KPMG
cutting through complexity

KPMG SWITZERLAND

Transparency Report 2014

The clear choice for our clients, our people and our communities.

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Letter from the Senior Partner

As a major professional services firm, we have a responsibility to serve the wider communities – as such we fully recognise that the key to our success is our reputation. Our reputation is critical to attract and retain the best talents and thereby maintain the highest standards of quality.

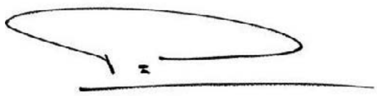
Central to our reputation is KPMG's unwavering commitment to quality, and this applies to all our services. When it comes to audit quality, the primary focus of this report, we are convinced that our brand, our reputation and the future relevance of our business are dependent on our continuing to provide professional and insightful high quality audits in a sustainable manner.

A key to this ambition is our multidisciplinary service approach, which is absolutely critical for us to address the high complexity of our economy. Furthermore, our people are highly motivated because they are able to work and develop in an inspiring, multidisciplinary business environment. A highly motivated team with the relevant competences, understanding the clients and their specifics and acting within the quality control framework of our firm, will enable us to sustain the high quality of our work.

The Transparency Report of KPMG Switzerland for the year ended 30 September 2014 reflects our commitment to audit quality and delivering value to stakeholders. It provides a detailed description not only of how we live audit quality and integrity, but also of how we approach audit quality to meet both international and Swiss professional and ethical standards.

Our business is built on a common vision and a core set of shared values that are underpinned by processes designed to drive and monitor quality and integrity. Our shared values are evidenced by our Code of Conduct and by a focus on 'tone at the top'.

We remain committed to working closely with regulators, investors and businesses to enhance quality and ensure that our responsibilities around acting in the public interest remain high on our agenda. I hope that you will find our report useful in terms of providing insight into how we contribute to strengthening business confidence and building trust in the capital markets.



Stefan Pfister

Stefan Pfister
CEO KPMG Switzerland

Who we are

2.1 Our business

KPMG Partners AG (as from 1 October 2014), together with its wholly owned subsidiaries is referred to throughout this report as 'KPMG Switzerland' or the 'Swiss Firm'. We employ over 1,700 people and operate out of 10 offices in Switzerland and one office in Liechtenstein, offering audit, tax and advisory services in a multidisciplinary business model.

Our business is organized on a partnership basis. The responsibility for leadership is borne by an Executive Committee that creates the framework conditions for the successful activities of all partners and employees, geared toward clients and markets.

2.2 Our strategy

From 30 September 2008 until 30 September 2014, KPMG Switzerland was part of KPMG Europe LLP (ELLP). As of 30 September 2014, the Swiss Firm was (re-) acquired by the Swiss partnership. This transaction was a result of deliberations within ELLP that had been initiated in 2013 to address several challenges, including that of achieving profitable growth.

During the course of 2013, the EMA Board and Country Senior Partners agreed a new operating model for the EMA region that will allow a focus on growth, increased collaboration and the seizing of the best opportunities across our markets in implementing KPMG's overall global strategy, with a clear ambition to build on the considerable strengths and market position of the firm in EMA. In this context, the ELLP Board approved the demerger in May 2014, with the ELLP equity partners ratifying the decision in June 2014. KPMG Holding AG demerged from ELLP as at 30 September 2014.

The role of our EMA region leadership, through the support of member firms across the region, shall be to focus relentlessly on profitable growth, the removal of any barriers to maximizing the effectiveness of quality cross-border client service, to ensure that the best talent KPMG has to offer globally is assigned to our clients' challenges, and to make and share investments with regard to the long-term view of our clients' needs.

KPMG Switzerland is fully aligned with these developments. Further information about KPMG Switzerland is provided in the 2014 KPMG Switzerland Annual Report.

Our structure and governance

3.1 Legal structure

Until 30 September 2014 KPMG Holding AG was the parent company of the Swiss Firm and a wholly owned subsidiary of KPMG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, which itself was a wholly owned subsidiary of KPMG Europe LLP (ELLP). In connection with the execution of the demerger of KPMG Holding AG from ELLP on 30 September 2014 (see Section 2.2), KPMG Partners AG, an entity established in 2014 for the purpose of this transaction, acquired all shares of KPMG Holding AG.

KPMG Partners AG, being the parent company of the Swiss Firm since 1 October 2014, is wholly owned by the Equity Partner Pool.

KPMG Partners AG is domiciled in Zurich, Switzerland and the parent company of the following, directly or indirectly wholly owned subsidiaries:

- KPMG Holding AG, Zurich;
- KPMG AG, Zurich [1], [2];
- KPMG (Liechtenstein) AG, Schaan [2];
- Ostschweizerische Treuhand-Gesellschaft, St. Gallen [3];
- KPMG Klynveld Peat Marwick Goerdeler SA in liquidation, Zurich [4];
- Fides Revision AG, Zurich [5];

KPMG Partners AG is affiliated with KPMG International Cooperative (''KPMG International''), a Swiss cooperative which is a legal entity formed under Swiss law. The details about KPMG International and its business, including our relationship with it, are set out in Section 7.

3.2 Name and ownership

KPMG is the registered trademark of KPMG International and is the name by which the member firms of KPMG International are commonly known. The rights of member firms to use the KPMG name and trademarks are contained within agreements with KPMG International and outlined in the current Transparency Report for KPMG International.

During the year ended 30 September 2014 there was an average of 120 partners (124 during the year ended 30 September 2013).

3.3 Governance structure

The main governing bodies of KPMG Switzerland are the Board of Directors of KPMG Partners AG and the Executive Committee of KPMG Switzerland, the latter also acting as the legal Executive Board of Directors of KPMG AG, our key operating firm. The Executive Committee is responsible for managing the Swiss Firm. The ultimate responsibility for decisions regarding the quality of our audits and our audit opinions lies with the heads of Audit Corporates and Financial Services.

The Board of Directors of KPMG Partners AG was elected in August 2014 for a term of 3 years. As of 30 September 2014, the Board of Directors comprised the Chairman and two additional members. The Board of Directors is responsible for the strategic direction of the Swiss Firm within the framework provided by KPMG International, overseeing the activities and performance of the Executive Committee and other responsibilities as defined by Swiss law.

The Executive Committee comprised the Senior Partner (CEO) and six additional officers, being the Chief Operating Officer (COO), the National Quality & Risk Management Partner (NQRMP) and the Heads of Audit Corporates, Financial Services, Tax and Advisory.

Swiss audit regulations require a majority of our Executive Board of Directors of KPMG AG to be licensed with the Federal Audit Oversight Authority (FAOA). As of 30 September 2014 and as of the date of this report, 4 out of the 7 members of our Executive Committee held such a license.

The Senior Partner of KPMG Partners AG is appointed by the Board of Directors for a term of 4 years after consultations with the Swiss partnership. The other members of the Executive Committee are proposed by the Senior Partner and also appointed by the Board of Directors.

1 Regulatory status: Swiss Licensed Audit Firm under State Oversight
2 Regulatory status: Liechtenstein Registered Audit Firm
3 Regulatory status: Swiss Licensed Audit Expert
4 Dormant entity
5 Entity used for internal purposes only

Our structure and governance continued

The Executive Committee is responsible for developing the overall strategy for approval by the Board of Directors, and the operational management of the Swiss Firm through the market dimensions, functions (Audit Corporates, Financial Services, Tax, Advisory) and central services.

The Executive Committee met 15 times in the year to 30 September 2014, including two retreats that focused on strategic topics. The Senior Partner of KPMG Switzerland communicates regularly and through various means with the Swiss partners and staff. During the year ended 30 September 2014, 3 meetings were held with the Swiss partners.

Full details of those charged with governance for KPMG Switzerland, including their biographies and their terms of office are set out in Appendix 2.

All KPMG International member firms (including KPMG Switzerland) belong to one of three regions – Asia Pacific (ASPAC), the Americas, or Europe, Middle East and Africa (EMA). KPMG Switzerland belongs to the EMA region.

3.4 Leadership responsibilities for quality and risk management

While we stress that all professionals are responsible for quality and risk management, the following have leadership responsibilities for this.

Overall responsibility and delegation:
The Senior Partner of KPMG Switzerland (Roger Neininger until 30 September 2013, Stefan Pfister with effect from 1 October 2014) has overall responsibility for the system of quality control. He has in turn allocated responsibility for quality to the national Function Heads (Audit Corporates, Financial Services, Tax and Advisory) and the National Quality & Risk Management Partner. Individual engagement quality and performance is controlled primarily at the level of the engagement team and the respective function with an appropriate oversight by National Quality & Risk Management, particularly in the case of audit, which is primarily regulated by the Federal Audit Oversight Authority (FAOA) and the Financial Market Supervisory Authority (FINMA). The national Function Heads and the National Quality & Risk Management Partner report to the Senior Partner.

Role of the National Quality & Risk Management Partner (NQRMP):
Operational responsibility for the system of quality control, risk management and compliance in KPMG Switzerland has been delegated to the NQRMP, Philipp Hallauer, who is responsible for setting overall professional risk management and quality control policies and monitoring compliance for the Swiss Firm. The NQRMP is supported by a team of partners and professionals at the center and in each of the functions.

