

Transparency Report
2010 - 2011
Slovakia



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Introduction

Mazars, collective intelligence in action



We are pleased to introduce the 2010/2011 transparency report for Mazars Slovensko, s.r.o.

Mazars is a leading and growing international, integrated and independent organisation specialising in audit, accounting, tax, legal and advisory services. As of 31 August 2011, Mazars has offices in 61 countries across the world with a workforce of around 13 000 highly qualified professionals.

Since its origins, Mazars has constantly been focused on developing the right added value to support its clients wherever they are.

In that context, we make our best to contribute actively to all the debates relating to our professional environment or the standards ruling our activity.

Besides we are committed to:

- Playing an active role in the works conducted by international professional bodies and contributing to evolve standards that rule our activity (IFAC, IESBA ...),
- Recruiting and growing the right talents internally to work in synergy with those of our clients,
- Continuously evolving our methodologies and service offering to better answer and anticipate our clients needs,
- Being a responsible player in our society and demonstrating everyday the value of our "Partnership Social Responsibility" strategy. As an example, we do support several projects around the world focusing on protecting our environment or promoting diversity of people and cultures, such as carbon print projects and the creation of a diversity committee.

We also have the will to bring our contribution in terms of transparency. First of all with the voluntary publication of a Group's annual report including consolidated IFRS financial statements certified by independent auditors since 2004/2005.

Bratislava, 30 November 2011

Mickaël Compagnon
Managing Partner

1. Mazars' description

Mazars is an independent organization that specializes in audit, accounting, tax and advisory services.

1.1 Mazars in Slovakia

Mazars has opened its office in Slovakia in 2000. Mazars operates in Slovakia through 3 legal entities, all of them fully integrated into Mazars:

- ***Mazars Accounting s.r.o. offers accounting services,***
- ***Mazars Slovensko, s.r.o specialises in audit services,***
- ***and Mazars Tax k.s. offers tax advisory services.***



1.1.1. Legal structure and ownership of Mazars Slovensko, s.r.o.

Mazars Slovensko, s.r.o. (later also „audit company“), IN: 35 793 813 is Limited Liability Company, established in line with the Slovak legislation and headquartered in Europeum Business Center on Suché mýto 1, 811 03 Bratislava, Slovakia, incorporated in the Commercial registry of County Office Bratislava I, Section: Sro, Insert No. 22257/B.

The audit company is owned by Mazars SA, with its headquarters at 61 rue Henri Regnault, 92 400 Courbevoie, France. Mazars SA has also 100% of voting rights in the audit company.

The statutory body of the audit company is the executive, Ing. Alena Sermeková, who is enlisted in the auditors list of Úrad pre dohľad nad výkonom auditu (Audit Oversight Authority in Slovakia).

1.1.2. Governance structure

The company is managed by 2 partners, based on an agreement with Mazars Scrl (for more information refer to 1.2 Mazars at an international level):

- Mickael Compagnon, Managing Partner, French Certified Accountant is the Procurist of the audit company,
- Ing. Alena Sermeková, Certified Auditor is the company's executive.

1. Mazars' description

1.2 Mazars at an international level

Since 1995, Mazars has been building a unique form of integrated partnership that remains faithful to the values and beliefs of its founders, and is a truly democratic organisation.

The democratic partnership gives each partner the right to vote on the strategic decisions involving the future of the partnership. This sharing of responsibility is central to Mazars' principles and practices.

We established an integrated international partnership with the principal objective of guaranteeing consistency in the quality of our service to clients.

1.2.1 Structure of Mazars Scrl

Institutional integration

The Mazars organisation comprises all the member entities which have signed a co-operation agreement with Mazars Scrl. Mazars Scrl is a Limited Responsibility Co-operative Company headquartered in Belgium, which itself has no professional activity, and whose shareholders are partners in the member entities. They are the only owners of Mazars' capital. The aim of Mazars Scrl is to define the strategic objectives of the organisation, and to coordinate their implementation at member firm level. The organisation also has specific responsibility for promoting and protecting the Mazars brand throughout the world.

