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# ***PricewaterhouseCoopers AG*** Transparency Report 2015

September 2015





## Introduction

*The Transparency Report is published in accordance with Art. 40(1) and 45(5) (e) of the Directive on Statutory Audits of annual accounts and consolidated accounts 2006/43/EC.*

*This Transparency Report relates to the Financial Year ending 30 June 2015 (“the 2014/15 Financial Year”).*

*This Transparency Report was approved by the Board of Directors of PricewaterhouseCoopers AG and signed on its behalf by Dr. Markus R. Neuhaus (Chairman of the Board of Directors) and Urs Honegger (Delegate of the Board of Directors and CEO) on 24 August 2015.*

## Legal structure and ownership of the firm

PricewaterhouseCoopers AG, Zurich, a Swiss limited liability company, is the operating company of the PwC group of companies in Switzerland and Liechtenstein. The company provides a range of assurance and consulting services. Its business is organised in four lines of services: Assurance, Tax & Legal, Advisory and Internal Firm Services.

All shares of PricewaterhouseCoopers AG are held by PricewaterhouseCoopers Holding GmbH, Zurich (“PwC Holding”). PwC Holding is also the Swiss member of PricewaterhouseCoopers International Limited (see Section “The PwC network and its governance”, page 4).

PwC Holding is held by the partnership PwC Partner, Urs Honegger, Markus Neuhaus & Co., Zurich, (hereinafter “PwC Partner”) a limited Partnership (“Kommanditgesellschaft”) as defined in the Swiss Code of Obligations. The members of PwC Partner are the ultimate holders of PricewaterhouseCoopers AG. All have an employment contract with PricewaterhouseCoopers AG and are commonly referred to as “Partners”.

The Partners’ Meeting of PwC Partner is, inter alia, responsible for electing the Chairman and the Territory Senior Partner. The Territory Senior Partner acts as CEO of PricewaterhouseCoopers AG. In the Partners’ Meeting each Partner has one vote.

As of 30 June 2015 there were 166 Partners in the four Lines of Services:

- 85 Assurance Partners
- 51 Tax & Legal Partners
- 23 Advisory Partners
- 7 Internal Firm Services Partners

PricewaterhouseCoopers AG operates in 14 offices:

Aarau, Basel, Bern, Chur, Geneva, Lausanne, Lugano, Lucerne, Neuchâtel, Sion, St. Gallen, Winterthur, Zug and Zurich.

## The PwC network and its governance

“PwC” refers to the network of member firms of PricewaterhouseCoopers International Limited (“PwCIL”) and/or one or more of its member firms, each of which is a separate legal entity.

PwC member firms operate locally in countries around the world. Being a member of the PwC network means firms can use the PwC name and draw on certain resources, methodologies, knowledge and expertise within the PwC network. Each member firm also agrees to abide by certain common policies and maintain the standards of the PwC network. Each PwC member firm engages in quality control and compliance monitoring activities, covering the provision of services, ethics and business conduct, and the compliance with specific, strict standards for independence monitoring and protection.

PwCIL is an English private company limited by guarantee. PwCIL does not practise accountancy, provide services to clients or do business with third parties. PwCIL acts as a coordinating entity for PwC member firms in the PwC network. PwCIL develops and implements standards, policies and initiatives that create a common approach for member firms. PwCIL focuses on key areas, such as strategy, brand, risk and quality, including compliance with independence processes.

A member firm of PwCIL must not act as an agent of PwCIL or any other member firm. PwCIL is not responsible for any actions or omissions committed by a PwC member firm and therefore cannot be held liable. PwCIL has no right or ability to influence or restrict any member firm’s exercise of professional judgment.

The governance bodies of PwCIL are the:

**Global Board**, which is responsible for the governance of PwCIL and for the oversight of the Network Leadership Team. The Board does not have an external role. Board members are elected by partners from all PwC member firms around the world every four years.