Role of the Heads of Audit Corporates, Financial Services, Tax and Advisory:
The heads of the client service functions are accountable to KPMG's Executive Committee for the quality of service delivered in their respective functions. Between them they determine the operation of risk management, quality assurance and monitoring procedures for their specific functions within the framework set by the National Quality & Risk Management Partner. These procedures all make it clear that at engagement level, risk management and quality control is ultimately the responsibility of all professionals. Details of some of the measures that the Executive Committee of KPMG Switzerland has taken to ensure that a culture of quality prevails within our Firm are set out in Section 4.

System of quality control

KPMG Switzerland has policies of quality control that apply to all of its operating firms. These policies are based on the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), relevant to firms that perform statutory audits and other assurance and related services engagements. These policies and associated procedures are designed to guide our operating firms in complying with relevant professional standards, regulatory and legal requirements, and in issuing reports that are appropriate in the circumstances.

KPMG Switzerland implements KPMG International's policies and adopts additional policies and procedures that are designed to ensure compliance with Swiss law and address the rules and guidelines issued by the Swiss Institute of Certified Accountants and Tax Consultants, the Federal Audit Oversight Authority (FAOA), the Financial Market Supervisory Authority (FINMA) and other relevant regulators such as the US Public Company Accounting Oversight Board (US PCAOB) as well as applicable other requirements.

KPMG International's policies reflect individual quality control elements to help member firms' personnel act with integrity and objectivity, perform their work with diligence, and comply with applicable laws, regulations and professional standards.

Quality control and risk management are the responsibility of all KPMG personnel. This responsibility includes the need to understand and adhere to member firm policies and associated procedures in carrying out their day-to-day activities.

While many KPMG quality control processes are cross-functional, and apply equally to tax and advisory work, the primary focus of this Transparency Report lies on audit and the remainder of this section focuses on what we do to ensure delivery of quality audits.

At KPMG audit quality is not just about reaching the right opinion, but how we reach that opinion. It is about the processes, thought and integrity behind the audit report. KPMG views the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the applicable auditing standards. This means, above all, being independent, objective and compliant with relevant legal and professional requirements.

To help all audit professionals concentrate on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework. Our Framework introduces a common language that is used by all KPMG member firms to describe what we believe drives audit quality, and to highlight how every audit professional at KPMG contributes to the delivery of audit quality.

Our Audit Quality Framework identifies seven key drivers of audit quality:

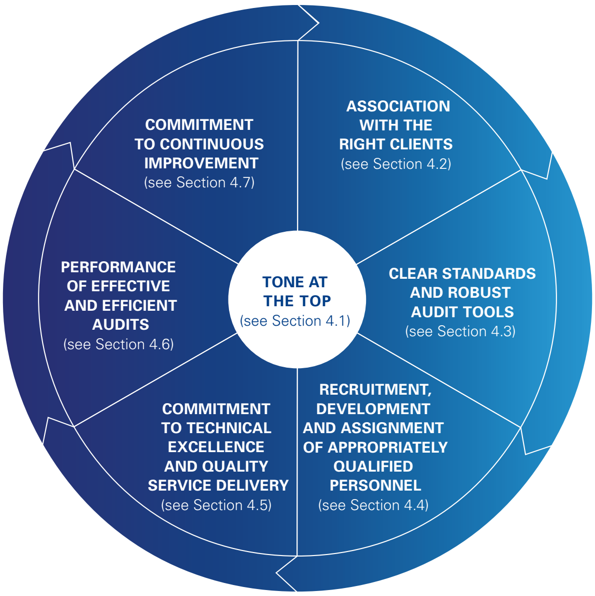
- Tone at the Top;
- Association with the right clients;
- Clear standards and robust audit tools;
- Recruitment, development and assignment of appropriately qualified personnel;
- Commitment to technical excellence and quality service delivery;
- Performance of effective and efficient audits; and
- Commitment to continuous improvement.

Tone at the Top sits at the core of the Framework.

Each of the seven key drivers is described in more detail in the following sections of this report.

System of quality control continued

Audit Quality Framework



4.1 Tone at the Top

Tone at the Top sits at the core of the Audit Quality Framework and ensures the right behaviours permeate our entire network and maximises our outcomes through a focused and consistent voice.

Our leadership demonstrates and communicates its commitment to quality, ethics and integrity through a number of mechanisms including:

- Culture, values, and code of conduct – clearly stated and demonstrated in the way we work;
- Standards set by leadership;
- Seeking to understand "tone at the top" through our periodic people surveys and annual focus groups;
- Operating a whistle-blowing hotline; and
- A governance structure and clear lines of responsibility for quality as well as skilled and experienced people in the right positions to influence the quality agenda.

Integrity is a critical characteristic that stakeholders expect and rely on. It is also the key KPMG core value: Above all, we act with integrity. For us integrity means constantly striving to uphold the highest professional standards in our work, providing sound good-quality advice to our clients and rigorously maintaining our independence. Our values, which have been explicitly codified now for a number of years, are embedded into our working practices. For example, they are reflected in the performance appraisal process that our people follow and adherence to these values is also reviewed when our people are considered for more senior promotions, including to partner. Our core values are set out in Appendix 4.

Our Code of Conduct incorporates our core values and defines the standards of ethical conduct that we require from our Firm and our people. It sets out KPMG's ethical principles, and helps partners and employees to understand and uphold those principles. The Code of Conduct emphasises that each partner and employee is personally responsible for following the legal, professional and ethical standards that apply to his or her job function and level of responsibility. It has provisions that require KPMG people to:

- Comply with all applicable laws, regulations and KPMG policies;
- Report any illegal acts, whether committed by KPMG personnel, clients or other third parties;
- Report breaches of risk management policies by KPMG firms or people;
- Uphold the highest levels of client confidentiality; and
- Not offer, promise, make, solicit or accept bribes (whether directly or through an intermediary).

The commitments in our Code of Conduct underlie our values-based compliance culture where individuals are encouraged to raise their concerns when they see behaviour or actions that are inconsistent with our values or professional responsibilities.

We operate a whistle-blowing hotline which is available to our personnel, clients, and other parties to confidentially report concerns they have relating to how others are behaving (both internally and externally) and concerns regarding certain areas of activity by the Firm, and

System of quality control continued

its senior leadership. The whistle-blowing hotline allows people to report their concerns (via telephone, secure internet lines or surface mail) to a third-party organisation. Our people can raise matters anonymously and without fear of retaliation. Matters reported to the hotline are investigated under the supervision of an independent ombudsman. During the years ended 30 September 2014 and 2013, no cases were reported to the hotline.

4.2 Association with the right clients

4.2.1 Acceptance and continuance of clients and engagements

Rigorous client and engagement acceptance and continuance policies and processes are vitally important to the Swiss Firm's ability to provide quality professional services and to protect KPMG's reputation and support its brand.

4.2.2 Prospective client and engagement evaluation process

Before accepting a client, we undertake an evaluation of the prospective client. This involves an assessment of its principles, its business, and other service related matters. This also involves background checks on the prospective client, its key management and beneficial owners. A key focus is on the integrity of management of a prospective client. A second professional, as well as the evaluating engagement leader, approves the prospective client evaluation. Where the client is considered to be of higher risk, approval is also required from the Functional and / or National Quality & Risk Management Partner.

Each prospective engagement is also evaluated; in practice this may be completed at the same time as the client evaluation, particularly in respect of audit appointments. The engagement leader evaluates a prospective engagement in consultation with other senior personnel and Functional and / or National Quality & Risk Management as required. A range of factors is considered as part of this evaluation including potential independence and conflict of interest issues (using Sentinel™, our global conflicts and independence checking system) as well as a range of factors specific to the type of engagement, including for audit services, the competence of the client's financial management team.

When taking on a statutory audit for the first time, the prospective engagement team is required to perform additional independence evaluation procedures including a review of any non-audit services provided to the client and of other relevant relationships.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are resolved prior to acceptance. The Swiss Firm will decline a prospective client or engagement if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional and firm standards, or there are other quality and risk issues that cannot be appropriately mitigated.

Section 4.3.2 provides more information on our independence and conflict checking policies.

4.2.3 Continuance process

An annual re-evaluation of all audit clients is undertaken. In addition, clients are re- evaluated earlier if there is an indication that there may be a significant change in their risk profile. Recurring or long-running engagements are also subject to re-evaluation.

This re-evaluation serves two purposes. Firstly, the Swiss Firm will decline to act for any client where we are unable to deliver to our expected level of quality or if we consider that it would not be appropriate to continue to be associated with the client. Secondly, and more commonly, we use the re-evaluation process to consider whether or not any additional risk management or quality control procedures need to be put in place for the next engagement (this may include the assignment of additional professionals or the need to involve additional specialists on the audit).

4.3 Clear standards and robust audit tools

All of our professionals are expected to adhere to KPMG policies and procedures (including independence policies) that we set and we provide a range of tools to support them in meeting these expectations. The policies and procedures set for audit incorporate the relevant requirements of accounting, auditing, ethics, and quality control standards, and other relevant laws and regulations.

4.3.1 Audit methodology and tools

Significant resources are dedicated to keeping our standards and tools complete and up to date. Our global audit methodology, developed by the Global Service Centre (GSC), is based on the requirements of International

System of quality control continued

Standards on Auditing (ISAs). The methodology is set out in the KPMG Audit Manual (KAM) and includes additional requirements that go beyond the ISAs where KPMG believes these enhance the quality of our audits. The Swiss Firm also adds local requirements and/or guidance related to KAM to comply with additional professional, legal or regulatory requirements.