Once appointed, all Mazars partners sign a contract that allows them to transfer their interests only to parties approved or designated by Mazars Scrl. The shares in member firms can, in principle, only be owned by the partners of Mazars Scrl. The consolidated financial results of Mazars Scrl include those of the member firms and are prepared in compliance with International Financial Reporting Standards (IFRSs) and are jointly audited by two independent auditors, BDO and Crowe Horwath.

The Group Executive Board (GEB), directly elected by the partners, assumes ultimate responsibility for the framework of the Mazars organisation. Mazars is not simply a collection of national firms, but an integrated organisation of professionals sharing growth goals, commitments to investment and technical excellence, bearing risks and sharing profits.

Operational integration

In order to serve its clients well at a global level, Mazars has developed an international, homogenous and integrated approach to the markets which it serves.

Mazars is structured internationally around two major business lines - Public Interest Entities (PIE) and Owner Managed Businesses (OMB); two professional services lines - Tax and Law; and four support units helping facilitate business development. All four PIE, OMB, Tax and Law lines, as well as the four support units, are represented at Group level through Global Business Units (GBUs) and Global Support Units (GSUs), but also at national level through Country Business Units (CBUs) and Country Support Units (CSUs).

The main responsibility of the GBUs is to define the overall strategic vision, to monitor and support implementation at country level and to ensure the Group's operational efficiency. In this sense the GBUs are accountable for overall strategic delivery (i.e. growth and profitability).

The GSUs support our business in a joined up way for the benefit of our clients in areas such as policies, systems, people and processes.

Mazars is structured in such a way as to ensure that the countries, the GBUs and GBUs and the Group are aligned. It has a management structure which facilitates the bringing together of senior partners or managers of all integrated entities and Global Units in periodic meetings taking place at least three times a year.

1. Mazars' description

The integrated international partnership permeates through every aspect of the Mazars organisation:

- Each global or international assignment is managed and carried out by an integrated team, coordinated by an engagement partner in charge who takes final responsibility for reporting to the client;
- Each global business unit is represented in every country where the organisation operates in order to optimise the coordination of assignments and cross border relations between teams; and
- Partners and the national member entities in which they work are linked by a series of agreements intended to achieve maximum consistency within the Group. They all report to the elected representatives of the Group.

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

1.2.2. Governance of Mazars Scrl

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

- The management of Mazars Scrl is devolved to the GEB for key strategic decisions and to the Global Executive Committee (GEC) for everyday operational issues, under the supervision of the Group Governance Council (GGC). The management of the member entities of the Mazars organisation is the responsibility of their respective Country Executives.
- The GEB reports to the GGC at least once every four months and to the General Meeting of partners at least once a year. At this General Meeting, partners elect the Chairperson for a three-year term and the other members of GEB, as proposed by the

Chairperson. The Executive Board whose mandate expires at the end of 2012 currently comprises five members:

- Patrick de Cambourg, Chairman and Group CEO, France
- Antonio Bover, Group co-CEO, Senior Partner of Mazars in Spain
- Philippe Castagnac, Group co-CEO, Senior Partner of Mazars in France
- Hilton Saven, Group co-CEO, Senior Partner of Mazars in South Africa
- Douglas A. Phillips, Group co-CEO, Senior Partner of WeiserMazars LLP in the US

- The GEB is assisted by four Senior Advisors:

- Frédéric Allilaire, Americas, Middle-East and North Africa coordination
- David Evans, Talent GSU sponsor, Senior Partner of Mazars in the UK
- John Mellows, Asia-Pacific coordination
- Jos van Huut, Chairman of the Praxity Alliance.

