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Transparency Report 2016

Transparency Report for the financial year ended 30 June 2016 published in accordance with article 18 of Legislative Decree no. 39 of 27 January 2010 (prepared in accordance with the regulations in force before the changes introduced by Legislative Decree 135/2016, applicable starting from next year)





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Introduction



Ezio Bassi
Chairman and
Chief Executive Officer



PwC is an international organization with a 167-year long history. Throughout these years, promoting transparency, trust and confidence in the auditing profession has always been at the centre of our strategy. As the current leader of this firm, I am aware of the importance of this role and my objective remains, as in the past, to contribute to the development of a responsible and sustainable business, guided by a clear purpose: “to build trust in society and solve important problems”. We will pursue this ambition continuing to invest and innovate, while fostering the development and growth of our firm through actions inspired by our values.

Innovation and investment start with our partners and with our people who are engaged in serving our clients. Our priority is to maintain a suitable level of investment to ensure the quality and training of our people, efficient and modern processes and audit methodologies, and an environment which supports and promotes a culture based on the integrity and accountability of each individual.

As in many business sectors, the one in which we operate also must respond to important regulatory and legislative changes, which this year culminated in the enactment of the EU Regulation on the audit of public interest entities and the publication of Italian Legislative Decree no. 135 of 17 July 2016, which amends Legislative Decree no. 39 of 27 January 2010. The impact of the new regulatory framework on our work and the way in which we will have to interact with our clients and their governance bodies will be broad and multi-faceted. Responding to the new regulations, for which we have prepared ourselves for some time now and that we take very seriously, requires us to revise our policies and procedures, to start a well-organized training programme for our people and to initiate discussions with our clients on the issues arising from such changes, while maintaining high the quality of our interactions and minimising inconveniences and difficulties. Adopting the new regulation represents an incentive for us to further improve the quality of our processes and activities, and thus maintain high quality standards in the audit work that we perform for the benefit of our clients and the market.

This Transparency Report illustrates the way in which we work each day to achieve these goals, our commitment to the professional and technical training of our people, the ongoing effort to improve our audit methodology also through state-of-the-art technologies, as well as our rigorous commitment to acting in compliance with the ethics and independence rules governing our profession.

It is difficult to convey in a report the passion with which we carry out our work. But I am confident that our clients and those who, for various reasons, work with our organization and people, whom I personally thank for the strong commitment and responsibility with which they perform their duties, certainly perceive and appreciate such passion.

I hope you enjoy the report!



Message from the Assurance Leader



Giovanni Andrea Toselli
Assurance Leader



 Access special features

One year on from when I assumed my role as Assurance Leader of PwC, I am pleased to introduce this Transparency Report, a document which in recent years has become, besides responding to rigorous compliance requirements, an instrument with which we communicate to the market who we are and how we operate, within the context of the trusting relationship that binds us to our clients.

Against this backdrop I appreciate the contribution that our people gave also this year in providing audit services, which have reached an increasingly high level of quality.

Quality & Innovation

More and more frequently, our clients tell us that one of the main reasons for which they choose us and allow us to broaden our activities is the quality of our services. We strongly believe that quality is the key aspect of assurance services and we constantly undertake to increase, engineer and adapt it to new technologies and to the quick reaction time required by the modern economy.

We pay special attention to the inspections of the application of our processes carried out locally through procedures developed by our Network and by external parties. Specifically, also this year we were subject to the PwC Network quality controls that we successfully passed. We intend to keep on maintaining quality as our strategic priority and a distinguishing mark of the services we offer. The results of these inspections, which in the last year regarded our internal control system and a sample of specific engagements, confirmed that our organizational model and the procedures driving the quality of our work are solid and fully responsive as required.

Our objective is to continue to guarantee high quality standards within the context of an ever-evolving operating model also supported by technology. Technological innovation will be one of the distinguishing aspects of assurance services in the near future. Through a careful selection of initiatives promoted by the PwC network, we are starting important implementation projects to improve the way we do our work and how we interact with our colleagues and clients.

Our people

Our people are the heart of our organization and the care we dedicate to their development is an investment for our future to which we have no intention of foregoing.

In this regard, we continue with our initiatives to develop our people's professionalism, guarantee a balanced career progression and support our most talented people.

We have launched programmes to enable our people to acquire new expertise and experiences, work with the support of new technologies, develop new methods of interaction and sharing knowledge and experience.

All that without neglecting our base values: ethics, integrity, independence and technical expertise.



Our market

The competitive tension in the market continues to be high and the related dynamics have not improved. Within this context, PwC has succeeded in preserving a solid position in the Public Interest Entities segment and in the Middle Market, through an attentive balance of quality, independence and value to clients.

We feel the responsibility of our position and we want to contribute, through our work, to building confidence in the market which strengthens and underpins the overall economic system.

Trust is in fact the basis for each business decision and commercial relationship. Market participants must be able to rely on the information they use to make their business decisions. Our task is to work to ensure the reliability of information on which market participants base their decisions; in this manner we help markets function and foster their growth. This is the heart of our profession.

As PwC, we intend to strengthen our role in the expanded financial community and, thanks to the opportunity we will be given soon to change the structure and layout of the independent auditors' report, to communicate transparently the value of our work and the contribution that derives therefrom.

Regulatory framework

Finally, we outline below the changes that have occurred in our regulatory system. The procedure to adopt the EU reform of the audit profession was completed with the publication in the Official Gazette last July of Legislative Decree 135/2016 that amends Legislative Decree 39/2010 implementing EU regulation 56/2014. The new provisions confirm the nine-year duration for PIE engagements, which are not renewable. Certain changes regard independence (applicability, permitted services and authorization requirements) and the system of sanctions applicable in the event of violations during the performance of the audit. Moreover, the new rules strengthen the existing regulation on quality controls, independence and objectivity in the performance of audit engagements.

The new regulations will have significant effects on our profession in the coming years: this will be a new challenge that we are ready to meet and that will bring us closer to our clients and able to better communicate the value and relevance of our contribution and, more in general, our profession.



Transparency Report

for the financial year ended 30 June 2016 published in accordance with article 18 of Legislative Decree no. 39 of 27 January 2010 (prepared in accordance with the regulations in force before the changes introduced by Legislative Decree 135/2016, applicable starting from next year)





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Legal Structure, Ownership and Governance of the Firm

a. Legal Structure and Ownership

b. Governance structure

a. Legal Structure and Ownership

PricewaterhouseCoopers SpA (hereinafter also “PwC”) is a private company limited by shares, whose business purpose is to provide audit and accounting advisory services; the firm carries out those activities in compliance with the existing laws and as part of the international PwC network (hereinafter the “Network”), therefore in accordance with the rules of operation of the Network. The firm can carry out all the activities permitted by current legislation for auditing firms, including the performance of accounting controls throughout the year, the issuance of accounting opinions, appraisals, business valuations, and accounting or administrative investigations, including those commissioned by judicial authorities, and it can perform all actions necessary or useful for achieving its business purpose, within the applicable laws, including but not limited to, providing:

- a. *Assistance in the field of corporate social responsibility and corporate reporting on non-financial information;*
- b. *Assistance with the analysis, implementation and monitoring of organisational models designed to comply with law provisions and/or company policy, both domestic and international.*

The firm’s registered and administrative headquarters is in Milan, via Monte Rosa 91. The other operating offices are listed in Appendix IV to this report. As of 30 June 2016 PricewaterhouseCoopers SpA had 1,595 employees, of which 76 are Partners (shareholders) and 1,316 professionals. For the purposes of a correct comparison with the data reported in the Transparency Report of the prior year we specify that, on 1 June 2016, 204 employees of the Transaction Services and Forensic services businesses, of which 12 are Partners and 177 professionals, passed from PricewaterhouseCoopers SpA to PricewaterhouseCoopers Advisory SpA as a result of the transaction described at the end of this paragraph. Average headcount during the year was 1,790.

Share capital amounts to Euro 6,890,000 and is divided into 12,324,500 shares, without unit par value, whereof 6,297,000 class A shares, 5,880,000 class B shares and 147,500 class C shares.

Class A shares entitle holders to a vote at ordinary and extraordinary general meetings and carry the obligation to perform specific mandatory activities required by the firms’ by-laws, whereas class B and class C shares entitle holders to a vote only at extraordinary general meetings. Class B and C shares are junior to class A shares in the event of reduction of share capital due to losses.

Class C shares held by natural persons carry the obligation to perform specific mandatory activities. Class A shares are held entirely by natural persons, except for 779,000 shares (equal to 6.321% of total class A shares) that as of 30 June 2016 were held by the firm itself. A large majority of Partners are qualified as statutory auditors approved in one of the member states of the European Union, or anyway hold the qualifications necessary to carry out the activities relating to the firm’s business purpose. Partners have a commitment to perform their professional activity exclusively on behalf of PwC SpA throughout the time during which they hold shares in the firm. All class B shares are held by PricewaterhouseCoopers Italia S.r.l., an entity 100% owned by natural persons that are Partners of the PwC network in Italy. Class C shares are held by PricewaterhouseCoopers Italia S.r.l. and by natural persons.

The firm is registered at number 119644 of the Register of Statutory Auditors maintained by the Ministry of the Economy and Finance in application of Legislative Decree no. 39/2010, and its tax and VAT code is 12979880155.



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Legal Structure, Ownership and Governance of the Firm

a. Legal Structure and Ownership

b. **Governance structure**

There are other firms in Italy named PwC, or anyway members of the PwC network, each of which is a separate legal entity with a different purpose and activity and with a different and autonomous governance body.

We note that during the financial year to which this Transparency Report refers PricewaterhouseCoopers SpA carried out a transaction, the effects of which started from 1 June 2016, involving the transfer of the TS – Transaction Services and Forensic services businesses to PricewaterhouseCoopers Advisory SpA.

This transaction was effected in response to the gradual development of the market in which the services of the transferred businesses are provided with a view to increasingly separating this type of services from those strictly related to auditing, which are typical of PricewaterhouseCoopers SpA, and to slowly focus on the consulting area with respect to the purely accounting one. In the last years the activities covered by the TS and Forensic businesses were performed by PricewaterhouseCoopers SpA however seeking the expertise that PricewaterhouseCoopers Advisory SpA had and still has considering its core business, which is performed in compliance with the company's corporate purpose. Therefore, the transaction was exclusively aimed at bringing the activity of the transferred businesses into line with the corporate purposes of PricewaterhouseCoopers SpA (transferor) and PricewaterhouseCoopers Advisory SpA (transferee).

b. **Governance structure**

The Board of Directors

PricewaterhouseCoopers SpA is managed by a Board of Directors, comprising 3 to 9 members, who are elected by the shareholders in general meeting from all shareholders. The Board of Directors has all authorities to manage the firm, including responsibility for developing and implementing the firm's policies and strategy. The Board of Directors also takes overall responsibility for the system of internal controls (which includes controls relating to quality) and for reviewing periodically and assessing its effectiveness. At the shareholders' meeting of 2 October 2015, the following Partners were appointed as board members: Ezio Bassi, Oliver Galea, Marco Sala, Piero De Lorenzi and Giovanni Andrea Toselli. The shareholders appointed Ezio Bassi as Chairman and Chief Executive Officer and Marco Sala as Vice Chairman of the Board. The term of office of the Board of Directors is three years. Ezio Bassi and Marco Sala have powers of attorney to represent the firm.

The Board of Statutory Auditors

The members of the Board of Statutory Auditors, appointed at the general meeting of 26 September 2013, are unchanged: Gerolamo Negroni, President, Gaetano Mariani and Antonie Gebattel effective members, Giorgio Ghizzoni and Andrea Gargiulo substitute members.

The Statutory Auditor

According to the resolution passed at the general meeting of 26 September 2013, the Board of Statutory Auditors has the responsibility to carry out the statutory audit of the firm's accounts, pursuant to article 2409 bis of the Civil Code.

The Supervisory Board

In accordance with Legislative Decree no. 231 of 8 June 2001, the Board of Directors of PricewaterhouseCoopers SpA has appointed a Supervisory Board. The Supervisory Board in office until the date of approval of the financial statements as of 30 June 2018 comprises Luigi Manelli (President), Marco Golda Perini and Andrea Mascetti.



