



TRANSPARENCY REPORT

2015 - 2016

Mazars Belgium

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Introduction



We are pleased to introduce the 2015/2016 transparency report for Mazars in Belgium.

Specializing in audit, advisory, accountancy, tax and legal services, Mazars is a leading integrated and independent organization whose international dimensions are expanding every year. As of August 31, 2016, Mazars is present in 77 integrated countries around the world. From January 1st, 2016 Mazars has integrated the Chinese firm Zong Shen Zong Huan. Their pro-forma contribution to group revenue is 43M€ leading to total revenue of 1 365M€ and staff number of 17 000. Group revenue has increased by 5.5% at a constant exchange rate.

This transparency report covers the period ended 31 august 2016 and is prepared in application of the requirement of article 15 of the law of 22 july 1953 pertaining to the constitution of the Instituut van de Bedrijfsrevisoren / Institut des Réviseurs d'Entreprises (IBR/IRE) and the organization of public oversight on the audit profession.

For the last few years Mazars has been growing rapidly and this growth has been built on a model of Quality, Responsibility, Integrity and Independence which are the key values of the Mazars Group. In 2015/16, Mazars Belgium has followed closely the evolution of the discussions about the transposition of the Audit Directives in national law. Those provisions will be at the same time create opportunities in the market and necessitate to reinforce further the risk management of our activities.

As auditor of public interest entities, Mazars has the obligation to prepare and publicize a transparency report. The present report includes information about Mazars Belgium and Mazars group legal and governance structure, their quality control system, independence practices and processes and also a statement on effectiveness of quality controls and independence.

Brussels, 30 November 2016

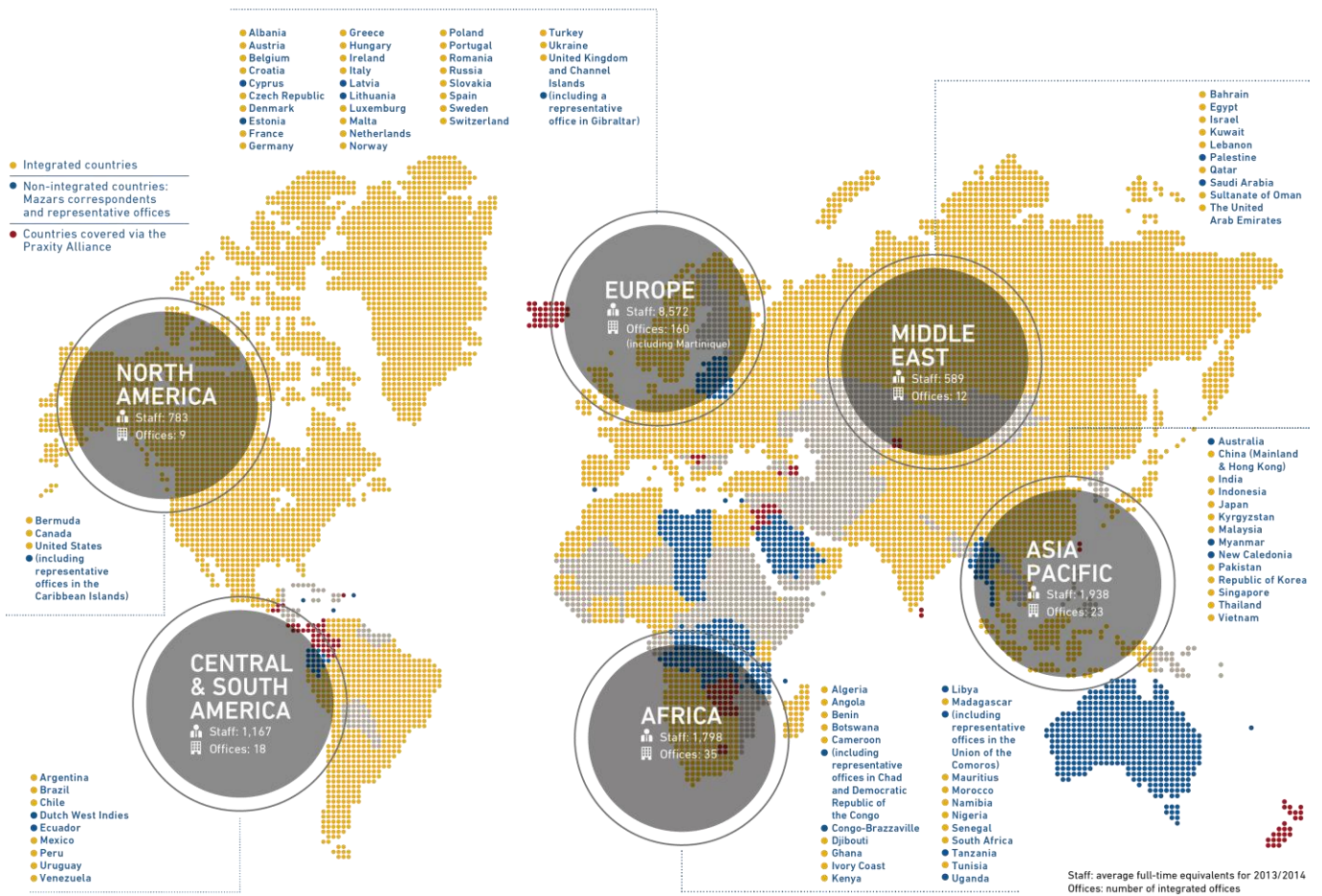


Lieven Acke

Our unique business structure

Globally integrated

Mazars is a global organisation specialising in audit, accountancy, tax, legal and advisory services. As at 31 August 2016, we were able to draw on the expertise of 17,000 professionals in the 77 integrated countries that make up our integrated partnership in Europe, Africa, the Middle East, Asia Pacific, North America, Latin America and the Caribbean. With correspondent and representative offices we are present in a further 13 countries.



