How Standards Bodies Have Benefited Operations & Finance

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Envy of the World

BECAUSE

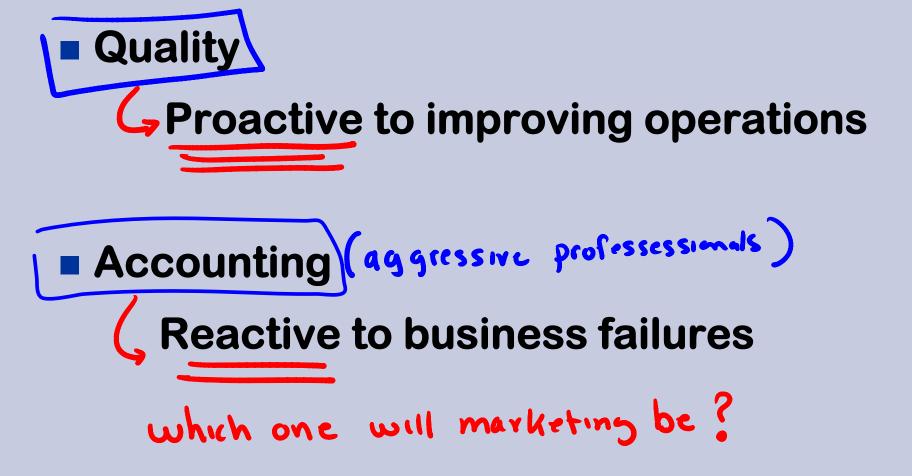
High standards = Investor trust

Builds confidence among Clients & Governments MTG THE FINL RPTG, CORP GOVERNANCE, & DISCLOWRE REQMITS OF NYSE & NASDAQ

Higher valuation 1 33% then those listed (4% cross listed)

■ Globalization 1509000, EXCHANGE OF PRODUCTS & SERVICES THAT CAN BE INTEGRATED INTO FINAL PRODUCT/SERV

Standards Boards



Quality Background

1800's U.K. inspections quality inspections for Industrial Revolution

World War II quality critical component
 Ex need amo mude in one place to work with weapons in another
 1970's TQM Deming focused on improving organizational processes US # 14 PTS cg. do it right ist time 85/15 rule etc

Evolution of Quality Standards

AINT'L STDS ORGAN 1947 ISO founded in Geneva STDS TO USE TO DOC. PRACTICES 1968 NATO USED STDS 1973 British Defense USED STDS 1979 BS5750 Basis
90 COUNTRIES IN THE 1980'S USED TO BE AN OUTSOURCED SUPPLIER = 1987 ISO 9000 150+ COUNTRIES & globalization

Globalization

Facilitate international exchange

Confidence that products & services would integrate Low ER COSTS Low ER COSTS Out Sour cing where Out Sour cing where Out Sour cing where Etd. All rights re-

ISO 9001

 Continuously looks at organization processes to improve and keep current. -> 150 14000 lowest environ / impression

Certifies consistent business? across all processes are being applied.
domains
Constanted in mfg
now highest # of cert's/yr come
now highest # of cert's/yr (33+9)
from Serv industry (33+9)

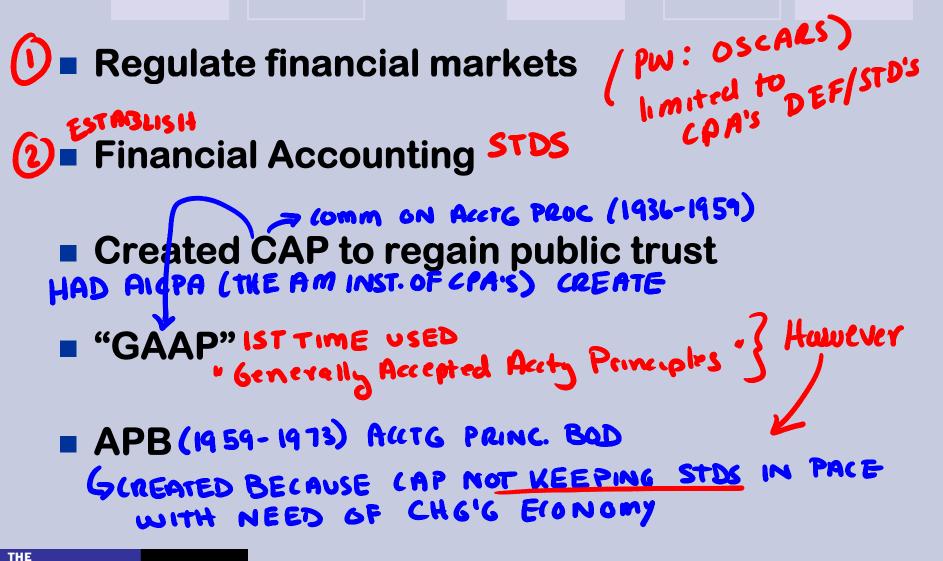
Laissez-Faire Accounting

The Bankruptcy Act of 1831 in the U.K.
 G had acct's a pointed by govit

Scandals of the 1920's d corp failurs



SEC Purpose: To Regain Public Trust



BOARDROOM PROJECT

FASE ACTS GD AT RE-CREATING THEMSEVES ?