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The PwC Network and its governance



Francesco Ferrara
Audit Leader



Access special features

PwC is a global network of separate firms, operating locally in countries around the world. PwC firms are members of PricewaterhouseCoopers International Limited and have the right to use the PricewaterhouseCoopers name. As members of the PwC network, PwC firms share knowledge, skills and resources. This membership facilitates PwC firms to work together to provide high-quality services on a global scale to international and local clients, while retaining the advantages of being local businesses – including knowing the market and its procedures and the possibility of an easier relation with the bodies in charge of issuing laws, regulations and standards in force in each country.

Being a member of the PwC network means to comply with certain common policies under the standards of the PwC network. Therefore, each firm engages in a uniform quality control and compliance with international monitoring activities, covering the provision of services, ethics and business conduct, and the compliance with specific, strict standards for independence monitoring and protection.

PricewaterhouseCoopers International Limited
PricewaterhouseCoopers International Limited (PwCIL) is a UK private company limited by guarantee . PwCIL acts as a coordinating entity for PwC firms and does not practise accountancy or provide services to clients. PwCIL works to develop and implement policies and initiatives to create a common and coordinated approach for PwC firms in key areas such as strategy, brand, and professional risks and quality of the services rendered. PwC firms use the PwC brand and can draw on the resources and methodologies of the PwC network. Those PwC firms are required to comply with common policies and the standards of the PwC network. Furthermore, a PwC firm cannot act as agent of PwCIL or any other PwC firm, and it is only liable for its own acts not those of PwCIL or any other PwC firm. PwCIL has no right or ability to control the professional activities, including the exercise of audit professional judgement of the PwC network firms.

The governance bodies of PwCIL are:

- **The Global Board:** which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of Network Standards. The Board does not have an external role. Board members are elected by partners from all PwC firms around the world every four years.
- **The Network Leadership Team:** which is responsible for setting the overall strategy for the PwC network and the standards to which the firms of the network adhere.
- **The Strategy Council:** which is made up of the leaders of the main PwC firms of the network and supports the Network Leadership Team for the strategic direction of the Network, facilitating the territorial alignment.
- **The Network Executive Team:** which is appointed by and reports to the Network Leadership Team. Its members are responsible for leading teams drawn from Network firms to coordinate activities across all areas of our business.

The Chairman and Chief Executive Officer of PricewaterhouseCoopers SpA is a member of the Strategy Council and firstly he is responsible to maintain the firm's relationships with the Network Leadership Team.

1 | In UK law a private company limited by guarantee is a type of corporation, used primarily for non-profit organisations, that in lieu of share capital and shareholders has members who act as guarantors, undertaking to contribute to the company's assets if it is wound up.





3

Internal quality control system

- a. Leadership Responsibilities for Quality within the Firm and key structures
- b. Ethical requirements
- c. Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici
- d. Human Resources
- e. Engagement Performance and Documentation
- f. Monitoring

Quality control standards

The system of quality control over audit work of PwC was set up following the provisions of Italian and international auditing standards, specifically International Standard on Quality Control Italia no. 1 (ISQC Italia no. 1) and International Standard on Auditing Italia no. 220 (ISA Italia no. 220) "Quality control for an audit". Moreover, as a member firm of the international Network, PricewaterhouseCoopers SpA is bound to comply with common quality and risk management policies approved by PwC International, and to verify that its staff complies with such policies.

Auditing and quality control standards of PwC are thus based on these common policies, adapted and supplemented so as to address Italian local standards and professional regulations. The aforementioned integration of domestic and international policies enables the internal quality control system of PwC to be constantly up to date.

The key features of PwC's quality control system are described in the following paragraphs.



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Internal quality control system

- a. **Leadership Responsibilities for Quality within the Firm and key structures**
- b. Ethical requirements
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- e. Engagement Performance and Documentation
- f. Monitoring

a. Leadership Responsibilities for Quality within the Firm and key structures

The Board of Directors of PwC is responsible for promoting the quality of statutory audit services and has established a corporate culture embracing high standards of independence and professional ethics. This culture is reflected in the system of guidelines and technical- professional procedures approved by the Board of Directors, including corporate ethics, human resources and engagement performance, illustrated below.

Professional policies and procedures, which underpin the quality control system, and the Code of Conduct, are stored in a database which is accessible to all staff in a specific section of the firm's portal. Professional policies and procedures regulate the manner in which all the firm's activities to ensure audit quality are performed, describing, for each area, the general objectives, the method of operation of processes, the method of documentation of activities performed, the responsibilities of the firm's functions involved at the various stages and the disciplinary consequences of any violations. Forms, letters and templates are provided to harmonize the manner in which activities and their documentation are performed.



Maurizio Lonati
Partner Technical
Auditing and Methodology





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Internal quality control system

- a. **Leadership Responsibilities for Quality within the Firm and key structures**
- b. Ethical requirements
- c. Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici
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- f. Monitoring

PwC has established a specific corporate function that is responsible for co-ordinating the periodic revisions of professional policies and procedures, in order to include the indications of and the procedures approved by PwC International and the changes that become necessary from time to time to ensure compliance with local laws and professional regulations. Before changes to professional policies and procedures are released, they are submitted to the Board of Directors for approval and their adoption is communicated to all professional staff.

The internal functions dedicated to promoting quality in audit activities comprise:

1. *A function in charge of providing advice, updates and guidance on technical-accounting matters, managed by one Partner and comprising, in the period to which this report relates, 11 resources, including two directors and 9 senior managers/managers;*
2. *A function in charge of providing advice, updates and guidance on technical-professional matters and on the spread of the auditing methodology adopted by the PwC network, managed by a Partner and comprising, in the period to which this report relates, 7 resources, including 5 senior managers and one manager;*

3. *A function in charge of providing advice, updates and guidance on independence and risk management matters, managed by a Partner and comprising, in the period to which this report relates, 7 resources, including a director and 2 managers; this function is described more in detail below in the “Independence procedures and practices” section of this report. The “Chief Information Security Officer” operates within this function and directs and monitors the complex activity designed to ensure the confidentiality, integrity and availability of information held by PwC, including information on clients, their financial statements and the auditing procedures performed. The Information Security policy adopted by PwC complies with the provisions of one of the most widely applied international standards on information security (ISO/IEC 27002:2005, Information security – Security techniques – Code of practice for information security management). The adequacy and effective application of the policy are periodically verified by the Network.*



Alessandro Turris
Responsible Technical Accounting





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Internal quality control system

- a. **Leadership Responsibilities for Quality within the Firm and key structures**
- b. Ethical requirements
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- d. Human Resources
- e. Engagement Performance and Documentation
- f. Monitoring

- 4. A “US Practice” function dedicated to providing advice, updates and guidance on methodologies, auditing standards and US accounting standards. This function is led by a partner who is a certified public accountant and includes one senior manager and one manager.

Each function described above is responsible for the updating of the policies and technical-professional procedures which govern the respective areas of competence. To carry out some controls on the compliance of the PwC professional staff with the policies and procedures, such functions use the support of an internal audit structure. This structure comprises the person in charge and two expert resources, who carry out monitoring of aspects relating to risk and quality, as well as other internal audit activities requested by other firm functions.



Scott Cunningham
Responsible US Practice





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Internal quality control system

- a. **Leadership Responsibilities for Quality within the Firm and key structures**
- b. Ethical requirements
- c. Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici
- d. Human Resources
- e. Engagement Performance and Documentation
- f. Monitoring

Furthermore, a Partner has been appointed as Chief Quality Officer responsible for overseeing the operation of the entire quality control system, including the performance of monitoring activities over the proper design and application of the procedures performed by the Partners in charge of the firm's internal functions.

The Chief Quality Officer, who manages a structure comprising 6 resources (including 3 senior managers/managers) and about 40 part-time reviewers, also at the manager level or above, performs his activity in compliance with an annual plan that is submitted for approval to the Chief Executive Officer, to whom he reports.



Luca Redaelli
Chief Quality Officer (CQO)





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Internal quality control system

a. Leadership Responsibilities for Quality within the Firm and key structures

b. Ethical requirements

c. [Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici](#)

d. [Human Resources](#)

e. [Engagement Performance and Documentation](#)

f. [Monitoring](#)

b. Ethical requirements

Integrity, Professionalism and Objectivity

PwC's reputation and success depend on the professionalism, integrity and objectivity of each and every professional. All professional staff of PwC are expected to uphold and comply with the standards developed by the PwC Network and by PwC, and to periodically confirm the existence of the requirements needed. The Board of Directors of PwC leads the monitoring process of compliance with these obligations by all professional staff.

Moreover, PwC created a "whistle blowing" procedure that allows the employees and internal or external collaborators to make complaints and requests received by the Human Capital function, about the possible non-compliance of conducts with the applicable professional standards, law provisions and regulations and with the quality control system.

This procedure can be put into effect utilising an appropriate telephone line called "Ethic line", a mailbox and a specific form, available on the corporate portal and accessible to anyone. In case of reports, the PwC Human Capital function performs the necessary controls and, in the event of non-compliance with Legislative Decree no. 231 of 2001, forwards the issue to the Supervisory Board.

All the information channels arranged to make reports and raise doubts guarantee the secrecy of information and PwC Italia makes every reasonable effort to maintain confidential the identity of the people who lodge a complaint.

The PwC management stresses at least twice a year, through a written communication, the importance of adhering to such reporting procedure and complying with the Code of Conduct

Confidentiality

The PwC staff must maintain the utmost confidentiality of information concerning clients, both during and after the performance of engagements and after the termination of the relation with PwC. The staff is appropriately trained in order to operate in compliance with the existing law and professional standards relating to the protection of personal data.

Upon the start of the collaboration, all persons are provided with a copy of the Code of Conduct. They are expected to perform their professional activities in accordance with the values expressed in the Code throughout their service with PwC. Moreover, within the organizational model which PwC has adopted in accordance with Legislative Decree no. 231 of 8 June 2001, an Ethics Code has been prepared, which establishes rules of behaviour aligned with the firm's mission and based on the same principles as the Code of Conduct. The main difference is that the Code of Conduct is a fairly dense document containing questions and answers and practical examples, whereas the Ethics Code is a slender text that gives an outline of our values and rules. Both documents can be accessed by all staff at any time through the firm's portal. The organizational model also orients the anti-corruption rules adopted by the PwC network.

As required by the existing legislation, PwC has also established two separate Registers containing the names of staff having direct access to inside information (the "Direct Access" Register), and those of staff who are potentially able to access such information (the "Potential Access" Register). These registers were set up in accordance with the provisions of article 152-bis and ensuing articles of Consob's Regulation no. 11971/1999 and Consob's Communication no. 6027054 of 28 March 2006.

In accordance with the legislation in force, PwC has implemented and keeps current an anti-money laundering procedure that involves an appropriate assessment of prospective clients, under this profile, the maintenance of a single IT database ("Archivio Unico Informatico") and reporting where necessary to the competent authorities.



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Internal quality control system

- a. Leadership Responsibilities for Quality within the Firm and key structures
- b. **Ethical requirements**
- c. **Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici**
- d. **Human Resources**
- e. Engagement Performance and Documentation
- f. Monitoring

Independence

As explained in the “Independence procedures and practices” section of this report, PwC has adopted the policies and related rules regarding independence and compliance issued by PwC International Limited, supplemented when necessary by more restrictive local professional and statutory rules. The persons in charge of the lines of business monitor compliance with regulatory, professional, and PwC independence requirements related to financial interests in and business relationships with clients, independence restrictions and non-audit services rendered to them. The controls in place also provide for the adoption of measures designed to prevent the auditor’s independence to be jeopardised by instances of self-review, personal interest, legal representation, familiarity, excessive trust or intimidation as set out in article 10 of Legislative Decree no. 39/2010.

c. Acceptance and Continuance of Client Relationships and Specific Engagements

PwC has implemented a structured process to identify acceptable clients based on the PwC global network’s proprietary decision support systems for client acceptance and retention (called “Acceptance and Continuance” or “A&C”). A&C facilitates a determination by the audit team and risk management specialists about whether the risks related to an existing or a potential client are manageable, and whether or not the name PwC should be associated with the particular client and its management. Based on the level of risk, also the Assurance Leader or the Chief Executive Officer intervene at the end of the process to approve or reject a proposed engagement, relying on the work performed by the persons mentioned above. Besides A&C, to assess preliminarily the possibility of accepting specific non-audit services for restricted audit clients, another tool, called “Authorization For Services” (“AFS”) is used; this is described in the “Independence procedures and practices” section of this report.

d. Human Resources

Recruiting

PwC aims to recruit high quality staff with excellent education and high professional potential, who can operate in statutory audits or as accounting and other experts in support of audits and who share PwC’s strong sense of responsibility for auditing. For this reason we select carefully people we hire from universities. The selection process is highly structured. It includes the preliminary screening of all CVs received, and at least two (but in most cases three) interviews of candidates, who are assessed from both a technical and an aptitude point of view. The number of candidates assessed is always much higher than the number of candidates hired.