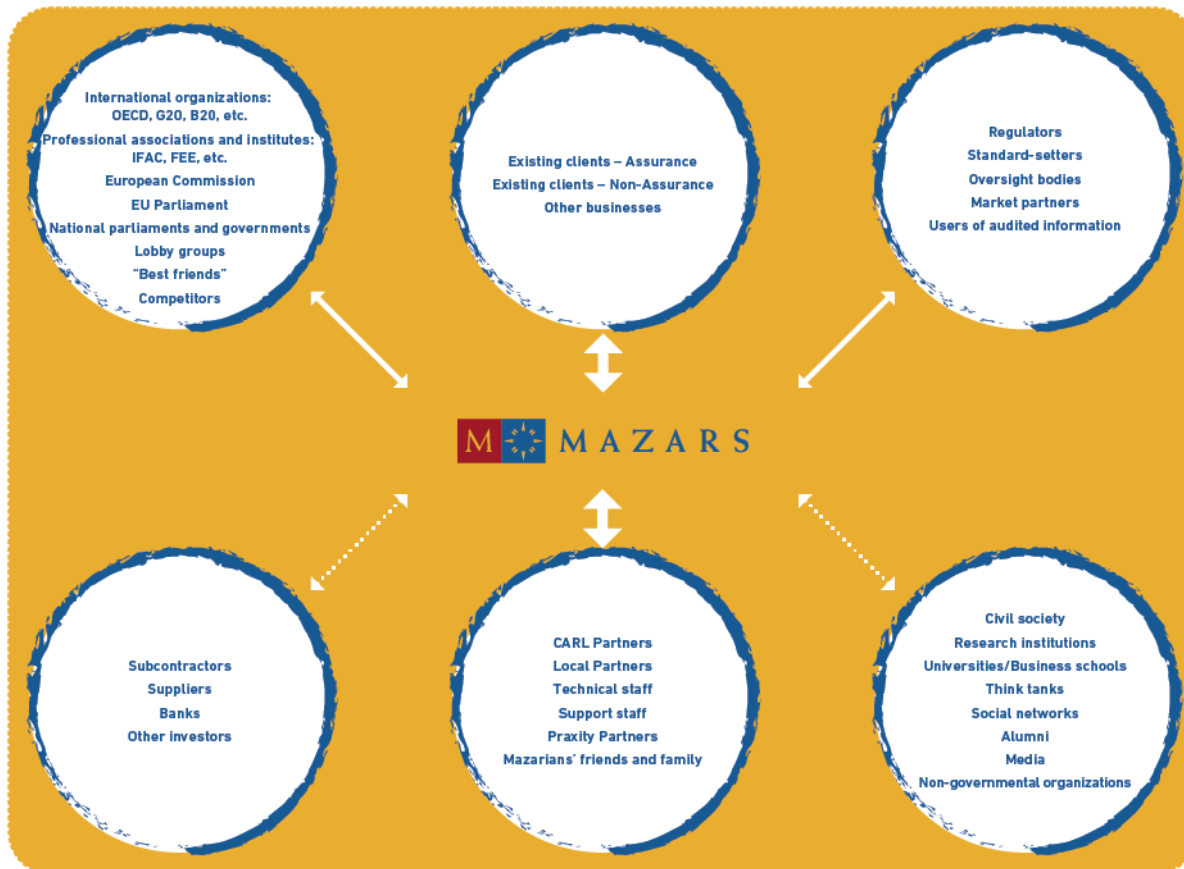
In each country in which we have a member of our integrated partnership, a separate legal entity exists (the “member entities”). All member entities have a cooperation agreement with “Mazars Scrl”, a Limited Responsibility Cooperative Company headquartered in Belgium. The shareholders of Mazars Scrl are all partners or shareholders (collectively, “Partners”) in the member entities. In certain countries there are some Partners who are shareholders or partners in their member entity but they are not shareholders of Mazars Scrl.

The role of Mazars Scrl is to “define the strategic objectives of the organization and to coordinate the implementation of these objectives at the member firm level”. It also has responsibility for promoting and protecting the Mazars brand throughout the world.

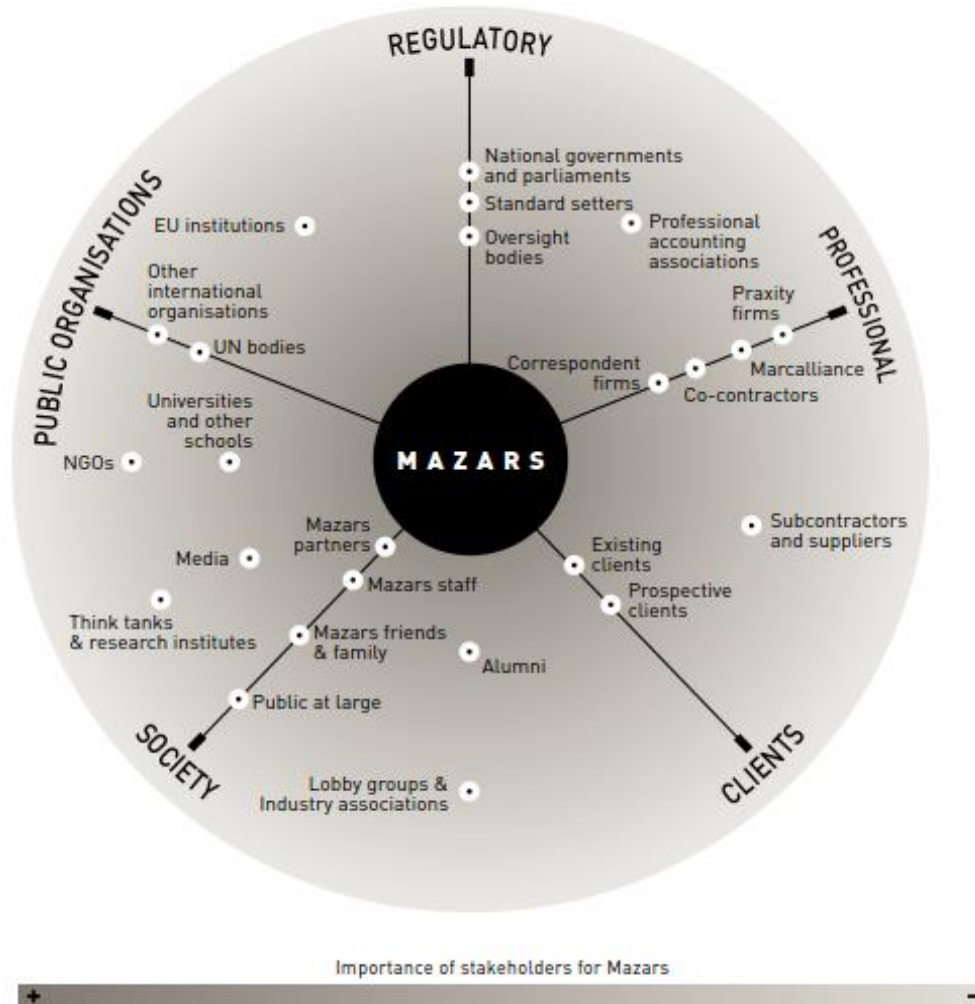
All Mazars Partners are required to sign a contract transferring their interests to parties approved or designated by Mazars Scrl. Mazars Scrl, member entities and Partners are therefore linked by a series of agreements entered into in order to achieve maximum consistency and standardization within the group.