**Network Leadership team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the member firms agree to adhere.

**Office of the Chairman**, which is responsible for leadership development, the PwC Experience and PwC’s culture, diversity and brand.

**Strategy Council**, which is made up of the leaders of the largest PwC member firms and which agrees changes to the strategic direction of the network required, to facilitate their consistent implementation.

**Network Executive Team**, which reports to the Network Leadership Team and which coordinates the service lines and the key functional areas (such as risk & quality management, human capital, operating business, brand and communication) across the network.

Urs Honegger, the CEO of PricewaterhouseCoopers AG, is a member of the Strategy Council and maintains the relationships with the Network Leadership Team.

Dr. Markus R. Neuhaus, the Chairman of the Board of Directors of PricewaterhouseCoopers AG, is a member of the Office of the Chairman of the PwC network.

Clive Bellingham, Partner in Advisory of PricewaterhouseCoopers AG, has been a member of the Global Board since 15 April 2013.





# Governance structure of the firm

## Board of Directors

During the 2014/15 Financial Year, the Board of Directors of PricewaterhouseCoopers AG comprised:

- Dr. Markus R. Neuhaus (Chairman)
- Urs Honegger (Delegate)
- Heinz Hartmann (Member)

The Board of Directors has the mandatory responsibilities set out in the Swiss Code of Obligations and meets around six times per year.



## Management Board

The management of the firm, subject to the responsibilities of the Board of Directors, was delegated to the Management Board. The Management Board is responsible for the overall management of the firm and holds monthly meetings.

The members of the Management Board in the 2014/15 Financial Year were:

- Urs Honegger (CEO)
- Heinz Hartmann (COO/CFO)
- Julie Fitzgerald (Leader, Growth & Markets)
- Alex Astolfi (Leader, Assurance)
- Wolfgang Rieder (Leader, Advisory)
- Andreas Staubli (Leader, Tax & Legal Services)
- Matthias Jeger (Leader, Quality & Regulatory Affairs)

## Swiss Oversight Board

The Swiss Oversight Board carries out an oversight role in the interest of the partnership as a whole. Its responsibilities are defined in the partnership agreement of PwC Partner and include the monitoring and assessment of the Management Board's performance.

The Swiss Oversight Board comprises of ten members, including the Chairman. The members are elected by the partners for a period of three years.

Dr. Markus R. Neuhaus has been elected as Chairman for the period from 1 July 2014 to 30 June 2017.



# Internal quality control system

## Introduction

The following is a summary of the system of quality control that PricewaterhouseCoopers AG has adopted to oversee its auditing practice.

The Member firms of the PwC network come together through membership of PricewaterhouseCoopers International Limited (“PwCIL”), an English company limited by guarantee, with each member firm being a separate and independent legal entity. As part of the PwC network, all member firms are obliged to abide by certain risk and quality policies issued by PwCIL and to conduct risk and quality reviews. The PwC network audit and quality control standards are set out in various policies. PricewaterhouseCoopers AG’s policies are based on these global policies, which are supplemented in order to comply with local professional standards and regulatory requirements.

## Quality Control Standards

Compliance with International Standards on Auditing (“ISA”) requires PricewaterhouseCoopers AG to have a system of quality control over its auditing practice. These controls constitute an integral part of PricewaterhouseCoopers AG’s day-to-day activities. The quality control system complies with the International Standard on Quality Control 1 (“ISQC 1”), “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements”, issued by the International Federation of Accountants (“IFAC”). The IFAC standards and requirements, and therefore PricewaterhouseCoopers AG’s quality control system, encompass the following six elements of quality control:

- 1. Leadership Responsibilities for Quality within the Firm**
- 2. Relevant Ethical Requirements**
- 3. Acceptance and Continuance of Client Relationships and Specific Engagements**
- 4. Human Resources**
- 5. Engagement Performance**
- 6. Monitoring**