Professional Development

As explained in the “Continuing professional education” section of this report, training and development is an ongoing process which is designed, inter alia, to promote the quality of our professional work. Training starts when a person is hired and continues throughout his or her career. Our people participate in a variety of local and international formal training courses, and a number of self-training tools is also available to them. Moreover, they are also trained through on-the-job coaching and supervision.

Career Advancement

Promotions in PwC are based on a careful process of assessment. Our procedures make sure that staff can only be promoted when they have the competences and capabilities necessary to assume the corresponding responsibilities. The guidelines and criteria considered in this process are defined and communicated to professional staff, as is the periodic evaluation of their performance. PwC has also prepared a coaching programme designed to support the development of a professional career path capable of matching the interests and ambitions of each professional to the requirements of the firm. During the period to which this report relates, the profile for each corporate role was defined more clearly and specifically.



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Internal quality control system

- a. [Leadership Responsibilities for Quality within the Firm and key structures](#)
- b. [Ethical requirements](#)
- c. [Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici](#)
- d. [Human Resources](#)
- e. Engagement Performance and Documentation**
- f. [Monitoring](#)

e. Engagement Performance and Documentation

Consistent Global Methodology

As a member of the PwC Network, PricewaterhouseCoopers SpA uses PwC Audit, a common audit methodology shared by all the entities of the PwC network. This methodology is based on the International Standards on Auditing (ISAs) supplemented, where appropriate, by the local standards on auditing (ISA Italia) and by PwC policies and guidance.

All audit engagement Partners and staff receive training in this PwC methodology.

Comprehensive Audit Policies and Procedures

To complement PwC's international policies and procedures, PwC has in place comprehensive policies and procedures governing our local auditing practice that are constantly revised to reflect developments in the profession and our operating environment, and to address emerging issues, as well as the needs and concerns of the practice. These policies do not only cover professional and regulatory standards, but also reflect guidance to professionals about how best to implement them. These documents are available in electronic files and databases, are regularly revised or supplemented for all current developments and are accessible to our people at any time, also remotely.

Assignment of Engagements

Audit engagements are assigned to professional staff having regard to the experience and competence required in the specific circumstances.

In detail, elements considered in assigning engagements include:

- *The complexity and risk profile of the engagement;*
- *Workloads of Partners and managers, also in relation to the type of engagement and its timetable;*
- *Any Partner rotation rules applicable to engagements;*
- *The location where the client is based;*
- *The independence profiles of the Partner, and more generally of the team.*

The assignment of professional staff to engagements is performed by the persons in charge of staff planning at each office or group, coordinated by a national planning manager who, by means of a specific software called "Retain", can access all information concerning planning of resources over the entire territory, identifying and managing any mismatch between staffing requirements and actually available resources. The assignment of staff below the manager level to engagements is agreed by the person responsible for staff planning at the relevant office/group and the Partner or the manager in charge of the engagement, and is performed keeping into account the following elements:

- *Size and complexity of the engagement;*
- *Competences required;*
- *Timeline and calendar of the work;*
- *Workloads already assigned to each person;*
- *Opportunity for professional development on an assignment.*

Direction, Supervision, Review and Documentation of the Work

PwC adopts procedures for the direction, supervision, and review of the audit work which are in compliance with the applicable professional standards and regulatory framework. Documentation of audit engagements, in both electronic and paper form, is prepared and archived in a manner which allows inclusion of all evidence necessary to explain the work performed and support the conclusions reached during and on completion of an assignment.

In detail, also for the purposes of compliance with auditing standard no. 230, PwC uses "Aura", a structured system for the electronic documentation of audit work.



3

Internal quality control system

- a. [Leadership Responsibilities for Quality within the Firm and key structures](#)
- b. [Ethical requirements](#)
- c. [Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici](#)
- d. [Human Resources](#)
- e. [Engagement Performance and Documentation](#)
- f. **Monitoring**

Moreover, PwC has introduced a system, called “Managing Paper Files” (“MPF”), which makes it possible to archive paper documents supporting the audit work within the terms prescribed by the applicable auditing standards and to follow and track any movements subsequent to archiving.

All these systems are designed in a way which ensures maximum confidentiality of information and maintenance of the information based on suitable security measures.

Consultation

Consultation is a cornerstone of the PwC system designed to maximise the quality of our professional services. PwC has adopted formal protocols (policies and application procedures) setting out the circumstances under which consultation is mandatory, and those where, due to the nature of the client or the type of issue at hand, consultation is only recommended. In order to address the consultation requirements, PwC has established some technical departments, which operate in different areas of specialization. These structures are responsible for tracking new developments in accounting and auditing and providing updates and guidance to professional staff. The maintenance of high levels of quality in technical support activities is ensured also through connections with other technical structures of the PwC network, by exchanging points of view, preparing technical documents, replying to drafts issued by auditing and accounting standard setters for discussion and preparing operating manuals, while respecting the independence of decision making in each country. There are also many cooperation activities with the profession, universities and European Union institutions, including participation in technical committees and the temporary assignment of staff to projects or educational activities.

f. Monitoring

Monitoring of Assurance quality

We recognize that quality in the Assurance services we deliver to our clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. Quality is a key element to our Assurance strategy.

Responsibility for guaranteeing an appropriate quality management lies with the Leadership of PwC. This includes effective monitoring processes aimed at evaluating whether the policies and procedures which constitute our Quality Management System operate effectively in compliance with laws, regulations and professional standards.

Our firm’s monitoring program is based on the PwC Network’s Global Assurance Quality Review (GAQR) Program. This program, which is based on standards relating to quality control including ISQC1, contains tools which are used by all the PwC Network firms. The GAQR program is coordinated, at network level, by a central team which consists of a GAQR Leader with a group of International Team Leaders (ITL) who are partners seconded to the GAQR central team by PwC member firms. Provision of oversight by the ITLs and their continuous involvement and support enable a consistent and effective performance of reviews across the PwC network.

Our firm’s monitoring procedures include an ongoing assessment of the design and effectiveness of our quality management system, as well as a review of completed engagements (Engagement Compliance Reviews - ECR).

ECRs allow to assessing whether engagements were performed in compliance with the PwC Audit guidance, applicable professional standards and other engagement related policies and procedures. Each signer is reviewed at least once every five years, unless a more frequent review is required based on the profile of that signer’s client engagements: for example, these partners who sign independent auditors’ reports on clients belonging to Public Interest Entities are reviewed every three years.



3

Internal quality control system

- a. [Leadership Responsibilities for Quality within the Firm and key structures](#)
- b. [Ethical requirements](#)
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- d. [Human Resources](#)
- e. [Engagement Performance and Documentation](#)
- f. **Monitoring**

The results of the quality reviews are reported to our firm's leadership who are responsible for analysing the findings and implementing remedial actions as necessary.

Partners and employees of our firm are informed about the review results and the actions taken to enable them to draw the necessary conclusions for the performance of engagements. In addition, the GAQR Leader informs engagement partners of our firm who are responsible for group audits involving cross-border work about relevant quality review findings in other PwC firms which enables our partners to consider these findings in planning and performing their audit work.

The general monitoring programme is articulated in the following three areas:

Monitoring Quality Control Policies and Procedures

As required by the ISQC Italia no.1, PwC verifies the adequacy and effectiveness of its quality control policies and procedures through constant controls. These controls are documented in a specific database provided by the PwC network.

Monitoring Audit and Attest Engagements

The quality control system of PwC and the audits performed by our firm are monitored based on guidelines issued by the Global Assurance Quality Review Group, which is part of the PwC network.

The monitoring process usually starts with a preliminary assessment of the firm's system of audit quality control. During this process the system of internal controls is tested in its key elements, including those relating to independence, training, firm management and leadership behaviour designed to foster and incentivise an appropriate and efficient internal quality control system.

Keeping into account the results of the assessment of the quality control system, specific audit engagements are selected and reviewed, based on a process, which comprises the following phases:

- *Identification of selection criteria for engagements;*
- *Selection of engagements;*
- *Identification of reviewers (assessing their independence);*
- *Preparation of guidance material for monitoring (checklists);*
- *Training of reviewers;*
- *Performance of reviews under constant supervision;*
- *Sharing of the results with the engagement Partners of the engagements reviewed;*
- *Sharing of the results with the Assurance Leader.*

Reviews of the sample of engagements selected are co-ordinated by experienced Partners and conducted by senior managers or managers with appropriate industry experience who are not connected with the office or team that performs the audit, nor involved in the engagement itself.

In addition to the reviews mentioned above that are performed under the supervision of the PwC Network, every year the Italian Quality Office performs independent monitoring of a sample of engagements. The sample of engagements monitored during the year ended 30 June 2016 covered a selection of clients, including clients quoted on the Stock Exchange, clients which we assisted in an IPO process, higher profile clients and non-audit assurance engagements (NAAE). The monitoring activity performed by the Quality Office entails a significant commitment in terms of time spent and resources used, as it takes place during nearly all the financial year (in the financial year to which this report relates 18 cold reviews were performed) and uses expert and highly qualified professionals.

Finally, a Partner who is not a member of the audit team, named "Quality Review Partner", is assigned to all audit engagements on clients which are listed or in the process of listing and on other higher-risk profile clients. This Partner has the task of reviewing carefully and objectively significant issues considered by the audit team and the conclusions reached in the audit report, before it is issued.



3

Internal quality control system

- a. Leadership Responsibilities for Quality within the Firm and key structures
- b. Ethical requirements
- c. Accettazione e continuazione delle relazioni con i clienti e di incarichi specifici
- d. Human Resources
- e. Engagement Performance and Documentation
- f. **Monitoring**

Monitoring Quality Indicators

PwC has set up a centralised control over certain parameters which are particularly significant for quality control purposes and are defined every year by the Chief Executive Officer on the basis of the legal and regulatory framework of the audit activity, and of any recommendations of regulatory authorities. In detail, with reference to the direction and supervision of audits PwC has strengthened, among others, the control systems designed to verify the appropriate participation of engagement Partners in the audit as well as the concentration of engagements assigned to them.

PwC constantly evaluates inputs from formal programmes such as this and a variety of informal sources in an ongoing effort to improve policies, procedures and the consistency of the quality of work performed.

Approval of the results of monitoring of internal quality control

Every year the Chief Executive Officer of PwC submits to the Board of Directors for approval the action plans resulting from the monitoring of internal quality control and the results of the quality reviews, both national and international, of engagements, and decides, in agreement with the Chief Quality Officer, the guidelines of the general monitoring programme to be performed during the current season.



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4

Latest external inspection

The latest three-yearly quality inspection carried out at PwC by Consob in accordance with article 20, paragraph 2 of Legislative Decree no. 39 of 27 January 2010, was completed on 12 November 2014. The inspection focused on quality control procedures and on the review of individual audit engagements.

Consob sent the final Report pursuant to article 20, paragraph 6, of Legislative Decree no. 39 of 27 January 2010 and PwC promptly implemented the regulator's indications.

5

Public Interest Entities Audit Clients

The public interest entities for which we carried out an audit during the year ended 30 June 2016 are listed in Appendix I.





6

Independence procedures and practices

a. Organization

- b. [Policies and Guidance](#)
- c. [Training and Independence Confirmations](#)
- d. [Independence Systems](#)
- e. [Internal Reviews of Independence Procedures and Practices](#)
- f. [Disciplinary Policy](#)

a. Organization

As previously mentioned, PwC has a designated Partner, with appropriate seniority and standing (known as “Partner Responsible for Independence” or “PRI”), who is responsible for providing support to professional staff and to put in place processes such that PwC Partners and staff are knowledgeable about independence matters and that they take the actions required of them by the firm’s independence policies and operating procedures.

