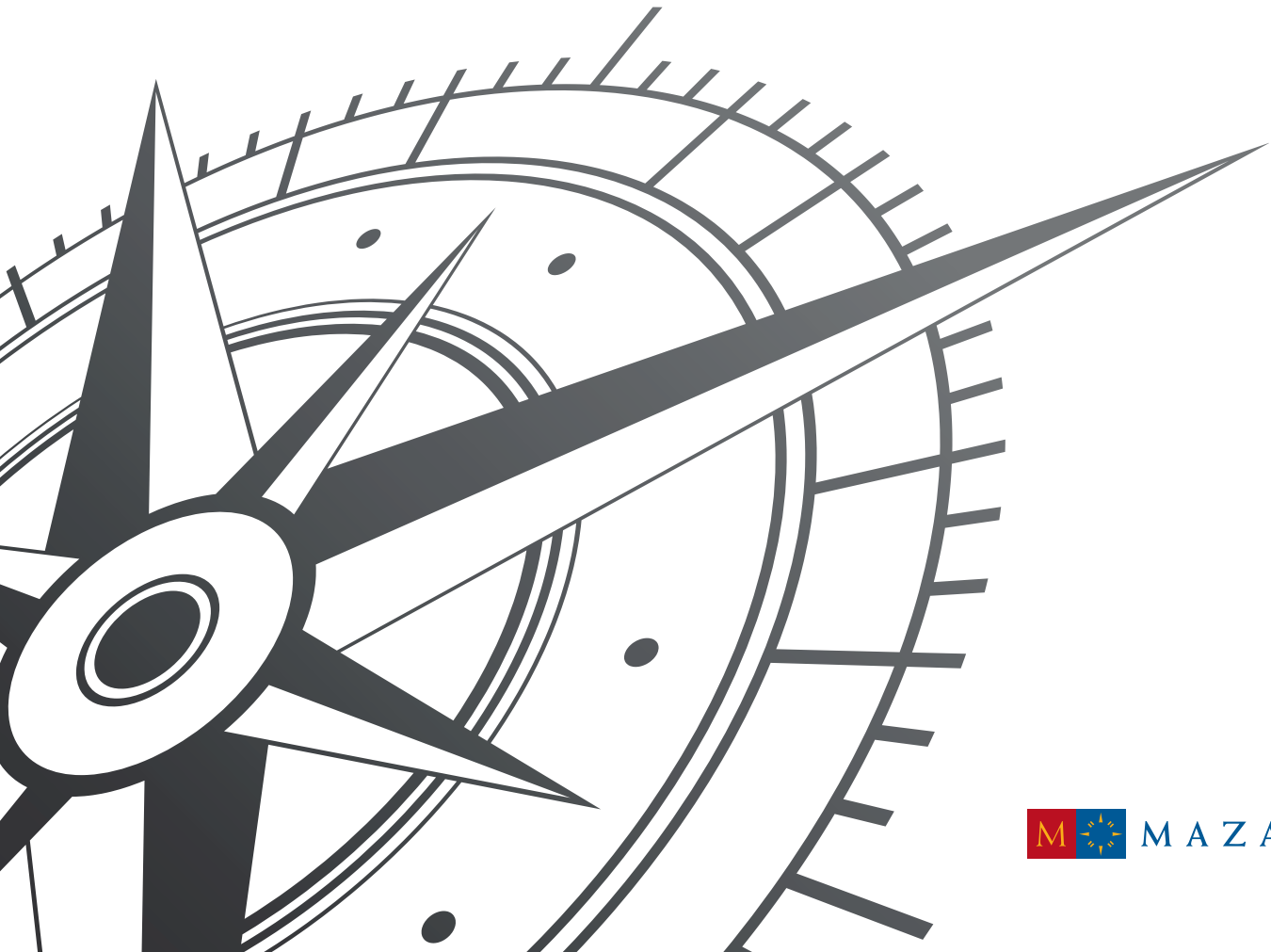


TRANSPARENCY REPORT

■ 2015-2016 / Mazars Global





CONTENTS

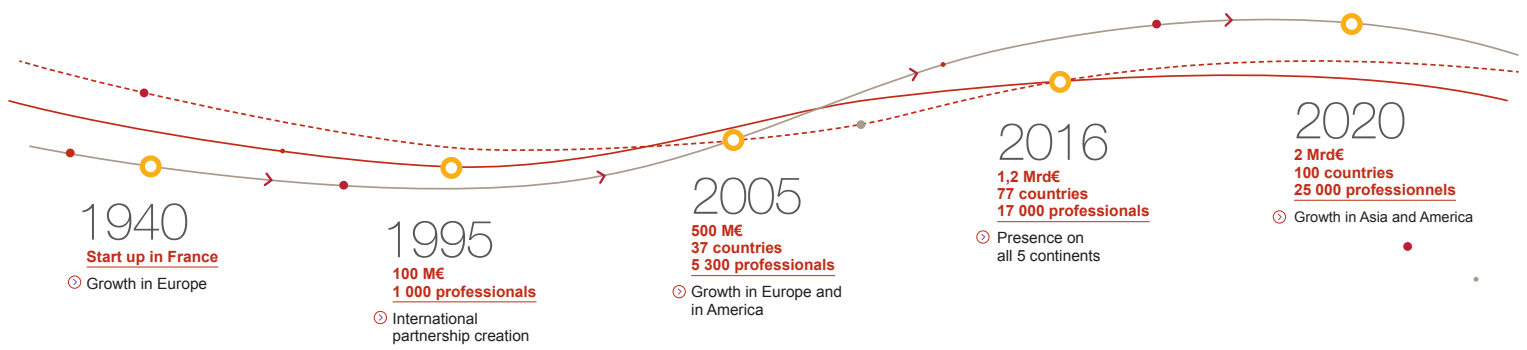
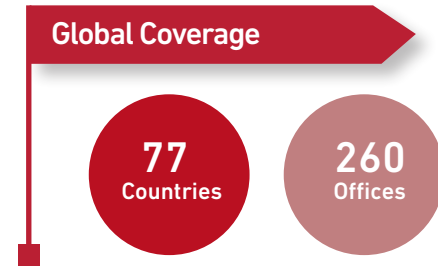
MAZARS AT A GLANCE.....	3
FOREWORD.....	4
OUR UNIQUE BUSINESS STRUCTURE.....	6
LEADERSHIP AND GOVERNANCE.....	11
DELIVERING AUDIT QUALITY.....	13
ENSURING OUR OBJECTIVITY AND INDEPENDENCE.....	18
FOSTERING EXCELLENCE.....	22
APPENDIX 1: GROUP LEADERSHIP AND GOVERNANCE BODIES.....	26
APPENDIX 2: MAZARS ORGANISATION STATEMENTS OF COMPLIANCE...	31

MAZARS AT A GLANCE

We are an international, integrated and independent organisation.

Specialised in Audit and Assurance, Accounting, Consulting, Financial Advisory, Tax and Legal services.

Fueled by entrepreneurs and international experts who share the same vision and collaborative mindset.



FOREWORD

We are pleased to introduce the 2015/2016 transparency report for the Global Mazars Organisation.

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 1 January 2016 Mazars has integrated the Chinese firm ZhongShen ZhongHuan. 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.

Creating value for our entire ecosystem

For the last two years, we have started to present our financial and non-financial performance in an integrated manner, with the objective of showing our value goes far beyond simple figures and data. Our strategy, our governance model, our teams, our clients and prospects, and our ability to take into account the interests of all our stakeholders are the key components of how we create shared value, for our entire ecosystem.

We truly believe transparency is necessary and always strive to increase our openness to our environment. We are convinced our values and guiding principles of technical and ethical excellence are the foundations upon which we can effectively contribute to the building of a better, stronger and more inclusive business community, in which diversity becomes a true source of shared progress for all involved.

Fostering sustainable and inclusive growth

As we grow and increasingly become a true global player, we believe it is our duty to play our full part in shaping the future of our profession. We have been active contributors to the audit market reform in the European Union and keep making our singular, independent voice heard in the international professional bodies that discuss our regulatory environment. We see it as a natural extension of our role as auditors and advisors to freely express our thoughts and ideas on how to even better serve the public interest, wherever we operate.

As we expand into new territories, we keep looking for new ways to better anticipate our client's needs and expectations. We evolve our methodologies, develop new services and strive to build long-lasting and mutually beneficial relationships based on trust. We wholeheartedly support the recent international initiatives that will allow for fighting more effectively against corruption or tax planning, and we have developed advisory and certification services that help companies not only comply with applicable regulations but also act as proactive exemplary corporate citizens.