 Replaced APB becaue they avoided contribusions
 1973 Desperate move of arey issues to prevent takeover of accounting standards by U.S. Government (moss and metcalf.)

Independent of AICPA

i Generate rules --

Establish standards of mini-pretation accounting & reporting

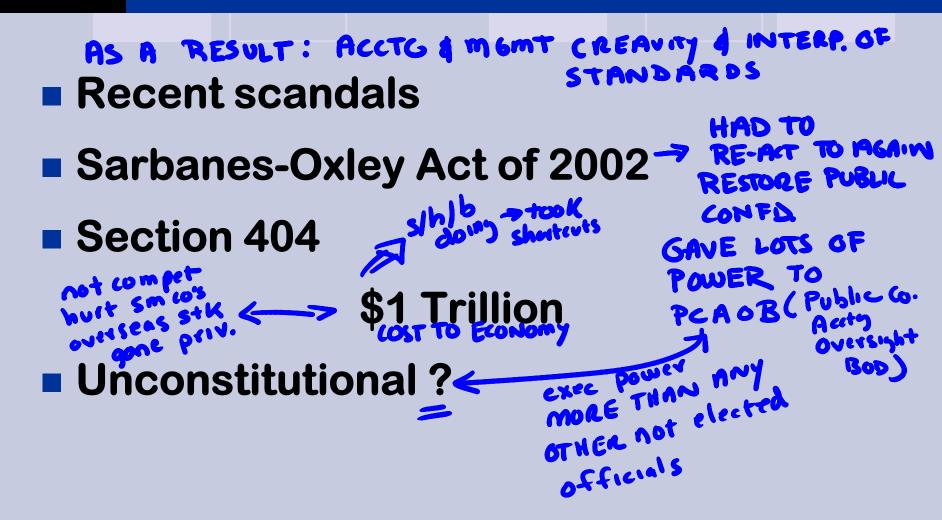
FASB ITS JOB

Keeps standards current as a Economy

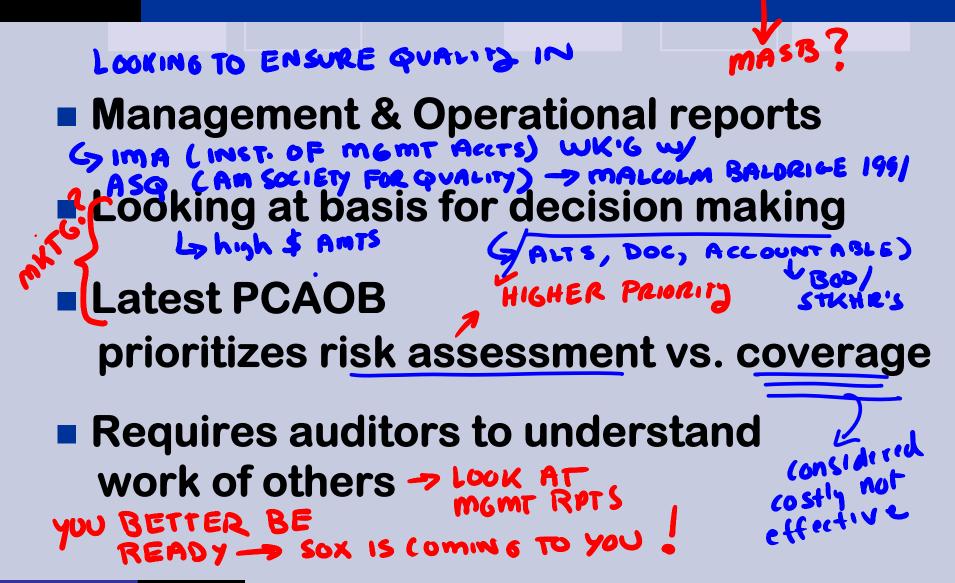
- Improve understanding of financials
 - Issues : how deal up them

• Exposure drafts - 9^{ct} ment from public neds • Final EASP of the state, anti-²·Final FASB Statements-then Issue fimi Ring Statements of concepts as foundations for Bing 7 15 45 × 191 NOX NOW 500X Independent of business & government 1990'S SIK OPTION - CEO/EXEC - NO PAL, FTNOTE CEN'S CONGRESS & REJOKE FASB AUTH. MEME FASB WITHDREW PROPOSAL

SOX



FASB 2006 DECEMBER (100King for)



тне

Benefits of SOX compliance

Investment opportunity creates values for cost to keep the standards
 Competitive advantage ethics intervel

Common language across all functions & organizations due digitere when looking across domains



Benefits of Standards

Investor confidence better tran sperence)
 hother justimes food will good will competence in co.
 Cost of capital four cost

easier ability to obtain Financing

Mergers & Acquisitions determines who "leads"



Summary

Standards = Healthy Company

All functions are stewards of creating value to stakeholders

Thank you

BENTON

Consulting Services Ltd.