This Partner is supported by a team of specialists, who help the PwC personnel to apply independence guidelines, procedures and tools which are sound and adequate to each case. The PRI reports directly to the Chief Executive Officer and the Board of Directors of PwC.



Maurizio Donvito
Partner Responsible
Risk, Compliance e Legal



Monica Gillane
Chief Information Security
Officer (CISO)





6

Independence procedures and practices

- a. [Organization](#)
- b. Policies and Guidance**
- c. Training and Independence Confirmations**
- d. [Independence Systems](#)
- e. [Internal Reviews of Independence Procedures and Practices](#)
- f. [Disciplinary Policy](#)

b. Policies and Guidance

PwC has adopted the PwC Global Independence Policy, which is based on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“IESBA”). The PwC Global Independence Policy sets the minimum standards that all member firms of the Network must comply with and the processes that are to be followed to maintain independence from clients. The internal independence policies adopted by PwC have been supplemented in order to comply with the United States independence requirements of the Securities and Exchange Commission and those of the Public Accounting Oversight Board, on those engagements where such rules are applicable. PwC has also supplemented the PwC network policy as required by the applicable provisions of Italian laws or regulations.

PwC’s independence policy covers, among others, the following areas:

- *personal and corporate independence, including policies and guidance on the holding of financial interests and other financial arrangements by Partners, staff and the firm;*
- *non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (“SOPS”), which provide practical guidance on the application of the policy in respect of non-audit services rendered to restricted audit clients. SOPS are available to all staff at any time through the firm’s portal; and*
- *business relationships, including policies and guidance on joint business relationships and on purchases of goods and services effected in the ordinary course of business.*

Also the other Italian entities belonging to the PwC network that provide services supporting the audit activity, comply with the independence rules in force.

c. Training and Independence Confirmations

PwC provides all Partners and staff with periodic training in independence matters. Partners and staff receive computer-based training on PwC’s independence policy and related topics. The training plan is supplemented by additional specific training for members of the practice who change position or role; courses addressing changes in independence policy or external regulations are also provided.

PwC requires all Partners and staff, upon joining and annually thereafter, to comply with and to confirm that they had complied with all aspects of PwC’s independence policy, including those related to personal independence. In addition, all Partners must ensure that all non-audit services for audit clients and other business relationships (e.g. commercial agreements, etc.) with third parties are in compliance with independence policies and the remaining corporate policies and that PwC SpA’s processes have been followed, before accepting these engagements and relationships. The procedures illustrated in this section are mainly designed to identify any threats to independence that may have arisen and to provide a periodic reminder to Partners and staff of PwC’s independence policies and procedures.



6

Independence procedures and practices

- a. Organization
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- f. [Disciplinary Policy](#)

d. Independence Systems

The PwC network has introduced a number of IT tools to assist PwC member firms and their personnel in complying with independence policies and procedures and documenting their application. These tools are:

- *Central Entity Service (“CES”), an international database, fed continuously by each country of the PwC network, which contains information about all PwC member firms’ accounting audit clients, including public interest entities (“PIEs”) and all SEC registrants. The database specifies whether clients are restricted on the basis of the laws of a specific country, and lists all companies in a group subject to the same regulations. The database also shows the name of the person responsible for monitoring independence with regard to each specific client to whom it is necessary to apply before accepting any engagement other than an audit. This information is shared among all firms associated with the PwC network. This system also feeds information into the Checkpoint system (formerly Global Portfolio System).*
- *Checkpoint, a system fed by information in CES, enables the preliminary clearance of purchases of publicly traded securities by all Partners, directors and practice managers of PwC. Where a member firm wins a new audit engagement from a client issuing securities on regulated markets, the system automatically informs those holding securities in that client or securities subject to new restrictions and of any necessary actions.*

- *Authorisation for Services (“AFS”), fed by information in CES, which enables direct communication between a non- audit services engagement leader and the statutory audit engagement leader of the same client or group. The potential independence threats deriving from services proposed which are identified during the acceptance procedure are detected and documented and the related safeguards are also assessed. AFS records the conclusion of the audit engagement leader of the holding company on the acceptability of the service. No non-audit service may be provided to a restricted audit client before the audit engagement leader has authorized it.*

PwC also has a number of local tools which include:

- *A rotation tracking system which allows the monitoring of rotation requirements for engagement leaders and Partners involved in statutory audits for all public interest audit clients of PwC; and;*
- *A database called “Kaleydos” (formerly “CRM”) which records all engagements accepted by PwC.*



6

Independence procedures and practices

- a. [Organization](#)
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- c. [Training and Independence Confirmations](#)
- d. [Independence Systems](#)
- e. Internal Reviews of Independence Procedures and Practices**
- f. Disciplinary Policy**

e. Internal Reviews of Independence Procedures and Practices

Our independence procedures and practices are subject to internal review on an ongoing basis. This is performed by PwC as part of a comprehensive monitoring plan of internal procedures which includes the following:

- *Quality control reviews of engagements to confirm compliance with risk management processes, including independence procedures (as described above in the “Internal Quality Control System” section);*
- *Annual personal independence compliance testing of a sample of Partners and managers;*
- *Compliance testing of independence controls and processes; and*
- *Annual self-assessment of PwC’s adherence to the PwC network’s risk management standards, including independence. The self-assessment is reviewed by the persons in charge of other entities of the PwC network.*

In addition, policies and guidance are reviewed and revised when changes arise such as amendments to laws and regulations, when PwC network policies and procedures change, or as a result of the above reviews. In this regard, we note that following the entry into force of the European Regulation 537/2014 on 17 June 2016 and of Legislative Decree 135/2016 on 5 August 2016, a reading and interpretation activity of the new independence regulation started as well as a critical revision of the independence policies and procedures adopted by the PwC network.

The results of PwC monitoring and testing activities are regularly reported to its Board of Directors, with a summary reported annually. The Board then takes any measures considered necessary. This provides assurance that the firm’s independence policies and procedures are being complied with.

Investigation of any identified violations of policies, in addition to triggering necessary corrective actions, also serves to identify the need for improvements to PwC’s systems and processes and for additional guidance and training to be provided to staff.

f. Disciplinary Policy

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

In case of violation of independence rules, Partners or staff of PwC may be subject to disciplinary action, in accordance with the applicable general legal framework and Italian labour law.



Continuing Professional Education of Partners and Staff Performing Statutory Audits

PwC constantly invests significant resources in training its professional staff consistently with the excellence expected within the professional context and developing a path of continuing education and development designed to enhance our resources.

Competence and professionalism are acknowledged as distinguishing features of the resources working at PwC on statutory audits, and professional excellence is a corporate value and the guarantee of a high-quality service.

An internal unit called Learning & Development (L&D) is responsible for the continuing education and professional development of personnel, focussing in particular on technical and professional contents, audit methodology, independence requirements, risk management, developments in the regulatory framework in Italy and abroad, as well as language and managerial skills.

The main activities performed by the L&D unit include:

- *identifying the training requirements for each role, grade and specialisation of the personnel;*
- *defining and revising the continuing education programmes for each level of experience of staff, including technical and methodology courses on specific business sectors or industries. In order to ensure completeness and flexibility, the training involves different methods of provision and includes classroom and self- training, which is also offered as e-learning, webcasts and video courses;*
- *preparing and revising the learning material used in continuing education, including regulatory and practical references to audit procedures and methodology, to ethical standards and to Italian and international auditing and accounting standards;*
- *identifying and training qualified instructors;*

- *ensuring the access to training programmes and learning;*
- *maintaining an appropriate structure to plan, manage and monitor the supply and efficacy of the training activity.*

PwC monitors compliance with the rules established for a proper continuing education process, including completion of all mandatory training programmes, in order to ensure that professional services offered are carried out by staff with adequate competence and, where applicable, holding the educational or professional qualifications required by law.

The quality of staff training is monitored through internal monitoring processes of the courses provided, of the instructors involved as well as of the performance of the personnel.

The contents of the continuing education programmes are in compliance with international standards and the technical and professional regulations issued by the local professional organizations and regulatory authorities.



Stefano Bravo
Partner
Learning & Development





Continuing Professional Education of Partners and Staff Performing Statutory Audits

The training programme designed for and delivered to the personnel of PwC is revised annually to keep current with developments in regulations and to improve further competences and professional skills, as well as to ensure a correct understanding of and compliance with the regulatory framework.

The training opportunities offered to professional staff included, in particular:

- *technical subjects (national, international and US standards on auditing, statutory and tax legislation);*
- *methodology training focusing on the audit approach and more largely on quality aspects;*
- *in-depth analysis of Independence and Risk Management matters and requirements;*
- *specialist training in the Financial Services area;*
- *development of soft skills, with special attention to communication and interpersonal skills in both internal and external relations, teamwork management and leadership;*
- *personal and professional development programmes within the PwC network addressed to Managers and Partners.*

An “onboarding” process also accompanies all new hires in their first few months with PwC, focussing on both training and induction. The process includes welcoming, classroom activities and online learning modules.

Among the most significant projects during the year were the following:

- *the consolidation of the training programmes begun in the previous year to expand competences and areas of excellence in auditing, as well as taxes, internal control and project management;*
- *the development of programmes aimed at improving the foreign languages skills, with a special focus on English, to guarantee broadminded and flexible professionals also in international contexts;*
- *the introduction of initiatives specifically dedicated to in-depth analyses and considerations on Business and Global Acumen;*
- *the expansion of the Talent Development programmes through the design, in co-operation with the Human resources function, of individual growth paths for senior managers, with the aim of better focussing the development of managerial roles and supplementing the training programmes offered within the PwC Network.*

Training on workplace safety continued, involving all employees of PwC, in compliance with the requirements of article 37 of Legislative Decree no. 81/08.

During the financial year ended 30 June 2016 PwC provided to professional staff some 163,000 hours of training, of which over 130,000 on audit matters and other technical subjects.

During the year each employee received over 100 hours of training, calculated with reference to headcount as of 30 June 2016.



8

Financial Information

We provide below an analysis of PricewaterhouseCoopers SpA's revenues for the year ended 30 June 2016, as shown in the draft financial statements approved by the Board of Directors on 06 September 2016 to be submitted for approval of the general meeting. They are compared with the revenues reported in the previous year's approved financial statements.

The figures reported below are presented in accordance with the format established by article 18 of Legislative Decree no. 39 of 27 January 2010. The classification established by Consob's Communication no. 99009588 of 12 February 1999 was also kept into account.

	30 June 2016	30 June 2015
	€ mln	€ mln
Statutory audit services	111	112
Other attest services	109	110
Tax consulting services	-	-
Non-audit services	38	27
Total	258	249

* | The above figures relate to turnover and do not consider the change in work in progress between the beginning and the end of the period. Value of production, which does, was Euro 258.2 million for the year ended 30 June 2016, vs. Euro 250.5 million for the year ended 30 June 2015.



9

Basis of Calculation of Partners' Remuneration

The Partners of PricewaterhouseCoopers SpA also work as its employees, in the position of executives. In this role they perform only audit and assurance services for the benefit of the firm. Therefore, in addition to receiving dividend distributions in proportion to the shares held in the firm, Partners also receive remuneration for the services rendered.

Partners' remuneration comprises a fixed and a variable portion. The fixed component is related, in principle but not automatically, to each Partner's seniority with the firm, while the variable component is determined annually as part of a process where individual and corporate targets are set and shared. The individual targets are qualitative, while the corporate targets may be both quantitative and qualitative. Specifically, the quantitative targets are designed to incentivise and reward Partners' contribution to the growth of the firm and the efficient management of resources. In these areas, the decision to set corporate targets was taken in order to foster cooperation between Partners, while at the same time avoiding any direct relationship between commercial and operating performance on individual clients, or client groups, and remuneration profiles. Therefore, Partners are not remunerated on the basis of performance, commercial or operating, on an individual client, but for how, co-operating with other Partners in the same unit (territory or corporate function) they contribute to the general growth of the business, ensuring operating efficiency and fostering the motivation and professional development of staff.