## 1. Leadership Responsibilities for Quality within the Firm

PricewaterhouseCoopers AG’s leadership is committed to audit quality and has established a corporate culture embracing high standards of independence and professional ethics. This is embedded throughout the detailed policies issued by the firm’s leadership, and also in the guidelines discussed below in relation to the relevant ethical requirements, human resources and engagement performance. This is also demonstrated by the dedication of resources to quality. In Assurance, the Risk Management Partner (“RMP”) and the Chief Quality Officer (“CQO”) are the two partners who are responsible for risk management and quality control, respectively. They have the requisite experience and authority to assume their responsibilities. Both partners are members of the Assurance Executive Board. Additionally the CQO is in his function as Leader of Quality & Regulatory Affairs a member of the Management Board of PricewaterhouseCoopers AG.

## 2. Relevant Ethical Requirements

**Integrity and Objectivity:** The reputation and success of PricewaterhouseCoopers AG depend on the professionalism and integrity of each and every partner and employee. All PricewaterhouseCoopers AG partners and staff are expected to uphold and comply with the standards developed by the PwC network and PricewaterhouseCoopers AG. PricewaterhouseCoopers AG's management monitors compliance with these guidelines by partners and staff.

Upon hiring or admission, all staff and partners of PricewaterhouseCoopers AG are provided with a copy of the PwC global and local Code of Conduct. They are expected to live by the values expressed in the code in the course of their professional activities.

**Independence:** PricewaterhouseCoopers AG has adopted the PwC global rules regarding independence and compliance, complemented, where necessary, by more restrictive local professional and regulatory guidelines. PricewaterhouseCoopers AG strictly monitors compliance with regulatory and professional requirements, and with PwC's own independence requirements, related to business and financial relationships with clients.

## 3. Acceptance and Continuance of Client Relationships and Specific Engagements

PricewaterhouseCoopers AG identifies acceptable clients via the process it has in place for accepting and continuing client relationships (Acceptance and Continuance – "A&C").

A decision-making system developed by the global PwC network is furthermore employed to this end. The A&C process supports the engagement team and the operational management and risk-management specialists in deciding whether the risks related to an existing or potential client are manageable, and whether or not PricewaterhouseCoopers AG should enter into and/or maintain a business relationship with the particular client and its management.

## 4. Human Resources

PricewaterhouseCoopers AG partners and staff regularly receive comprehensive information on the culture, values and core attributes of PwC – Quality, Trust, Teamwork, Excellence and Leadership. PricewaterhouseCoopers AG aims to recruit only high-quality staff who are able to work as experts in accounting and other domains in support of audits and who share PricewaterhouseCoopers AG's strong sense of responsibility for auditing. The quality of new employees is assessed by means of a robust and comprehensive process.

### **Professional Development:**

Training and development is an ongoing process. Training starts when a person is hired and continues throughout his or her career. Our people participate in a variety of local, regional and international formal training courses and they will also be trained through on-the-job coaching and supervision.

**Supervision and Direction:** Each engagement partner is responsible, in consultation with others as appropriate, for staffing engagements with partners and staff that have the professional competence and experience required in the circumstances. Furthermore, each engagement partner is ultimately responsible for determining the extent of direction, supervision and review of the work of less experienced staff to whom work is delegated.

## 5. Engagement Performance

### **Consistent Global Methodology:**

PricewaterhouseCoopers AG uses a consistent audit methodology and process for audit engagements. The methodology is enhanced as necessary to respond to the changing environment. All audit engagement partners and staff receive ongoing training in this methodology.

### **Comprehensive Policies and**

**Procedures:** To complement PwC's global guidelines, PricewaterhouseCoopers AG has in place comprehensive policies and procedures governing our local accounting and auditing practice. These are updated on an ongoing basis to reflect new technical developments and changes in the economic environment. These policies cover not only professional and regulatory guidelines, but also reflect the guidance that PricewaterhouseCoopers AG provides to its staff and partners about how best to implement them. They are available in electronic form and are accessible at all times.

