

Transparency Report  
At December 31, 2009

PORTUGAL



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# “ Introduction ”



## *Mazars, a transparency pioneer*

Mazars & Associados, SROC, SA is delighted to present its Transparency Report as of December 31<sup>st</sup>, 2009.

Mazars Group is a leading international, integrated accounting, tax, legal and advisory services and independent organization specializing in audit.

At the end of our last financial year (August 31<sup>st</sup> 2009 ), Mazars had offices in 56 countries across five continents with a workforce of more than 12,500 professional staff around the world. Mazars in Portugal has a total of 123 collaborators in its three offices (Lisbon, Oporto and Leiria). Its turnover as of December 31<sup>st</sup>, 2009 was 8 043 K€, a 1% decrease in comparison with previous year.

Mazars has had a sustainable growth for the last few years. Our growth model lies on Quality, Responsibility, Integrity and Independence. These are part of our founding values, our “Mazars DNA”.

In this report, you will find information on Mazars both for country and Group level and we draw attention to the fact that Mazars publishes a global Transparency report for the group on the economic year that ends on August 31<sup>st</sup> each year.

We want our stakeholders and the marketplace to know and understand who we are, as we understand that knowing each other is key to successful professional relationships.

Lisbon, September 30<sup>th</sup>, 2010

The Management Board

Fernando Vieira

Justino Romão

Leonel Vicente

Luís Gaspar

José Rebouta

*\* Will be available on [www.mazars.com](http://www.mazars.com) and [www.mazars.eu](http://www.mazars.eu) as soon as issued;the report for 2008/09 is already available.*

# 1 Mazars' presentation



## 1.1 Mazars in Portugal

In Portugal, Mazars provides the following services to its clients:

- \* statutory and contractual audit and related services, as allowed by the legislation in place;
- \* advice on tax matters, in particular: opinions on fiscal and para-fiscal matters, preparation of assessments;
- \* analyses and studies on arbitration reorganization and restructuring of companies and other entities;
- \* financial analyses, studies of financial and economic feasibility;

- \* Vocational training.

### 1.1.1. Legal structure and ownership

Mazars services are provided through two legal entities: Mazars & Associados, Sroc, S.A. and Mazars – Serviços para Gestão, S.A.

#### ✧ Mazars & Associados, SROC, SA

The share capital of Mazars & Associados is split as follows:

SHAREHOLDERS	Statutory Auditor Nº	Nº Shares	Equity	%
<b>Fernando Jorge Marques Vieira</b>	564	5408	27040	26,51%
<b>Justino Mendes dos Santos Romão</b>	379	5498	27490	26,95%
<b>Leonel Manuel Dias Vicente</b>	963	2821	14105	13,83%
<b>José Fernando Abreu Rebouta</b>	1023	3032	15160	14,86%
<b>Luís Filipe Soares Gaspar</b>	1003	2821	14105	13,83%
<b>Henrique José Marto Oliveira</b>	961	400	2000	1,96%
<b>Mónica Andreia de Almeida Silva Fernandes</b>	1225	100	500	0,49%
<b>Paulo Jorge Damião Pereira</b>	1219	100	500	0,49%
<b>Duarte Nuno Rodrigues Rocha Araújo</b>	1298	100	500	0,49%
<b>Eunice Maria Ullán Gomes Marques Vieira</b>	Not a Statutory Auditor	100	500	0,49%
<b>Mazars &amp; Guérard S A</b>	Statutory Auditor EU	20	100	0,10%
		20400	102000	100,00%

The shareholder Mazars & Guérard, SA is a company with headquarters in Paris authorized to perform the profession in France.



### 1.1.2. Management of the firm

#### ✧ Management and Supervision

**Mazars & Associados, SROC, SA** is managed by a Board composed of a minimum of 3 and a maximum of 11 administrators. Currently, it is composed of the following shareholders and statutory auditors:

- \* **Fernando Jorge Marques Vieira**
- \* **Justino Mendes dos Santos Romão**
- \* **José Fernando Abreu Rebouta**
- \* **Leonel Manuel Dias Vicente**
- \* **Luís Filipe Soares Gaspar**

The Company obliges itself by the signature of two administrators, or any legal representative or representatives (“mandatário”) in the limit of their powers, and by an a single administrator in terms of issue of legal Certifications, reports and other legal documents.

Certifications and audit reports are signed by the statutory auditor partner, responsible for the respective work.

**MAZARS – Serviços para Gestão, SA** is managed by Mr. Jacques dos Santos who undertakes the responsibility of sole administrator.

This company has an equity of € 100 000.00. Three (3) shareholders are common with Mazars & Associados, SROC, SA, with the following shares:

- \* Fernando Jorge Marques Vieira: 5 969 shares (29,844%)
- \* Justino Mendes dos Santos Romão: 5 969 shares (29,844%)
- \* Mazars & Guérard SA: 90 shares (0,45%).

Both Mazars Portugal entities are audited by:

- \* **HORWARTH & ASSOCIADOS, SROC** 186- Sole Statutory Auditor
- \* **José Carlos de Carvalho Velez** as substitute Statutory Auditor

The audit agreements are renewable on a yearly basis.

#### ✧ Line of Services

**Mazars & Associados, SROC, SA** has 3 offices (Lisboa, Leiria, Oporto).

The management of Lisbon’s office is assigned to the administrators, Justino Romão, Fernando Vieira, Luís Gaspar and Leonel Vicente.

The management of Oporto’s office is ensured by the administrator José Rebouta.

The management of Leiria’s office is ensured by the shareholder Henrique Oliveira, together with the members of the Administration Board.

#### ✧ In terms of lines of services rendered, the responsibility is divided as follows:

- \* **Audit and Statutory audit services:** directed by each partner.
- \* **Tax consultancy:** directed by the administrator Justino Romão;
- \* **Other Consulting Services:** directed by administrator Luís Gaspar;
- \* **Planning and quality control:** directed by the administrators Fernando Vieira and José Rebouta.
- \* **Coordination of accounting services and financial control of the society:** directed by the administrator Leonel Vicente and Justino Romão.

### 1.1.3. Structural arrangements between the firms

The two companies, members of the network, are engaged in totally different activities, with distinct human and material resources:

- \* **Mazars & Associados, SROC, SA** is the only organization of its kind in Portugal, as there is no other company dedicated to the pursuit of the audit activity in Portugal, that assumes in fact to be part a network relationship.