To assess Partners' performance as executives of the firm, every year information is collected about:

- *the quality of professional services provided to clients and the correct management of risks, in compliance with the applicable professional standards and the methodology rules prescribed by the international PwC network. For this purpose an internal monitoring programme has been set up by the CQO function, supplemented by periodical inspections by the corresponding functions at Network level;*

- *coaching and staff development efforts;*
- *compliance with the firm's guidelines and procedures concerning professional independence, ethics and integrity;*
- *compliance with the firm's guidelines and procedures;*
- *depth of technical competence, continuous professional training and attitude to consultation;*
- *contribution to the firm's development, also managing internal functions, carrying out international roles, serving as reviewer and contributing to promoting the image of the firm and of the profession.*

The degree of attainment of the targets is assessed annually by the Board of Directors who are responsible for managing the remuneration profiles, after consulting with all corporate functions involved. In order to ensure overall fairness, the process is carried out under the supervision of a specific committee made up of Partners not holding management roles within the firm, who report their findings to the Partners in general meeting.

Where potential areas for improvement are identified from the annual assessment of Partners, the relevant profiles are taken into consideration when setting and sharing the personal targets for the next year. Internal protocols have been set up to govern the manner of resolution of any significant quality issues as may be detected in the course of the monitoring process.

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Statements of the Board of Directors of PricewaterhouseCoopers SpA pursuant to article 18, paragraph 1, letters c), f) and g), of Legislative Decree no. 39 of 27 January 2010 (issued in compliance with the regulations in force before the changes introduced by Legislative Decree 135/2016, applicable starting from next year)



The Board of Directors of PricewaterhouseCoopers SpA, pursuant to article 18, paragraph 1, letters c), f) and g), of Legislative Decree no. 39 of 27 January 2010, declares that:

- The system of internal quality control adopted by PricewaterhouseCoopers SpA and described in section 3 of this report has the objective of providing reasonable assurance that statutory audit engagements are performed in accordance with the applicable regulations and auditing standards. Having considered the design and operation of the internal quality control system and the results of the monitoring activity performed by our firm, also described in section 3 of this report, we believe that the internal quality control system operated effectively during the financial year ended 30 June 2016;
- PricewaterhouseCoopers SpA applied during the financial year ended 30 June 2016, and is currently applying, appropriate practices, described in section 6 of this report, considered suitable to ensure compliance with the independence requirements applicable to statutory auditors and audit firms, as provided for by articles 10 and 17 of Legislative Decree no. 39 of 27 January 2010; the firm has performed internal reviews of compliance with the applicable law provisions concerning the independence requirements of statutory auditors and audit firms.
- All Partners and professional staff of PricewaterhouseCoopers SpA participate in continuing education programmes, briefly described in section 7 of this report, which, pending issuance of application rules, are considered suitable to ensure, with reasonable certainty, compliance with the provisions of article 5 of Legislative Decree no. 39 of 27 January 2010 concerning continuing education and the maintenance of an adequate level of theoretical knowledge and professional capabilities.

On behalf of the Board of Directors

Ezio Bassi

Chairman and Chief Executive Officer





I

List of public interest entities which are audit clients

Appendix I: List of public interest entities which are audit clients

Appendix II: Short professional biographies

Appendix III: PwC Code of Conduct

Appendix IV: List of PricewaterhouseCoopers SpA offices

Note 1: Audit engagement assigned pursuant to article 165 of Legislative Decree No. 58 of 24 February 1998

Note 2: Audit engagement assigned pursuant to article 165 bis of Legislative Decree No. 58 of 24 February 1998

Note 3: Audit engagement assigned on a voluntary basis by Banca d'Italia

2 PAY ISTITUTO DI MONETA ELETTRONICA SRL
 2011 POPOLARE BARI SPV SRL
 2012 POPOLARE BARI SME SRL
 2013 POPOLARE BARI RMBS SRL
 2014 POPOLARE BARI SME SRL
 2I RETE GAS SPA
 7PIXEL SRL (1)
 8A+ INVESTIMENTI SGR SPA
 A2A AMBIENTE SPA (1)
 A2A CALORE E SERVIZI SRL (1)
 A2A CICLO IDRICO SPA (1)
 A2A ENERGIA SPA (1)
 A2A GENCOGAS SPA (già ABRUZZOENERGIA SPA) (1)
 A2A LOGISTICA SPA (1)
 A2A RETI ELETTRICHE SPA (1)
 A2A SPA
 A2A TRADING SRL (1)
 ABACO INNOVAZIONE SPA (2)
 ABRUZZO 2015 RMBS SRL
 ABRUZZO 2015 SME SRL
 ACOMEA SGR SPA
 ADRAS SPA (1)
 ADRIATICO FINANCE RMBS SRL
 ADRIATICO FINANCE SME SRL
 AEM TORINO DISTRIBUZIONE SPA (1)
 AEQUAFIN SPA (2)
 AGENZIA NAZIONALE PER L'ATTRAZIONE DEGLI INVESTIMENTI E LO SVILUPPO D'IMPRESA SPA
 ALBA 4 SPV SRL
 ALBA 5 SPV SRL
 ALBA 7 SPV SRL
 ALBA LEASING SPA
 ALFAEVOLUTION TECHNOLOGY SPA (1)
 ALICROS SPA (2)
 ALISEI SIM SPA
 ALL EVENTS SPA (2)
 ALTHEA SPA (1)
 AMBER CAPITAL ITALIA SGR SPA
 AMBIENTHESIS SPA
 AMGAS BLU SRL (1)
 AMIAT SPA (1)
 AMPLIARE SRL (2)
 AMPLIFIN SPA (2)
 AMPLIFON SPA
 AMSA SPA (1)
 ANDROMEDA FINANCE SRL SOCIETA' UNIPERSONALE
 ANTIRION SGR SPA
 AP RETI GAS ROVIGO SRL (1)
 APULIA FINANCE N. 2 SRL
 APULIA FINANCE N. 4 SRL
 APULIA MORTGAGES FINANCE N. 3 SRL
 APULIA PRONTOPRESTITO SPA
 ARCA FONDI SGR SPA
 ARCA SGR SPA
 ARCOBALENO FINANCE SRL
 AREPO BP SPA (2)
 AREPO FIDUCIARIA SRL (1)
 AS ROMA REAL ESTATE SRL (2)
 ASCO HOLDING SPA (2)
 ASCOPIAVE SPA
 ASCOTRADE SPA (1)
 ASPEM ENERGIA SRL (1)
 ASPEM SPA (1)

ATAHOTELS SPA (1)
 ATITECH MANUFACTURING SRL (1)
 ATITECH SPA (1)
 ATLANTE FINANCE SRL
 AUGUSTUM OPUS SIM SPA
 AUTOSPED G SPA (2)
 AVIPOP ASSICURAZIONI SPA
 AVIPOP VITA SPA
 AVIVA ASSICURAZIONI VITA SPA
 AVIVA ITALIA SPA
 AVIVA LIFE SPA
 AVIVA SPA
 AVIVA VITA SPA
 AXA ASSICURAZIONI SPA
 AXA INTERLIFE SPA
 AXA MPS ASSICURAZIONI DANNI SPA
 AXA MPS ASSICURAZIONI VITA SPA
 AZIENDA VITIVINICOLA TENUTE SELLA & MOSCA SPA (1)
 AZIMUT CAPITAL MANAGEMENT SGR SPA
 AZIMUT CONSULENZA SIM SPA
 AZIMUT HOLDING SPA
 B&D FINANCE SPA (2)
 B&D HOLDING DI MARCO DRAGO & C SAPA (2)
 BANCA ALBERTINI SYZ SPA (già BANCA ALBERTINI SYZ & C. SPA)
 BANCA ATESTINA DI CREDITO COOPERATIVO - SOCIETA' COOPERATIVA
 BANCA CAPASSO ANTONIO SPA
 BANCA CARIM - CASSA DI RISPARMIO DI RIMINI SPA
 BANCA CARIPE SPA
 BANCA CONSULIA SPA (già BANCA IPIBI FINANCIAL ADVISORY SPA)
 BANCA DEL FUCINO SPA
 BANCA DEL MEZZOGIORNO - MEDIOCREDITO CENTRALE SPA
 BANCA DEL MUGELLO CREDITO COOPERATIVO - SOCIETA' COOPERATIVA
 BANCA DEL SUD SPA
 BANCA DI BOLOGNA CREDITO COOPERATIVO
 BANCA DI CREDITO COOPERATIVO DI CARATE BRIANZA SCARL
 BANCA DI FORLI' CREDITO COOPERATIVO SC
 BANCA DI MONASTIER E DEL SILE - CREDITO COOPERATIVO - SOCIETA' COOPERATIVA
 BANCA DI PIACENZA - SOCIETA' COOPERATIVA PER AZIONI
 BANCA DI PISTOIA CREDITO COOPERATIVO - SOCIETA' COOPERATIVA
 BANCA DI SASSARI SPA
 BANCA D'ITALIA (3)
 BANCA EMILVENETA SPA
 BANCA FARMAFACTORING SPA
 BANCA IFIGEST SPA
 BANCA INTERMOBILIARE DI INVESTIMENTI E GESTIONARI SPA
 BANCA PASSADORE & C. SPA
 BANCA POPOLARE DEL MEDITERRANEO SCPA
 BANCA POPOLARE DELL'EMILIA ROMAGNA SC
 BANCA POPOLARE DELL'ETRURIA E DEL LAZIO S.C. IN AMMINISTRAZIONE STRAORDINARIA (già BANCA POPOLARE DELL'ETRURIA E DEL LAZIO S.C.)
 BANCA POPOLARE DI BARI SOC COOP PER AZIONI
 BANCA POPOLARE LECCHESE SPA
 BANCA PROFILO SPA
 BANCA REGIONALE DI SVILUPPO SPA (già BANCA POPOLARE DI SVILUPPO SOCIETA' COOPERATIVA PER AZIONI)
 BANCA ROMAGNA COOP. CREDITO COOP. ROMAGNA CENTRO E MACERONE - SOC. COOP.



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BANCA SAN FRANCESCO CREDITO COOPERATIVO SOCIETA' COOPERATIVA
 BANCA SAN GIORGIO QUINTO VALLE AGNO CREDITO COOPERATIVO
 BANCA TERCAS SPA
 BANCAPULIA SPA
 BANCASSURANCE POPOLARI DANNI SPA
 BANCASSURANCE POPOLARI SPA
 BANCO DI SARDEGNA SPA
 BANCOPOSTA FONDI SPA SGR
 BARBERA SPV SRL
 BASIC VILLAGE SPA (1)
 BASIC WORLD SRL (2)
 BASICITALIA SPA (1)
 BASICNET SPA
 BASICRETAIL SRL CON SOCIO UNICO (1)
 BASTOGI SPA
 BCC DI MASSAFRA SCARL
 BCC DI PUTIGNANO SOCIETA' COOPERATIVA PER AZIONI
 BEIGUA SRL (1)
 BETA STEPSTONE SPA
 BIALETTI HOLDING SRL (2)
 BIALETTI INDUSTRIE SPA
 BIALETTI STORE SRL (1)
 BLUE META SPA (1)
 BNP PARIBAS CARDIF VITA COMPAGNIA DI ASSICURAZIONE E RIASSICURAZIONE SPA
 BNP PARIBAS INVESTMENT PARTNERS SGR SPA
 BPER SERVICES SCPA (1)
 BPER TRUST COMPANY SPA (1)
 BRIGHT SRL (1)
 BRIOSCHI SVILUPPO IMMOBILIARE SPA
 BUSINESS-E SPA (1)
 C.L.N. COILS LAMIERE NASTRI SPA
 C.R. VOLTERRA FINANCE SRL
 CALTAGIRONE EDITORE SPA
 CAMABO BOLOGNA SRL (1)
 CAMABO SRL (2)
 CAMPARI INTERNATIONAL SRL (1)
 CAMPARI SERVICES SRL (1)
 CAMPARI WINES SRL (1)
 CARRARO DRIVE TECH SPA (1)
 CARRARO SPA
 CARTALIS IMEL SPA
 CASONI FABBRICAZIONE LIQUORI SPA (1)
 CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE SPA
 CASSA DEL TRENTO SPA
 CASSA DEPOSITI E PRESTITI SPA
 CASSA DI RISPARMIO DELLA PROVINCIA DI CHIETI SPA IN AMMINISTRAZIONE STRAORDINARIA
 CASSA DI RISPARMIO DI ASTI SPA
 CASSA DI RISPARMIO DI BIELLA E VERCELLI SPA
 CASSA DI RISPARMIO DI BRA SPA
 CASSA DI RISPARMIO DI CESENA SPA
 CASSA DI RISPARMIO DI ORVIETO SPA
 CASSA DI RISPARMIO DI VOLTERRA SPA
 CASSA RURALE ED ARTIGIANA DI CANTU' BANCA CREDITO COOPERATIVO SCRL
 CASTORO RMBS SRL
 CDP IMMOBILIARE SRL (2)
 CDP INVESTIMENTI SOCIETA' DI GESTIONE DEL RISPARMIO SPA
 CDP RETI SPA
 CEMBRE SPA