The financial statements of Mazars Scrl are consolidated with the results of the member entities (the “Mazars Group”) and are prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements of the Mazars Group are jointly audited by two independent audit firms.

We are therefore unique; we are not simply a collection of national firms, but an integrated organization of professionals, sharing commitments with respect to investment in technical excellence, serving our clients and developing our teams.



Stakeholders map



The member entity in Belgium

Mazars Group provides in Belgium audit, advisory, accounting, legal, consulting and tax services through several legal entities. Mazars Réviseurs d'Entreprises provides in Belgium audit services to companies of different size, included several public interest entities.

Legal structure and ownership of Mazars

Mazars Réviseurs d'Entreprises is a civil company under the Belgian legal structure of a cooperative company with limited responsibility. It has a capital of EUR 18.592,01 represented by 300 registered shares.

Legal and structural arrangements

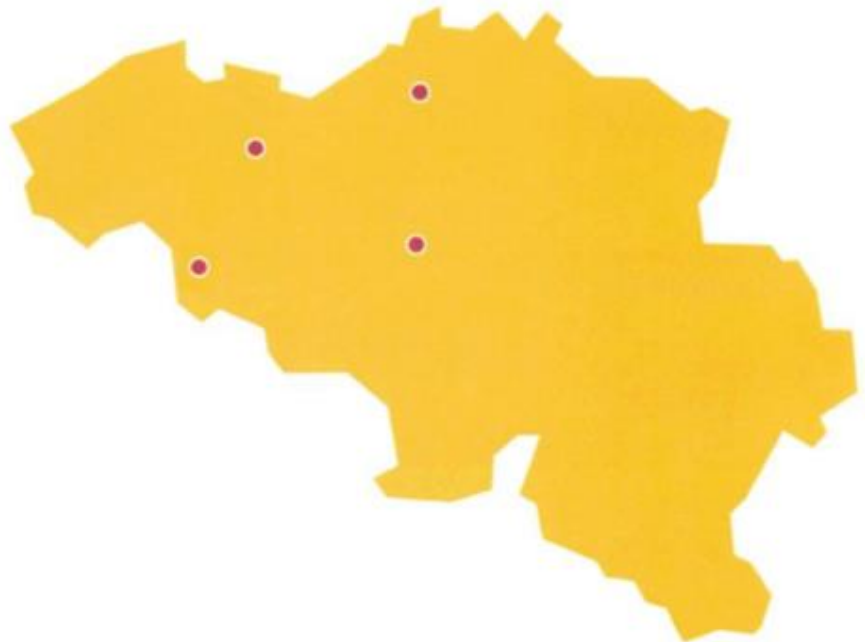
In Belgium, Mazars is represented by the following companies:

- Mazars Réviseurs d'Entreprises/Bedrijfsrevisoren BV CVBA/SC SCRL (audit activities) ;
- Mazars accountants CVBVBA (accounting) ;
- Mazars Tax Consultants BVBVBA (tax activities) ;
- Mazars Legal Services BVBA (legal services) ;
- Mazars Advisory Services BVBA (advisory services).

Governance structure

Mazars Réviseurs d'Entreprises/Bedrijfsrevisoren has a management board with fourteen members that is responsible for the management of the firm.

Anvers / Antwerp
Bruxelles / Brussels
Gand / Ghent
Tournai

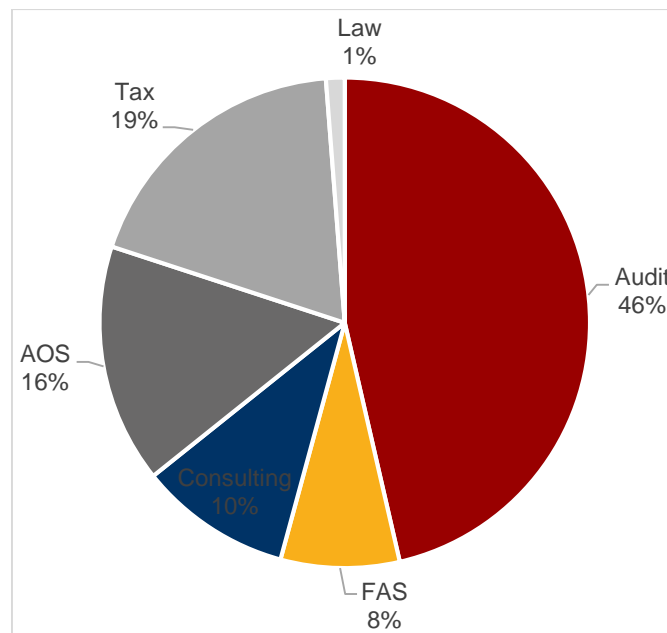


Operationally integrated

We are structured internationally around:

- two main market segments, referred to as Global Business Units (“GBUs”), being Public Interest Entities (“PIE”) and Owner Managed Businesses (“OMB”); and
- by Service Lines, being Audit & Assurance, Financial Advisory, Consulting, Accounting & Outsourcing , Tax, Legal and Actuarial Services. The Tax and Legal Service Lines are also GBUs.

The turnover of the Mazars Group in 2015/16 by Service Line was as follows :



The GBUs and Service Lines are supported by Global Support Units (“GSUs”) that support the global business for the benefit of our clients, such as in relation to quality and risk management, communication and marketing, information systems, talent management, finance and general secretary.

The Senior Partners of the member entities and the leaders of the GBUs are required to meet on a regular basis (at least twice a year).