To make sure we deliver the best services, we have implemented HR policies that help us attract, nurture and develop the best talents. The educational programs we have put in place under the umbrella of the Mazars University are now widely recognized and we pride ourselves in making life/work balance issues a priority, as reflected in the

FOREWORD

new approach to work we have initiated in our brand new Milan and Rotterdam offices.

As active contributors to the debates that will shape our business and the ecosystems in which we operate, we continue to sponsor and participate in major international events, such as the G20 Hangzhou Summit, in China the Africa Banking Forum, the largest conference on banking services in North, West and Central Africa, held in Abidjan.

In a rapidly changing world, in an international environment that brings both hope and a high level of uncertainty, we intend to keep growing in a structured manner, to better serve the public interest and help make our communities stronger. We believe in innovation and interconnectivity as driving forces for sustainable and inclusive growth. We are determined to resolutely embrace the challenges of tomorrow, while staying true to our values and to our model. We know our stakeholders have high expectations and we are ready to answer them.

Paris La Defense, 21 December 2016



Philippe Castagnac

Philippe Castagnac

Group CEO, Chairman of the Group Executive Board



Jean-Luc Barlet

Jean-Luc Barlet

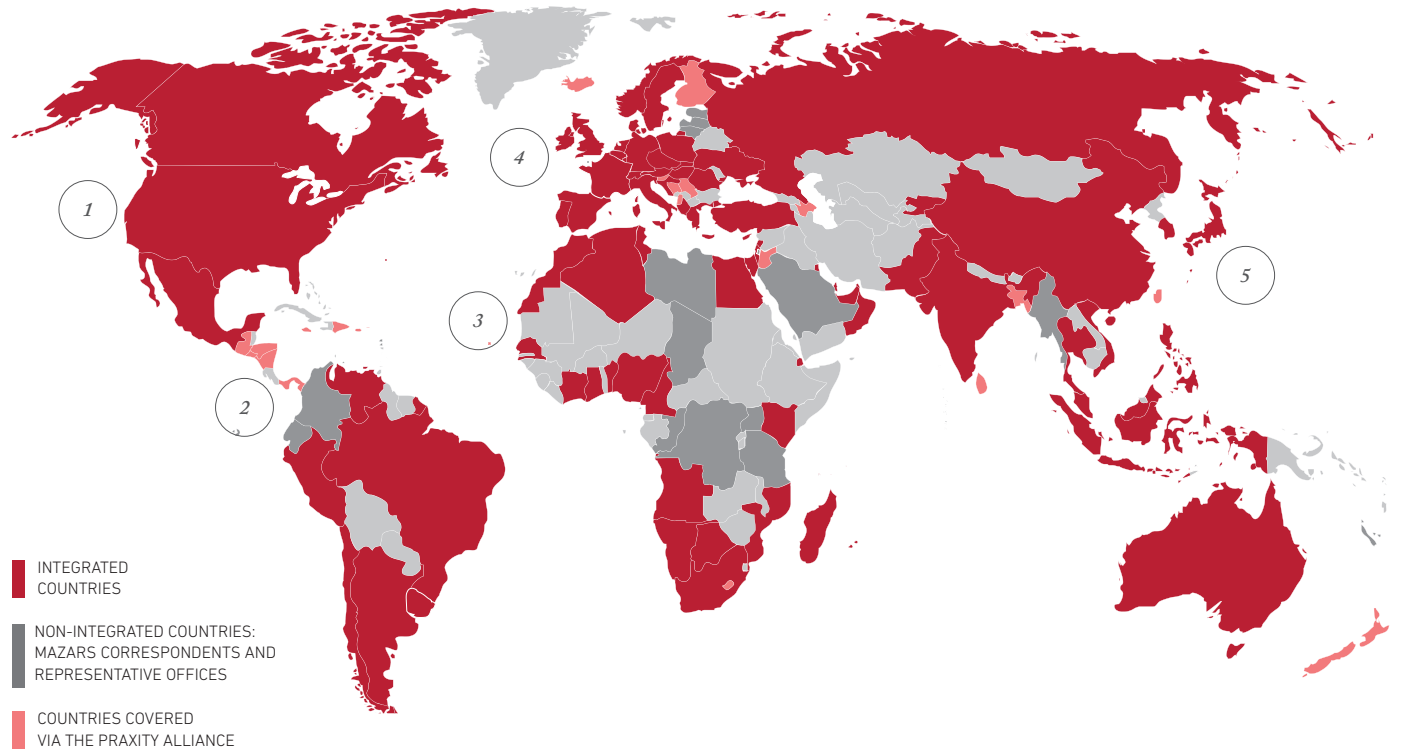
Group Chief Compliance Officer

1 | OUR UNIQUE
BUSINESS
STRUCTURE



1. OUR UNIQUE BUSINESS STRUCTURE

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 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 operate in a further 13 countries. We are constantly expanding our geographic coverage and strengthening our international teams to serve all our clients wherever they operate across the globe, without ever compromising on our standards of excellence.



■ INTEGRATED COUNTRIES

■ NON-INTEGRATED COUNTRIES: MAZARS CORRESPONDENTS AND REPRESENTATIVE OFFICES

■ COUNTRIES COVERED VIA THE PRAXITY ALLIANCE