**Risk and Quality:** Technical consultation is a key element of quality control. PricewaterhouseCoopers AG has formal guidelines setting out the circumstances under which consultation is mandatory. Our consultative culture also means, however, that our engagement teams regularly consult with other experts beyond the scope of the formal requirements.

PricewaterhouseCoopers AG is supported by an Assurance Technical Office ("ATO"). The ATO also tracks new developments in accounting and auditing and regularly provides updates on these to assurance staff and partners.

## 6. Monitoring

PricewaterhouseCoopers AG is responsible for monitoring the effectiveness of its quality control systems. This includes carrying out independent reviews or arranging for these to be carried out on its behalf. These independent reviews are concluded both at the management level of the firm's systems and procedures (the Quality Management Review or "QMR") and at the individual engagement level (the Engagement Compliance Reviews – "ECR"). Together, these reviews constitute PricewaterhouseCoopers AG's Quality Review process.

The independent QMR and ECR are undertaken so that both the firm and its significant engagements are reviewed at least once every three years. All assurance partners must have at least one of their engagements reviewed every five years. The Quality Review process also involves annual testing of the effectiveness of PricewaterhouseCoopers AG's quality controls with regard to the six elements of quality control outlined above and covers functional areas such as hiring, training, advancement and the independence of staff and partners.

Quality monitoring is an integral part of PricewaterhouseCoopers AG's continuous improvement programme. PricewaterhouseCoopers AG constantly evaluates inputs from formal programmes and a variety of informal sources in an ongoing effort to improve policies, procedures and the consistency of work quality. Instances of failure to meet performance standards are treated very seriously and

the partner responsible is instructed to improve performance. Appropriate steps are taken to achieve improvement through all possible means, including, where appropriate, the imposition of financial penalties.

On the basis of the reviews performed as outlined above, the Management Board of PricewaterhouseCoopers AG is satisfied that PricewaterhouseCoopers AG's internal quality control system is operating effectively. Any matters identified through the various monitoring and review processes are addressed with appropriate corrective actions.



## External inspections

PricewaterhouseCoopers AG is eligible to undertake statutory audit work by virtue of the authorisation granted to it by the Federal Audit Oversight Authority (“FAOA”). Each year, as part of its monitoring responsibilities, the FAOA undertakes an inspection of the quality of PricewaterhouseCoopers AG’s work as statutory auditor.

The FAOA reviews both the member firm’s system of quality control and the ISQC 1 procedures, as well as a selection of individual engagements.

PricewaterhouseCoopers AG has been inspected every year since 2008. The 2014 inspection by the FAOA included detailed engagement reviews of FY13 audits. The FAOA issued their report in November 2014.

In 2014 the FAOA and the US Public Company Accounting Oversight Board (“PCAOB”) conducted a joint inspection.

Based on their earlier inspections, the FAOA confirmed PricewaterhouseCoopers AG’s continuing authorisation to carry out statutory audit work in Switzerland. The findings raised by the FAOA review were included in PricewaterhouseCoopers AG’s remediation plan.

## Public interest audit clients listed on an EU regulated market

The list of audit clients below shows the legally required information only.

During the period covered by this Transparency Report, PricewaterhouseCoopers AG prepared audit reports for public interest audit clients incorporated outside the EU which have bonds or equity securities listed on an EU regulated market.

Audit client	Listed at
Altin AG	London Stock Exchange (LSE)
ARYZTA AG	Irish Stock Exchange (ISE)
BB Biotech AG	Deutsche Börse (DAX), Italian Stock Exchange (Borsa Italiana)
Cavotec SA	OMX Nordic Exchange Stockholm
EFG International AG	Luxembourg Stock Exchange (LuxX)
Etrion Corporation	OMX Nordic Exchange Stockholm
Eurofima Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial	London Stock Exchange (LSE), Bolsa de Madrid (BME), Deutsche Börse (DAX)
General Exploration Partners, Inc.	Oslo Stock Exchange (Norway)
Highlight Communications AG	Deutsche Börse (DAX)
Novartis AG	London Stock Exchange (LSE)
Philip Morris International Inc.	Euronext Paris
Shamaran Petroleum Corporation	OMX Nordic Exchange Stockholm
Swiss Life AG	Irish Stock Exchange (ISE), Luxembourg Stock Exchange (LuxX)
Swiss Reinsurance Company Ltd	Irish Stock Exchange (ISE)
Zürich Versicherungs-Gesellschaft AG	Deutsche Börse (DAX), Luxembourg Stock Exchange (LuxX)