- \* MAZARS – Serviços para Gestão, SA, whose main activity is accounting and administration services, and outsourcing.

**MAZARS Serviços para Gestão, SA**, although housed in the same building, is separated by autonomous access doors from **Mazars & Associados, SROC, SA** services.

There is no rendering of services from a company to another, except in special cases mentioned below. Both operate independently, with separate services, different human and material resources and a different client portfolio.

In some rare cases, each of them may use for some specific services the professional staff of the other, which, in this case, is invoiced on the basis of time spent.

Some partners of one firm are also partners of the other, which does not grant them with any privilege.

In 2010 a new company was set up, **Mazars SGPS,Lda**.

The company was set up in July 13, 2010 with a capital of 5250 € split in seven quotas of 750€ each owned by the common partners of Mazars & Associados Sroc, S.A. (Justino Romão ,Fernando Vieira ,José Rebouta, Leonel Vicente, Luis Gaspar ) and other non – common partners (Jacques dos Santos , Luis Batista).

This company does not carry out any economic direct activity, and its purpose is to hold quotas or shares in other countries such as Angola.

#### **Administration of Mazars SGPS, Lda**

Ensured by a manager (“gerente”), Mr. Jacques dos Santos.

The fiscalization of the company is ensured by

Horwath & Associados ,Sroc.

The distribution of the Mazars’ activity in Portugal is approximately:

- \* Mazars & Associados SROC, SA: 75%
- \* Mazars Serviços para Gestão SA: 25%

Both companies have joined the Mazars’ network in 1996.

## **1.2 Mazars Worldwide**

Mazars is an international, integrated and independent professional services organization, specializing in audit, accountancy, tax, legal and advisory services.

Since 1995, Mazars has been building a completely original form of integrated partnership that still remains faithful to the values professed and defended by its founders, and the champion of truly democratic organization.

The democratic partnership gives each partner the right to vote on the strategic decisions involving the future of the partnership. This kind of responsibility is central to Mazars’ principles and practices. It runs throughout the organization, and is daily expressed in the way we exercise our profession, and in the relationship Mazars maintains with its social and economic environment.

In order to ensure that its services everywhere are always as relevant as possible, Mazars has opted for institutional integration and its direct consequence, operational integration.

### **1.2.1. Presentation of Mazars Scrl**

#### **✧ Institutional integration**

The Mazars organization comprises all the member entities who have signed an agreement of cooperation with Mazars Scrl, a Limited Responsibility Cooperative Company headquartered in Belgium, which in itself has no professional activity, and whose shareholders are partners in the member firms. In this respect, they are the only owners of Mazars’ capital. The mission of Mazars Scrl is to define the strategic objectives of the Organization, and to coordinate their implementation at member firm level. The Organization also has specific responsibility for



promoting and protecting the Mazars brand throughout the world.

Once appointed, all Mazars partners sign a contract that allows them to transfer their interests only to parties approved or designated by Mazars Scrl. The shares in member firms can, in principle, be only owned by the partners of Mazars Scrl. The consolidated financial results of Mazars Scrl include those of the member firms and are prepared to comply with IFRS standards and jointly audited by BDO and Horwath.

The internal management of member firms reflects the specific characteristics of the Mazars Organization, for which the members of the Group Executive Board, directly elected by the partners, assume ultimate responsibility. Mazars is not simply a collection of national firms, but an integrated Organization of professionals sharing technical and growth goals, commitments to invest, risks and profits, so that there is a form of a equality between all countries, as well as between individual partners.

#### ✧ Operational integration

Mazars' services are organized around four international lines, two focused on clients - Public Interest Entities and Owner Managed Businesses and two focused on services, Legal (not practiced in Portugal) and Tax.

The first role for these international lines is to organize business development of Mazars: definition of offer of services, identification of targets, customer relationship management and marketing resources. Their second role is to encourage and monitor the development of teams.

Mazars has the ambition to structure itself in such a way as to ensure that the countries, the international lines and the Group are aligned. It has built a management structure which associates senior partners or managers of all integrated entities in periodic meetings which take place at least three times a year.

The international partnership extends through every dimension of Mazars organization:

- \* Each global or international assignment is managed and carried out by an integrated team, coordinated by the partner in charge who takes final responsibility for reporting to the client group.
- \* Each customer or service line is represented in every country where the organization operates in order to optimize the coordination of assignments and cross border relations between teams.
- \* Partners and the national member firms 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 international "partnership".

#### 1.2.2. Governance of Mazars Scrl

Mazars has set up a governance structure that ensures the long-term security of the Organization:

- ✧ The management of Mazars Scrl falls upon the Executive Board (GEB) under the supervision of the Governance Council (GGC). The management of the member firms of the Mazars organization is the responsibility of their respective Country Executives.
- ✧ The GEB reports to the GGC at least once every four months and to the General Meeting of partners at least once a year. At this General Meeting, partners elect the President for a three-year term and the other members of GEB, as proposed by the President. The Executive Board whose mandate expires at the end of 2012 currently comprises five members:
  - \* Patrick de Cambourg, President, France,
  - \* Philippe Castagnac, France,
  - \* António Bover , Spain
  - \* Doung Phillips, USA
  - \* Hilton Saven, South Africa



- ✧ The GGC meets at least once a quarter. It plays a monitoring role, reviewing the way the Group is being run by the GEB, and monitoring performance of Group member firms. Council members are proposed by the partners at the General Meeting for a three-year term.

The GGC may include between 4 and 16 members. Its mandate expires at the end of 2012 and GGC currently comprises nine members:

- Michel Barbet-Masin, Presidente; França
- Pierre Sardet, Vice-Presidente, França;
- Ali Elaouani; Tunisia;
- Patrice de Folleville, Alemanha;
- Tim Hudson, Inglaterra;
- Vincenzo Miceli, Itália;
- Ruud Krouwer, Holanda;
- Kenneth Morrison, Hong Kong;
- Mauricio Rioseco, Mexico.

- ✧ The Country Executive Committees have authority over the management of their member firms within the framework established by the organization and in terms of the strategic and operational coordination it provides.

They are elected by the partners of each member firm, their candidacy being subject to the agreement of the GEB.