Our audit methodology is supported by eAudIT, KPMG's electronic audit tool, which provides KPMG auditors worldwide with the methodology, guidance, and industry knowledge needed to perform efficient, high-quality audits. eAudIT has been deployed to all audit professionals in the Swiss Firm.

eAudIT™'s activity-based workflow provides engagement teams with ready access to relevant information at the right time throughout the audit, thereby enhancing effectiveness and efficiency and delivering value to our audit clients. The key activities within the eAudIT workflow are:

Engagement set-up
- Engagement acceptance and scoping; and
- Team selection and timetable.

Risk assessment
- Understand the entity and identify and assess risks;
- Plan for involvement of specialists and others including experts, internal audit, service organisations and other auditors;
- Evaluate design and implementation of selected controls;
- Risk assessment and planning discussion; and
- Determine audit strategy and planned audit approach.

Testing
- Test operating effectiveness of selected controls; and
- Plan and perform substantive procedures.

Completion
- Update risk assessment;
- Perform completion procedures, including overall review of financial statements;
- Perform overall evaluation, including evaluation of significant findings and issues;
- Communicate with those charged with governance (eg, the Audit Committee); and
- Form the audit opinion.

KAM contains, among other things, procedures intended to identify and assess the risk of material misstatement and procedures to respond to those assessed risks. Our methodology encourages engagement teams to exercise professional scepticism in all aspects of planning and performing an audit. The methodology encourages the use of specialists when appropriate and also requires the use of certain specialists in the core audit engagement team when certain criteria are met.

KAM includes the implementation of quality control procedures at the engagement level that provide us with reasonable assurance that our engagements comply with the relevant professional, legal, regulatory and KPMG requirements.

The policies and procedures set out in KAM are specific to audits and supplement the policies and procedures set out in the Global Quality & Risk Management Manual that is applicable to all KPMG member firms, functions and personnel.

4.3.2 Independence, integrity, ethics and objectivity

4.3.2.1 Overview

We have adopted KPMG International's independence policies which are derived from the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and incorporate, as appropriate, SEC, US PCAOB and other applicable regulatory standards. These policies are supplemented by other policies and procedures to ensure compliance with the Swiss law and the rules and guidelines issued by the Swiss Institute of Certified Accountants and Tax Consultants, the Federal Audit Oversight Authority (FAOA) and the Financial Market Supervisory Authority (FINMA). These policies and processes cover areas such as firm independence (covering for example treasury and procurement functions), personal independence, post-employment relationships, partner rotation, and approval of audit and non-audit services.

The Swiss Firm has a designated Ethics & Independence Partner, who is leading a core team of specialists to help ensure

System of quality control continued

that robust and consistent independence policies and procedures are implemented across our firm in line with the requirements of KPMG International. Amendments to the ethics and independence policies in the course of the year are communicated through our intranet.

To help ensure ethical conduct, including integrity and independence, our Firm and its personnel must be free from prohibited financial interests in, and prohibited relationships with, the network's audit clients, their management, directors and significant owners.

In the event of failure to comply with relevant independence policies, whether identified in the rolling compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy. Matters arising are factored into promotion and compensation decisions and, in the case of partners and directors, are reflected in their individual quality and risk metrics (see Section 4.4).

4.3.2.2 Personal independence

KPMG International policy extends the IESBA Code of Ethics restrictions on ownership of audit client securities to every member firm partner in respect of any audit client of any member firm.

Our professionals are responsible for making appropriate enquiries to ensure that they do not have any personal financial interests that are restricted for independence purposes. In common with other member firms of KPMG International, we use a web-based independence tracking system to assist our professionals in their compliance with personal independence investment policies. This system contains an inventory of publicly available investment products. Partners and client-facing managers are required to use this system prior to entering into an investment to identify whether they are able to do so. They are also required to maintain a record of all of their investments in the system, which automatically notifies them if their investments subsequently become restricted. The Swiss Firm monitors partner and manager compliance with this requirement as part of a programme of independence compliance audits of a sample of professionals. In 2014 41 (2013: 25) compliance audits were conducted by the Swiss Firm.

Any professional providing services to an audit client is also required to notify the Ethics & Independence Partner if they intend to enter into employment negotiations with that audit client.

4.3.2.3 Firm financial independence

KPMG Switzerland also uses the web-based independence tracking system to monitor the Swiss Firm's own investments, including those made by the Swiss KPMG Pension Fund.

4.3.2.4 Independence training and confirmations

The Swiss Firm provides all relevant personnel (including all partners and client service professionals) with annual independence training appropriate to their grade and function and provides all new personnel with relevant training when they join.

All personnel are required to sign an independence confirmation upon joining our Firm. Thereafter, professionals are required to provide an annual confirmation that they have remained in compliance with applicable ethics and independence policies throughout the business year. This confirmation is used to evidence the individual's compliance with, and understanding of, the Swiss Firm's independence policies.

4.3.2.5 Audit partner rotation

Audit partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws and regulations and independence rules. These limit the number of years that partners in certain roles may provide audit services to an audit client. KPMG rotation policies are consistent with the IESBA Code of Ethics and also require our Firm to comply with any stricter applicable rotation requirements. The Swiss Firm monitors the rotation of partners, which also assists them in developing transition plans that help audit engagement teams to deliver a consistent quality of service to clients. The rotation monitoring is subject to compliance testing.

4.3.2.6 Non-audit services

The Swiss Firm has policies in place regarding the scope of services that can be provided to audit clients, which are consistent with IESBA principles and independence rules issued by the Swiss Institute of Certified Accountants and Tax Consultants, the Federal Audit Oversight Authority (FAOA) and the Financial Market Supervisory Authority (FINMA) as well as Swiss law. Additionally, KPMG policies require the Lead Audit Engagement Partner to evaluate the threats arising from the provision of non-audit services and the safeguards available to address those threats.

System of quality control continued

KPMG International's proprietary system, Sentinel™, facilitates compliance with these policies. Lead Audit Engagement Partners are required to maintain group structures for their publicly traded and certain other restricted audit clients in the system. Every engagement entered into by any KPMG member firm in our network is required to be included in Sentinel™ prior to starting work. Sentinel™ then enables Lead Audit Engagement Partners to review and approve, or deny, any proposed service for these restricted audit clients and their related entities or affiliates wherever in the world the service is proposed to be provided and whichever KPMG member firm is to provide the service.

In Switzerland, the Federal Audit Oversight Authority (FAOA) requires reporting on a bi-annual basis of any publicly listed audit clients where the ratio of non-audit to audit fees exceeds 1 to 1, as evidenced in the annual report of the respective client. The Swiss Firm monitors fees earned on audit engagements in order and ensures that the appropriate documentation of our independence considerations is in place where such ratio is exceeded.

In accordance with applicable auditor independence rules, none of our audit partners are compensated on their success in selling non-audit services to their audit clients.

4.3.2.7 Fee dependency

KPMG International's policies recognise that self-interest or intimidation threats may arise if the total fees from an audit client represent a large proportion of the total fees of the operating firm expressing the audit opinion. In particular, these policies require that in the event that the total fees from a public interest entity audit client and its related entities were to represent more than 10% of the total fees received by a particular member firm for two consecutive years:

- This would be disclosed to those charged with governance at the audit client; and
- A Senior Partner from another operating firm would be appointed as the engagement quality control reviewer.

No audit client accounted for more than 10% of the total fees received by the Swiss Firm over the last two years.

4.3.2.8 Business relationships/suppliers

The Swiss Firm has policies and procedures in place that are designed to ensure that business relationships are maintained in accordance with the IESBA Code of Ethics, Swiss law and other Swiss independence requirements. Compliance with these policies and procedures is reviewed periodically.

4.3.2.9 Conflicts of interest

Conflicts of interest may prevent the Swiss Firm from accepting or continuing an engagement. The Sentinel™ system is used to identify and manage potential conflicts of interest within and across member firms. Any potential conflict issues identified are resolved in consultation with other parties as applicable, and the resolution of all matters is documented. An escalation procedure exists in the case of dispute between member firms. If a potential conflict issue cannot be resolved, the engagement is declined or terminated.

It may be necessary to apply specific procedures to manage the potential for a conflict of interest to arise or be perceived to arise so that the confidentiality of all clients' affairs is maintained. Such procedures may, for example, include establishing formal dividers between engagement teams serving different clients and making arrangements to monitor the operation of such dividers.

4.3.2.10 Compliance with laws and regulations

Training covering compliance with laws (including those relating to anti-bribery and corruption), regulations, professional standards and the KPMG Code of Conduct is required to be completed by client-facing professionals at a minimum of once every two years, with new hires completing such training within three months of joining the Firm. Certain non-client-facing personnel who work in finance, procurement or sales and marketing departments, and who are at the manager level and above, are also required to participate in anti-bribery training.

4.4 Recruitment, development and assignment of appropriately qualified personnel

We are committed to equipping our people with the skills and tools they need to cut through the complexity of today's world – complexity that sees our people increasingly working in multidisciplinary teams and across borders, collaborating on a global basis and taking on challenging and innovative projects.

One of the key drivers of quality is ensuring the assignment of professionals with the skills and experience appropriate to the client. This requires recruit-

System of quality control continued

ment, development, promotion and retention of our personnel and robust capacity and resource management processes. We believe it is essential to attract and retain the best people.

4.4.1 Recruitment

All candidates applying for professional positions are required to submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews, ability testing and qualification/reference checks.

Upon joining our Firm, new personnel are required to participate in a comprehensive on-boarding programme, which includes training in areas such as ethics and independence, quality and risk management principles and our people management procedures. Our on-boarding programme also includes ensuring that any issues of independence or conflicts of interest are addressed before the individual's employment or partnership commences.

