
March 7, 2002

Name
Address

Dear Name,

COMPANY, Inc has decided to reevaluate its independent auditing and tax compliance needs. Management will evaluate a group of firms and make the final selection with the approval of the Audit Committee.

You should know that there have been no disagreements with our current auditors on any matter of accounting principle or practice, financial statement disclosure, or audit scope or procedure.

Our objective is to select the firm that will provide us the highest quality of professional service. Our expectation is that the independent auditing firm should add substantial value to our business by gaining an intimate knowledge of our business objectives and by assisting management in developing and implementing strategies to accomplish them. Among the criteria we will evaluate will be responsiveness and creativity in addressing our specific business needs and providing value while assisting us lower the cost of our accounting services.

We are requesting that a written proposal, no longer than 20 pages in length, be submitted by March 15, 2002 with oral presentations during the week of March 18, 2002. A final decision is expected to be made by March 31, 2002.

To assist you, we have enclosed an outline of specific information we request in order to evaluate proposals. We ask that you plan to address each of these requests in either your written proposal or during the oral presentations.

In order to make this process as effective as possible, please direct all questions to Thomas Phair, VP, Finance. He can be contacted at xxx-xxx-xxxx or at name@COMPANY.com. We are permitting limited access to our personnel in order for you to gather sufficient information to make an informed proposal. Please coordinate your requests for interviews or other information through Tom.

Sincerely,

President and CEO

Review of Independent Audit Services

Please respond to the following questions and areas of interest in preparing your proposal:

I. Your Firm

- Briefly describe your firm's structure, size, and methods of operations, including your firm's worldwide structure and capability. How will these benefit our company?
- Identify your firm's and your Boston office's major clients in the software industry.

II. Your People and Experience

- Identify the partners and other key members of your team who will be assigned to the COMPANY engagement. Briefly describe their roles and experience with companies of similar size in the software and related industries.
- What commitments will you make on your teams accessibility to our management and financial people?
- Provide references for each of the core team members who will be assigned to our engagement.
- Discuss the most important contributions your firm can make beyond the audit, based on your current knowledge of our company.
- Describe why you believe your firm is uniquely qualified to meet our needs and describe what differentiates your firm from the competition locally, nationally and internationally.

III. Your Audit Approach to Our Company

- What is your plan for the transition of auditors at our company? Give approximate dates. Estimate your requirements of our management's time.
- Describe your approach to the initial and continuing audits. What are the specific benefits to our company? How does it differ from those of other firms?
- How will you develop your audit plans? What areas do you think will require special attention? How will you handle them?
- Describe how you will interact with:
 - Management
 - The Audit Committee. How do you recommend the Audit Committee be involved in the audit?
- Describe your views as to the important issues and risks that our business will need to consider over the next year and explain how your company will address them.

IV. Fees

- Please provide your proposed fee, segregating your proposal as follows:
 1. 2002 US GAAP Audit, including quarterly reviews (including review of Form 10-Q) and annual financial statement audit (including review of Form 10-K).
 2. U.S. Tax Compliance, including preparation of all federal and state extensions and returns.

At a later time we may request you propose on the statutory reporting requirements of our foreign subsidiaries.

V. Other Issues

- Please identify any issues which would cause you not to accept COMPANY as a client assuming you were selected as part of this evaluation process