This structure ensures alignment within the Mazars Group of member entities, GBUs and GSUs. Our integrated international structure permeates every aspect of our operations:

- Partners and their member entities are linked by a series of agreements intended to achieve maximum consistency and standardization within the Mazars Group;
- GBUs are represented in member entities, enabling coordination of assignments and cross border relations between countries; and
- Each assignment requiring an international team is managed and carried out by an integrated team sharing common standards and procedures.

Our approach to operating in Belgium

Mazars Belgium is divided into three Service Lines that are responsible for managing results, developing strategies for growth and supporting our staff : Audit & Assurance, Tax & Legal, and Advisory. Each Service Line is responsible for setting the service line strategy; quality, standards and risk management; talent management and development, technical training, business model definition and implementation, and innovation.

The turnover of Mazars Belgium in 2014/5 and 2015/16 can be summarized as follows:

	2014/2015	2015/2016
Audit including statutory audit and other assurance services	10 171	9 580
Accounting and tax services	4 774	4 572
Specialized services**	1 711	1 772
Total	16.657	15 924

** Specialized services include the following: Transaction Services, Risk Management and Internal Control, Organization and IT Services and Actuarial Services

A list of the Public Interest Entities in respect of which Mazars Belgium has expressed an audit opinion in 2015/16 is set out in Appendix 1.



Leadership and governance

Strategic leadership

The executive management body of the Mazars Group is the Group Executive Board (“GEB”). The GEB is comprised of between 3 and 9 members and is responsible for the management of the Mazars Group. It is elected every 4 years with the next elections due in December 2016.

As at 31 August 2016 there were eight members of the GEB; biographies of the members who served on the GEB are set out in Appendix 3.

The GEB is supported in its role by:

- the GBUs and GSUs,
- Global Service Lines leaders, and
- Executives in each member entity.
 - These Executives, led by a Senior or Managing Partner, have the responsibility for managing that member entity, for leading the business on a day to day basis, and for providing strategic and operational coordination.
 - The Executives are elected by the Partners of the particular member entity, with their candidacy being subject to the agreement of the GEB.

The GEB meets every 2 to 3 weeks; it also meets twice a year with the Country Executives at what are known as Country Forums.

The General Assembly of Partners

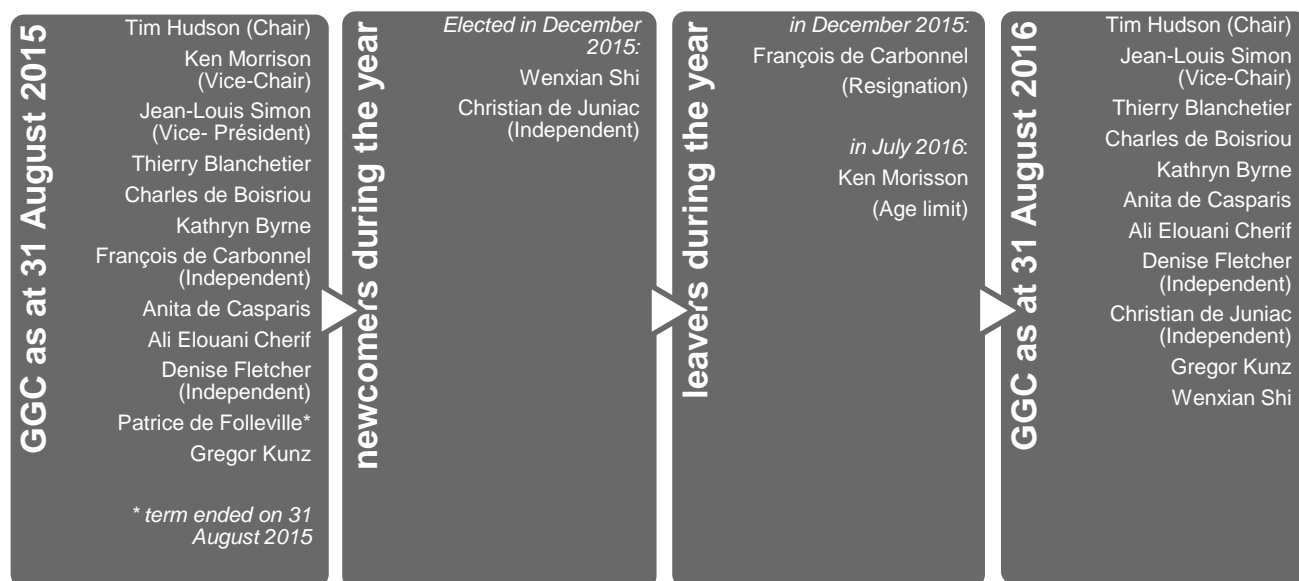
The General Assembly of Partners is a meeting between all Partners of the Mazars Group and is required to be held at least once a year within six months following the end of the financial year.

The General Assembly is a pivotal point in the governance and decision making processes of Mazars Scrl and the Mazars Group. It is at this meeting that the Partners elect the GEB and the GCC (every four years) and approve major strategic and operational decisions, the admission of new Partners, and the Mazars Group’s audited financial statements.

Governance

The Group Governance Council (“GGC”) is the body which supervises the actions of the GEB. It also has decision making powers and / or joint powers with the GEB on certain matters, such as approval of mergers and acquisitions and projects with a significant impact on the Mazars Group, approval of partners co-optations, and decision on GEB members remuneration.

The GGC is required to meet at least every four months. It comprises between 8 and 16 members including two non-executive independent members elected every 4 years, with the next elections due in December 2016. As at 31 August 2016, there were 11 members of the GGC.



The two non-executive independent members also constitute the Public Interest Committee (“PIC”).

In exercising its oversight at group level, the PIC has regard only to issues arising under the various headings in relation to Mazars in Ireland and the United Kingdom.

Leadership and governance in Belgium

Mazars Belgium is led by a Board of Partners which is organized by service lines. Details of the members of the Belgian Boards of Partners during the year ended 31 August 2016 are set out in Appendix 3.

The Audit & Assurance Service Line, which is of particular relevance to this Transparency Report, is led by the Head of Audit for Mazars Belgium who is the country manager.

In order to maintain audit quality, the Audit & Assurance service line considers emerging issues and how they will affect the firm, approves policies in the areas of audit and assurance quality, and agrees the quality control program and planned actions arising from the quality control review findings and recommendations.