CENTRO FINANZIAMENTI SPA (1)
 CENTRO ISTRUTTORIE SPA (1)
 CENTRO PROCESSI ASSICURATIVI SRL (1)
 CENTRO SERVIZI ASSET MANAGEMENT SRL (1)
 CERCASSICURAZIONI.IT SRL (1)
 CERVED CREDIT MANAGEMENT GROUP SRL (1)
 CERVED CREDIT MANAGEMENT SPA (1)
 CERVED GROUP SPA (1)
 CERVED INFORMATION SOLUTIONS SPA
 CERVED RATING AGENCY SPA (1)
 CGM ITALIA SIM SPA
 CHEBANCA! SPA
 CLARIS ABS 2011 SRL
 CLARIS FACTOR SPA
 CLARIS FINANCE 2005 SRL
 CLARIS FINANCE 2007 SRL SOCIETA' UNIPERSONALE
 CLARIS FINANCE 2008 SRL SOCIETA' UNIPERSONALE
 CLARIS LEASE 2015 SRL
 CLARIS LEASING SPA
 CLARIS RMBS 2011 SRL
 CLARIS RMBS 2014 SRL
 CLARIS SME 2015 SRL
 CLARIS SME 2016 SRL (già CLARIS SME 2012 SRL)
 CLUB I COTTAGES SRL (2)
 CLUBSETTE SRL (1)
 CO.MO.I. SIM SPA
 COFIDI.IT SOC COOP
 COMPAGNIA ASSICURATRICE LINEAR SPA
 COMPASS BANCA SPA (già COMPASS SPA)
 COMPUTER GROSS ITALIA SPA (1)
 CONFIDI SYSTEMA! SOCIETA' COOPERATIVA DI GARANZIA COLLETTIVA DEI FIDI (già ARTIGIANFIDI LOMB. SOC. COOP. DI GARANZIA COLLETTIVA DEI FIDI)
 CONSILIUM SGR P.A.
 CONSIT ITALIA SPA (1)
 CONSODATA SPA (1)
 CORNER SIM SPA IN LIQUIDAZIONE
 CORPORACION AMERICA ITALIA SRL (2)
 CR FIRENZE MUTUI SRL
 CR VOLTERRA 2 SPV SRL
 CREDIFARMA SPA
 CREDITECH SPA
 CREDITO COOPERATIVO INTERPROV. VENETO SOCIETA' COOPERATIVA IN LIQUIDAZIONE (già CREDITO COOPERATIVO INTERPROV. VENETO SOCIETA' COOPERATIVA)
 CREDITONLINE MEDIAZIONE CREDITIZIA SPA (1)
 CRESO 2 SRL
 DAVIDE CAMPARI-MILANO SPA
 DE AGOSTINI SPA (2)
 DEA CAPITAL REAL ESTATE SPA (1)
 DEA CAPITAL SPA
 DEA FACTOR SPA (2)
 DEA PARTECIPAZIONI SPA (2)
 DECO 2014 - GONDOLA SRL
 DEL.COM. SRL (1)
 DELFINO SPA (1)
 DI.VI. FINANZIARIA DI DIEGO DELLA VALLE & C. SRL (2)
 DIALOGO SPA IN LIQUIDAZIONE (già DIALOGO ASSICURAZIONI SPA)
 EDIGAS ESERCIZIO DISTRIBUZIONE GAS SPA (1)
 EDIPOWER SPA (1)
 EFFELLE RICERCHE SRL (1)
 ELBA ASSICURAZIONI SPA
 ELETTRONICA SANTERNO SPA (1)



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E-MID SIM SPA
EMILIA ROMAGNA FACTOR SPA
EMSA SERVIZI SPA IN LIQUIDAZIONE (1)
EQUA AM SIM SPA
ESTENSE FINANCE SRL
ESTENSE SME SRL
ETRURIA INFORMATICA SRL (1)
ETRURIA SECURITISATION SPV SRL
EUROPA RISORSE SGR SPA
EUROTECH SPA
EXPRIVIA DIGITAL FINANCIAL SOLUTION SRL (1)
EXPRIVIA ENTERPRISE CONSULTING SRL (1)
EXPRIVIA HEALTHCARE IT SRL (1)
EXPRIVIA PROJECTS SRL (1)
EXPRIVIA SPA
EXPRIVIA TELCO & MEDIA SRL (1)
EXTRABANCA SPA
FBS SPA
FIBRE OTTICHE SUD SRL (1)
FIDUCIARIA OREFICI SPA SIM
FIN. PROMO. TER. SOC. CONS. PER AZ.
FINAID SPA (2)
FINCANTIERI OIL & GAS SPA (1)
FINCANTIERI SPA
FINCED SRL (1)
FINSERVICE SPA (1)
FINSOE SPA (2)
FINTECNA SPA (2)
FONDACO SGR SPA
FORUM IMMOBILIARE SRL (2)
FORUMNET HOLDING SPA (2)
FORUMNET SPA (2)
FRATELLI AVERNA SPA (1)
FRIGORIFERI MILANESI SPA (1)
FUTURIMPRESA SGR SPA
FUTURO SPA
G & A SPA (2)
GALE SRL (2)
GALLERIE 2013 SRL
GAVIO & TORTI CASA DI SPEDIZIONE SPA (2)
GAVIO SPA (2)
GLOBAL ASSISTANCE SPA
GRADIENTE SGR SPA
GRECALE ABS SRL
GRECALE RMBS 2011 SRL
GRECALE RMBS 2015 SRL
GROSSETO ENERGIA AMBIENTE COMMERCIALE SPA (1)
GROUPAMA ASSET MANAGEMENT SGR SPA
GRUPPO COIN SPA (2)
GRUPPO MUTUIONLINE SPA
H.R. SERVICES SRL (1)
H2C GESTIONI SRL (1)
HELVETIA COMPAGNIA SVIZZERA D'ASSICURAZIONI SA- RAPPRE.
GEN. E DIREZ. ITALIA
HSE SPA (2)
I.S.A. SPA - ISTITUTO SVILUPPO AGROALIMENTARE
IBL CQS 2013 SRL
IBL CQS SRL
IBL FINANCE SRL
IBL ISTITUTO BANCARIO DEL LAVORO SPA (già ISTITUTO BANCARIO DEL LAVORO SPA)
IBM ITALIA SERVIZI FINANZIARI SPA
ICT LOGISTICA SRL (1)
IGD MANAGEMENT SRL (1)
IGD PROPERTY SIINQ SPA (1)
IL GAZZETTINO SPA (1)
IL MATTINO SPA (1)
IL MESSAGGERO SPA (1)
IMMOBILIARE CASCINA RUBINA SRL (1)
IMMOBILIARE DE.IM SRL (2)
IMMOBILIARE DELLE FABBRICHE SRL (1)
IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA SPA
IMMSI SPA
IMPREBANCA SPA
IMPRESA PIZZAROTTI & C. SPA
IN.SE.CO. INTERNATIONAL SERVICE CONSULTING SRL (1)
INCONTRA ASSICURAZIONI SPA
INFRASTRUTTURE WIRELESS ITALIANE SPA
INNOVATION REAL ESTATE ADVISORY SRL (1)
INNOVATION REAL ESTATE SPA (1)
INTERMARINE SPA (1)
INTERSTRADE SPA (2)
INVESTENDO DUE SRL (2)
INVESTIMENTI IMMOBILIARI ITALIANI SOCIETA' DI GESTIONE DEL RISPARMIO SPA
INVESTIMENTI MARITTIMI SPA (2)
INVITALIA VENTURES SGR SPA
IRCE INDUSTRIA ROMAGNOLA CONDUTTORI ELETTRICI SPA
IREN ACQUA GAS SPA (1)
IREN AMBIENTE HOLDING SPA (1)
IREN AMBIENTE SPA (1)
IREN ENERGIA SPA (1)
IREN GESTIONI ENERGETICHE SPA (1)
IREN MERCATO SPA (1)
IREN SERVIZI E INNOVAZIONE SPA (1)
IREN SPA
IRETI SPA (già IREN EMILIA SPA) (1)
IS MOLAS SPA (1)
ISM INVESTIMENTI SPA (1)
ITALEAF SPA (2)
ITALIANA VALORIZZAZIONI IMMOBILIARI SRL (1)
ITALIAONLINE SPA (già SEAT PAGINE GIALLE SPA)
ITF SRL (1)
ITH SPA (2)
ITWAY SPA
ITWAYVAD SRL (1)
KAIROS JULIUS BAER SIM SPA
KAIROS PARTNERS SGR SPA
KRYALOS SGR SPA (già HENDERSON GLOBAL INVESTORS SGR SPA)
LA DORIA SPA
LA FABBRICA SRL (1)
LA SAN MARCO SPA (1)
LA TORRAZZA SRL (1)
LAZIO EVENTS SRL (2)
LEGGO SPA (1)
LENTA GINESTRA SRL (1)
LIGURIA SOCIETA' DI ASSICURAZIONI SPA
LIS - LOTTOMATICA ITALIA SERVIZI SPA (1)
LIS ISTITUTO DI PAGAMENTO SPA
L'OROLOGIO SRL (1)
LOTTERIE NAZIONALI SRL (2)
LOTTOMATICA HOLDING SRL (1)
LOTTOMATICA SCOMMESSE SRL (1)
LOTTOMATICA SPA (2)
LOTTOMATICA VIDEOLOT RETE SPA (1)



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LUXOTTICA GROUP SPA
 LUXOTTICA INTERNATIONAL DISTRIBUTION SRL (1)
 LUXOTTICA ITALIA SRL (1)
 LUXOTTICA LEASING SRL (1)
 LUXOTTICA SRL (1)
 LYSNE SPA (2)
 MAIMAI SRL (1)
 MALATESTA FINANCE SRL
 MAN FINANCIAL SERVICES SPA
 MANUTENZIONI AERONAUTICHE SRL (1)
 MARCHE M5 SRL SOCIETA' UNIPERSONALE
 MARCHE MUTUI 2 SOCIETA' PER LA CARTOLARIZZAZIONE A RL
 MARCHE MUTUI SOCIETA' PER LA CARTOLARIZZAZIONE SRL
 MARINA DI LOANO SPA (1)
 MAR-TER SPEDIZIONI SPA (1)
 MASSIMO ZANETTI BEVERAGE GROUP SPA
 MECENATE SRL
 MEDIOBANCA - BANCA DI CREDITO FINANZIARIO SPA
 MEDIOCREDITO TRENINO-ALTO ADIGE SPA
 MEDITERRANEA DELLE ACQUE SPA (1)
 MEDITERRANEAN NAUTILUS ITALY SPA (1)
 MERCURIO MORTGAGE FINANCE SRL
 MERIDIANO SECONDO SRL (1)
 MERIDIE ADVISORY SRL (1)
 MERIDIE SPA
 MID INDUSTRY CAPITAL SPA
 MIDI SRL (1)
 MILANO SANTA GIULIA SPA (1)
 MILANOFIORI 2000 SRL (1)
 MILANOFIORI ENERGIA SPA (1)
 MILANOFIORI SVILUPPO SRL (1)
 MILLENNIUM GALLERY SRL (1)
 MIP2 SRL (1)
 MODA 2014 SRL SOCIETA' UNIPERSONALE
 MODENA TERMINAL SRL (1)
 MOLESKINE SPA
 MONEYFARM - SOCIETA' DI INTERMEDIAZIONE MOBILIARE SPA
 MORVAL SIM SPA
 MSG RESIDENZE SRL (1)
 MUGGIANA SRL (1)
 MULTI LEASE AS SRL
 MUTUIONLINE SPA (1)
 MZ GREEN COFFEE GROUP SPA (2)
 NADIA SPA (1)
 NAVIGAZIONE ITALIANA SPA (2)
 NERI SRL (1)
 NETTUNO GESTIONE CREDITI SPA
 NOVA IMMOBILIARE SRL (2)
 NUMERA SISTEMI E INFORMATICA SPA (1)
 NUOVA BANCA DELL'ETRURIA E DEL LAZIO SPA
 NUOVA CASSA DI RISPARMIO DI CHIETI SPA
 OAKLEY SPORT INTERNATIONAL SRL (1)
 OFI CONSULTING SRL (1)
 OLIVETTI I JET SPA IN LIQUIDAZIONE (1)
 OLIVETTI MULTISERVICES SPA (1)
 OLIVETTI SPA (1)
 OMNIAHOLDING SPA (2)
 OMNIAINVEST SPA (2)
 OPEN CARE SPA (1)
 OPERA SGR SPA
 OPTIMA SPA SIM
 OVS SPA
 PALLADIO FINANZIARIA SPA (2)