- The GEC meets every two months to report key business issues and provide a status report on projects undertaken by the GBUs and GSUs. The GEC also validates key decisions on an international and transversal level. The GEC currently comprises:

- GEB members and Senior Advisors
- GBU & GSU leaders:
 - Hervé Hélias, GBU PIE
 - Phil Verity, GBU OMB
 - Ton Tuinier, GBU Tax
 - Bernd Sagasser, GBU Law
 - Thierry Colin / Eric Albrand, GSU Performance & Systems
 - Laurent Choain, GSU Talent
 - Jean-Luc Barlet, GSU Technique & Innovation
 - Caroline Van Troeyen, GSU General Secretariat & Communications
- Miguel de Fontenay, Business Consulting
- Loic Wallaert, Country Forum.

1. Mazars' description

- The GGC meets at least once every four months. It plays a monitoring role, reviewing the way the Group is being run by the GEB and GEC, and monitoring the performance of Group member entities. Council members are elected by the partners at the General Meeting for a three-year term.
- The GGC may include between 4 and 16 members. Its mandate expires at the end of 2012 and the GGC currently comprises nine members:
 - Michel Barbet-Massin, Chairman, France
 - Pierre Sardet, Vice-Chairman, France
 - Kathryn Byrne, United States
 - Mohamed Ali Elaouani Cherif, Tunisia
 - Patrice de Folleville, Germany
 - Tim Hudson, United Kingdom
 - Ruud Krouwer, The Netherlands
 - Vincenzo Miceli, Italy
 - Kenneth Morrison, China – Hong Kong.
- Country Executive Committees have authority to manage the member entities within the strategic and operational framework established by the organisation. They are elected by the partners of the member entity, their candidacy being subject to the agreement of the GEB.
- The General Meeting of partners is held at least once a year and is the pivotal point in the governance and decision making processes of Mazars Scrl. It is at this meeting that, collectively, the partners of Mazars elect the governing bodies (every three years) and approve the major strategic direction and operations of the Group, the appointment of new partners and the annual audited consolidated accounts of the Group.

1.2.3. Mazars' worldwide presence

Mazars serves its clients throughout the world via:

- Integrated member entities in 61 countries; and
- Non-integrated entities in 22 countries (local or national correspondents, joint-ventures of Mazars scrl and representative desks/offices).

While the member entities constitute the integrated partnership, the non-integrated entities are also part of the Mazars network. They are all committed to the quality assurance and risk management policy as described in section 2 of this report.

Furthermore, Mazars (including all its integrated members) is one of the founding members of Praxity, an international alliance of Independent Firms created in 2007 as a non-profit-making International Association regulated under Belgian law.

Praxity is present in 82 countries. Each Praxity participating firm delivers state of the art accounting services and in-depth local knowledge. Participating firms bring their collective commitment to quality and ethical accounting solutions. In line with the Praxity vision that one size does not fit all, firms join the alliance in one of 3 classifications: member firm, associate firm and correspondent firm. Mazars is a member firm of Praxity.

Through Praxity, Mazars is able to accompany its clients in 17 additional countries.

*“High quality standards
throughout the world”*



2. Mazars' quality assurance and risk management policy

The GEB of Mazars takes overall responsibility for internal quality control including a periodic review of its effectiveness. To this effect it has set up a Technique and Innovation Global Support Unit (T&I GSU). This GSU:

- defines the procedures and the quality assurance system that Mazars offices and all business and management units have to implement, in order to meet the defined principles. These standards are presented in the Mazars Risk Management Manual and Quality Assurance Manual, which both constitute the benchmark for all entities; and
- supervises jointly with the GEB the monitoring of the quality assurance system. This monitoring is organised by an International Quality Control Committee (IQCC), which relies on globally coordinated inspections to monitor compliance with International Standards on Auditing (ISAs), the IFAC Code of Ethics and International Standard on Quality Control (ISQC) 1. Each year there is a follow-up of the action plans that have been defined jointly with the Mazars firm's Risk Management and Quality Leaders and approved by the Managing Partners. There is also a review of each member firm's own annual self-assessment and of the results of their internal and national external quality assurance reviews.

The management of each member entity has the primary responsibility for the implementation of the quality assurance system. They must promote the Mazars' internal culture of quality, reinforced by clear, consistent and frequent messages and initiatives, at all levels of the entity. These must remind everyone of the existence of the quality assurance system and underline the importance of respecting legal and regulatory obligations, particularly with regards to the professional code of ethics and professional standards of practice when it comes to accepting and carrying out new assignments.

