should directly connect the **project** to the **employee** and the **estimated time spent** on that project for each year claimed
- Documentation should also connect the cost of **supplies directly** to the projects (i.e. invoices, GL entries)



6. Standard Deliverables

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State (if applicable) and Federal Tax Forms Including detailed calculations

1. Provide detailed compilation of the QREs including the Base Period.
2. Provide calculations for the Federal Research Tax Credit.
3. Provide calculations for the State Research Tax Credits.
4. Draft related Federal and State Tax Forms.

IRS Mandatory IDR (Information Documentation Request)

1. Prepare and provide a comprehensive Technical Report addressing all the questions of the Internal Revenue Service (IRS) Mandatory IDR pertaining to Section 41.

EXECUTIVE SUMMARY for consolidated level

1. Prepare, provide and present to the client an Executive Summary report for each legal entity covering:
   - Project Scope
   - Line of Business
   - Summary of Findings
   - R&D Activity Overview
   - Samples of Projects
   - Nexus and Substantiation
   - Next Steps and Recommendations
   - Report Methodology

7. Report

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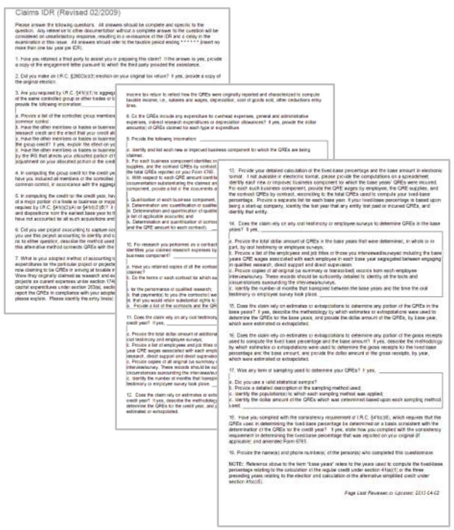
IRS Mandatory IDR

(Information Documentation Request)


Claims IDR (Revised 02/2009)

Technical Report

Our reporting system is designed to generate the <u>greatest defensibility</u> based on existing IRS regulations and guidelines by providing the answers to the IRS Mandatory IDR for Research Tax Credit claims.

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