4.4.2 Personal development

It is important that all professionals have the necessary business and leadership skills to be able to perform quality work in addition to technical skills (see Section 4.5.1).

In relation to audit we provide opportunities for professionals to develop the skills, behaviours and personal qualities that form the foundations of a successful career in auditing. Courses are available to enhance personal effectiveness and develop technical, leadership and business skills. We further develop our personnel for high performance through coaching and mentoring on the job, stretch assignments, country rotational and global mobility opportunities and the like.

4.4.3 Performance evaluation and compensation

At KPMG our commitment to the professionalism, openness and quality & risk management principles starts at the very top with our partners but also extends throughout the people processes.

All professionals undergo annual goal-setting and performance reviews. Each professional is evaluated on attainment of agreed-upon goals and adherence to the KPMG values and attributes. This is achieved through our global performance management process, which is supported by a web-based application. These evaluations are conducted by performance managers and partners who are in a position to assess their performance. In preparation for their counselling, all of our people are required to seek evidence of their performance during the year. As part of the year end counselling process they are awarded a grading based on how well they have performed in meeting their objectives. This grade influences the total amount of remuneration that they are paid. The results of the annual counselling are also considered when promotion decisions are being made.

Similarly, each year, partners and directors are required to agree objectives for the coming year which are specific to their individual role. As part of the year end counselling process our partners are awarded a grading based on how well they have performed in meeting their individual objectives. They are required to provide objective evidence to demonstrate this, which includes their individual quality and risk metrics which are described in further detail below. The result of the annual performance review affects the compensation of our partners and directors and in some cases their continued association with KPMG.

All partners and directors within the Swiss Firm are issued with standardised quality and risk metrics which are fed into their annual counselling process. The quality and risk metrics include a number of parameters, such as the results of external regulatory reviews, timely completion of training, and the outcome of internal monitoring programmes. As part of these metrics, an overall red, amber or green grading is awarded. The 2014 results indicate a good level of quality and risk compliance across our Firm. The action which is taken against any partner with amber and red metrics will be dependent upon what drove the adverse metric initially. The range of actions that will be taken include remediation of the initial deficiency giving rise to the adverse metric, remedial training, one-to- one counselling with functional leadership and/or the National Quality & Risk Management Partner on the issue arising, or in some instances a reduction in the overall compensation paid to the partner / director concerned.

Compensation and promotion

The Swiss Firm has compensation and promotion policies that are clear, simple, and linked to the performance evaluation process so that our people know what is expected of them and what they can expect to receive in return. Our compensation policies do not permit audit partners to be compensated for the sale of non-audit services to their audit clients.

System of quality control continued

Partner admissions

Our process for admission to the partnership is rigorous and thorough, involving appropriate members of our leadership. The procedure includes a business case and a personal case for the individual candidate. Our key criteria for admission to the partnership are consistent with a commitment to professionalism and integrity, quality and being an employer of choice. Anyone who is being considered for promotion to partner within KPMG Switzerland is evaluated against criteria which include evidence of the way that an individual has managed quality and risk as well as their overall adherence to our values. Similarly, attitude to quality and risk is explored for any external partner hires that we are considering. All recommendations for admission to the partnership of the Swiss Firm need to be approved by the Executive Committee, and certain partner nominations require approval by the Board of Directors.

4.4.4 Assignment

The Swiss Firm has procedures in place to assign both the engagement partners and professionals to a specific engagement by evaluating his or her skill set, relevant professional and industry experience, and the nature of the assignment or engagement. Function heads are responsible for the process of allocating particular engagement partners to clients.

Audit engagement partners are required to be satisfied that their engagement teams have appropriate competencies and capabilities, including time, to perform audit engagements in accordance with KAM, professional standards and applicable legal and regulatory requirements. This may include involving KPMG's local and global specialists.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner's considerations may include the following:

- An understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- An understanding of professional standards and legal and regulatory requirements;
- Appropriate technical skills, including those related to relevant information technology and specialised areas of accounting or auditing;
- Knowledge of relevant industries in which the client operates;
- Ability to apply professional judgement; and
- An understanding of KPMG's quality control policies and procedures.

As an additional control in Audit Corporates (where the services are of more of a recurring nature than across much of the rest of our business, and there is a large number of such recurring engagements), our Head of Audit together with the Audit Quality & Risk Management Partner performs an annual review of the portfolio of all of our Audit Corporates engagement partners and directors. The purpose of this portfolio review is to look at the complexity and risk of each audit and then to consider whether or not, taken as a whole, the specific engagement leader has the appropriate time, suitable experience and the right level of support to enable them to perform a high-quality audit for each client in their portfolio.

4.5 Commitment to technical excellence and quality service delivery

We provide all professionals with the technical training and support they need, including access to networks of specialists and departments of professional practice (DPP) or equivalent, which are made up of senior professionals with extensive experience in audit, accounting and reporting either to provide resources to the engagement team or for consultation.

At the same time we use our audit accreditation and licensing policies to require professionals to have the appropriate knowledge and experience for their assigned engagements. Our structure enables our engagement teams to apply their business understanding and industry knowledge to deliver valued insights and to maintain audit quality.

System of quality control continued

4.5.1 Technical training
In addition to personal development discussed at 4.4.2, our policies require all professionals to maintain their technical competence and to comply with applicable regulatory and professional development requirements.

Our technical training curriculum covers all grades of staff with a core training programme for junior staff and periodic and annual update training for qualified and experienced staff and partners.

Audit Learning and Development steering groups at the global, regional and local levels identify annual technical training priorities for development of new courses, content for periodic and annual update training and amendments to the core programme. Delivery of training is through a blend of classroom, e-learning and virtual classroom approaches. Audit Learning and Development teams work with subject experts and leaders from the Global Service Centre (GSC), International Standards Group (ISG) and national DPPs, as appropriate, to ensure the training is of the highest quality, relevant to performance on the job and is delivered on a timely basis.

Audit training is mandatory and completion is monitored through a Learning Management System. This allows individuals to monitor their compliance both with their ongoing Continuing Professional Development requirements and with KPMG's mandatory training and accreditation requirements (see 4.5.2).

In addition to structured technical training, there is a coaching culture that encourages consultation, on-the-job training and mentoring.

4.5.2 Accreditation and licensing
All KPMG professionals are required to comply with applicable professional license rules in the jurisdiction where they practice.

The Swiss Firm is responsible for ensuring that Audit professionals working on engagements have appropriate audit, accounting and industry knowledge and experience in the predominant financial reporting framework. We have accreditation requirements for many of our services (including for US audit and accounting work, Transaction Services and Corporate Finance) which ensure that only partners and employees with the appropriate training and experience are assigned to clients and are appropriately licensed where necessary.

All Audit professionals are also required to maintain accreditation with their professional bodies and satisfy the Continuing Professional Development requirements of such bodies (at a minimum, professionals comply with IESBA requirements). Our policies and procedures are designed to ensure that those individuals who require a license to undertake their work are appropriately licensed.

4.5.3 Access to specialist networks
Our engagement teams have access to a network of local and global specialists in KPMG member firms. Engagement partners are responsible for ensuring that their engagement teams have the appropriate resources and skills.

The need for specialists (e.g. Information Technology, Tax, Treasury, Pensions, Forensic) to be assigned to a specific audit engagement is initially considered as part of the audit engagement acceptance and continuance process.

4.5.4 Consultation
Internal consultation is a fundamental contributor to quality and is mandated in certain circumstances and always encouraged.

The Swiss Firm provides appropriate consultation support to audit engagement professionals through professional practice resources that include a DPP and a US Accounting & Reporting Group.

The role of the DPP is crucial in terms of the support that it provides to the Audit Function. It provides technical guidance to client service professionals on specific engagement-related matters, develops and disseminates specific topic-related guidance on emerging local technical and professional issues, and disseminates international guidance on International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA).

To assist audit engagement professionals in addressing difficult or contentious matters, we have established protocols for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues. Consultation with a team member at a higher level of responsibility than either of the differing parties usually resolves such differences. In other circumstances, the matter may be elevated through the chain of responsibility for resolution by technical specialists. In exceptional circumstances, a matter may be referred to the Head of Audit / Financial Services, Head of DPP, National Quality & Risk Management Partner or a Panel consisting of such individuals.

System of quality control continued

Technical support is also available to our Firm through the International Standards Group (ISG) based in London as well as the US Capital Markets Group, for work on SEC foreign registrants, based in New York or the US Accounting & Reporting Group based in London.

The ISG works with global IFRS and ISA topic teams with geographic representation from around the world to promote consistency of interpretation of IFRS between member firms, identify emerging issues and develop global guidance on a timely basis. The ISG has a network of contacts and holds regular calls both in relation to auditing and IFRS to update country professional practice representatives.

4.5.5 Developing business understanding and industry knowledge

A key part of engagement quality is having a detailed understanding of the client's business and industry.

For significant industries global audit sector leads are appointed to support the development and distribution of relevant industry information to audit professionals. A key element of such industry information is the provision of industry knowledge within eAudIT. This knowledge comprises examples of industry audit procedures and other information (such as typical risks and accounting processes). In addition, industry overviews are available which provide general and business information in respect of particular industries as well as a summary of the industry knowledge provided in eAudIT.

4.6 Performance of effective and efficient audits

How an audit is conducted is as important as the final result. We expect our people to demonstrate certain key behaviors in the performance of effective and efficient audits. These behaviors are discussed below.