Mazars quality assurance and risk management policies are based on the International Federation of Accountants (IFAC) standards. They are

available online and are regularly updated to reflect changes in regulations.

Formally established in 2002, the Forum of Firms (the Forum) is an association of international networks of accounting firms that perform transnational audits, of financial statements that are or may be used across national borders. Members of the Forum have committed to adhere to and promote the consistent application of high-quality audit practices worldwide, as detailed in the Forum's Constitution. Commitment to the obligations of membership in the Forum contributes to raising the standards of the international practice of auditing in the interest of users of the profession's services. The Forum's positive and structured role is regularly recognised by international stakeholder organisations and national and international regulatory bodies.

Mazars is a member of the Forum of Firms and has declared annually since 2007, based on the results of the quality control system, that the organisation meets the membership criteria as set out by the Forum. These criteria are as follows: the implementation of a quality control programme coordinated across the world and the application of the IFAC Code of Ethics and of ISAs to all transnational audits.

Mazars is actively involved in the IFAC with a strong presence in three of its boards and committees:

- The International Ethics Standards Board for Accountants (IESBA);
- The Small and Medium Practices Committee (SMP); and
- The Transnational Auditors Committee (TAC), executive committee of the Forum of Firms.

2.1. Independence

As at 31 August 2011, Mazars is the legal auditor of more than 500 listed companies in the 61 integrated and 22 non-integrated firms of its international partnership.

2. Mazars' quality assurance and risk management policy

Maintaining independence is of utmost importance for audit firms.

2.1.1 Mazars' independence practices

The Mazars' Code of Conduct for Objectivity and Independence

In order to form a basis for the widespread adoption of its core values throughout the Group, Mazars has adopted a Code of Conduct for Objectivity and Independence (CCOI), which is compliant with the revised IESBA Code effective on January 1, 2011.

Each national Mazars entity evaluates the equivalence of national rules with the measures contained in the CCOI, and communicates, if necessary, to the other members of the organisation, the more restrictive national measures, which are documented as Country Specific Provisions.

The Code is available to all partners and staff. Ethics form an integral part of the entities' professional training programmes.

Mazars states in this code its pluri-disciplinary strategy through the observance of the regulation in terms of financial communication and identifies clearly any other services that are allowed to be provided to audit clients.

Systems to safeguard independence

These systems involve the following key procedures:

- A procedure for acceptance and continuance of clients and engagements which enables evaluation of the level of the client related risks, the entity's ability to perform the engagement and ethical risks in terms of independence and conflicts of interest at a global level. Provision of additional services to an audit client is subject to prior authorisation from the lead group audit partner and, in some cases, to the opinion of the head of ethics. It is also subject to authorisation of the client's audit committee, where required

by auditing standards or when the client has put in place a procedure for the prior approval of such services.

- A complete list of non-audit services rendered to audit clients. For group audits, this list forms part of the audit instructions sent out by the coordination team. These non-audit services are subject to a priori communication and a posteriori inventory and confirmation of independence to the group audit engagement and to the partner who signs the client group accounts.
- An annual declaration of independence by partners and staff and thorough review of all situations that could compromise independence. In this respect, all partners of the Mazars' organisation or their immediate family cannot hold a direct or an indirect financial interest in a listed assurance client of the organisation. Personal or family relationships between a member of the audit team and a member of management of the audited company or a person holding a key position for the audit are also prohibited. Lastly all firms, partners and staff working on the audit engagement, must not have any financial or commercial relations with an audit client except for normal financial relations with a banking client.
- Access for all in-house professionals to a list of clients subjected to specific ethical requirements.
- Training for technical staff on ethical rules and in the organisation's procedures in the area of ethics.
- Technical consultation with experts on technical matters, ethics and other areas.
- Limits on fees per client in order to avoid financial dependence on one or several clients.
- Clear rules regarding conflicts of interest. When there is such a threat, either the assignment is refused, or appropriate safeguards are implemented.