- ✧ The General Meeting of Partners is held at least once a year and is the pivotal point in the governance and decision making processes of Mazars Scrl. It is at this meeting that, collectively, the partners of Mazars elect the governing bodies (every three years) and approve the major strategic directions and operations of the Group, the appointment of new partners and the yearly audited consolidated accounts of the Group.

### 1.2.3. Mazars worldwide presence

Mazars serves its clients anywhere throughout the world via:

- \* Integrated member firms in 56 countries
  - \* Correspondents in more than 10 countries
- In addition to these correspondents, Mazars Tunisia and Mazars Middle East have local correspondents' agreements in 5 countries.

Integrated member firms and correspondents are network firms of Mazars, and commit to the risk management policy as described in chapter 2 of this report.

The international coverage of Mazars network is presented in section 5.

In addition to this, Mazars is a member of Praxity, an international alliance of Independent Firms created in 2007 as a not-for-profit entity under Belgium law (AISBL).

Present in 72 countries through 109 participating firms, each Praxity participating firm delivers state-of-the-art accounting services and in-depth local knowledge, achieving exceptional results for their clients on a global scale. Participating firms bring their collective commitment to high quality and ethical accounting solutions. In line with the Praxity vision that one size does not fit all, firms join the alliance in one of 3 classifications:

- \* member firm
- \* associate firm and
- \* correspondent firm.

These classifications are based on the degree to which firms satisfy criteria, among which quality is key. Mazars group is a member firm of Praxity.





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*... Unwavering  
commitment to  
independence and  
technical excellence.*

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# 2

## Mazars' Risk Management policy



The management of each member entity, like Mazars Portugal, has the primary responsibility for the implementation of the quality assurance system. They must promote an internal culture of quality reinforced by clear, consistent and frequent messages and initiatives, at all levels of the firm. Thus, Mazars Portugal managing team reminds constantly everyone of the existence of the quality assurance system, and underlines the importance of respecting legal and regulatory obligations, particularly with regards to the professional code of ethics and professional standards of practice when it comes to accepting and carrying out new assignments. Regarding this subject, Mazars Portugal adopts in its operations in Portugal the principles defined by Mazars Group.

The Group Executive Board bears ultimate responsibility for leading the Organization towards exemplary quality standards and has set up a Risk Management and Audit Technical Excellence Steering Group (RM&ATE SG) to this effect. This Steering Group:

- \* Defines the procedures and the quality assurance system that entities and all service lines have to implement, in order to meet all the minimum standards, as reflected in the Mazars Quality Assurance Manual and Risk Management Manual, which constitute the benchmark for all entities,
- \* Supervises jointly with the GEB the monitoring of the quality assurance system. This function is sub-delegated to an International Quality Control Committee (IQCC), which conducts globally coordinated inspections to monitor compliance with the relevant audit methodology, ethics policies and quality control standards. Moreover, the IQCC follows up the action plans with the countries' Risk Management & Quality Leaders and closely examines the annual reporting of each country concerning the results of their internal and national quality assurance reviews

### 2.1. Independence

As of December 31<sup>st</sup>, 2008, Mazars Group is the legal auditor of over 400 listed companies in the 56 integrated countries of its international partnership. Maintaining independence is one of the highest stakes for audit firms. For international organizations such as Mazars, it is even more important as clients and assignments are spread over several countries or even across several continents.

#### 2.1.1 Mazars' independence practices

##### ✧ The Mazars Code of Conduct for Objectivity and independence

In order to form a basis for the widespread adoption of its core values throughout the Group, Mazars adopted a Code of Conduct for Objectivity and Independence (CCOI), which is compliant with IFAC Code of Ethics and European Directive on Statutory Audit.

Mazars Portugal adopts these rules in its assignments, observing the necessary adaptations when the national legal norms are more restrictive.

The Code is distributed to all partners and staff. Ethics form an integral part of the firm's professional training program.

##### ✧ Systems to safeguard independence

These systems involve the following key procedures:

- \* **A procedure for acceptance and continuance of clients and engagements** which enables evaluation of the level of the client related risks, the firm's ability to perform the engagement and ethical risks in terms of independence and conflicts of interest at a global level. This procedure is supported by the issuance of a questionnaire of acceptance or maintenance of the client. Provision of additional services to an audit client is systematically subject to prior authorization from the lead group audit partner and, in some cases, to the opinion of the firm's head of ethics. It is also subject to authorization of the



client's audit committee when the client has put in place a procedure for the prior approval of such services.

- \* **An annual declaration of independence** by partners and staff and thorough review of all situations that could compromise independence. In this respect, all partners of the Mazars' organization or their immediate family cannot hold a direct or an indirect financial interest in the listed assurance clients of the organization. Personal or family relationships between a member of the audit team and a member of management of the audited company, or a person holding a key position for the audit, are also prohibited. Lastly all entities and partners, and staff working on the audit engagement, must not have any financial or commercial relations with an audit client except for normal financial relations with a banking client.
- \* Access for all in house professionals to a **list of clients subjected to specific ethical requirements**.
- \* **Training for technical staff on ethical rules** and in the organization's procedures in the area of ethics. This training is part of the training program for all new collaborators of Mazars Portugal.
- \* **Compulsory technical consultation** with the professionals designated by the firm on technical matters, ethics and any other areas.
- \* **Limits on fees per client** for both Mazars in Portugal and the organization as a whole, in order to avoid financial dependence on one or several clients.
- \* **Clear rules regarding conflicts of interest.** When there is such a threat, either the assignment is refused, or safeguard measures are applied (except for PIEs where this is not possible). These measures can be to obtain the written agreement of the concerned clients before accepting the new engagement, and/or staffing the two assignments with entirely

different teams and complying strictly with confidentiality requirements.

- \* A method of **remunerating partners** that is not directly related to the level of fees billed, new clients obtained or additional engagements performed for their clients and/or to financial performance.
- ✧ **Two-partner teams and rotation to strengthen both independence and quality of services**

Within Mazars, the rotation is applicable to Public Interest Entities for key audit partners, who should rotate after seven years and not return to the audit team for at least two years, in compliance with the European Directive on Statutory Audit and IFAC code of Ethics. This procedure is still in the process of adoption by Mazars in Portugal.

The allocation of responsibilities to partners in respect of recurring audit engagements and major special engagements is decided at the level of the firm's Executive Committee in order to ensure that partners have the ability to effectively conduct and supervise all engagements under their responsibility. This allocation is reviewed on an annual basis on the basis of changes in each partner's situation and any particular difficulties encountered on their engagements.