1 NORTH AMERICA

- Bermuda
- Canada
- United States

4 EUROPE

- Albania
- Austria
- Belgium
- Bosnia & Herzegovina
- Channel Islands
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Kingdom

2 LATIN AMERICA & THE CARIBBEAN

- Argentina
- Brazil
- Cayman Islands
- Chile
- Colombia
- Dominican Republic
- Dutch West Indies
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Jamaica
- Mexico
- Nicaragua
- Panama
- Peru
- Puerto Rico
- Uruguay
- Venezuela

5 ASIA PACIFIC

- Australia
- Azerbaijan
- Bangladesh
- China
- Hong Kong
- India
- Indonesia
- Japan
- Korea (Republic)
- Kyrgyzstan
- Malaysia
- Myanmar
- New Caledonia
- New Zealand
- Pakistan
- Philippines
- Singapore
- Sri Lanka
- Taiwan
- Thailand
- Vietnam

3 AFRICA & MIDDLE EAST

- Algeria
- Angola
- Bahrain
- Benin
- Botswana
- Cameroon
- Cape Verde
- Chad
- Comoros
- Congo (Democratic Republic)
- Congo (Republic)
- Djibouti
- Egypt
- Ghana
- Israël
- Ivory Coast
- Jordan
- Kenya
- Kuwait
- Lebanon
- Lesotho
- Lybia
- Madagascar
- Mauritius
- Morocco
- Mozambique
- Namibia
- Nigeria
- Oman
- Palestine
- Qatar
- Saudi Arabia
- Senegal
- South Africa
- Tanzania
- Tunisia
- Uganda
- United Arab Emirates

1. OUR UNIQUE BUSINESS STRUCTURE

A global integrated partnership

Both our integrated partnership and correspondent firms are all committed to the risk management policy described in this report.

In each country in which we have a member of our integrated partnership, one or more separate legal entity exist (the “member entities”). All member entities have a cooperation agreement with “Mazars Scrl”, a Limited Responsibility Cooperative Company 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 organisation 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 Partners of Mazars Scrl are required to sign a contract by which they agree that , if they are to leave Mazars, their interests will be transferred 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 standardisation within the group.

The financial statements of Mazars Scrl are consolidated with 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 firms of auditors.