2. Mazars' quality assurance and risk management policy

- A method of remunerating partners that is not solely related to the level of fees billed, new clients obtained or additional engagements performed for their clients and/or to financial performance, but taking into consideration the quality of the engagement.

The Ethics and Acceptance Committee, under the supervision of the T&I GSU Board, is responsible for considering any problematic situations that may be brought to its attention, reviewing any proposed departures from the CCOI by country and verifying that all changes in international ethical standards are taken into account by the organisation. The T&I GSU Board ensures that risk management procedures are in place and are monitored by each member entity.

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

Except for specific situations which are approved by the Executive Committee of the entity, very large engagements are placed under the responsibility of a **team of at least two partners**, one of whom naturally assumes the leadership of the engagement.

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

Within Mazars, rotation is applied to Public Interest Entity engagements on which key audit partners should rotate after seven years (in Slovakia after 5 years) and not return to the audit team for at least two years, in compliance with the European Directive on Statutory Audit and the IESBA Code of Ethics.

This rotation of partners is in place in order to reduce the risk of "familiarity" to the audited company which may impair independence. It enables the auditor to have greater independence of mind in dealing with clients' issues and in expressing opinions on financial statements.

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

The Mazars partnership model gives the two-partner team the liberty to organise the audits of their subsidiaries in France and abroad.

In case of disagreements with the technical department's positions, which is something that rarely happens within our organisation, the Executive is called upon to arbitrate. In the context of our quality assurance standards and procedures the two-partner team in charge remains the final decision maker. This point is of paramount importance in preserving the each partner's personal commitment and sense of responsibility as well as responding to each audited companies' specificities.

2.1.2 Statement on the effectiveness of the independence safeguard systems of Mazars Slovensko, s.r.o.

The independence practices and systems to safeguard independence described above were established to identify circumstances where Mazars Slovensko, s.r.o. independence could be impaired and to ensure appropriate safeguards were implemented. The operation and effectiveness of these procedures form part of the quality control system review. Based on all the evidence collected, the management of Mazars Slovensko, s.r.o. confirms, with a reasonable level of assurance, that the independence procedures and practices have been implemented and the system is effective in the maintenance of independence. Furthermore, management confirm that the practices have been subjected to internal review.

2. Mazars' quality assurance and risk management policy

2.2. Quality control system

The policies and procedures adopted by Mazars are in compliance with the IFAC standards in the area of quality control: ISQC1 "Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements" and ISA 220 "Quality control for an audit of financial statements". They are documented in a Quality Assurance Manual available in electronic format.

These policies and procedures are complemented by audit methodology and audit support techniques which are shared among members of the organisation and by joint training initiatives. Specific audit software has been developed which allows a structured audit approach in accordance with the most recent and comprehensive auditing standards (IFAC clarified standards, supplemented by national requirements).

Compliance with the organisation's policies and procedures is regularly controlled through reporting by the entities on the results of their internal and external quality control and through periodic quality assurance reviews by trained and experienced reviewers from other countries.

2.2.1 Internal quality control system

Maintaining quality

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

Mazars' strategy in terms of training (refer to section 4.4), counselling and compensation strongly emphasises this high standard of audit quality.

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

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

These processes are presented in the Mazars' Risk Management and Quality Assurance Manuals and are regularly updated to include changes in international standards and users' suggestions which have the objective of improving the effectiveness and the relevance of the quality control system.

A Global Assurance Programme and internal inspections

Mazars has put in place an International Quality Control System covering all entities in the organisation, both integrated members and correspondents.

Quality control is operationally managed by an International Quality Control Committee (IQCC) which reports to both the GEB and the T&I GSU Board.