### **2.1.2 Statement on the effectiveness of its functioning in Portugal**

The internal systems described above were established so as to identify circumstances whereby Mazars' independence could be impaired and to take appropriate safeguarding measures.

Mazars Portugal' management attest to the fact that these independence rules were implemented on all of the audit engagements performed and were subsequently subjected to internal verification.



## 2.2. Quality Control System

The policies and procedures adopted by Mazars are in compliance with the IFAC standards in the area of quality control: ISQC1 “Quality Control for Audit, Assurance and Related Services Practices” and Revised ISA 220 “Quality Control for Audit Engagements”. They are documented in a Quality Assurance Manual available in electronic format to all professionals in the firm and the organization.

These policies and procedures are complemented by audit methodology and audit support techniques that are shared among all members of the organization and by joint training initiatives. In order to enhance the level of computerization of audit files the firm developed specific audit software (*AuditSoft*). It allows a structured definition of the audit approach and automatic performance of certain work linked with the audit manual updated in respect of the most recent IFAC standards.

Compliance with the organization’s policies and procedures is regularly controlled through reporting by the firms on the results of their internal and external quality control and through periodic quality assurance reviews by another member firm of the organization.

### 2.2.1 Description of the internal Quality Control System

#### ✧ Maintaining Quality

**Quality of people:** The high standards of quality for our work require that we recruit highly talented individuals, who have the ability to take on ever increasing responsibilities. Our ability to attract and keep talents is one of the key elements in insuring appropriate client relationships.

Mazars’ strategy in terms of training (refer to §4.3), counseling and compensation strongly emphasizes this high standard of audit quality.

The Quality Control System includes **policies and procedures** in the following areas which are set out in detail in our Quality Assurance Manual:

- \* Responsibility and leadership;
- \* Independence and objectivity;
- \* Audit policies and methodology;
- \* Acceptance and continuance of engagements;
- \* Human resources;
- \* Monitoring of the quality control system;
- \* Engagement performance including:
- \* Planning and supervision of engagements;
- \* Technical consultation;
- \* Audit documentation;
- \* Engagement quality control review.
- \* Confidentiality;
- \* Managing cross-border engagements;
- \* Complaints and allegations.

These processes are regularly updated to include changes in international standards and users’ suggestions which have the objective of improving the effectiveness and the relevance of the Quality Control System.

#### ✧ A Global Assurance Program and internal inspections

Mazars has put in place an international Quality Control System covering all entities in the organization, and naturally in Portugal, whether they are integrated members or linked by a correspondent agreement. Quality control is operationally managed by an International Quality Control Committee (IQCC) which reports to both the Group Executive Board and the Risk Management & Audit Technical Excellence Steering Group.

Two types of quality assurance reviews are in place:

- \* a reporting involving a self-assessment by the countries on their compliance with IFAC standards, completed by the results of internal and external quality control and an action plan in respect of the main areas identified for improvement. This reporting, which is called REQAR (Reporting on Quality Assurance Review), covers aspects relating to audit methodology, ethics and the internal Quality Assurance and Control System.



- \* a periodic inspection, which is called IQAR (International Quality Assurance Review), performed by Mazars reviewers from different countries.

Mazars Portugal was subject to a quality control (IQAR) in October 2007 and a new one is planned for 2010.

As a result of this quality control, Mazars Portugal elaborated an action plan addressing the findings of the examination. The action plan was submitted for approval to the country's executive. The partners in charge of monitoring by geographical zone, where Mazars Portugal is integrated, are also informed of these action plans and follow-up the implementation with the help of the IQCC.

Each year the entities assess and supervise their Quality Control System by implementing a monitoring program which involves an assessment of the adequacy and effectiveness of the firm's procedures and a review of engagement files, procedure adopted by Mazars Portugal for the exercise ending in December 2008. Once a year, the firm communicates the results of internal and external quality control reviews to partners and managers, including to the firm's executive board.

### **2.2.2 Statement on the effectiveness of the Quality Control System**

**Mazars was named one of the first full members of the Forum of Firms** in January 2008 after reporting it had implemented a globally coordinated quality assurance program, committed to the use of International Standards on Auditing (ISAs) and met other specific ethics requirements.

Established in 2002, the Forum of Firms (FOF), which is a significant part of the International Federation of Accountants (IFAC), is an association of international accounting networks or firms that perform audits of financial statements that are or may be used across

national borders, and that vow to promote the consistent application of high quality audit practice worldwide.

Members of the Forum voluntarily agree to meet certain requirements as detailed in the FOF Constitution.

Commitment to the obligations of membership in the Forum contributes to raising the standards of the international practice of auditing in the interest of users of the profession's services.

In order to achieve full membership status, Mazars had to commit to meet the Forum's membership obligations which require members to:

- \* Maintain appropriate quality control standards in accordance with International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB) in addition to relevant national quality control standards and 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 practicable, on ISAs issued by the IAASB, and
- \* Have policies and methodologies which conform to the IFAC Code of Ethics for Professional Accountants and national codes of ethics.

Mazars is involved in IFAC's work through its presence in three of its committees:

- \* Transnational Auditors Committee (TAC), which is the executive arm of FOF;
- \* International Ethics Standards Board of Accountants (IESBA);
- \* Small and Medium Practices Committee (SMP).

Therefore Mazars stated, on the basis of its Quality Control monitoring conclusions, that it met the membership obligations of the Forum of Firms, in all material respects, in December 2008.



### **2.2.3 Quality control as prescribed by the National Oversight Board in Portugal**

CNSA (Audit Supervision National Council) is the entity responsible for supervising and assess the quality control system of statutory auditors (individuals or firms) which is carried out by *Ordem dos Revisores Oficiais de Contas* (OROC) - Edict of the Official Accounts' Examiners (Reviewers) - through its quality control Committee.

The quality control actions developed by the OROC, must occur, at least every six years, except for the Statutory auditors and audit firms performing statutory audits of public entities in which quality control must be performed within a periodicity of at least three years.

The last inspection carried out to Mazars & Associados by the OROC occurred in February 2007, and registered highly satisfactory results. A new control by OROC is planned for 2010.