Audit quality

Delivering quality audits underpins our core values due to its importance for all our stakeholders, including clients. We are dedicated to improving the quality of our audits and invest time in understanding and participating in the evolution of quality in the profession, developing our methodology, reviewing quality recommendations and themes of regulatory inspections, and improving the skills and knowledge of our professional staff.

Responsibility for audit quality

Quality is embedded into our core value and culture, driven throughout Mazars by the overall “tone at the top”. The GEB is ultimately responsible for ensuring the firm delivers technical excellence across all our service lines and this responsibility includes oversight of the quality control processes within the Mazars Group, including in relation to audit quality. It is supported in its role by the Quality & Risk Management Global Support Unit (“QRM GSU”) which:

- defines the quality control system and the relevant procedures that are required to be implemented. These standards are presented in our “Quality Assurance Manual” and “Risk Management Manual”, both of which constitute the benchmark for audit quality control for all member entities of the Mazars Group; and
- together with the GEB, supervises the monitoring of our quality control systems and the assessments undertaken by the International Quality Control Committee (“IQCC”). These assessments monitor member entities’ compliance with the International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board (“IAASB”), the Code of Ethics issued by the International Federation of Accountants (“IFAC”) (the “IFAC Code”) and the International Standard on Quality Control (“ISQC1”) issued by the IAASB.

The Executive of each member entity is then responsible for the implementation of the quality control systems. Further, each Executive is required to:

- promote the firm’s internal culture of quality and reinforce this culture with clear, consistent and frequent messages and initiatives;
- remind individuals at all levels of the existence of the quality control system; and
- underline the importance of respecting legal and regulatory obligations, particularly with regards to the professional code of ethics and professional standards of practice when accepting and carrying out new assignments.

This quality control system also applies to correspondent firms.

Our quality assurance framework

IFAC is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. The Mazars Group is actively involved in IFAC with a presence on various of its boards and committees.

Of particular relevance to quality assurance, Mazars is a member of IFAC’s Forum of Firms (“FoF”), an association of international networks of accounting firms that undertake transnational audits. Members of the FoF are required to commit to the following:

- maintain quality control standards in accordance with ISQC 1 in addition to relevant national quality control standards;
- conduct, to the extent not prohibited by national regulation, regular globally coordinated internal quality assurance reviews;
- have policies and methodologies for the conduct of transnational audits that are based, to the extent practical, on ISAs;
- have policies and methodologies that conform to the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants (“IESBA”) (the “IESBA Code”) and any relevant national codes of ethics; and

- agree to submit to the Secretary of the Forum an annual report, in an approved format, indicating that it meets the membership obligations set forth above.

We have declared each year from 2007 that we meet these criteria.

Cognisant with our annual declarations to the FoF, the policies and procedures adopted by Mazars are in compliance with the ISQC1 as well as Revised ISA 220 “Quality control for an audit of financial statements”. These procedures are documented in our Quality Assurance Manual which is published on our intranet.

The policies and procedures section in our Quality Assurance Manual are complemented by audit methodology and support techniques which are shared among members of the Mazars Group and joint training initiatives. We have specific audit software which has been developed to allow a structured audit approach in accordance with the most recent auditing standards.

Our compliance with the Quality Assurance Manual is monitored through internal and external quality control reviews (see hereafter).

Responsibility for audit quality and the quality assurance framework in Belgium

The Board of each entity is ultimately responsible for quality control within Mazars Belgium including in relation to audit quality. They are supported in this role by the Risk and Quality responsible of each entity.


Only Responsible Individuals (Board Members) can be responsible for an audit and sign an audit report. A Board Member of Mazars Réviseurs d’Entreprises has to hold an ‘appropriate qualification’ commonly known as the audit qualification and be competent to conduct audit work. An appropriate qualification can be gained by holding a recognised audit qualification awarded by the Institute of Auditors.

Board Member status does not confer the right to act in relation to all audit work; an additional license is required in relation to certain audits where specialist sector knowledge and experience is required.

Our approach to quality control

Our systems for quality control, which are set out in our Quality Assurance Manual, comprise policies and procedures in the following areas:

- responsibility and leadership;
- independence and objectivity;
- audit policies and methodology;
- acceptance and continuance of engagements;
- human resources;
- engagement performance;
 - planning and supervision of engagements;
 - technical consultation;
 - audit documentation; and
 - engagement quality control reviews;
- confidentiality;
- quality control system supervision;
- managing group audits;
- complaints and allegations.



Each member entity has put in place the Quality Assurance Manual in its own country and edits it to include the country specifics. Our compliance with the Quality Assurance Manual is monitored through internal and external quality control reviews (see below). These systems are reviewed and updated regularly to encompass updates to auditing and accounting standards and as a result of operational suggestions of users.

The Mazars audit Methodology (“MAM”) is a global methodology which member firms apply, supplemented by local regulatory requirements. Using a common MAM allows us to apply a consistent approach and level of quality globally on all client engagements irrespective of their size and international presence.

These systems are reviewed and updated regularly to encompass updates to auditing and accounting standards and as a result of operational suggestions of users.

Monitoring of audit quality is integral to maintaining and improving quality within our profession. It allows identification of areas for improvement within our policies and procedures, combined with additional training to allow a consistent quality approach to audit work. In Appendix 4 we provide our statement of the effectiveness as to the functioning of the Quality Control System.

Engagement Quality Control Reviews

An engagement quality control review (“EQCR”) is required to be performed on all audits of listed entities. Each member entity identifies other engagements subject to EQCR. The criteria for determining whether such other assignments require an EQCR are mainly based around either the public interest profile of the client or the existence of specific risk situations. The purpose of an EQCR is to provide an objective evaluation of the significant judgments made by the engagement team and the conclusions reached in formulating the opinion. This review must be performed by an individual with sufficient authority to be capable of imposing his professional judgment upon the engagement team, and who has not recently had any material responsibility for the engagement. The EQCR is also subject to rotation.

Audit quality control reviews

There are several components to the audit quality control reviews of member entities:

- Undertake a self-assessment relating to its audit methodology, ethics and the Quality Assurance System.
- Internal monitoring of the effectiveness of the internal procedures and of the quality of the audit files is performed by member firms on an annual basis and constitutes the basis for the completion of the self-assessment.
- Mazars international inspections: these are undertaken by experienced reviewers from other member entities within the Mazars Group, generally every three years, and they aim to take an independent view on the results of the self-assessments and internal monitoring while helping to spread best practice through the member entities of the Mazars Group.
- External reviews: Member entities are periodically subject to review by the regulator or other relevant bodies in their jurisdictions. Results of such reviews are communicated to the central Quality Control team.