Two types of quality assurance reviews are in place:

- a self-assessment report by the countries on their compliance with IFAC standards, accompanied by the results of internal and external quality control and an action plan in respect of the main areas identified for improvement. This report, which is called ReQAR (Report on Quality Assurance Review), covers

2. Mazars' quality assurance and risk management policy

aspects relating to audit methodology, ethics and the internal Quality Assurance and Control System; and

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

Each reviewer or quality control responsible prepares an action plan addressing the findings of the IQAR or the ReQAR. The action plan is submitted for approval to the entity's executive committee. The partners in charge of monitoring geographical zones are informed of these action plans and follow up the implementation with the help of the IQCC.

Each year the entities critically assess their Quality Control System by implementing a monitoring programme which involves an assessment of the adequacy and effectiveness of the entity's procedures and a review of engagement files. Each partner is reviewed at least every three years. The results of the engagement file reviews are taken into account in determining the partners' compensation.

Once a year, the entity communicates the results of internal and external quality control reviews (ReQAR/IQAR/national oversights and peer reviews) to partners and managers, including to the entity's executive board. This communication must be sufficiently detailed to enable the necessary corrective measures to be taken, both at the entity level and with the partners in question. This summary includes as a minimum:

- A description of the procedures applied and of the scope of the quality control review;
- Conclusions of the reviews pertaining to the entity's procedures and to the audit engagements; and
- Action plans where required.

Entities that are candidates for admission into the Mazars partnership undergo a technical review by the IQCC. The quality control review report is included in the admission file submitted to the

GEB and the GGC for approval before the vote by the partners. It can be accompanied by an action plan which is monitored by the IQCC and the head of monitoring of the geographical region to which the new member belongs.

2.2.2 Statement on the effectiveness of the quality control system

Mazars became one of the first full members of the IFAC's Forum of Firms in January 2008 after reporting it had implemented a globally coordinated quality assurance program, committed to the use of ISAs and met other specific ethical requirements.

Commitment to the obligations of membership in the Forum of Firms contributes to raising the standards of the international practice of auditing in the interest of users of the profession's services. In this respect, Mazars is committed to:

- Maintaining appropriate quality control standards in accordance with International Standards on Quality Control issued by the IFAC International Auditing and Assurance Standards Board (IAASB) and relevant national quality control standards and, to the extent not prohibited by national regulation, conducting regular globally coordinated internal quality assurance reviews;
- Implementing policies and methodologies based, to the extent practicable, on the ISAs issued by the IAASB for the conduct of transnational audit assignments; and
- Implementing policies and methodologies which comply with the IFAC Code of Ethics for Professional Accountants and national codes of ethics.

On the basis of its Quality Control monitoring conclusions, Mazars confirmed in December 2010, that it met the membership obligations of the Forum in all material respects.

2. Mazars' quality assurance and risk management policy

2.2.3 Quality control as prescribed by the National Oversight in Slovakia (the § 31 of the Act 540/2007 Coll.)

Auditors and audit companies are obliged to abide the quality standards based on requirements of Slovak Chamber of auditors (later also „the Chamber of auditors“) and Audit Oversight Authority Úrad pre dohľad nad výkonom auditu (later also „ Authority“).

The Chamber of auditors performed a quality control in Mazars Slovensko, s.r.o. on 3rd October 2011.

At the year end 2011 the Public Oversight Authority performed the oversight of 1 audit file of Mazars Slovensko, s.r.o.

- Mazars takes part directly, as stated above, in international professional bodies such as IFAC boards and committees¹, FEE and the IFRIC.
- Our professional staff receive regular training in both actual and potential future developments. This enables audit teams to anticipate these changes and work with their clients on complying with them.

2.3. Our contribution to the standard setting process

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

- Mazars response to the European Commission (EC) Green Paper on Audit Policy: Lessons from the Crisis of October 2010, which covers a wide variety of audit and auditors reporting related topics, can be accessed at: <http://www.mazars.com/Home/News-Media/Latest-news2/Mazars-contribution-to-the-Green-Paper>
- Mazars responds regularly to consultations on auditing, corporate governance, financial reporting and relevant laws, regulations and standards changes issued by various regulatory or professional bodies such as the European Commission, IFAC, IASB, PCAOB, SEC and the FASB; and

¹ For our participation to IFAC, please refer to the introductory part of section 2

*“Listed clients
audited by Mazars
across all continents,
spread across more
than 50 markets”*



3. Clients

3.1. Service offering and turnover

3.1.1 Global service offering

As previously mentioned, Mazars' services fall into four global business units, two of which are focused on Clients and two on Services. This structure is mirrored by each member entity.