## Independence procedures and practices

### Organisation

PwC Switzerland's General Counsel and Territory Risk Management Partner, a senior partner within the firm, is designated as the "Partner Responsible for Independence" ("PRI"). The PRI is responsible for providing appropriate support and processes which ensure that partners and staff are knowledgeable about independence matters and that they take the actions required of them by the firm's independence policies and supporting guidance. The PRI is supported by a team of independence specialists. The PRI reports directly to the Territory Senior Partner / CEO of the firm.

### Policies and guidance

The PwC network's Independence Policy, which is based on the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA"), contains minimum standards with which PwC member firms have agreed to comply with, including processes that are to be followed to maintain independence from clients.

The independence requirements of the United States Securities and Exchange Commission ("SEC") and those of the PCAOB are, in certain instances, more restrictive than the firm's policy. Given the reach of these requirements and their impact on PwC network firms, the firm's policy identifies key areas where these requirements are more restrictive.

PricewaterhouseCoopers AG also supplements the PwC network's Independence Policy as required by more restrictive local regulation in Swiss and Liechtenstein law, in FINMA regulations and in the Guidelines on Independence of EXPERTsuisse (former Swiss Institute of Certified Accountants and Tax Consultants).

The firm's independence policy covers, inter alia, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans to partners, staff, the firm and its pension schemes;
- non-assurance services and fee arrangements. The policy is supported by the Statements of Permitted Services ("SOPS"), which provide practical guidance on the application of the policy in respect of non-assurance services to audit clients and related entities; and

- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on the purchasing of goods and services acquired in the normal course of business.

### Training and confirmations

PricewaterhouseCoopers AG provides all partners and staff with annual training in independence matters. Various milestone training courses relevant to a change in position or role are offered. Additionally, all partners and staff annually receive mandatory computer-based training on the firm's independence policies and compliance-related topics. Face-to-face training, e.g. on the provision of services, is delivered to partners and staff members on an as-needed basis by the firm's independence specialists and risk and quality teams. Completion of all independence training courses is monitored and non-completion can lead to disciplinary actions being taken.

PricewaterhouseCoopers AG requires all partners and staff, first when joining the firm or and annually thereafter, to confirm their compliance with all aspects of the firm's independence policy, including their own personal independence. In addition, all partners and directors confirm that all services and business relationships for which they are responsible comply with policy and that the firm's processes have been followed in accepting these engagements and relationships. These confirmations serve two primary purposes: to identify any threats to independence that may have arisen; and to provide a periodic reminder of the firm's independence policies and procedures. These annual confirmations are supplemented by periodic and ad-hoc engagement-level confirmations for all assurance clients of the firm.

## Independence Systems

As a member of the PwC network, the firm has access to a number of global systems that assist PwC member firms and their staff in complying with independence policies and procedures. These systems include:

- the Central Entity Service (“CES”), which contains information about corporate entities, including public interest audit clients and SEC-restricted clients and their related securities. CES assists in determining the independence status of clients of the firm before entering into a new non-audit engagement or business relationship. This system also supports the GPS and AFS;
- the Global Portfolio System (“GPS”), which facilitates the pre-clearance of publicly traded securities by all partners, directors and practice managers before acquisition and records their subsequent purchases and disposals. Where a member firm wins a new audit client, this system automatically informs those holding securities in this client of the requirement to sell the relevant securities where required;
- the Authorisation for Services (“AFS”) system, which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, documenting the potential independence threats of the service and proposed safeguards, and acts as a record of the audit partner’s conclusion on the acceptability of providing the service.