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

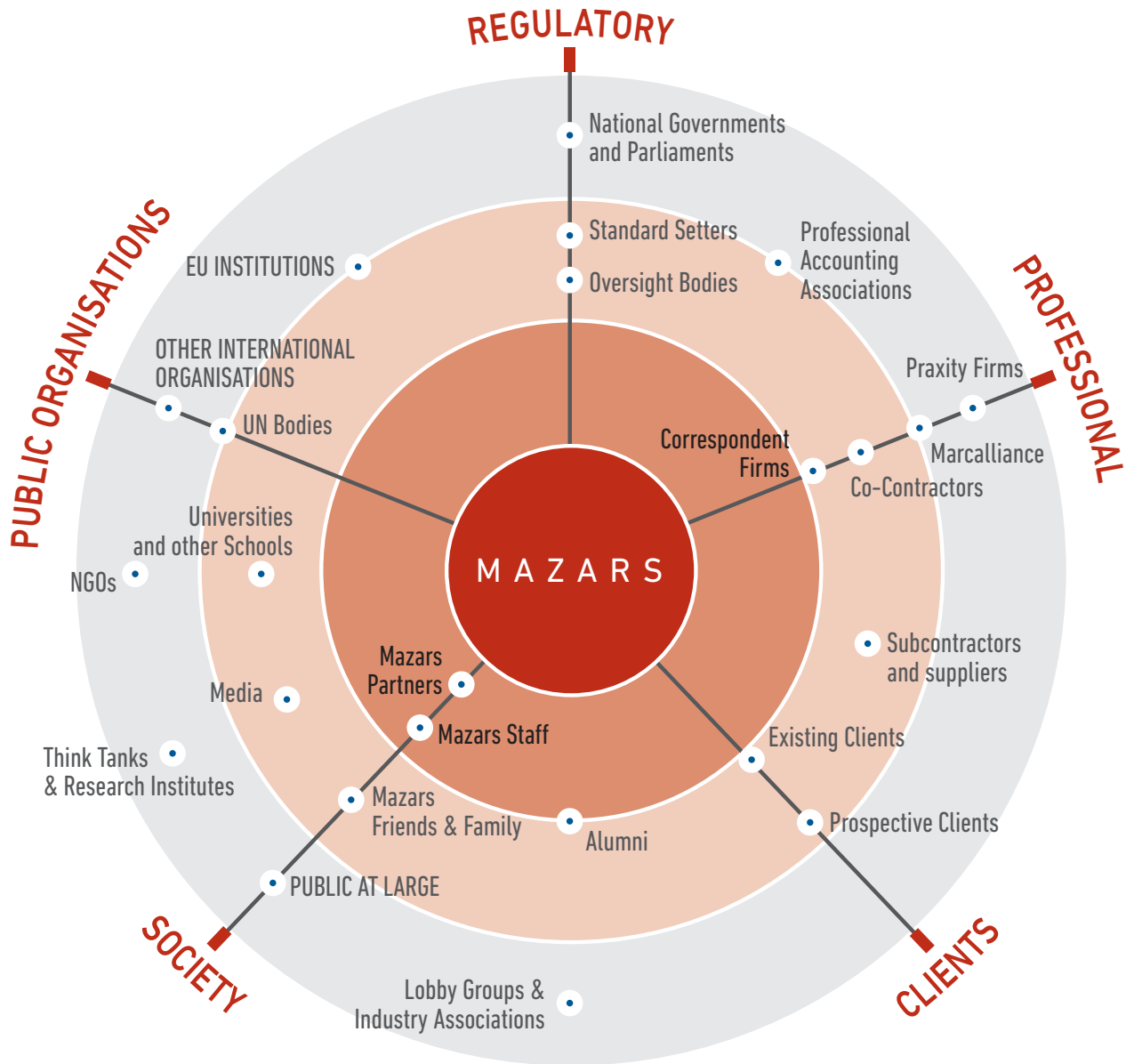
The integrated international partnership permeates every aspect of the Mazars organization:

- Each global or international assignment is managed and carried out by an integrated team and coordinated by an engagement partner in charge who takes final responsibility for reporting to the client.
- Partners and the national member entities in which they work are linked by a series of agreements intended to achieve maximum consistency within the Group. They all report to the elected representatives of the Group.

All the entities of the Mazars integrated international partnership are thus committed to enhancing the quality of services provided to large, cross-border groups in an increasingly complex and global environment.

1. OUR UNIQUE BUSINESS STRUCTURE

Stakeholder map



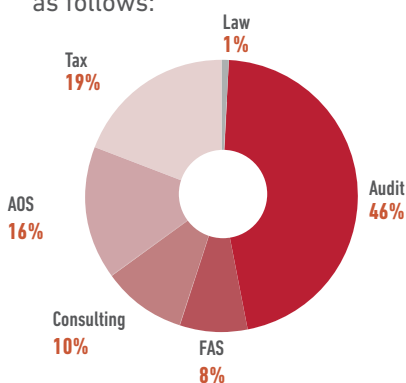
1. OUR UNIQUE BUSINESS STRUCTURE

Praxity

Mazars (including all its integrated entities) is one of the founding members of Praxity AISBL, the world's largest Alliance of independent and unaffiliated audit and consultancy companies. Recognizing the support arising from globalization, we are able to recommend renowned companies in significant countries. Our contacts to these Praxity participating firms enable our clients a professional support in their transnational activities from a single source. Praxity is present in 103 countries. Chosen after a thorough self-evaluation process, participant Praxity firms deliver state of the art accounting services and in-depth local knowledge as well as collective commitment to quality and ethical accounting solutions. In line with the Praxity vision that one size does not fit all, firms join the alliance under the one of the classifications: member firm, associate firm and correspondent firm. Through Praxity, Mazars is able to serve its clients in 13 additional countries.