The four global business units are:

- **Public Interest Entities (PIE).** This covers statutory and contractual auditing, and other advisory or compliance services mainly for listed companies.
- **Owner Managed Businesses (OMB).** This covers advisory and audit services for privately-owned companies of all sizes which are often SMEs.
- **Tax.** This covers a complete range of tax advisory services.
- **Law.** In some countries, this covers a wide range of legal services to companies which are not audit clients.

The consolidated accounts of Mazars Srl for the year to 31 August 2011 are due to be approved at the General Meeting of partners on 10 December 2011. Once published, they will be available on the Group website (www.mazars.com).

Turnover per Global Business Unit (M€)			
	2010/2011	2009/2010	2008/2009
PIE	XX	428,3	389,2
OMB	XX	346,5	296,1
TAX	XX	89,1	67,2
LAW	XX	20,5	21,1
TOTAL	XX	884,4	773,6

3.1.2 Turnover of Mazars Slovensko, s.r.o.

The turnover of Mazars in Slovakia

is 2,930 million euros for the year ended 31 August 2011 (2,732 million euros for year ended 31 August 2010).

Mazars Turnover in Slovakia (T €)

	2010/ 2011	2009/ 2010
Audit including statutory audit & compatible services and other assurance services	1383	1298
Accounting & financial support	1037	967
Specialised services*	510	467
Total	2930	2732

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

3.2. List of public interest entities for which the firm has issued an audit report during the preceding financial year

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

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from 1 September 2010 to 31 August 2011):

- Inžinierske stavby, a.s.
- Kraft Foods Slovakia, a.s.

3.2.2 Credit Institutions

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from 1 September 2010 to 31 August 2011):

3. Clients

- **EXIMBANKA SR**

3.2.3. Insurance companies

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from 1 September 2010 to 31 August 2011):

- **AXA životní pojišťovna a.s., pobočka poisťovne z iného členského štátu**
- **AXA pojišťovna a.s., pobočka poisťovne z iného členského štátu**

3.2.4. Other Public Interest Entities

The list of engagements for which statutory audit reports have been issued during the Transparency Report period (from 1 September 2010 to 31 August 2011):

- **AXA investiční společnost a.s., organizačná zložka Slovensko**
- **AXA d.d.s., a.s.**
- **AXA d.s.s., a.s.**
- **PCA Slovakia, s.r.o.**
- **Svet zdravia, a.s.**

“Building sustainable success requires a talent management policy across the whole group”



4. Human Resources

4.1. Quality through talent

We are convinced that the quality we bring to our clients and to the market in general is dependent on the talent of our people.

Several key areas form the backbone of our strategy for talent development:

- Our culture;
- Our sense of commitment;
- Our diversity of talents; and
- Our transparent and effective assessment system.

Based on our common values and management principles, and within a working environment which is intended to be fulfilling, our Talent management policy is based around 3 main principles:

- Recruiting the most talented individuals;
- Training, on both technical and managerial issues (refer to Section 4.4. continuing education); and
- Offering attractive career opportunities, particularly internationally, within our fast-growing organisation.

All our people have clear objectives, receive feedback and meet to discuss their performance regularly. Our Global Talent and Performance Management Programme covers all grades and is being monitored in all the Mazars countries. This programme provides us with qualitative information on the expectations and competencies of our professionals which in turn enables us to gauge the effects on our long term development ambitions.

Each employee has their own special role and their own chance to play a defining part in our success.

4.2. Professional and support staff

4.2.1 International staff

Close to 13 000 people work in Mazars' offices in the 61 integrated countries as of 31 August 2011 including more than 1 500 new recruits that have joined the Mazars teams in 2010/2011.