PALLADIO LEASING SPA
 PARCHEGGI PERETOLA SRL (1)
 PARTECIPAZIONE FINANZIARIA ALIMENTARI - PA.FI.AL. SRL (1)
 PARTNER SVILUPPO IMPRESA SPA - PASVIM
 PARTNERS GROUP (ITALY) SGR SPA
 PASUBIO SERVIZI SRL (1)
 PAYTIPPER SPA
 PCC GIOCHI E SERVIZI SPA (1)
 PENSPAN INVEST SGR SPA
 PERSIDERA SPA (1)
 PFH1 SPA (2)
 PIAGGIO & C. SPA
 PIEMME - SPA CONCESSIONARIA DI PUBBLICITA' (1)
 PIERREL PHARMA SRL (1)
 PIERREL SPA
 PIQUADRO HOLDING SPA (2)
 PIQUADRO SPA
 PIQUBO SPA (2)
 PITAGORA SPA
 PLURIGAS SPA IN LIQUIDAZIONE (1)
 PM & PARTNERS SGR SPA
 POPOLARE BARI MORTGAGES SRL
 PORSCHE FINANCIAL SERVICES ITALIA SPA
 PORTA MEDICEA SRL (1)
 POSTE ASSICURA SPA
 POSTE ITALIANE SPA
 PP&E SRL (1)
 PRAMERICA LIFE SPA
 PRELIOS SOCIETA' DI GESTIONE DEL RISPARMIO SPA
 PREMUDA SPA
 PROFILO REAL ESTATE SRL SOCIETA' CON SOCIO UNICO (1)
 PRYSMIAN CAVI E SISTEMI ITALIA SRL (1)
 PRYSMIAN CAVI E SISTEMI SRL (1)
 PRYSMIAN POWERLINK SRL (1)
 PRYSMIAN SPA
 PRYSMIAN TREASURY SRL (1)
 PUNTA DI FERRO SRL (1)
 QUADRA ASSICURAZIONI SPA
 QUAESTIO CAPITAL MANAGEMENT SGR SPA
 QUARZO CL1 SRL
 QUARZO CQS SRL
 QUARZO LEASE SRL
 QUARZO SRL
 QUI! FINANCIAL SERVICES SPA
 QUINSERVIZI SPA (1)
 QUORUM SGR SPA
 RACES FINANZIARIA SPA
 RAI RADIOTELEVISIONE ITALIANA SPA
 RAI WAY SPA
 RCN FINANZIARIA SPA (1)
 RECUS SPA (1)
 RED.IM SRL (1)
 RETE SRL (1)
 RI. ESTATE SRL (1)
 RI. RENTAL SRL (1)
 RIELLO INVESTIMENTI PARTNERS SGR SPA
 RISANAMENTO EUROPA SRL (1)
 RISANAMENTO SPA
 ROGER VIVIER SPA (1)
 ROVIGOBANCA CREDITO COOPERATIVO SOCIETA' COOPERATIVA
 S.S. LAZIO MARKETING & COMMUNICATION SPA (1)
 S.S. LAZIO SPA
 SACE BT SPA



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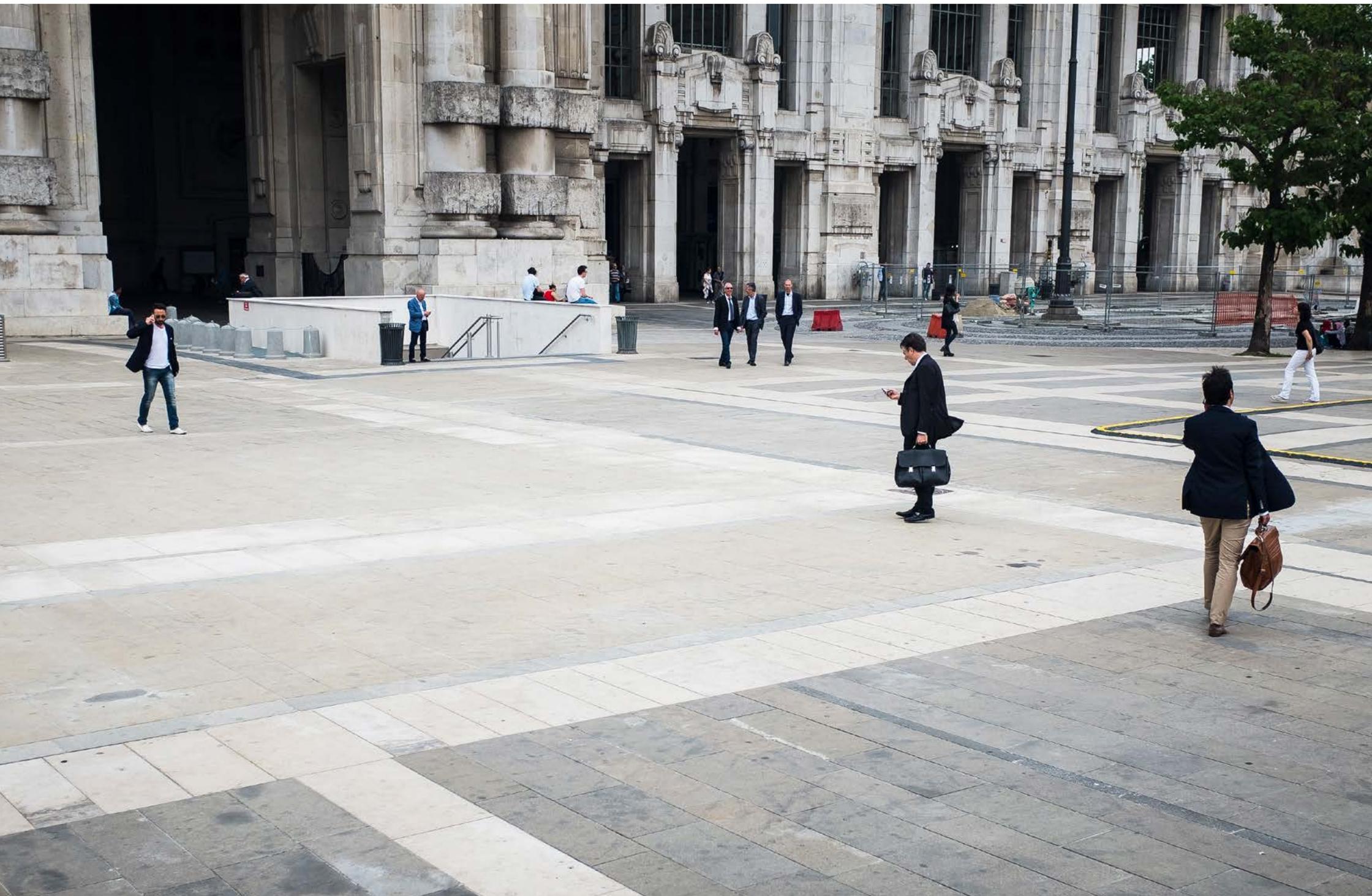
Note 1: Audit engagement assigned pursuant to article 165 of Legislative Decree No. 58 of 24 February 1998

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SACE FCT SPA
 SACE SPA
 SAN MARTINO 2000 - SOCIETA' CONSORTILE A RL (1)
 SARA ASSICURAZIONI SPA ASSICURATRICE UFFICIALE DELL'AUTOMOBILE CLUB D'ITALIA
 SARA VITA SPA
 SARDALEASING SPA
 SCANIA FINANCE ITALY SPA
 SCOTTO & C. SRL (1)
 SDA EXPRESS COURIER SPA (1)
 SEGAFREDO - ZANETTI SPA (1)
 SEGAFREDO ZANETTI COFFEE SYSTEM SPA (1)
 SEGUGIO.IT SRL (1)
 SELMABIEMME LEASING SPA
 SESA SPA
 SESTANTE FINANCE SRL
 SIAP SPA (1)
 SIAT - SOCIETA' ITALIANA ASSICURAZIONI E RIASSICURAZIONI - PER AZIONI
 SIGLA SRL
 SINTESI SPA (2)
 SISAL GROUP SPA
 S'ISCA MANNA SRL (1)
 SKILL & TRUST HOLDING SRL (2)
 SMALTIMENTI CONTROLLATI SMC SPA (2)
 SME GRECALE SRL
 SOCIETA' AGRICOLA FOTOSOLARA CHEREMULE SRL (1)
 SOCIETA' DEL PALAZZO DEL GHIACCIO SRL (1)
 SOCIETA' GESTIONE ENERGIE FROSINONE - SO.G.E.F. SRL (1)
 SOCIETA' PER AZIONI VILLA D'ESTE
 SOCIETA' PER LA GESTIONE DI ATTIVITA' S.G.A. SPA
 SOCIETA' SERVIZI DI PAGAMENTO - SOCIETA' PER AZIONI
 SOPRARNO SGR SPA
 SORIN SPA
 SPARTA HOLDING SPA (2)
 SPEGEA SCARL (1)
 STYLE CAPITAL SGR SPA
 SUNGLASS DIRECT ITALY SRL (1)
 SUNNY 1 SPV SRL
 SVILUPPO COMPARTO 3 SRL (1)
 SYMPHONIA SGR SPA
 T.E.R.N.I. RESEARCH SPA (2)
 T.E.R.N.I. SOLARENERGY SRL (1)
 TAMBURI INVESTMENT PARTNERS SPA
 TAMINI TRASFORMATORE SRL (1)
 TELECOM ITALIA DIGITAL SOLUTIONS SPA (1)
 TELECOM ITALIA INFORMATION TECHNOLOGY SRL (1)
 TELECOM ITALIA SPA
 TELECOM ITALIA SPARKLE SPA (1)
 TELECOM ITALIA TRUST TECHNOLOGIES SRL (1)
 TELECONTACT CENTER SPA (1)
 TELELEASING - LEASING DI TELECOMUNICAZIONI E GENERALE SPA
 IN LIQUIDAZIONE
 TELENERGIA SRL (1)
 TELS Y ELETTRONICA E TELECOMUNICAZIONI SPA (1)
 TENUTE DEL CERRO SPA - SOCIETA' AGRICOLA (1)
 TERNA RETE ITALIA SPA (1)
 TERNA RETE ITALIA SRL (1)
 TERNA SPA
 TERNIENERGIA SPA
 THERAMETRICS SPA (1)
 THOLOS SPA (1)
 TIESSE SOCIETA' CONSORTILE PER AZIONI (1)

TIM TANK SRL (1)
 TOD'S SPA
 TORRE SGR SPA
 TOSCANA AEROPORTI SPA
 TRA.N.SIDER SPA (2)
 TXR SRL (1)
 UNARETI SPA (già A2A RETI GAS SPA) (1)
 UNIPOL BANCA SPA
 UNIPOL FINANCE SRL (1)
 UNIPOL GRUPPO FINANZIARIO SPA
 UNIPOLSAI ASSICURAZIONI SPA
 UNIPOLSAI FINANCE SPA (1)
 UNIPOLSAI SERVIZI CONSORTILI SCRL (1)
 UNIQA ASSICURAZIONI SPA
 UNIQA LIFE SPA
 UNIQA PREVIDENZA SPA
 UNISALUTE SPA
 UNITED VENTURES SGR SPA
 VALDASTICO IMMOBILIARE SRL (1)
 VALLE DORA ENERGIA SRL (1)
 VAR GROUP SPA (1)
 VARESE RISORSE SPA (1)
 VENETO BANCA SPA (già VENETO BANCA SOCIETA' COOPERATIVA PER AZIONI)
 VENICE EUROPEAN INVESTMENT CAPITAL SPA (2)
 VENUS-1 FINANCE SRL SOCIETA' UNIPERSONALE
 VERITAS ENERGIA SPA (1)
 VERTIS SGR SPA
 VFS SERVIZI FINANZIARI SPA
 WASTE ITALIA HOLDING SPA (2)
 WASTE ITALIA PARTECIPAZIONI SRL (2)
 WASTE ITALIA SPA (2)
 ZENIT SGR SPA
 ZURICH INSURANCE COMPANY LTD - RAPPRESENTANZA GENERALE PER L'ITALIA
 ZURICH INVESTMENTS LIFE SPA





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Members of the Board of Directors

Ezio Bassi

Born in Como on 14 June 1960.