Operationally integrated

The **turnover** of the Mazars Group in 2015/2016 by Service Line was as follows:



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
- 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 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 technical quality, 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, under the authority of the signing partner who bears the ultimate responsibility.

Listed audit clients

The list of engagements as of 31 August 2016 for companies that have issued transferable securities admitted to trading on a regulated market and for which statutory audit reports have been issued by Mazars member entities during the Transparency Report period is available on the concerned member entity website.

2 | LEADERSHIP AND GOVERNANCE



2. LEADERSHIP AND GOVERNANCE

Global leadership

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

The GEB is supported in its role by:

- the GBUs and GSUs;
- global Service Line leaders, including for our audit activities; 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 consideration of the GEB.

The GEB meets every two to three weeks; it also meets twice a year with the Country Managing or Senior Partners at 'Country Forums'.

As at 31 August 2016 there were eight members of the GEB; biographies of the members who served on the GEB are provided in Appendix 1.

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 of Partners 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 Group Governance Council (every four years) and approve major strategic and operational decisions, the admission of new Partners, and the Mazars Group's audited financial statements.

The last General Assembly of Partners was held in Brussels in December 2015. The next General Assembly of Partners will be held in Madrid in December 2016.

Governance

The Group Governance Council (GGC) is the body which supervises the actions of the GEB and determines the remuneration of the members 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 and approval of partners cooptation.

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

The two External members also constitute the Public Interest Committee (PIC). In exercising its oversight at group level, the PIC has regard only to issues arising in relation to Mazars in Ireland and the UK.

Detail of the members of the GGC who served during the year ended 31 August 2016 are provided in Appendix 1.

3 | DELIVERING AUDIT QUALITY



3. DELIVERING AUDIT QUALITY

Mazars audit manifesto

Mazars' audit manifesto, which is published in our Group Annual Report, sets out our vision of the audit profession and of Mazars' role within that profession. We aim to ensure that our audit and assurance services are relevant, bring value to companies and their many stakeholders and are delivered by experienced, committed and truly independent professionals. The delivery of audit and assurance continues to be at the heart of Mazars' business in the year ended 31 August 2016 and for the future.

Responsibility for audit quality

Quality is embedded into our core values 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 and Risk Management Board (Q&RM GSU) which:

- defines the quality control system and the relevant procedures that are required to be implemented.
- together with the GEB, supervises the monitoring of our quality control systems and the assessments undertaken by the International Quality Control Committee (IQCC).

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 and representative firms.

Delivering 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.

3. DELIVERING AUDIT QUALITY

International Federation of Accountants (IFAC's) Forum of Firms

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

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

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

- 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; and
- complaints and allegations.

3. DELIVERING AUDIT QUALITY

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.

In Appendix 2 we provide our statement of the effectiveness as to the functioning of the Quality Control System.

Audit policies and methodology

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.

In an increasingly globalized world the MAM also allows us to give assurance to our multinational clients over the quality of our audits across borders. Specific policies and procedures are in place in respect of group audits, including the use of and reliance on other auditors.

Audit software is used to support the audit teams in applying the risk based approach from the planning of procedures, through the application during the fieldwork, to completion of the audit.

Monitoring Audit Quality

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 for a consistent quality approach to audit work.

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

The assessments undertaken by the IQCC, 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.

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

- self-assessment relating to the audit methodology, ethics and the Quality Assurance System

3. DELIVERING AUDIT QUALITY

- 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; and
 - 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 organised 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.

Our contribution to the 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 organisations in their countries.

4 | ENSURING
OUR OBJECTIVITY
AND INDEPENDENCE



4. ENSURING OUR OBJECTIVITY AND INDEPENDENCE

Our Code of Conduct for 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 programmes and is distributed to all Partners and staff.