4.2.2 Personnel in Slovakia

During the year 2010/2011, the average number of Mazars personnel in Slovakia amounted to 47,86 people (full time staff).

4.2.3 Personnel dedicated to statutory audit in Slovakia

During the year 2010/2011, 17,92 professionals from all of the Mazars' offices in Slovakia and within all of the service lines were assigned to audit services.

4.3. Partners

4.3.1 Our partners on an international level

As at 31 August 2011, Mazars Scrl has a total of 696 partners in 61 countries.

4.3.2. Partners in Slovakia

For the year 2010/2011, there were 2 partners in Slovakia.

4.3.3. Partners dedicated to statutory audit in Slovakia

As stated at §1.1.1 Ing. Alena Sermekova is enrolled in the List of auditors of Úrad pre dohľad nad výkonom auditu v Slovenskej republike (Audit Oversight Authority).

4. Human Resources

4.3.4. Information concerning the basis for partners' remuneration

Partners are remunerated in equal proportion according to the performance of the national member entity to which they contribute, and to the performance of the Mazars organisation overall.

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

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

Several countries have also opted for a bonus system based on individual performance, awards being made from a pot representing up to 12% of the profits of the country concerned.

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

4.4. Mazars' policy regarding the continuing education of statutory auditors

The Group considers its internal training programme to be of strategic importance, not only due to its content (experience sharing and updating of technical knowledge), but also

because it is a key means of communicating with staff in respect of requirements in the areas of professional conduct and ethics.

Each member entity of the group keeps a record of all the training courses attended by each partner and member of staff, in order to ensure that each individual benefits from the complete training programme and so that the training received is in line with their responsibilities and with their work.

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

The programme also includes a sector-specific syllabus (particularly insurance, banking, the public sector and technology).

Audit professionals involved in transnational audits learn about the following subject areas concerning the jurisdictions where the transnational audit is conducted:

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

The internal training programme is enhanced with complementary external seminars dealing with client requirements or specific economic environments.

Internal technical meetings are held on a regular basis in order to raise awareness, to share experiences on specific assignments and to discuss topical issues.

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

4. Human Resources

- To position Mazars as one of the key players in the future of its chosen markets;
- To focus on Mazars' values (Mazars Way); and
- To contribute to Mazars' commitment to social issues.

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



4.3.2. Statement of compliance with the professional training obligations in Slovakia

Mazars in Slovakia complies with IES 7. Partners and all audit personnel have to make an annual declaration that they have complied with the relevant requirements.

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

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

On the basis of these CPE requirements described above, Mazars Slovensko, s.r.o. has the ability to ascertain, at any given time, that all of its partners and professional staffs meet the CPE requirements as defined by §29 "Continuing education" of the Act 540/2007 Coll..

*“Serving in the public
interest across
the five continents”*



5. Company Presence in Slovakia at 31 August 2011

Bratislava
Košice



Mazars Global Presence at 31 August 2011



- Integrated countries
- Non integrated countries: Mazars correspondents, country local correspondents, joint ventures and representative offices

Mazars Global Presence at 31 August 211

EUROPE

Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Greece, Germany, Hungary, Ireland, Italy, Lithuania, Luxemburg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and Channel Islands (including a representative office in Gibraltar)

ASIA PACIFIC

Australia, China (Mainland & Hong Kong), India, Indonesia, Japan, Malaysia, New Caledonia, Pakistan, Republic of Korea, Republic of the Philippines, Singapore, Tajikistan, Thailand, Vietnam



AFRICA

Algeria, Angola, Benin, Botswana, Cameroon (including representative offices in Chad and Democratic Republic of the Congo), Congo-Brazzaville, Djibouti, Ivory Coast, Kenya, Madagascar (including representative offices in the Union of the Comoros), Mauritius, Morocco, Nigeria, Senegal, South Africa, Tunisia

MIDDLE EAST

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

- Integrated countries
- Non integrated countries: Mazars correspondents, country local correspondents, joint ventures and representative offices



www.mazars.sk
www.mazars.com