4.6.1 KPMG Audit Process

As set out above, our audit workflow is enabled in eAudIT. The key behaviors that our auditors apply throughout the audit process to deliver effective and efficient audits are:

- Timely engagement leader and manager involvement;
- Critical assessment of audit evidence;
- Exercise professional judgment and professional skepticism;
- Ongoing mentoring and on-the-job coaching, supervision and review;
- Appropriately supported and documented conclusions;
- If relevant, appropriate involvement of the Engagement Quality Control Reviewer (EQCR);
- Clear reporting of significant findings;
- Insightful, open and honest two-way communication with those charged with governance; and
- Client confidentiality, information security and data privacy.

4.6.1.1 Timely engagement leader and manager involvement

To identify and respond to the significant audit risks applicable to each audit, the engagement team requires an understanding of the client's business, its financial position and the environment in which it operates. The engagement leader is responsible for the overall quality of the audit engagement and therefore for the direction, supervision and performance of the engagement.

The engagement leader is a key participant in planning meetings, reviews key audit documentation – in particular documentation relating to significant matters arising during the audit and conclusions reached – and is responsible for the final audit opinion. The engagement manager assists the engagement leader in meeting these responsibilities and in the day-to-day liaison with the client and team.

Involvement and leadership from the engagement leader early in the audit process helps set the appropriate scope and tone for the audit and helps the engagement team to obtain maximum benefit from the engagement leader's experience and skills. Timely involvement of the engagement leader at other stages of the engagement allows the engagement leader to identify and appropriately address matters significant to the engagement, including critical areas of judgement and significant risks.

4.6.1.2 Critical assessment of audit evidence with emphasis on professional skepticism

We consider all audit evidence obtained during the course of the audit, including consideration of contradictory or inconsistent audit evidence. The nature and extent of the audit evidence we gather is responsive to the assessed risks. We recognise that audit evidence obtained from external sources tends to be more persuasive. The analysis of the audit evidence requires each of our team members to exercise professional judgment and maintain professional skepticism to obtain sufficient appropriate audit evidence.

System of quality control continued

Professional skepticism involves a questioning mind and alertness to contradictions or inconsistencies in audit evidence. Professional skepticism features prominently throughout auditing standards and receives significant focus from regulators. Our Audit Quality Framework emphasises the importance of maintaining an attitude of professional skepticism throughout the audit.

We have developed a professional judgment process that provides audit professionals with a structured approach to making judgments. Our professional judgment process has professional skepticism at its heart. It recognises the need to be alert to biases which may pose threats to good judgment, to consider alternatives, to critically assess audit evidence by challenging management's assumptions and following up contradictory or inconsistent information and to document rationale for conclusions reached on a timely basis as a means of testing their completeness and appropriateness.

Professional judgment training has been embedded in our core Audit technical training programme for junior staff as well as being included in our periodic and annual update training for qualified and experienced staff and partners.

4.6.1.3 Ongoing mentoring and on-the-job coaching, supervision and review

We understand that skills build over time and through exposure to different experiences. To invest in the building of skills and capabilities of our professionals, without compromising on quality, we use a continuous learning environment. We support a coaching culture throughout KPMG as part of enabling personnel to achieve their full potential.

Ongoing mentoring and on-the-job coaching and supervision during an audit include:

- Engagement leader participation in planning discussions;
- Tracking the progress of the audit engagement;
- Considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- Helping engagement team members address any significant matters that arise during the audit and modifying the planned approach appropriately; and
- Identifying matters for consultation with more experienced team members during the engagement.

A key part of effective monitoring, coaching and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

4.6.1.4 Appropriately supported and documented conclusions

Audit documentation records the audit procedures performed, evidence obtained and conclusions reached on significant matters on each audit engagement. Our policies require review of documentation by more experienced engagement team members.

Our methodology recognises that documentation prepared at the time the work is performed is likely to be more efficient and effective than documentation prepared later. Teams are required to assemble a complete and final set of audit documentation for retention within an appropriate time period, which is ordinarily not more than 60 calendar days from the date of the audit report but may be more restrictive under certain applicable regulations.

The key principle that engagement team members are required to consider is whether an experienced auditor, having no previous connection with the engagement, reviewing the audit documentation sometime in the future will understand:

- The nature, timing, and extent of audit procedures performed to comply with the ISAs;
- Applicable legal and regulatory requirements;
- The results of the procedures performed;
- Significant findings and issues arising during the audit and actions taken to address them (including additional audit evidence obtained); and
- The basis for the conclusions reached and significant professional judgments made in reaching those conclusions.

The Swiss Firm has a formal document retention policy in accordance with the applicable regulation that governs the period we retain audit documentation and other client-specific records.

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4.6.1.5 Appropriate involvement of the Engagement Quality Control Reviewer (EQCR)

EQCRs have appropriate experience and knowledge to perform an objective review of the decisions and judgments made by the audit team. They are experienced audit professionals who are independent of the engagement team. They offer an objective review of the more critical and judgmental elements of the audit.

An EQCR is required to be appointed for the audits, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQCR under applicable laws or regulations and engagements identified as high risk. Before the date of the auditor's report, these individuals review:

- Selected audit documentation and client communications;
- The appropriateness of the financial statements and related disclosures; and
- The significant judgments the engagement team made and the conclusions it reached with respect to the audit.

The audit is completed only when the EQCR is satisfied that all significant questions raised have been resolved.

We are continually seeking to strengthen and improve the role that the EQCR plays in audits, as this is a fundamental part of the system of audit quality control.

In recent years we have taken a number of actions to reinforce this, including:

- Issuing leading practices guidance focusing on reviewer competencies and capabilities and on ongoing support provided to EQCRs;
- Incorporating specific procedures into eAudIT to facilitate effective reviews; and
- Ensuring that the role performed by EQCRs is also taken into account when performing the Partner Portfolio Review process (see Section 4.4.4) to ensure adequacy of time and appropriate skill set for the role and reallocation if needed.

4.6.1.6 Clear reporting of significant findings

Swiss and international auditing standards largely dictate the format and content of the audit report that includes an opinion on the fair presentation in all material respects of the client's financial statements. Experienced engagement leaders arrive at all audit opinions after involvement in the audit and review of the work performed by the audit team.

We provide extensive reporting guidance and technical support to audit partners in preparing audit reports, where there are significant matters to be reported to users of the audit report, either as a qualification to the audit report or through the inclusion of an emphasis of matter paragraph.

4.6.1.7 Insightful, open and honest two-way communication with those charged with governance

Two-way communication with those charged with governance at our clients is key to audit quality. Often the audit committee will be the body identified as those charged with governance. We stress the importance of keeping those charged with governance informed of issues arising throughout the audit and of understanding their views. We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and ongoing discussions with members of the audit committee. We deliver insights such as the appropriateness of accounting policies, the design and operation of financial reporting systems and controls, key accounting judgments and any matters where we may disagree with management's view, and any uncorrected audit misstatements. We ensure the content of these reports meets the requirements of auditing standards and we share our industry experience to encourage discussion and debate with those charged with governance. In recognition of the demanding and important role that audit committees play for the capital markets and also of the challenges that they face in meeting their responsibilities, KPMG's Audit Committee Institute ('ACI') aims to help audit committee members enhance their awareness, commitment and ability to implement effective audit committee processes. The ACI, which operates in Switzerland as well as many other KPMG countries, provides audit committee members with authoritative guidance on matters of interest to audit committees as well as the

System of quality control continued

opportunity to network with their peers during a recurring programme of technical updates and awareness seminars.

4.6.1.8 Focus on effectiveness of group audits

Our audit methodology covers the conduct of group audits in detail. We stress the importance of effective two-way communication between the group engagement team and the component auditors, which is a key to audit quality. The group audit engagement leader is required to evaluate the competence of component auditors, whether they are KPMG member firms or not, as part of the engagement acceptance process. Our audit methodology incorporates the heightened attention currently being given to key risk areas for group audits, e.g., emerging markets and business environments that may be subject to heightened fraud risks.

4.6.2 Client confidentiality, information security and data privacy

KPMG is committed to providing a secure and safe environment for the personal data and confidential information we hold, as well as protecting the privacy of our clients, service providers and our third parties.

The importance of maintaining client confidentiality is emphasised through a variety of mechanisms including through regular communication on the topic, the Code of Conduct, training and the annual affidavit/confirmation process, which all of our professionals are required to complete.

KPMG Switzerland is required to meet the security requirements set out in the Global Information Security Policies and Standards as issued by KPMG International. As part of these global requirements, the Swiss Firm appointed a National Security Officer (NSO), who also acts as National IT Security Officer (NITSO), with the necessary authority, skills and experience to lead the information security function. The NSO / NITSO is in charge of the Swiss Firm's information security programme and works closely with our IT Services, National Quality & Risk Management and Marketing & Communications. The NSO / NITSO reports to the Swiss Firm's COO and also to the Global IT Security Officer and Global Head of Information Protection.

Everyone has a role to play in protecting client and confidential information. Policies and practices are communicated to all personnel and, as appropriate, reinforced through guidance, awareness and training. KPMG Switzerland has an Acceptable Use Policy that applies to all KPMG personnel. The policy encourages effective and appropriate use of KPMG information technology resources, and highlights the protection requirements of all employee, KPMG, and client confidential and personal information. Each operating firm is required to have a formal document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, standards and regulations.