The Portuguese Securities Market Commission (CMVM) exercises also, in legal terms, a continuous supervision and monitoring of the entities subject to its supervision, and is allowed to carry out the inspections that it considers necessary. The CMVM informs the CNSA of the results of the inspections carried out to auditors (individuals or firms) which perform the audit of accounts:

- \* Inserted in public bids prospectus or in prospectus of admission to negotiation in the regulated market;
- \* Of the firms related to listed securities;
- \* Of collective investment entities, real estate investment funds, venture capital funds and firms, as well as securitization funds.

Inspections conducted by CMVM covering Auditors (individuals and firms) are carried out in coordination with the OROC.



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*... Over 400 listed customers audited by Mazars across all continents, spread on more than 50 markets and indexes.*

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# 3 Clients



## 3.1. Turnover and Services

### 3.1.1 Consolidated turnover and services

Mazars is structured by international business lines, in line with the client type or business services. This structure applies in each country, where Mazars runs its activity. The four international business lines are:

- \* **Public Interest Entities (PIE).** This covers statutory or contractual audit, and other advisory or compliance services primarily for listed companies.
- \* **Owner Managed Businesses (OMB).** This covers advisory and audit services for privately-owned companies of all sizes. (includes all clients which are not PIE)
- \* **Tax.** This covers a complete range of tax advisory services.
- \* **Law.** Some countries also offer legal services to entities that do not receive statutory audit services.

### 3.1.2 Mazars Portugal turnover

The consolidated turnover of Mazars in Portugal, as of December 31st 2009 was of 8 053 K€.

Below is the turnover for each service line and for both firms member of the Mazars Portugal network for the financial year «pro-forma» which has ended the 31/8/2010 (Sep 1,2009 – Aug 31,2010) and also for the Statutory economic year which ended on 31/12/09.

Mazar's turnover in Portugal for the financial year 2009/2010	
Audit	5,7 M€
Accounting & financial support	1,7 M€
Other specialized services * (Consulting)	0,4 M€
Tax	0,3 M€
<b>Total</b>	<b>8,1 M€</b>

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

Entity	Portugal Network' Turnover for exercise ending on 31/12/2009
Mazars & Associados, SROC, SA	6, 4M€
Mazars Serviços para Gestão SA	1, 7 M€
<b>Total</b>	<b>8, 1 M€</b>

## 3.2. List of public interest entities for which Mazars & Associados, SROC, SA issued an audit report during the preceding financial year ending on 31/12/2009

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

- \* EDIA - EMPRESA DE DESENVOLVIMENTO E INFRA-ESTRUTURAS DO ALQUEVA, S.A.

### 3.2.2 Credit Institutions

- \* BANCO CETELEM, S.A.
- \* BNP PARIBAS FACTOR - INSTITUIÇÃO FINANCEIRA DE CRÉDITO, S.A.
- \* GEOFINANÇA, S.A. (em liquidação)
- \* FORTIS LEASE PORTUGAL S.A.
- \* EUROFACTOR PORTUGAL S.A.

### 3.2.3. Insurance companies

None.

### 3.2.4. Investment Funds

- \* FIM- Commodities Invest / FEI
- \* FIM -Energia Invest/ Fechado
- \* FIM -Hedge Fund Invest /FEI
- \* FIM- Multisector Invest/FEI
- \* FIM- OPV Invest- FEI /Fechado
- \* FIM- Santander Acções América/Aberto
- \* FIM-Santander Acções Europa/Aberto
- \* FIM-Santander Acções Portugal/Aberto
- \* FIM- Santander Acções USA/Aberto





- \* FIM- Santander Euro-Futuro Acções Defensivo/Aberto
- \* FIM-Santander Euro-Futuro Banca e Seguros /Aberto
- \* FIM- Santander Euro.Futuro Cíclico/Aberto
- \* FIM-Santander Euro-Futuro Telecom, Média e Componentes electrónicas
- \* FIM- Santander Global /Aberto Flexível
- \* FIM-Santander Infra-estruturas Invest/Fechado
- \* FIM- Santander Invest Multi-estratégias- FEI / Fechado
- \* FIM-Santander Multinvest/Aberto / Misto
- \* FIM-Santander Multioperações/Aberto
- \* FIM- Santander Multitaxa Fixa/Aberto
- \* FIM- Santander Multitesouraria/ Aberto
- \* FIM- Santander Poupança Investimento FPR/ Aberto
- \* FIM- Santander Poupança Futura FPR/ Aberto
- \* FIM- Santander PPA/ Aberto
- \* FIM- Santander Luso Invest /Aberto
- \* FIM- Santander Markets Invest /Aberto
- \* FIM- Santander Selecção Acções
- \* FIM -Saúde Invest/Fechado
- \* FIM -Super Mix Invest/FEI
- \* FIM- Commodities Invest – FEI
- \* FIM -Santander Europa Invest /Aberto
- \* FIM – Santander Global Credit Julho 2011 – Private- FEI / Aberto
- \* FIM – Santander Multicrédito /Aberto (Obrigações de Taxa variável)

### 3.2.5 Real Estate Funds

- \* FII -2 MRJ /FECHADO
- \* FII- GEF 2 / FECHADO
- \* FII- GEF 3
- \* FII- AMOREIRAS /FECHADO
- \* FII- GLOBAL FUNDO / FECHADO
- \* FII- 2011
- \* FII- QUINTA DA RIBEIRA
- \* FII- LUSOFUNDO / FECHADO
- \* FII- PATRIMÓVEL I / FECHADO
- \* FEII- PATRIMÓVEL II / FECHADO
- \* FII- FUNDOR / FECHADO



- \* FII- NATURA / FECHADO
- \* FII- VILA GALÉ FECHADO

### 3.2.6 Venture Capital Firms

- \* ESPÍRITO SANTO CAPITAL - SOCIEDADE DE CAPITAL DE RISCO, S.A.
- \* TC - Turismo Capital, SCR, S.A.