The self-assessment includes the entity’s compliance with the IFAC Code, reference to the results of all internal and external audit quality control reviews, and an action plan relating to all areas identified as requiring improvement including those identified through Mazars international inspections.

Member entities are required to feedback the results of the audit quality control reviews to audit Partners and audit managers as well as the member entity’s Executive.

This communication is provided in sufficient detail to enable the necessary corrective measures to take place, both for the particular Partners in question, and the member entity. As a minimum, the feedback includes:

- a description of the procedures applied and of the scope of the quality control review;

- the results and conclusions of the reviews of the member entity's procedures and audit engagements; and
- detailed action plans, where required.

Entities that are applying to join the Mazars Group are subject to an inspection organized by the IQCC. The report setting out the results of the review is included in the admission file submitted to the GEB and the GGC for consideration before the vote at the General Assembly of Partners. The report may be accompanied by an action plan, progress against which would be monitored by the IQCC.

The approach to quality control and the quality control reviews in Belgium

Within Mazars Réviseurs d'Entreprises, the audit quality control reviews operates as required by the Mazars Group. On a cyclical basis, Mazars in Belgium is subject to a review by the Mazars Group and every three years the Institute of Auditors performs a quality control about the application of the ISQC and ISA standards. In its operational functioning, Mazars Réviseurs d'Entreprises has also organized a yearly quality control of all Board members who are entitled to issue audit reports and second partner review has to be performed on all audit reports where an assurance opinion is given.

For the internal review; files are selected on the basis of risk, including public interest, and reviewed using a standardised checklist. Individual files are graded in terms of overall quality and a summary report and action plan is agreed with each Responsible Individual. This report is taken into account in the partner performance review.

Our contribution to the wider profession

We believe that the voice of the audit profession brings value to the standard setting process. As a consequence, we are committed to the improvement of financial reporting, corporate governance and overall confidence in the capital markets on a global level. For example:

- the Mazars Group responds to consultations on a variety of topics including auditing, corporate governance, financial reporting and relevant regulation changes issued by professional bodies such as the European Commission, IFAC and its committees and boards, FEE, EAIG, PCAOB, IASB; and
- the Mazars Group actively participates in international bodies such as the IFAC, FEE, ESMA, EFRAG, IASB and Member entities are active in the professional accounting and auditing organizations in their countries.

Our voice in Belgium

In Belgium, Mazars is represented by partners and senior professional staff in:

- Management board of the Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren;
- Management board of the IREFI/IRAIF;
- Several commissions within the Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren.

Objectivity and independence

Our Code of Conduct for Objectivity and Independence and our responsibility for maintaining objectivity and independence

The Mazars Group has adopted a Code of Conduct for Objectivity and Independence (the “CCOI”) which complies with the IESBA Code. This forms an integral part of all member entities’ professional training programs and the IESBA Code is distributed to all Partners and staff.


The Group Ethics and Acceptance Committee, under the supervision of the QRM GSU, is responsible for considering potential issues brought to its attention, reviewing any proposed departures from the CCOI by country and verifying that all changes in international ethical standards are taken into account by the organization.

Systems to safeguard our objectivity and independence

The systems implemented by Mazars Group and adopted by member entities comprise the following:

- A procedure for the acceptance and continuance of audit engagements that requires an evaluation of the client’s related risks, the entity’s ability to perform the engagement and any ethical risks in terms of independence and conflicts of interest.
- The provision of additional services to an audit client is subject to prior authorization from the lead audit Partner and, in some cases, the Head of Ethics.
- In certain circumstances, this provision is also subject to authorization by the client’s audit committee, for example when required by auditing standards or when the client has put in place procedures for the prior approval of non-audit services by the auditor.
- A complete list of non-audit services rendered to audit clients must be maintained.
- For group audits, this list must be set out in the instructions circulated by the audit coordination team.
- All Partners and staff are required to provide an annual declaration of their independence. In this respect:
 - Mazars Partners and their immediate family cannot hold a direct or indirect financial interest in a listed audit client;
 - Personal or family relationships between a member of the audit team and a member of either the audited company’s management or any person holding a key position in the audit client are prohibited; and
 - Partners and staff working on an audit engagement must not have any financial or commercial relations with the audit client (or beyond normal financial relations with a banking audit client).
- In relation to audits of Public Interest Entities, the audit Partner is required to rotate after seven years (or more frequently if required by local regulations) and to not return to the audit team for at least two years. Familiarity is a threat to our independence and this rotation mitigates the threat of our long association with a client. The Executive of a member entity ensures appropriate allocation of Partners to audit engagements and an annual review of appointments take place.
- All Mazars staff have access to a list of our audit clients subjected to specific ethical requirements.
- All audit staff are required to undertake training on ethical rules and the Mazars Group’s / the relevant member entity’s ethical procedures.
- Audit staff are encouraged to consult with experts on technical matters, ethics and other areas where necessary.
- Limits on client fees have been imposed in order to avoid financial dependence on one or several clients.
- Clear rules regarding conflicts of interest have been communicated. When there is a potential threat to our independence, the assignment is refused or appropriate safeguards are implemented.

Mazars Group has adopted a method of remunerating Partners which takes into account their audit work (and not simply the level of fees billed, number of new clients obtained, additional engagements performed or other financial performance related metrics). In Appendix 4 we provide a statement on the effectiveness of these systems.



In Appendix 4 we provide a statement on the effectiveness of these systems.

Independence and Objectivity in Mazars Belgium

Annually the firm carries out a 'General Office Procedures' review which includes a review of compliance with our Ethical Policies. In addition we carry out a number of reviews of audit files which specifically focus on how ethical matters have been dealt with.

Further, during 2015/16, we provided training on ethical matters to all our staff.



Investing in our people

Quality through talent

In order to deliver a high quality service to our clients and to the market, our policies and procedures are designed to attract, support and retain the highest quality employees.

Based on our common values, management principles and a fulfilling work environment, our Global Talent and Performance Management Program aims to:

- recruit the most talented individuals;
- develop long-term training, on both technical and managerial issues;
- offer attractive career opportunities, particularly internationally, within our fast-growing organization; and
- offer a transparent and effective assessment system.