4.7 Commitment to continuous improvement

We focus on ensuring our work continues to meet the needs of participants in the capital markets. To achieve this goal, we employ a broad range of mechanisms to monitor our performance, respond to feedback and understand our opportunities for continuous improvement.

Additionally, we have processes in place to proactively identify emerging risks and to identify opportunities to improve quality and provide insights.

4.7.1 Monitoring

4.7.1.1 Internal monitoring

KPMG International has an integrated monitoring programme that covers all member firms to assess the relevance, adequacy, and effective operation of key quality control policies and procedures. This monitoring addresses both engagement delivery and KPMG International policies and procedures and meets the ISQC1 monitoring requirements.

The results and lessons from the programmes are communicated within the Swiss Firm, and the overall results and findings from the programmes are considered, and appropriate actions taken, at regional and global levels.

Our monitoring procedures involve ongoing consideration of:

- Compliance with KPMG Internationals's policies and procedures;
- The effectiveness of training and other professional development activities; and
- Compliance with applicable laws and regulations and the Swiss Firm's standards, policies, and procedures.

We use two formal inspection programmes conducted annually by KPMG Switzerland across the Audit, Financial

System of quality control continued

Services, Tax, and Advisory functions: the Quality Performance Review (QPR) Programme; and the Risk Compliance Programme (RCP). Both programmes are developed and administered by KPMG International.

Additionally all KPMG member firms are covered once in a three-year cycle by cross-functional Global Compliance Reviews (GCRs) performed by reviewers in the Global Compliance Group who are independent of the member firm and report to Global Quality & Risk Management. These programmes are designed by KPMG International and participation in them is a condition of ongoing membership of the KPMG network (see Section 7 for further details on the KPMG network). The appropriateness of KPMG International's guidance materials is considered periodically.

Quality Performance Reviews (QPRs)

The International QPR programme is the cornerstone of our efforts to monitor engagement quality and one of our primary means of ensuring that member firms are collectively and consistently meeting both KPMG International's requirements and applicable professional standards. The QPR programme assesses engagement level performance in the Audit, Financial Services, Tax, and Advisory functions and identifies opportunities to improve engagement quality.

All engagement leaders are generally subject to selection for review at least once in a three-year cycle. The reviews are tailored to the relevant function, performed at a member firm level, overseen by a Lead Reviewer from outside the specific operating firm being reviewed, and are monitored regionally and globally.

Remedial action plans for all significant deficiencies noted are required at an engagement and operating firm level. We disseminate our findings from the QPR programme to our professionals through written communications, internal training tools and periodic partner, manager and staff meetings. These areas are also emphasised in subsequent inspection programmes to gauge the extent of continuous improvement.

As for KPMG Switzerland, in 2014 the number of engagements and percentage of engagement leaders reviewed were as follows:

	2014 Number of engagements reviewed (2013)	2014 Percentage of engagement leaders reviewed (2013)
Audit	26 (31)	33% (37%)
Tax	33 (61)	40% (50%)
Advisory	18 (20)	35% (44%)

All engagements are awarded one of three grades; 'Satisfactory', 'Performance Improvement Necessary' and 'Unsatisfactory'. A 'Satisfactory' grading requires both (i) the audit work performed, the evidence obtained and the audit documentation produced to comply with our internal policies, applicable auditing standards and legal and regulatory requirements, and (ii) key judgements concerning significant matters in the audit and the audit opinion itself to have been appropriate. A 'Performance Improvement Necessary' grading is attributed where the auditor's report is generally supported by the work performed and the auditor's report is appropriate, but where improvements are necessary in one or more significant areas including with respect to the documentation of the work performed. An 'Unsatisfactory' grading is attributed where the engagement was not performed in accordance with the international firm's policy and professional standards in significant areas, in particular where there are significant deficiencies in the financial statements themselves, the audit work paper documentation or the actual work undertaken.

In terms of remedial actions all engagement leaders receiving a 'Performance Improvement Necessary' grading are considered for review in the following year and all engagement leaders receiving an 'Unsatisfactory' rating will be subject to a review of another of their engagements in the current year and a review in the following year. In addition, the ratings from the annual QPR are included in the annual quality and risk metrics issued for all partners and directors for all functions (as described in Section 4.4.3).

Lead Audit Engagement Partners are notified if (i) any subsidiary in their respective cross-border and/or global audit accounts was subject to review and received a less than 'Satisfactory' rating; and (ii) if a subsidiary of their global account is audited by a KPMG member firm where more pervasive quality concerns have been identified during the Audit QPR programme.

In Tax and Advisory, the functions follow a similar three-tier engagement grading system to Audit.

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Risk Compliance Programme (RCP)

The RCP is a member firm's annual self-assessment programme. The objectives of the RCP are to monitor, assess, and document firm wide/cross-functional compliance with the system of quality control established through KPMG International's quality and risk management policies and applicable legal and regulatory requirements as they relate to the delivery of professional services. The programme is overseen and monitored regionally as well as globally.

Member firms are required to self-assess their overall levels of compliance as 'Green', 'Amber or 'Red'. A 'Green' grade indicates that the firm is substantially compliant with KPMG's policies and procedures and where there are issues identified these are minor and isolated and are acted on promptly. An 'Amber' grade also indicates that the firm is substantially compliant with KPMG policies and procedures although there may be several instances of non-compliance with policies or procedures, however these do not indicate serious deficiencies within the firm as a whole. A 'Red' grade indicates that there are serious deficiencies.

Global Compliance Reviews (GCRs)

GCRs are performed by reviewers independent of the member firm, led by KPMG's Global Compliance Group, and are carried out once in a three-year cycle. These reviews focus on significant governance, risk management and independence and finance processes (including an assessment of the robustness of the firm's Risk Compliance Programme). Each major review area is assigned a "traffic light" rating by the GCR review team. A 'Green' rating indicates that policies and procedures are generally satisfactory and that the firm is substantially compliant with KPMG International's policies and procedures. An 'Amber' rating is given when the results indicate that the firm is generally compliant with KPMGI's policies and procedures. There may be several instances of non-compliance with policies and procedures; however these do not necessarily indicate serious deficiencies within the firm as a whole. A 'Red' rating indicates that a firm has serious deficiencies.

The Swiss Firm was subject to its last GCR in 2012.

4.7.1.2 External monitoring

In Switzerland, the Federal Audit Oversight Authority (FAOA) has been carrying out yearly independent inspections for a number of years. Such inspections consist of a firm level review and a selection of audit engagement file reviews. In addition, the Swiss Financial Market Supervisory Authority (FINMA) conducts audit engagement file reviews of our FINMA regulated clients on a sample basis. In 2012, the FAOA assumed responsibility for financial statement audit file reviews related to the financial services sector, and is expected to take over responsibility from FINMA for file reviews of regulatory audits related to the financial services sector with effect from 2015. The FAOA's 2013 inspection of KPMG AG was conducted in May and June 2013 and the inspection report was issued in January 2014. We considered each of the findings and implemented actions to continue to strengthen our policies and procedures as appropriate. In 2013, KPMG AG was also subject to a joint inspection between the FAOA and the US Public Company Accounting Oversight Board (PCAOB). The PCAOB's inspection report had not been issued in draft or final form as of the date of this Transparency Report.

KPMG AG is currently registered with the following foreign audit regulators:

- Canadian Public Accountability Board (CPAB)
- Finnish Auditing Board of the Central Chamber of Commerce (AB3C)
- French 'Haut Conseil du Commissariat aux Comptes' (H3C)
- Irish Auditing & Accounting Supervisory Authority (IAASA)
- Italian 'Commissione Nazionale per le Società e la Borsa' (CONSOB)
- Japanese Financial Services Authority (JFSA)
- Liechtensteinische Finanzmarktaufsicht (FMA)
- Luxembourg 'Commission de Surveillance du Secteur Financier' (CSSF)
- Swedish Supervisory Board of Public Accountants (RN)
- UK Financial Reporting Council (FRC)
- US Public Company Accounting Oversight Board (PCAOB)

System of quality control continued

4.7.2 Client feedback
In addition to internal and external monitoring of quality, we operate a programme across the Swiss Firm where we actively solicit feedback from management and those charged with governance at our clients on the quality of specific services that we have provided to them. The feedback that we receive from this programme is formally considered by leadership and individual client service teams to ensure that we continually learn and improve the levels of client service that we deliver. Any urgent actions arising from client feedback are followed up by the engagement leader to ensure that concerns on quality are dealt with on a timely basis.

4.7.3 Monitoring of complaints
We have robust procedures in place for handling complaints received from clients relating to the quality of our work. These procedures are detailed on our website.

KPMG Switzerland takes any complaints about the quality of its services or the behavior of its people seriously. We undertake to investigate them and address the concerns raised promptly.

If a client has a complaint or is not satisfied with any aspect of their dealings with KPMG Switzerland they are invited to raise their concerns with a partner or a senior member of staff who is known to them. If they are not able to reach a satisfactory resolution in this way, they may follow one of the following courses of action:

- if the complaint concerns KPMG's professional services they may contact the National Quality & Risk Management Partner;

- if they wish to report possible illegal, unethical or improper conduct involving KPMG Switzerland or any of its people and do not wish to follow any of the previous courses of action, they may make use of our whistle-blowing hotline.

4.7.4 Interaction with regulators
KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR) to discuss issues identified and actions taken to address such issues at a network level.