### 3.2.7 Venture Capital Funds

- \* FCR - Turismo Capital
- \* FCR – Dinamização Turística

### 3.2.8 Pension Funds

- \* Fundo de Pensões Aberto BPI Acções
- \* Fundo de Pensões Aberto BPI Garantia
- \* Fundo de Pensões Aberto BPI Segurança
- \* Fundo de Pensões Aberto BPI Valorização
- \* Fundo de Pensões Banco BPI
- \* Fundo de Pensões Banco do Brasil
- \* Fundo de Pensões Barclays Bank
- \* Fundo de Pensões BPI Vida – PPR
- \* Fundo de Pensões Novartis
- \* Fundo de Pensões Central de Cervejas
- \* Fundo de Pensões Daimler Portugal
- \* Fundo de Pensões EPAL
- \* Fundo de Pensões Grupo GDP
- \* Fundo de Pensões Gescartão
- \* Fundo de Pensões Gestnave
- \* Fundo de Pensões Grupo BNP Paribas Portugal
- \* Fundo de Pensões Grupo Sanofi Aventis
- \* Fundo de Pensões Grupo Vista Alegre
- \* Fundo de Pensões IAPMEI
- \* Fundo de Pensões ICP-Anacom
- \* Fundo de Pensões Jerónimo Martins
- \* Fundo de Pensões Pernod Ricard
- \* Fundo de Pensões Militares das Forças Armadas
- \* Fundo de Pensões Unicre



- \* Fundo de Pensões Portucel
- \* Fundo de Pensões Portucel, SA
- \* Fundo de Pensões Secil
- \* Fundo de Pensões SIBS
- \* Fundo de Pensões Socitrel
- \* Fundo de Pensões Sogrape
- \* Fundo de Pensões Sorefame
- \* Fundo de Pensões Symington
- \* Fundo de Pensões Tabaqueira
- \* Fundo de Pensões Tejo
- \* Fundo de Pensões Unicer
- \* Fundo de Pensões Aberto Reforma Empresa
- \* Fundo de Pensões Banco Santander de Negócios Portugal
- \* Fundo de Pensões Banco Santander Totta
- \* Fundo de Pensões Caixa Económica da Misericórdia de Angra do Heroísmo
- \* Fundo de Pensões Estaleiros Navais de Viana do Castelo, S.A.



“

*... Attract, retain and  
develop the best talents  
for our teams around the  
world.*

”



# 4 *Human resources*



## **4.1. Professionals and support staff**

### **4.1.1 International staff**

Over 12,500 people are working in Mazars offices in the 56 integrated countries as of December 31st 2009.

### **4.1.2 Personnel in Portugal**

During the year 2009, the average number of Mazars Personnel in Portugal amounted to 117 people (in Full Time Equivalents).

### **4.1.3 Personnel dedicated to statutory audit in Portugal**

During the year 2009, 83 professionals in average, from all of the Mazars' offices in Portugal, were assigned to audit services.

## **4.2. Partners**

### **4.2.1. Country Partners**

At the end of the year 2009, Mazars had 7 partners, members of Mazars Carl, exercising their activity in Portugal. As in Portugal the activity is carried out by two legal entities, not all 7 members of Mazars Portugal are shareholders of Mazars & Associados SROC SA (partner Jacques dos Santos is only shareholder of Mazars Serviços para Gestão SA). On the other hand, not all shareholders of Mazars & Associados, SROC, SA are members of the Mazars Scrl only partners Justino Romão, Fernando Vieira, Luis Gaspar, Leonel Vicente and José Rebouta.

### **4.2.2. Country Partners dedicated to statutory audit**

All partners/shareholders of Mazars & Associados SROC SA, which are statutory auditors (as detailed above, in point 1.1) carry out activity in the area of auditing even though they may be exercising other activities.

The shareholder Justino Romão is also responsible for Tax consulting area; the

shareholder Luis Gaspar is also responsible for Consulting area.

### **4.2.3. Information concerning the basis for partners' remuneration**

There are two separate remuneration bases for members/shareholders of Mazars & Associados SROC, SA: one for those who are members of the Mazars Carl and another for those who are not.

For members/shareholders who are also members of the Mazars Carl, remuneration rules defined by Mazars Carl prevail.

On what concerns Mazars & Associados SROC, SA partners, which are members of the Mazars Carl, they are remunerated in equal proportion according to the performance of the national member entity to which they contribute, and the performance of the Mazars Organization overall.

At group level, the measure is the 'operational performance', after the deduction of any unforeseen expense such as litigation, which remains the sole responsibility of the national entity concerned.

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

Ratified by the Governance Council on advice from the Group Executive Board, base points are allocated every three years to partners according to the collective performance of their country and individual performance of each partner, which is assessed against various criteria: professionalism and technical contribution, importance and complexity of assignments, contribution to the general development of local entities and of the Group, level of managerial responsibility, performance in financial management, partnership spirit... None of the criteria listed above is evaluated in isolation, but most importance is placed on technical competence and partnership spirit.

The remuneration of partners/shareholders of Mazars & Associados SROC, SA which are members of Mazars Carl, SA, following the



principles of distribution of the Group, referred above, is based on the payment of service provision and on the distribution of dividends of the first firm.

Partners/shareholders of Mazars & Associados SROC, SA that are not members of Mazars Carl are remunerated in accordance with the assessment of merit, at the level of the country, through basic remuneration, premiums, and distribution of dividends.

No remuneration is assigned to any partner based on new assignments or on the turnover brought to any of the Group firms.

### ***4.3. Mazars' policy regarding continuing education of statutory auditors***

The firm considers its internal training program to be of strategic importance, not only due to its content (expertise to be shared and up to date developments), but also because it is a key means of communicating with staff in respect of requirements in the areas of professional conduct and ethics.

A record of training courses taken is maintained for each staff member and partner in order to ensure that they progressively follow the organization's entire training program and that the training received is consistent with the responsibilities and engagements that are assigned to the staff member.

The firm's training program includes a general syllabus to be followed by all staff at each level. The objective of this program is to enable each staff member to obtain and develop his or her expertise in auditing standards, accounting standards, auditing techniques and engagement management principles.

It also includes a sector-specific syllabus for staff working in certain sectors (insurance, public sector and concessions, banking and high technology in particular).

Audit professionals involved in transnational audits should learn about the following subject areas for the jurisdictions for which the transnational audit is conducted:

- \* Applicable financial reporting and auditing standards;
- \* Controlling of multi-location and group audits;

- \* Applicable listing requirements;
- \* Applicable corporate governance requirements;
- \* Applicable national regulatory frameworks;
- \* The global and local economies and business environments.

Internal technical meetings are frequently held in order to ensure that staff's expertise remains up to date, to enable sharing of experience gained on certain specific engagements and to capitalize upon and address matters of current professional interest.