Long-term training

The Mazars Group considers its internal training program to be of strategic importance, since it serves as a means both to share and update technical and professional skills and knowledge, and to communicate professional conduct and ethics requirements to staff.

Each member entity keeps a record of all the training courses attended by each Partner and member of staff, in order to ensure that each individual benefits from the complete training program and that the training received is in line with the individual's role and responsibilities.

Each member entity's training program is required to include:


- a general syllabus to be followed by all staff.
 - For audit staff, for example, the objective of this program is to encourage each staff member's development and expertise in auditing standards, accounting standards, auditing techniques and engagement management principles; and
- a sector-specific syllabus, particularly for insurance, banking, the public sector and technology.

In addition, audit professionals involved in group audits learn about the following subject areas concerning the local environment where the transnational audit is conducted:

- financial information and auditing standards;
- group audit coordination of multiple locations;
- the standards relevant to companies listed on the stock market;
- corporate governance standards; and
- local and international economic and business environments.

The internal training program is enhanced with complementary external seminars which focus on client requirements or specific economic environments.

We are strongly committed to enforcing the objectivity of our teams and the ethical conduct of each individual. Recent studies have shown that traditional approaches to ethics training do not address the root causes of unethical behavior. We strive to fully understand these complex issues and implement effective strategies to ensure an ethical approach to sustainable growth.



Further, Mazars University was created in 2008 with a threefold objective:

- to position the Mazars Group as one of the key players in future markets;
- to instill a focus on the Mazars values; and
- to strengthen the Mazars Group's commitment to social issues.

Mazars University coordinates all the Group-wide training and promotes the sharing of professional knowledge experience and best practices.

Attractive career opportunities

As a global organization, we recognize that gaining international experience is an important element in the development of our teams and leaders. Mazars employees wishing to enhance their careers with an international experience may choose from a range of strategic mobility opportunities, including various high-level projects ranging from three to five years in length, as well as permanent transfers.

In addition, short-term assignments are available through our "MOVE" program, in which high-potential Seniors and Managers can work abroad on 2 to 6 month projects.

Both our short-term and long-term program play a key role in the flow of ideas between our member entities and support the Mazars Group's future global growth.

A transparent and effective assessment system

All our staff have clear objectives, receive feedback and have their performance reviewed. Our Global Talent and Performance Management Program monitors our employees' development at all levels, in all member entities. It provides us with qualitative information on the expectations and competencies of our professionals, which in turn allows us to gauge our progress towards our long-term development ambitions.

Individuals are assessed against a clear competency framework, and this assessment forms the basis for promotions and for future objective setting. Specific performance measures are set in the following areas:

- Quality and Risk.
- Client Service;
- Financial KPIs;
- People; and
- Business Development;

Every employee is encouraged to understand the importance of their own role and take ownership of their contribution to the overall success of the firm.



Mazars Belgium

The average number of team members at Mazars Belgium during 2015/2016 was 132 persons. In this total the technical staff was 118 persons.

With the introduction of an online learning management system which is linked to our performance management system, we can build a learning pathway for all roles and grades within the firm which allows our people to map the most appropriate training route, at every stage of their development. From technical updates, to business development, and people management our staff can identify the options available and plan their professional and career development.

We all learn in different ways, so increasing the number of ways in which we deliver our training is paramount to successful development. As such we are investing more time to deliver courses in a wider range of formats including digital content, residential workshops, and on-the-job coaching. Staff can then receive the training they want in the format that best suits their learning style.

Within the Audit & Assurance Service Line, a structured program is in place for all audit trainees to support them throughout their training period. Once qualified a wide range of technical support is provided to help staff maintain their technical competence and provide the quality service on which our reputation is built. The objective of these programs is to encourage each staff member's development and expertise in auditing & accounting standards, auditing techniques and engagement management principles.

During the year to 31 August 2016 we also carried out the following training activities to improve the technical offering for our qualified staff and Partners:

- Regular mandatory technical updates for all qualified staff;
- Sector updates on industry specific areas e.g. banking, insurance, and charities.

To ensure audit staff and Partners maintain their technical competence and meet the respective regulatory and professional institute requirements their continued professional development is reviewed on an annual basis, and we ensure suitable personal development plans are in place where required.

The basis for partner remuneration

Partners who are shareholders in Mazars Scrl are remunerated in equal proportion according to:

- the performance of the entity member to which they contribute; and
- the overall performance of the Mazars Group.

At Group level, the Partner remuneration measure is the "operational performance" of the national member entity (excluding any extraordinary expenses such as litigation, which remain the sole responsibility of the national entity concerned).

Profits are then shared between Partners in proportion to the base points (or equal to the number of shares) they hold. Financing business activity depends exclusively on each national member entity and follows the same proportionality as the division of profits.

Several countries have also opted for a bonus system based on individual performance, the awards being withdrawn from a pot of the profits of the country concerned.

Under the supervision of the GGC and based on the recommendation received from the Country Executive the GEB, allocates the base points every four years to partners. The allocation is done according to the collective performance of their country and individual performance of each partner. This performance is assessed through various criteria: professionalism and technical contribution, importance and complexity of assignments, contribution to the general development of local entities and the Group, level of managerial responsibility, performance in financial management and partnership spirit. None of the criteria listed above is evaluated in isolation, but the greatest weight is placed on technical competence and partnership spirit.



Mazars Belgium local partners

Partners who are not shareholders in Mazars are allocated a fixed profit share and may be allocated a further profit share based on particular performance criteria.