PricewaterhouseCoopers AG also has a number of Swiss-specific systems, which include:

- a rotation-tracking system which monitors compliance with the firm’s audit-rotation policies for engagement leaders, other key audit partners and leading staff involved in an audit; and
- a database that records all approved business relationships entered into by PricewaterhouseCoopers AG. These relationships are reviewed on a six-monthly basis to ensure their ongoing permissibility.

## Internal reviews of independence procedures and practices

Our independence procedures and practices are subject to internal review on an ongoing basis. This is achieved through a monitoring and testing programme, which includes the following:

- quality-control reviews of engagements to confirm compliance with risk-management processes, including independence;
- personal-independence-compliance testing of a random selection of partners and leading staff;
- compliance testing of independence controls and processes; and
- annual assessment of the firm’s adherence to the PwC network’s independence-risk-management standards.

In addition, policies and guidance are reviewed and revised whenever changes occur, such as updates to laws and regulations, when PwC network policies and guidance change or as a result of the above mentioned reviews or findings of our monitoring and testing programme.

The results of PricewaterhouseCoopers AG’s monitoring and testing programme are reported to its management on a regular basis.

The investigations of any identified violations of independence policies also serve to indicate the need for improvements in the firm’s systems and processes and for additional guidance and training.

## Disciplinary Policy

PwC member firms are required to have disciplinary mechanisms in place to promote compliance with independence policies and processes and to report and address any violations of independence requirements.

At PricewaterhouseCoopers AG, a partner or staff member may be subject to a warning, reprimand, financial penalty or other disciplinary action (including dismissal) for a violation of independence policy.

# Continuing professional education of partners and staff in auditing

PricewaterhouseCoopers AG maintains documents that are updated on an ongoing basis and are accessible by all assurance-practice partners and staff. These cover the policy, procedure and methodology for audit services, and include a collection of Swiss and international accounting, auditing and professional ethical standards. To ensure that their knowledge remains up to date, partners and staff receive regular communications on technical and regulatory developments as they arise. In relation to auditing, accounting and regulatory requirements, partners and staff have access to support from industry specialists in the relevant fields.

PricewaterhouseCoopers AG's internal training includes a broad range of technical content, as well as business and personal skills programmes. There are also specific training programmes available for partners and staff with clients in specialised industries. The content and delivery of training programmes are reviewed for compliance with the PwC global training policies. Their effectiveness is assessed by means of a number of feedback mechanisms. The high quality of training is ensured by the employment of instructors with appropriate expertise and experience.

In the 2014/2015 Financial Year, the Assurance training comprised the following:

- several technical-update training courses and various e-learning programmes for partners and experienced staff. The training focused on technical innovation. It also dealt with topics such as risk management, independence, audit methodology and accounting, which required enhanced knowledge due to regulatory inspection procedures.
- core training for less experienced staff to undertake the work assigned to them and develop their professional skills.
- milestone training events (such as the New Manager Conference) for staff assuming a new role or promoted to one.

Completion of mandatory training is monitored. Failure to complete mandatory training by set deadlines results in disciplinary action being taken against the partner or staff member concerned.

In addition, PricewaterhouseCoopers AG has a national non-mandatory training programme and runs additional training events on site, as and when required.

Through their participation in the internal objective-setting and performance-appraisal processes, engagement leaders identify the current personal development needs of our staff, including those relating to the quality of work. Unsatisfactory work results in reduced performance-based remuneration.

The PwC Global Code of Conduct and PricewaterhouseCoopers AG's Code of Conduct set expectations with regard to behaviour and values. Mandatory ethics and business-conduct training cover the Code of Conduct, as well as topics related to professional ethics, auditing, accounting and other regulatory matters.