The firm's internal training program is complemented by external seminars that respond to the specific requirements of staff members arising from the environment and businesses of their clients.

Mazars University opened in early 2008, with a triple objective: to focus all our staff on Mazars' culture, to position Mazars as an excellence-driven player in its market, and to contribute to Mazars' engagement with social issues.

Mazars University coordinates all training organized by the Group, and creates a focus for integration and for the development of consistency in professional competences. As a crossroads for all the different structures that comprise the Group, the University promotes the sharing of knowledge, experience and best practices.

To comply with International Education Standard for professional Accountants IES 7, effective from 1 January, 2006, qualified professionals have 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,
- \* Complete at least 20 hours or equivalent learning units in each year.

#### ***4.3.1. Mazars & Associados, SROC, SA policy regarding continuing education of statutory auditors***

Mazars Portugal complies with IES 7 (see above) and with n.º 284/2007 of the OROC, related to the



professional training of the Statutory Auditors. Partners and registered statutory auditors have 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 in each year.

Mazars has established its own policy with regards to continuing professional education that includes the organization and delivery of technical in-house and external seminars, the active participation and involvement of professional staff in major national and international professional accounting and auditing organizations, as well as the extended opportunities to attend technical seminars and conferences.

An inventory of the CPE credits earned by all of the registered statutory auditors is prepared each year to ensure compliance with the CPE requirements on a multi-year basis. The list of the statutory auditors who do not meet their CPE obligations is transmitted to the Executive Board for monitoring and action plan.

On the basis of the CPE requirements described above, Mazars Portugal has the ability to ascertain, at any given time, that all of its partners and professional staffs meet the CPE requirements as defined by directive n.º 284/2007 of the OROC.

#### **4.3.2. Annual Training Plan of Mazars Portugal**

The Mazars Portugal annual training plan for the year 2009/10 was based on the following:

- \* Welcoming Training for new Assistants (presentation of MAZARS, audit methodology and tools, including AuditSoft) (4 days, 32 h);
- \* Accounting training for new Assistants - 4 days, 32 h ;
- \* Training for new Confirmed Assistants (Audit methodology) – 4 days -32 h ;
- \* Training for new Seniors (Audit methodology) – 4 days -32 h;
- \* Training for seniors and managers on specific subjects(Auditsoft, construction contracts, Commercial Code )- 3 days – 24h

- \* Training on SNC for all professional levels – 2 days – 16h;
- \* Tax training for all seniors and managers – 2 days -16 h;
- \* Excel training (basic and intermediate – separate courses) for assistants and seniors- 1 day- 8h;
- \* External training (organized by the OROC and OTOC) on specific themes in the areas of audit and accounting, based on a rotative plan, in order to cover all managers and in some cases, seniors;
- \* Internal diffusion of documentation obtained in external training ;
- \* Participation in seminars organized by the MAZARS Group (Paris or other international offices) for Managers/Partners.
- \* Training on the code of conduct for the objectivity and independence/Quality Control – Assistants.

The total number of hours of training in 2009/10, was about 5 150 hours, of which approximately 4 100 hours are associated with approximately 83 collaborators in the area of Audit/review of accounts and the remaining hours ,for the staff in other areas of activity. The major volume of training was internal (approximately 3 700 hours in total).

As for partners, Statutory Auditors, they have participated in the following internal training, for a total of 32 hours: (I) AuditSoft, 16 hours; (ii) Tax, 16 hours. Some partners also participated in training developed by the OROC and OTOC, as well as international actions promoted by the Mazars' network (like "OMB Advisory Training").

The Training plan for the 2010/11 considers an increase in the level of investment in training hours involving Accounting matters (SNC / IFRS) and other specific subjects (consolidation; internal control ;analytical review).



“

*... Serving in the public  
interest across the five  
continents.*

”





# 5

## *Global presence / Country presence*



### *Country presence*

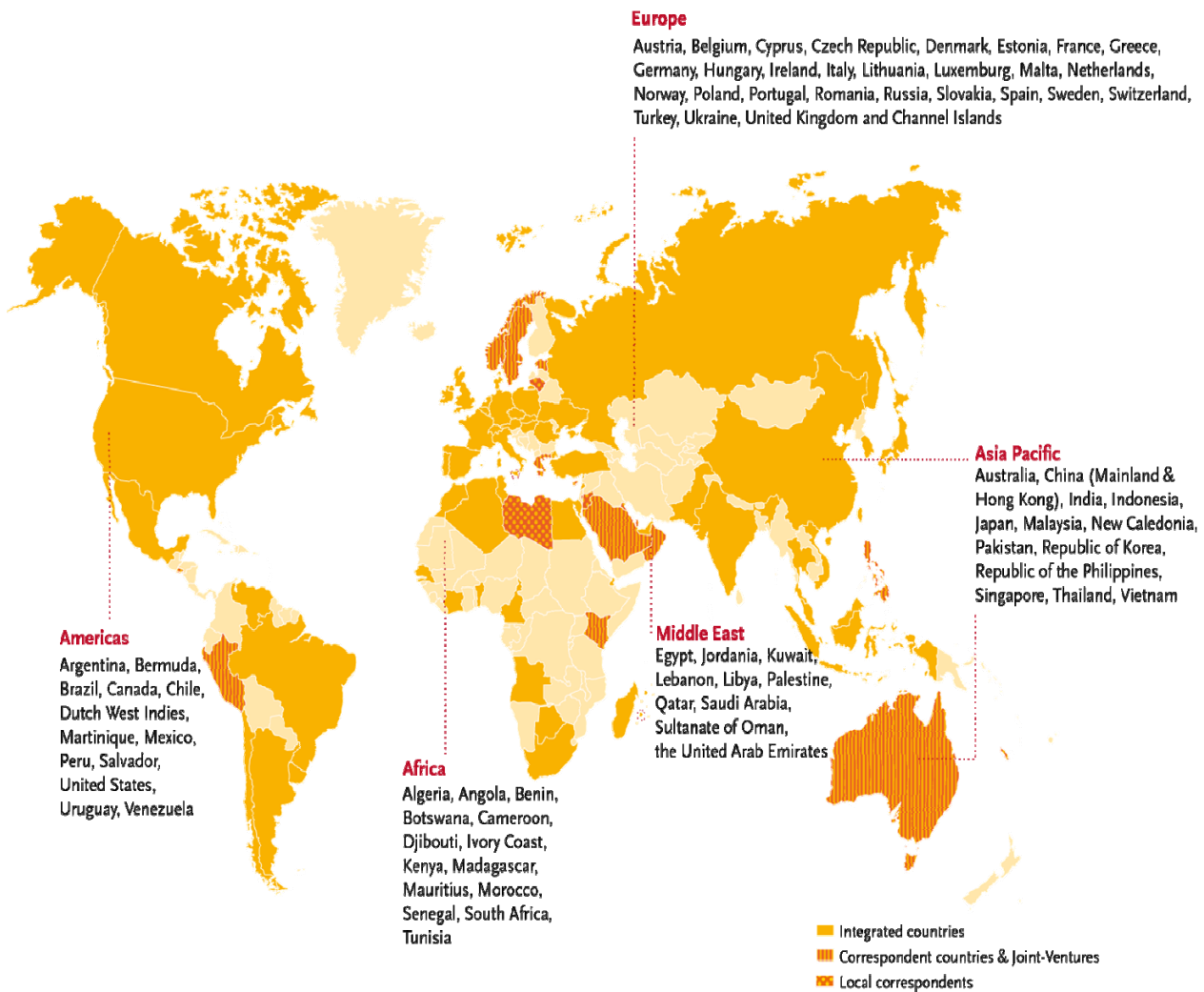
### *Mazars Portugal Map at September 1<sup>st</sup> 2010*