The European Group of Auditors' Oversight Bodies (EGAOB) was established by the European Commission (EC) as an advisory group. The European Audit Inspection Group (EAIG), which provides regular updates to the EGAOB, was established by audit regulators from EU member states to create awareness of important issues and promote cooperation and consistency as well as to share practices and experiences. The Swiss Federal Audit Oversight Authority (FAOA) is a member of the EAIG. With respect to KPMG in Europe an EAIG forum referred to as the ''College of Regulators'' has been established to increase mutual understanding on key areas of focus.

Financial information

KPMG Switzerland achieved the following revenues for the year ended 30 September 2014:

Net revenues	Share of revenues	Change	2014 in CHF million	2013 in CHF million
Audit	49.7 %	–0.1 %	192.7	192.9
Tax (including Legal)	29.6 %	1.6 %	114.7	112.9
Advisory	20.7 %	24.2 %	80.4	64.7
Total [1]	**100 %**	**4.7 %**	**387.8**	**370.5**

[1] Net revenues refer to services rendered by KPMG Switzerland.

Gross revenues	Change	2014 in CHF million	2013 in CHF million
Total [2]	**11.5 %**	**496.8**	**445.4**

[2] Gross revenues additionally include out-of-pocket expenses and services of subcontractors and other KPMG member firms charged through KPMG Switzerland.

Personnel	Change	FTE 2014	FTE 2013
Total FTE as at 30 September	**1.6 %**	**1,625**	**1,599**

Partner remuneration

Partner remuneration comprises a base salary and associated benefits (including employer contributions to the Swiss Firm's pension fund, see below) and additionally they are entitled to a bonus. In Switzerland and Liechtenstein, partners are members of a pension fund operated for all employees; both employer (the Swiss Firm) and employee (partners and staff) are required to contribute to this scheme. In addition, Partner bonuses are covered by a separate pension scheme.

The allocation of bonuses and hence overall remuneration of partners of the Swiss Firm is determined by the Executive Committee after assessing the Swiss Firm's overall financial performance and each function's and each respective partner's contribution to that performance for the year. Audit partners are explicitly not remunerated for non-audit services sold to their audit clients. The Board of Directors of KPMG Partners AG reviews the proposed total partner compensation for plausibility, making recommendations to the Executive Committee for additional consideration. The Board of Directors is further responsible for determining the total compensation of the Senior Partner and approving the total compensation proposed by the Senior Partner for the other members of the Executive Committee.

Network arrangements

7.1 Legal structure

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative which is a legal entity formed under Swiss law. The KPMG International network consists of approximately 162,000 professionals working in 155 countries. For the year ended 30 September 2014 the member firms comprising the network generated aggregate revenues of US$ 24 billion.

KPMG International carries out business activities for the overall benefit of the KPMG network of member firms but does not provide professional services to clients. Professional services to clients are exclusively provided by its member firms.

The structure is designed to support consistency of service quality and adherence to agreed values wherever in the world the member firms operate. One of the main purposes of KPMG International is to facilitate the provision by member firms of high-quality audit, tax and advisory services to their clients. For example, KPMG International establishes, and facilitates the implementation and maintenance of, uniform policies and standards of work and conduct by member firms and protects and enhances the use of the KPMG name and brand.

KPMG International is an entity which is legally separate from each member firm. KPMG International and the member firms are not a global partnership, joint venture or in a principal agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to oblige or bind any member firm.

7.2 Responsibilities and obligations of member firms

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

In these agreements, member firms commit themselves to a common set of KPMG values. Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients. This includes having a structure that ensures continuity and stability and being able to adopt global and regional strategies, share resources, service multinational clients, manage risk, and deploy global methodologies and tools. Each member firm takes responsibility for its management and the quality of its work.

In accordance with the Global Code of Conduct, partners and professionals working within member firms are required to act with integrity at all times. Compliance with key quality standards (including key aspects of methodologies, tools and management of risk) are specifically assessed as part of the international review programmes described in Section 4.7.1. The results of these programmes are reported to various governance and management bodies within KPMG International which can, at its discretion, take a number of actions against the firm concerned – including, ultimately, removal from the KPMG International network of any firm that fails to meet the required quality standards.

Member firms are also required to have the capability to provide certain types of core services and to refer work to other member firms where appropriate (for example, if the engagement concerns work in that other member firm's country and that other member firm has the required capacity and expertise to perform the work).

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts (which is currently based on revenue) is approved by the Global Board and consistently applied to the member firms.

A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

Network arrangements continued

7.3 Professional indemnity insurance

A substantial level of insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis and is principally written through a captive insurer through a programme that is available to all KPMG member firms.

Details about KPMG International's governance arrangements can be found in the Transparency Report for KPMG International.

7.4 Area Quality & Risk Management Leaders

KPMG International has a network of Area Quality & Risk Management Leaders (AQRMLs), reporting to the Global Vice Chair - Quality & Risk Management. The AQRMLs are members of the Global Quality & Risk Management Steering Group and each AQRML performs a monitoring function over a group of member firms. Their role is to enhance the KPMG network's ability to proactively monitor quality and risk management across member firms.

Statement by the Executive Board of Directors on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality management for KPMG Switzerland outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by the Swiss Firm comply with the relevant laws and regulations.

The Executive Board of Directors of KPMG AG (and Executive Committee of KPMG Switzerland) have considered:

- The design and operation of the quality management system as described in this report;
- The findings from the various compliance programmes operated by our Firm (including the KPMG International Compliance Programmes as described in Section 4.7.1 and our local compliance monitoring programmes); and
- Findings from regulatory inspections

Taking all of this evidence together, the Executive Board of Directors confirms with a reasonable level of assurance that the system of quality control within the Swiss Firm has operated effectively in the year ended 30 September 2014.

Further, the Executive Board of Directors confirms that an internal review of independence compliance within the Swiss Firm has been conducted in the year ended 30 September 2014.

1. Key legal entities and areas of operation

Name of entity	Legal structure	Regulatory status	Nature of business	Area of operation
KPMG Partners AG	Swiss corporation / company limited by shares	N/A	Holding Company	Switzerland
KPMG Holding AG	Swiss corporation / company limited by shares	N/A	Holding Company	Switzerland
KPMG AG	Swiss corporation / company limited by shares	Swiss Licensed Audit Firm under State Oversight and Liechtenstein Registered Audit Firm	Audit, Tax and Advisory Services	Switzerland and Liechtenstein
KPMG (Liechtenstein) AG	Liechtenstein corporation / company limited by shares	Liechtenstein Registered Audit Firm	Audit, Tax and Advisory Services	Liechtenstein
Ostschweizerische Treuhand-Gesellschaft	Swiss corporation / company limited by shares	Swiss Licensed Audit Expert	Audit, Tax and Advisory Services	Switzerland

2. Details of those charged with governance

Board of Directors and Executive Committee of KPMG AG
as of and for the year ended 30 September 2014:

Roger Neininger (1960, CH)
Chief Executive Officer,
is a Swiss Certified Accountant and has been with KPMG since 1984. In 1996 he was appointed partner and took over broader responsibilities in management. In 2009 he joined the Executive Committee and became Head of Audit and Deputy CEO. On 1 October 2012 Roger Neininger was appointed CEO of KPMG in Switzerland. On 1 October 2014 Roger Neininger was appointed chairman of the Board of Directors of KPMG Partners AG.

Jörg Walker (1962, CH)
Chief Operating Officer, Chief Financial Officer,
is a graduate in law from St. Gallen (lic. iur.) and a Certified Tax Expert. He spent four years teaching at the Institute of Public Finance and Fiscal Law (IFF) at the University of St. Gallen and joined KPMG in 1994. Jörg Walker has been a member of the Executive Committee since October 2004.

Philipp Hallauer (1964, CH)
Head of National Quality & Risk Management,
is a graduate in business administration (lic. oec.) of the University of St. Gallen and a Swiss Certified Accountant. He has worked for KPMG since 1990. He was the Chairman of the Board of KPMG Switzerland from 1 April 2005 until 30 September 2008. Philipp Hallauer became a member of the Executive Committee with effect from 1 December 2013.

Lukas Marty (1967, CH)
Head of Audit,
is a graduate in business administration (lic. oec.) of the University of St. Gallen and a Swiss Certified Accountant. He has been with KPMG since 1993. He is a partner responsible for auditing and advising listed clients. He was appointed CFO in 2008 and became a member of the Executive Committee in 2010. On 1 October 2012 Lukas Marty became Head of Audit.

Stefan Pfister (1968, CH)
Head of Advisory,
has a Masters Degree in Economics from the University of St. Gallen (lic. oec.) and is a Certified Real Estate Expert and Chartered Surveyor. He has more than 15 years of Corporate Finance and Real Estate business experience, especially in leading large transactions and valuation mandates within the real estate industry. Stefan Pfister joined KPMG in 2005 and has been a member of the Executive Committee since October 2011. He was appointed CEO of KPMG Switzerland on 1 October 2014.

Philipp Rickert (1966), CH)
Head of Financial Services,
is a graduate in business administration and law (lic. oec and lic. iur) and a Swiss Certified Accountant. He joined KPMG in 1996 and became a partner in 2003. As Head of Audit Financial Services he took over responsibility for bank and insurance auditing at KPMG in Switzerland in 2011. Philipp Rickert was appointed a member of the Executive Committee in February 2013.

Peter Uebelhart (1969, CH)
Head of Tax,
is a graduate in business administration (lic.oec.) of the University of St. Gallen and a Certifed Tax Expert. He joined KPMG in January 2001. Since 2002 he has been a partner of KPMG in Switzerland. He became Head of M&A Tax Switzerland in 2002 and Head of International Corporate Tax in Zurich in 2005. On 1 October 2012 he was appointed Head of Tax, Legal, BOS and became a member of the Executive Committee.