Appendix 1: Audited Public Interest Entities of Mazars Belgium

The Public Interest Entities in respect of which Mazars Belgium has expressed an audit opinion in 2015/16 are as follows:

1 Companies that have issued transferable securities admitted to trading on a regulated market

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from September 1, 2015 to August 31, 2016):

- Sapec
- S.A.B.C.A.
- Atenor
- Floridienne
- Financière de Tubize
- Banimmo
- Sofina

2 Credit Institutions

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from September 1, 2015 to August 31, 2016):

- Van de Put en Co Effectenbank


3. Insurance companies

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from September 1, 2015 to August 31, 2016):

- Inter Partner Assistance SA
- Partners Assurances SA
- Office National des Pensions

Appendix 2: Members of the Group Executive Board

Philippe Castagnac	Philippe is a graduate of the Rouen Business School (Ecole supérieure de commerce de Rouen), a chartered accountant and a statutory auditor. He began his career with Mazars in 1978 at the age of twenty-one. In 1988, he became a Partner and has extensive experience in audit and advisory services provided to listed companies in France and the US. In 2006 he was elected to the GEB and in 2011 he was appointed Chairman and CEO of the Mazars Group.
Antonio Bover	Antonio is a lawyer and a law graduate from the University of Barcelona. He has been managing Mazars' activities in Spain since 2003. Antonio was made Partner in 1999, and he became responsible for an increasing number of roles within the Mazars Group. He is a member of the Bar Association in Barcelona and he is President of the French Chamber of Commerce and Industry in Barcelona. Antonio was appointed to the Group Executive Board in December 2009 and is Head of the Law GBU.
Hervé Hélias	Hervé is a graduate of HEC and is an auditor and chartered accountant. He began his career with Mazars in 1986 and became a Partner in 1995. Hervé is a member of the banking sector team in Paris and has extensive experience in the coordination of the audits of major international banking groups (such as serving as statutory auditor for the financial statements of BNP Paribas from 2000 to 2009). Hervé is leader of the Talent Group, a role in which he has steered a project focused on developing new Partners. He has also participated in the Mazars University project since it was first implemented in 2008. Hervé was appointed to the Group Executive Board in 2011 and is Head of the PIE GBU.
Christoph Regierer	Christoph joined the Mazars Group in 2015 when Roever Broenner Susat (RBS Legal) and the Mazars member entity in Germany merged. He is a Public Auditor in Germany, a Certified Tax Advisor and a Lawyer. His areas of expertise include corporate taxation, private equity and venture capital consulting and law.
Hilton Saven	Hilton has been with the member entity of Mazars in South Africa since 1975. He was appointed as a Partner in January 1981, working in audit and consultancy division. In 1986, Hilton was appointed to the Executive of the South African practice and became Managing Partner in 1988. In September 2007, the firm integrated with the Mazars Group. Hilton is also the non-executive Chairman of Truworths International Ltd, a large retail company listed on the Johannesburg Stock Exchange. He has also served as a member on a number of external committees for the South African Institute of Chartered Accountants. Hilton was appointed to the Group Executive Board in December 2009. He also serves on the Governing Council of Praxity.
Phil Verity	Phil has extensive experience as an auditor and he continues to be actively involved with key clients. He is based in the London office and was elected as UK Senior Partner from September 2012. He was appointed to the Group Executive Board in 2011 and he is Head of the OMB GBU.
Victor Wahba	Victor has an accounting degree from Brooklyn College of the City University of New York and is based in the New York office. He has substantial experience in mergers and acquisitions, financing strategies and business process improvements. Within the Mazars Group, Victor is responsible for apparel industry sectors. He is also a founding member of ATAC, an international network of auditors and consultants specialising in the apparel industry. He was appointed to the Group Executive Board in 2011.



Wenxian Shi

Wenxian joined ZhongShen ZhongHuan (formerly known as Union Power Certified Public Accountant) in 1986 after he graduated with a Master's Degree. Since the reform and restructuring of the Chinese audit and accounting industry in 1998, he has served as Chief Partner, General Manager and Chief Accountant at Union Power.

Today, as the Chief Partner at ZhongShen ZhongHuan, not only does he hold a senior Certificated Public Accountant (hereafter CPA) license, he also is a licensed CPA for Securities businesses. With nearly 30 years of experience, Mr. Shi has actively contributed to the financial audit of more than 100 listed companies and large state-owned enterprises. Moreover, his expertise in auditing and accounting allowed him to conduct in-depth research on the Chinese CPA industry, where he excels notably in company restructuring, mergers & acquisitions and in financial services.



Appendix 3: Members of Mazars Belgium governance bodies

Hereafter the composition of the governance bodies by legal entity :

Mazars Réviseurs d'Entreprises/Bedrijfsrevisoren SCCRL : Lieven Acke, Xavier Doyen, Dirk Stragier, Anton Nuttens, Philippe Gossart, Philippe de Harlez de Deulin, Peter Lenoir, François Collie, Martine Vermeersch, Alain De Quick, Thomas Verhamme, Koen Potters, Bénédicte Pollaris

Mazars Advisory Services SPRL : Dirk Stragier, Cindy Van Humbeeck, Xavier Doyen, Philippe de Harlez de Deulin

Mazars Legal Services BVBA : Miguel Thibaut, Véronique Ryckaert, Peter De Vos

Mazars Accountant CVBVBA : Miguel Thibaut, Peter De Vos

Mazars Tax Consultant BVBVBA : Miguel Thibaut, Peter De Vos, Van Heuverswyn & Partners



Appendix 4: Mazars Group and Mazars Belgium statements of compliance

Statement on the effectiveness on the Quality Control System

Mazars Group's and Mazars Belgium Quality Control System is designed to provide reasonable assurance that the firm, its partners and staff comply with professional standards and regulatory and legal requirements, work is performed to a consistently high standard and that reports issued by the firm are appropriate.

The management of Mazars Group and Mazars Belgium are content that the system is effective in the maintenance and improvement of audit quality. They considered the results of the relevant regulatory inspections in reaching this opinion.

Statement on the effectiveness of our systems to safeguard our objectivity and independence

The operation and effectiveness of Mazars Group's and Mazars Belgium systems to safeguard our objectivity and independence form part of the review of the Quality Control System.

Based on the evidence identified in this review, the management of Mazars confirms, with a reasonable level of assurance, that the independence procedures and practices have been implemented and the system is effective in maintaining independence. Furthermore, management confirms that the practices have been subjected to internal review.


Statement of compliance with the professional training obligations

Mazars Belgium complies with Mazars's Group policies regarding training and professional obligations

Registered auditors are required to complete at least 40 hours or equivalent learning units of relevant professional development activity in each rolling three-year period.

Partners and all audit personnel are required to provide an annual declaration that they have complied with the relevant requirements.

Registered auditors are required to complete at least 120 hours or equivalent learning units of relevant professional development activity in each rolling three-year period, of which 60 hours or equivalent units should be verifiable. They also have to complete at least 20 hours or equivalent learning units of relevant professional development activity each year.



Mazars is present on 5 continents

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