After obtaining a diploma in accountancy, Ezio qualified as a chartered accountant and registered auditor.

He joined PwC audit practice in 1980 and became a Partner in 1994. After acting as the National Technical Partner, he was in charge of the Risk & Quality function and became also Assurance Leader. He was then elected CEO of PricewaterhouseCoopers SpA on 25 September 2009 and Chairman of the Board of Directors on 10 January 2012.

Marco Sala

Born in Milan on 19 November 1961.

Marco graduated in business and economics and qualified as a chartered accountant and registered auditor.

He joined PwC audit practice in 1987 and became a Partner in 2000. He was Assurance Leader until 30 June 2015. He has been a member of the Board of Directors of PricewaterhouseCoopers SpA since 25 September 2009, and Deputy Chairman and legal representative of the Firm since 10 January 2012. He was appointed Chief Operating Officer on 1 July 2015.

Oliver Galea

Born in Malta on 11 November 1957, Oliver is a member of the Association of Chartered Certified Accountants in the UK. He is a registered auditor in Italy and a statutory auditor in the UK. He joined PwC in 1986 and became a Partner in 1995. He has been a member of the Board of Directors of PricewaterhouseCoopers SpA since 25 September 2009.

Giovanni Andrea Toselli

Born in Broni (Pavia) on 21 November 1964, Giovanni graduated in business and economics and qualified as a chartered accountant and registered auditor. He joined PwC in 1990 and became a Partner in 2004. He was the PwC National Technical Partner from 2006 to 30 June 2015. He has been member of the Technical Expert Group (TEG) of EFRAG since 2010 and he is a member of the PwC Corporate Reporting Task Force (CRTF). He became Assurance Leader on 1 July 2015 and he is a member of the PwC Board of Directors.

Piero De Lorenzi

Born in Albenga on 23 October 1963, Piero graduated in business and economics and qualified as a chartered accountant, registered auditor and Court-appointed expert. He joined PwC in 1990 and became a Partner in 1998. He is in charge of the Markets function in Italy and has been a member of the Board of Directors of PricewaterhouseCoopers SpA since 27 September 2012.



II

Short professional biographies

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[Appendix IV: List of PricewaterhouseCoopers SpA offices](#)

PwC Partners and staff with specific quality-related roles and responsibilities

Stefano Bravo

Born in Milan on 21 September 1968, Stefano graduated in business and economics and qualified as a chartered accountant and statutory auditor.

He is also a certified public accountant (CPA) in the USA. He joined PwC audit practice in 1994 and has been a Partner since 2007. He is the partner in charge of the Learning&Development function at national level.

Scott Cunningham

Born in the USA on 23 August 1964. Scott qualified as statutory auditor in Italy and Certified Public Accountant in the United States of America. He started his career in the United States. He has worked in Italy for 18 years and became Partner in 2002. In Italy, he is the Partner in charge of all the technical aspects as regards accounting and auditing in compliance with US regulations (PCAOB and SEC), including SOX act. Scott is an external member of the Committee for National and International Accounting Standards of the Accounting Profession of Rome.

Maurizio Donvito

Born in Milan on 1 March 1964. After obtaining a diploma in accountancy, Maurizio graduated in law and then qualified as a chartered accountant and registered auditor. He joined PwC in 1986 and became a Partner in 2000. He has been responsible for Independence practices for PwC Italy since 2000. He has been also the Risk Management Partner for the Assurance LoS since 2007 and the Regional Independence Leader since 2008. He has been in charge of the Information Security function since 1 July 2015.

Francesco Ferrara

Born in Livorno on 1 February 1967. Francesco took a degree in business and economics and then qualified as a chartered accountant and registered auditor. He started to work as auditor in 1992 and became Partner in 2006. He is the Assurance Partner in the PwC office in Milan and he has been Audit Leader since 1 July 2015.

Monica Gillane

Born in Dublin on 4 May 1968, Monica graduated in computer science in 1990 and qualified as a chartered accountant (ACA, Ireland) in 1998.

She qualified as a certified information security manager (CISM) in 2008.

She joined PwC in 1997 and became a senior manager in 2001. She was appointed Chief Information Security Officer in October 2009.

Maurizio Lonati

Born in Milan on 14 July 1962, Maurizio graduated in business and economics and qualified as a chartered accountant and statutory auditor.

He joined PwC in 1987 and became a Partner in 2000. After acting as Chief Quality Officer and Methodology Leader for several years, he has been in charge of the Technical Auditing, Implementation and Methodology function since 2010. He has been the Quality Review Leader since 2007 and the Regional Implementation Partner since 2012.

Luca Redaelli

Born in Milan on 7 July 1957, Luca graduated in business administration and qualified as a chartered accountant and registered auditor.

He joined PwC audit practice in 1981 and became a Partner in 1995. He was appointed Chief Quality Officer in March 2010.

Alessandro Turris

Born in Civitavecchia (Rome) on 4 December 1970. He graduated in business and economics and qualified as a chartered accountant. Alessandro started to work in PwC in 1996 as auditor.

In 2011, he joined the Technical Accounting function of which he took up the role of leader on 1 July 2015. Alessandro is a member of the PwC Corporate Reporting Task Force (CRTF). He became Partner in 2016.



III

PwC Code of Conduct

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List of PricewaterhouseCoopers SpA offices

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Appendix IV: List of PricewaterhouseCoopers SpA offices

Ancona

Via Sandro Totti 1, 60131 Ancona
Tel. 071 2132311

Bari

Via Abate Gimma 72, 70122 Bari
Tel. 080 5640211

Bologna

Via Angelo Finelli 8, 40126 Bologna
Tel. 051 6186211

Brescia

Via Borgo Pietro Wuhrer 23, 25123 Brescia
Tel. 030 3697501

Catania

Corso Italia 302, 95129 Catania
Tel. 095 7532311

Firenze

Viale Gramsci 15, 50121 Firenze
Tel. 055 2482811

Genova

Piazza Piccapietra 9, 16121 Genova
Tel. 010 29041

Milano

Via Monte Rosa 91, 20149 Milano
Tel. 02 77851

Napoli

Via dei Mille 16, 80121 Napoli
Tel. 081 36181

Padova

Via Vicenza 4, 35138 Padova
Tel. 049 873481

Palermo

Via Marchese Ugo 60, 90141 Palermo
Tel. 091 349737

Parma

Viale Tanara 20/A, 43100 Parma
Tel. 0521 275911

Pescara

Piazza Ettore Troilo 8, 65127 Pescara
Tel. 085 4545711

Roma

Largo Fochetti 29, 00154 Roma
Tel. 06 570251

Torino

Corso Palestro 10, 10122 Torino
Tel. 011 556771

Trento

Viale della Costituzione 33, 38122 Trento
Tel. 0461 237004

Treviso

Viale Felissent 90, 31100
Tel. 0422 696911

Trieste

Via Cesare Battisti 18, 34125 Trieste
Tel. 040 3480781

Udine

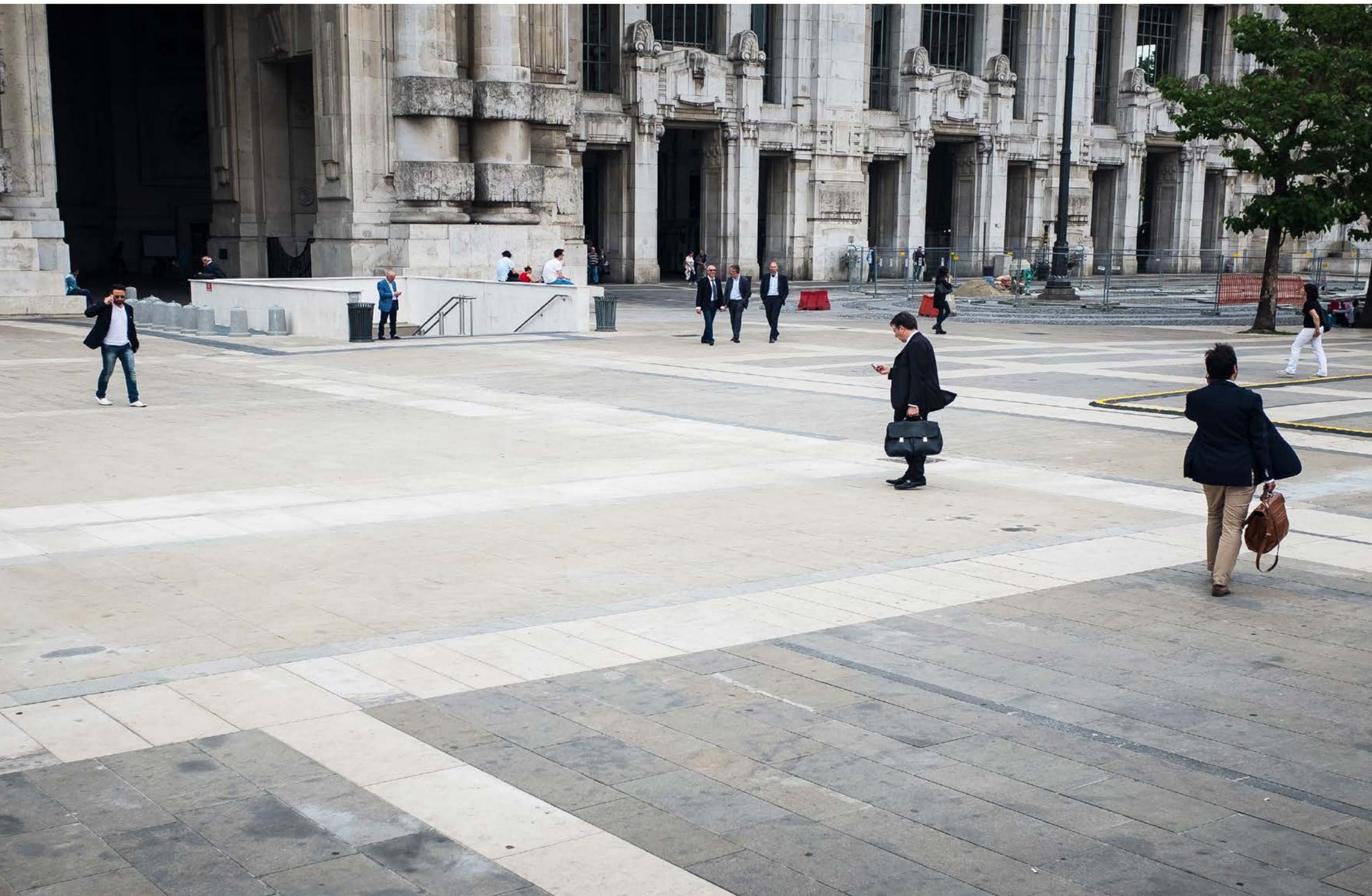
Via Poscolle 43, 33100 Udine
Tel. 0432 25789

Verona

Via Francia 21/C, 37135 Verona
Tel. 045 8263001

Vicenza

Piazza Pontelandolfo 9, 36100 Vicenza
Tel. 0444 393311





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