Details of those charged with governance, continued

Board of Directors and Executive Committee of KPMG AG with effect from 1 October 2014:

Stefan Pfister (1968, CH)
Chief Executive Officer,
has a Masters Degree in Economics from the University of St. Gallen (lic. oec.) and is a Certified Real Estate Expert and Chartered Surveyor. He has more than 15 years of Corporate Finance and Real Estate business experience, especially in leading large transactions and valuation mandates within the real estate industry. Stefan Pfister joined KPMG in 2005 and has been a member of the Executive Committee since October 2011. He was appointed CEO on 1 October 2014.

Jörg Walker (1962, CH)
Chief Operating Officer, Chief Financial Officer,
is a graduate in law from St. Gallen (lic. iur.) and a Certified Tax Expert. He spent four years teaching at the Institute of Public Finance and Fiscal Law (IFF) at the University of St. Gallen and joined KPMG in 1994. Jörg Walker has been a member of the Executive Committee since October 2004.

Philipp Hallauer (1964, CH)
Head of National Quality & Risk Management,
is a graduate in business administration (lic. oec.) of the University of St. Gallen and a Swiss Certified Accountant. He has worked for KPMG since 1990. He was the Chairman of the Board of KPMG Switzerland from 1 April 2005 until 30 September 2008. Philipp Hallauer became a member of the Executive Committee with effect from 1 December 2013.

Anne van Heerden (1965, NL)
Head of Advisory (from 1 January 2015),
is a Dutch Register Accountant (RA), a Swiss Licensed Audit Expert and a Certified Fraud Examiner (CFE).He joined KPMG in the Netherlands in 1986, and KPMG Switzerland in 2000. He became partner in 2004, and was Head of Forensic from 2003 until 2014. He has been Head of Risk Consulting since 2009 and Head of Consulting since 2013. In addition, he has been a member of the Global Forensic Executive Committee since 2012. He was appointed member of the Executive Committee and Head of Advisory as of 1 January 2015.

Lukas Marty (1967, CH)
Head of Audit,
is a graduate in business administration (lic. oec.) of the University of St. Gallen and a Swiss Certified Accountant. He has been with KPMG since 1993. He is a partner responsible for auditing and advising listed clients. He was appointed CFO in 2008 and became a member of the Executive Committee in 2010. On 1 October 2012 Lukas Marty became Head of Audit.

Philipp Rickert (1966), CH)
Head of Financial Services,
is a graduate in business administration and law (lic. oec and lic. iur) and a Swiss Certified Accountant. He joined KPMG in 1996 and became a partner in 2003. As Head of Audit Financial Services he took over responsibility for bank and insurance auditing at KPMG in Switzerland in 2011. Philipp Rickert was appointed a member of the Executive Committee in February 2013.

Peter Uebelhart (1969, CH)
Head of Tax,
is a graduate in business administration (lic.oec.) of the University of St. Gallen and a Certifed Tax Expert. He joined KPMG in January 2001. Since 2002 he has been a partner of KPMG in Switzerland. He became Head of M&A Tax Switzerland in 2002 and Head of International Corporate Tax in Zurich in 2005. On 1 October 2012 he was appointed Head of Tax, Legal, BOS and became a member of the Executive Committee.

Roger Neininger (1960, CH)
Member of the Executive Committee (until 31 December 2014),
is a Swiss Certified Accountant and has been with KPMG since 1984. In 1996 he was appointed partner and took over broader responsibilities in management. In 2009 he joined the Executive Committee and became Head of Audit and Deputy CEO. From 1 October 2012 to 30 September 2014 Roger Neininger was appointed CEO of KPMG in Switzerland. On 1 October 2014 Roger Neininger was appointed Chairman of the Board of Directors.

Details of those charged with governance, continued

Board of Directors of KPMG Partners AG
with effect from 1 October 2014:

Roger Neininger (1960, CH)
Chairman of the Board of Directors,
is a Swiss Certified Accountant and has been with KPMG since 1984. In 1996 he was appointed partner and took over broader responsibilities in management. In 2009 he joined the Executive Committee and became Head of Audit and Deputy CEO. From 1 October 2012 to 30 September 2014 Roger Neininger was CEO of KPMG in Switzerland. On 1 October 2014 Roger Neininger was appointed Chairman of the Board of Directors.

Hélène Béguin (1966, CH)
Member of the Board of Directors,
is a Swiss Certified Accountant and has been with KPMG since 1987. In 2004, she was appointed Partner and took over broader responsibilities in management. She is the Head of Audit Suisse Romande. She is responsible for the National Market in Suisse romande. On 1 October 2014 Hélène Béguin was appointed Member of the Board of Directors.

Stuart Robertson (1955, GB, CH)
Member of the Board of Directors,
is a Chartered Accountant (ICAS) with Diploma in Accounting from the Heriot-Watt University and an MA (Hons), from the University of St. Andrews. From 1999 to 2002 he built up and led the KPMG Switzerland Transaction Services team. From 2008 to 2010 he led KPMG ELLP's FS Transactions Services in five countries. In 2011 Stuart Robertson became global head of KPMG Transactions and Restructuring in the Banking Sector. On 1 October 2014 Stuart Robertson was appointed Member of the Board of Directors.

3. Public interest entities

The list of the Swiss Firm's public interest entity audit clients as at 30 September 2014 is provided below. The definition of 'public interest entity' for this purpose is that given under the provisions of Article 727 Section 1 lit. 1 of the Swiss Code of Obligations and includes Swiss entities publicly listed by shares or bonds and Swiss entities that contribute at least 20% of assets or revenues to the consolidated financial statements of Swiss publicly listed entities.

Aduno Holding AG
agta record ag
AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern
Alpine Select AG
Angel Telecom Holding AG
Autoneum Holding AG
Axpo Holding AG
Axpo Power AG Axpo Trading AG
Bank Julius Bär & Co. AG
Banque Cramer & Cie AG
Barry Callebaut AG
BELIMO Automation AG
BELIMO Holding AG
Bondpartners S.A.
Burkhalter Holding AG
Burkhalter Technics AG
BVZ Holding AG
Cembra Money Bank AG
Centralschweizerische Kraftwerke AG
Cicor Technologies Ltd.
Conzzeta AG
Credit Suisse AG
Credit Suisse Group AG Datacolor AG
Datacolor AG Europe
Emmi AG
Emmi Finanz AG
EMS-CHEMIE AG
EMS-CHEMIE HOLDING AG
ENAG Energiefinanzierungs AG
Energiedienst Holding AG
Feintool International Holding AG
Flughafen Zurich AG
GAM Holding AG
Gazprombank (Schweiz) AG
Gornergrat Bahn AG
Groupe Baumgartner Holding SA
GZO AG
Helvetia Holding AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG
Helvetia Schweizerische Versicherungsgesellschaft AG
INFICON HOLDING AG
Jelmoli AG
Julius Bär Gruppe AG
Jungfraubahn AG
JUNGFRAUBAHN HOLDING AG
Kernkraftwerk Leibstadt AG
Kuoni Reisen AG
Kuoni Reisen Holding AG
LO Immeubles SA
Lonza AG
Lonza Group AG
Lonza Sales AG
Lonza Swiss Finanz AG
Looser Holding AG
Matterhorn Gotthard Verkehrs AG
MCH Group AG
MCH Messe Schweiz (Basel) AG
Micronas Semiconductor Holding AG
Mobimo AG
Mobimo Holding AG
Nestlé S.A.
New Venturetec AG
Nobel Biocare Holding AG
NORINVEST HOLDING SA
OC Oerlikon Corporation AG, Pfäffikon
OTI Energy AG
Panalpina Welttransport (Holding) AG
Partners Group AG
Partners Group Holding AG
Phoenix Mecano AG
Private Equity Holding AG
ProgressNow! invest AG
Publigroupe S.A.
Roche Holding AG
Roche Kapitalmarkt AG
Schlatter Industries AG
SPS Immobilien AG Sulzer AG
Swiss Prime Site AG
Swisscom (Schweiz) AG
Swisscom AG
Swissgrid AG
Swisstronics Contract Manufacturing AG
Syngenta AG
Syngenta Finance AG
TCP International Holdings Ltd.
Tecan Group AG
u-blox AG
u-blox Holding AG
VAUDOISE ASSURANCES HOLDING SA
VAUDOISE GENERALE, Compagnie d'Assurances SA
VAUDOISE VIE, Compagnie d'Assurances SA
Villars Holding S.A.
Warteck Invest AG
Wengernalpbahn AG
Zehnder Group AG

4. KPMG's global values

We lead by example.	At all levels we act in a way that exemplifies what we expect of each other and our clients.
We work together.	We bring out the best in each other and create strong and successful working relationships.
We respect the individual.	We respect people for who they are and for their knowledge, skills and experience as individuals and team members.
We seek the facts and provide insight.	By challenging assumptions and pursuing facts, we strengthen our reputation to provide insight as trusted and objective business advisers.
We are open and honest in our communication.	We share information, insight and advice frequently and constructively and manage tough situations with courage and candour.
We are committed to our communities.	We act as responsible corporate citizens by broadening our skills, experience and perspectives through work in our communities.
Above all, we act with integrity.	We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.

KPMG's core values are at the heart of our Global Code of Conduct which defines the standards of ethical conduct that are required of people in KPMG member firms worldwide.