PricewaterhouseCoopers AG also monitors compliance with continuing professional development requirements, including the completion of mandatory training programmes, so that the services the firm provides are delivered by staff who have the appropriate experience and qualifications as required by the relevant legislation and/or professional regulations.



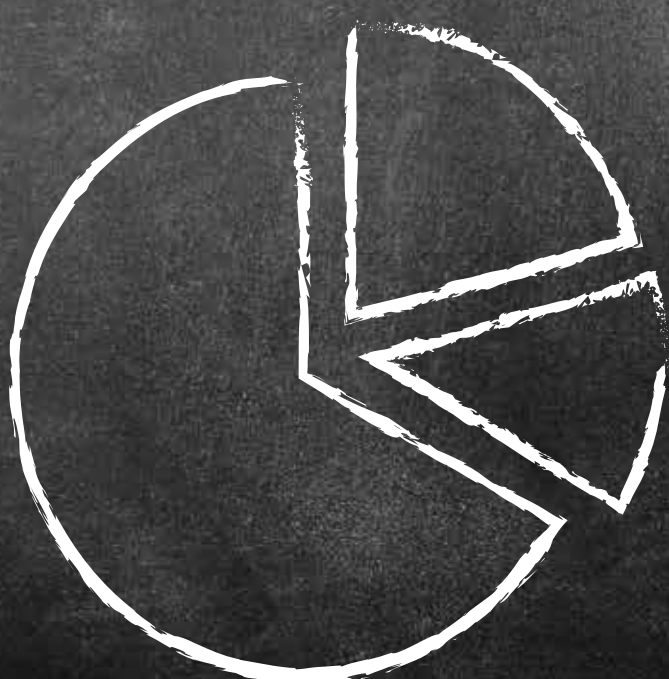
## Financial information

An analysis of the gross fee revenues of PricewaterhouseCoopers AG for the 2014/15 Financial Year is shown below:

	2015 CHF m	2014 CHF m
Audit services	270	279
Non-audit services to audit clients *	124	128
Services to audit clients	394	407
Services to non-audit clients	427	395
Total firm gross fee revenues	821	802
Audit services as a percentage of the firm's total gross fee revenues	33%	35%

Gross fee revenues include fees earned by partners and staff of other PwC firms working on PricewaterhouseCoopers AG mandates, as well as invoices incurred by PricewaterhouseCoopers AG and invoiced to clients. These figures exclude value-added tax.

\* For the Transparency Report 2015 the financial information have been calculated based on changed client categories.





## Remuneration

Partners are remunerated solely through PricewaterhouseCoopers AG. Audit partners are not permitted to be incentivised, evaluated or remunerated for the selling of non-audit services to their audit clients. The individual remuneration of the partners is based on the Partner Income System which is applied to all partners.

The partners' remuneration comprises three interrelated profit-dependent components:

- Responsibility remuneration – reflecting the partner's current responsibilities
- Performance remuneration – reflecting how a partner has performed
- Equity remuneration – reflecting the overall profitability of the firm

The weighting of the above criteria varies depending on the roles and responsibilities.


The final allocation to individual partners is made by the Management Board of PricewaterhouseCoopers AG, once their performance has been

assessed and the annual financial statements have been approved. Each partner's performance remuneration is determined by assessing achievements against an individually-tailored balanced scorecard of objectives, based on the partner's role. These objectives include ensuring that we deliver quality services and maintain our independence and integrity.

The Board of Directors of PricewaterhouseCoopers AG determines the necessary regulations and guidelines after consulting with the Swiss Oversight Board. Responsibility for the annual partner remuneration process lies with the Management Board of PricewaterhouseCoopers AG. The Swiss Oversight Board oversees the process and the correct application of the regulations.

PricewaterhouseCoopers AG

Zurich, 24 August 2015



Dr. Markus R. Neuhaus  
Chairman of the Board of Directors



Urs Honegger  
Delegate of the Board of Directors  
and CEO