## Global presence

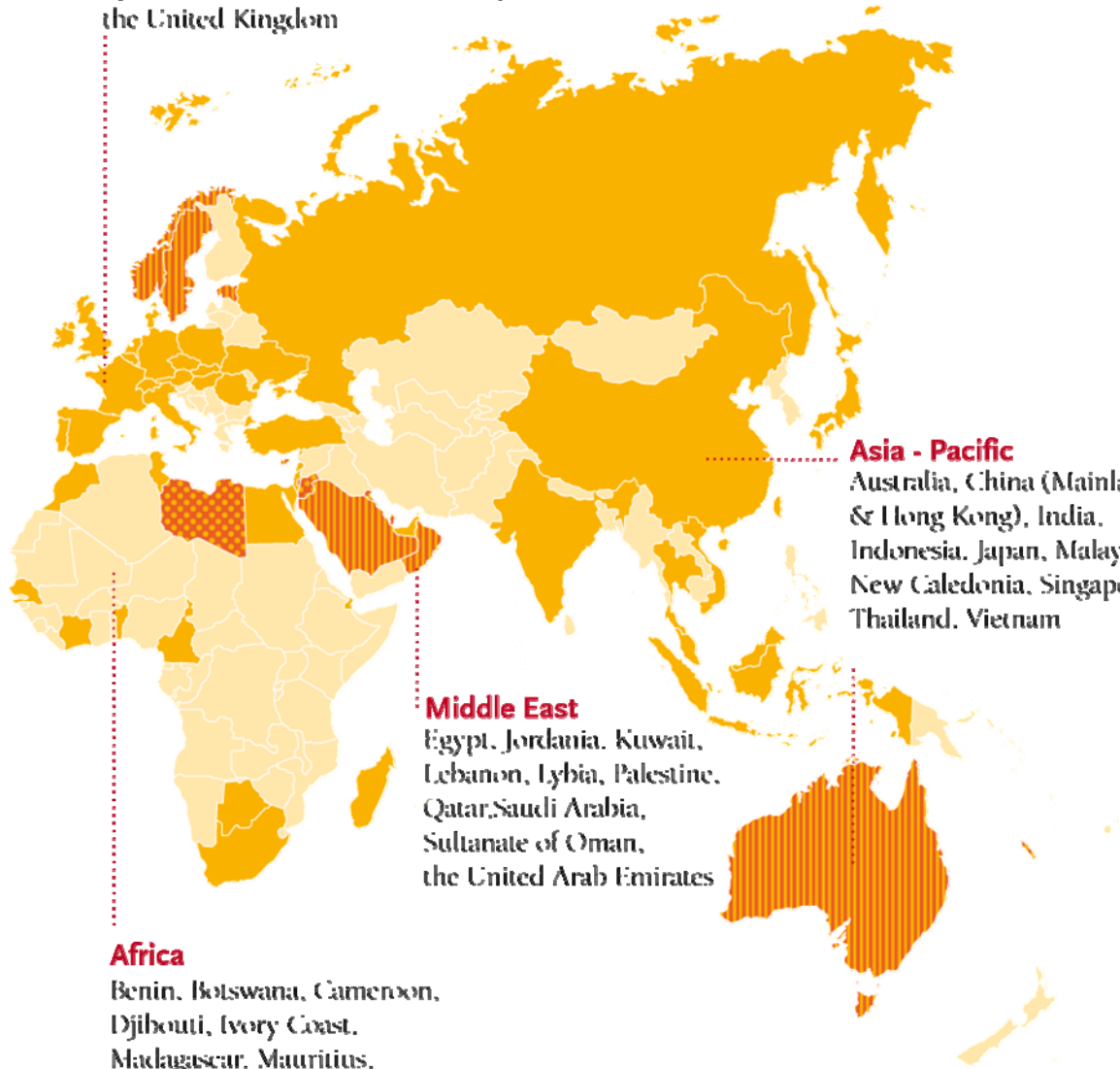
### Mazars World Map at September 1<sup>st</sup> 2010





## Europe

Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom



## Asia - Pacific

Australia, China (Mainland & Hong Kong), India, Indonesia, Japan, Malaysia, New Caledonia, Singapore, Thailand, Vietnam

## Middle East

Egypt, Jordania, Kuwait, Lebanon, Libya, Palestine, Qatar, Saudi Arabia, Sultanate of Oman, the United Arab Emirates

## Africa

Benin, Botswana, Cameroon, Djibouti, Ivory Coast, Madagascar, Mauritius, Morocco, Senegal, South Africa, Tunisia

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FAX: + 351 24 457 49 79  
[mazarsleiria@mazars.pt](mailto:mazarsleiria@mazars.pt)

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OFICIAIS DE CONTAS, SA**  
INSCRIÇÃO Nº 51 NA OROC -  
REGISTADA NA CMVM SOB O Nº 1254  
Registada na CRC LISBOA - NIPC 502 107  
251 - CAPITAL SOCIAL 102.000,00 €

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