Responsibility for maintaining objectivity and independence

The Group Ethics and Acceptance Committee, under the supervision of the Q&RM 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 authorisation 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 entity'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);

4. ENSURING OUR OBJECTIVITY AND INDEPENDENCE

- 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 (or longer, if required by local regulations). Familiarity is a threat to our independence and this rotation mitigates the threat of 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 takes 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 the quality of audit work (and not simply the level of fees billed, number of new clients obtained, additional engagements performed or other financial performance related metrics).

Two-partner teams and rotation to strengthen both independence and services quality

Except in specific situations which are approved by the entity's Executive Committee, large engagements are placed under the responsibility at least two partners, one of whom naturally assumes leadership of the engagement.

Having a team of partners strengthens independence and brings broader technical expertise to the engagement. The responsible partners assist with key stages of the engagement and remain the key contacts for all parties and professional staff, whether internal or external.

Within Mazars, rotation is applied to Public Interest Entity engagements on which key audit partners rotate, in compliance when applicable with the domestic transposition of the European Directive on Statutory Audit or of the IESBA Code of Ethics. This rotation reduces the risk of "closeness" to the audited company which may impair independence. It enables the auditor to have greater independence of mind in dealing with client issues and in expressing opinions on financial statements. The allocation of partner responsibilities on recurring audit engagements and major special engagements is decided by the entity's Executive Committee and ensures that partners have the ability to effectively conduct and supervise engagements under their responsibility. This allocation is reviewed

4. ENSURING OUR OBJECTIVITY AND INDEPENDENCE

annually as well as when there are any changes in the partner's situation or when any difficulties have been encountered.

In the rare case of disagreements with the technical department's positions, the Executive Committee is called upon to arbitrate. The two-partner team in charge remains the final decision maker within the context of the organization's quality assurance and procedures. This point is of paramount importance in preserving each partner's personal commitment and sense of responsibility as well as in responding effectively to each client's specificities.

In Appendix 2 we provide a statement on the effectiveness of the systems

5 | FOSTERING
EXCELLENCE



5. FOSTERING EXCELLENCE

Fostering excellence

Within Mazars we strive to foster excellence by enabling our team to give their best through:

- recruiting, training, developing and retaining the right people;
- our means of operating and rewarding; and
- our conduct.

Talent and performance management

In order to deliver a high quality service that our clients expect, our engagement policies and procedures are designed to attract, support and retain the highest quality team members.

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

- recruit talented individuals;
- develop long-term technical and managerial training plans;
- offer attractive career opportunities, including international opportunities; and
- offer a transparent and effective assessment system.

Long-term training

The Mazars Group considers its internal training programme 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 programme and that the training received is in line with the individual's role and responsibilities.

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

- a general syllabus to be followed by all staff. For audit staff, for example, the objective of this programme 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
- Local and international economic and business environments
- Corporate governance standards

5. FOSTERING EXCELLENCE

The internal training programme 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.

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
- to strengthen the Mazars Group commitment to social issues.

In Appendix 2 we provide our statement as to the compliance with the professional training obligations

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, such as:

- short-term assignments are available through our “MOVE” programme, in which high-potential Seniors and Managers can work abroad on two to six months projects;
- longer-term high-level projects ranging from three to five years in length; and
- permanent transfers.

These programmes play a key role in the flow of ideas with other member entities of the Mazars Group.

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 services
- Financial KPIs
- People
- 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.

5. FOSTERING EXCELLENCE

The international 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).

The base profit share is then divided between Partners in proportion to the number of shares they hold in Mazars SCRL. 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 to apply a variable bonus element to an individual’s partner profit share, which can increase or decrease the base profit share in accordance with individual performance.

Under the supervision of the GGC and based on the recommendation received from the Country Executive the GEB, allocates the base points to partners every four years. 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 these criteria is evaluated in isolation, but the greatest weight is placed on technical competence and Partnership spirit.

Appendix 1 | GROUP LEADERSHIP AND GOVERNANCE BODIES



APPENDIX 1. GROUP LEADERSHIP AND GOVERNANCE BODIES

Members of the Group Executive Board



GEB as at 1 September 2015

Antonio Bover	Hilton Saven
Hervé Hélias	Phil Verity
Christoph Regierer	Victor Wahba
Philippe Castagnac	

Elected during the year

Ms Zhang Liwen

GEB as at 31 August 2016

Philippe Castagnac	Hilton Saven
Antonio Bover	Phil Verity
Hervé Hélias	Victor Wahba
Christoph Regierer	Ms Zhang Liwen

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 21. 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. 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 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.

APPENDIX 1. GROUP LEADERSHIP AND GOVERNANCE BODIES

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 the 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 nonexecutive 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 a business studies degree and started his career as a graduate at Mazars UK. He became a Partner in 1999 and has held a number of management and leadership roles since then. Phil has extensive experience as an auditor and business advisor. 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.

Ms Zhang Liwen

Ms. Zhang Liwen joined Mazars in Beijing in December 2015 upon the merger with Chinese audit firm ZhongShen ZhongHuan. She is Senior Accountant of the China Institute of Certificated Public Accountants (hereafter CPA), member of the Australia Institute of CPA, as well as Executive Director of the Beijing Institute of CPA. Ms. Zhang Liwen has been working for accounting firms since 1995 and is an expert in auditing large state-owned enterprises and governmental organisms. She has previously served as supervisor of China Cinda Asset Management and China CITIC Bank. She was appointed to the Group Executive Board in 2016.

APPENDIX 1. GROUP LEADERSHIP AND GOVERNANCE BODIES

Members of the Group Governance Council

GGC as at 1 September 2015

Tim Hudson (Chair)	François de Carbonnel (External)*
Ken Morrison (Vice-Chair)*	Anita de Casparis
Jean-Louis Simon (Vice- Chair)	Ali Elouani Cherif
Thierry Blanchetier	Denise Fletcher (External)
Charles de Boisriou	Patrice de Folleville*
Kathryn Byrne	Gregor Kunz

*Leavers during the year

François de Carbonnel (External) (personal reasons)
Ken Morrison (age limit)
Patrice de Folleville (term ended)

Elected during the year

Wenxian Shi
Christian de Juniac (External)

GGC as at 31 August 2016

Tim Hudson (Chair)	Ali Elouani Cherif
Jean-Louis Simon (Vice- Chair)	Denise Fletcher (External)
Thierry Blanchetier	Christian de Juniac (External)
Charles de Boisriou	Gregor Kunz
Kathryn Byrne	Wenxian Shi
Anita de Casparis	

APPENDIX 1. GROUP LEADERSHIP AND GOVERNANCE BODIES

Members of the Public Interest Committee

Denise Fletcher – Independent Member

Denise Fletcher is an Operations and Finance Executive who has been a leader in both public and private organisations. She has extensive experience in operating, finance, brand building, consumer and retail strategy, along with extensive investment and acquisition experience. She has an AB from Wellesley College and an MCP from Harvard University.

Date of first appointment – 2012

Christian de Juniac – Independent Member

Christian de Juniac was educated at Eton College, Trinity College (Cambridge) and graduated from Harvard. He received an M.A. in economics and law from the University of Cambridge, a License in Law from the University of Paris, an M.B.A. with distinction from Harvard Business School, and was admitted to the Inner Temple as a barrister. He joined the Boston Consulting Group in 1980 and managed their financial services practice in London, Amsterdam, and Zurich. He has worked for clients in most European countries, as well as in the United States, Mexico, Latin America, Southeast Asia, India, and Japan.

Date of first appointment – 2015

APPENDIX 2 | MAZARS
ORGANISATION
STATEMENTS
OF COMPLIANCE



APPENDIX 2. MAZARS ORGANISATION STATEMENTS OF COMPLIANCE

Statement on the effectiveness on the Quality Control System

Mazars Group's 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.

On the basis of its Quality Control monitoring conclusions, Mazars positively confirmed in December 2014 that it met the membership obligations of the Forum of Firms in all material respects.

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

The operation and effectiveness of Mazars Group's 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

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 has established a professional education program that include the organization and delivery of technical in-house and external seminars, the active involvement of professional staff in major national and international professional accounting and auditing organisations and the development of extensive opportunities for staff to attend technical seminars and conferences.

Each year, member entities must compile and inventory of training attended by their professionals, and membership of professional bodies /institutes, in order to ensure compliance with the above-mentioned requirements on a multi-year basis.

CONTACT

Mazars
61 rue Henri Regnault
92075 Paris-La Defense
Tel. +00 (0)1 49 97 60 00
Fax. +00 (0)1 49 97 60 01

www.mazars.com