

Transparency report for financial year 1 July 2015–30 June 2016



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Registered office: Helsinki
Business ID: 0486406-8
PricewaterhouseCoopers Oy

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PwC in a nutshell

PricewaterhouseCoopers Oy is a Finnish company established in 1954 with the status of an APA firm. Our services range from consulting, deals, tax consulting and legal services to auditing and other assurance services. We are part of the global PwC network, through which our experts, numbering more than 208,000, serve clients in 157 countries.

This transparency report has been prepared by applying the regulations on the issuance of a transparency report valid on the closing date of 30 June 2016.

The transparency report is issued annually on 30 September.

PwC Finland

Turnover in the 2016 financial year

124.4 EUR million

Offices

20

Experts

933

PwC Global

Turnover in the 2015 financial year*

35.4 USD Billion

Countries

157

Offices

758

Experts

208 000

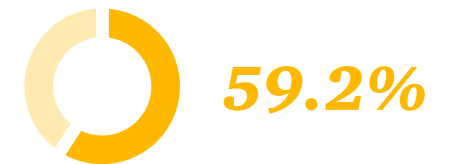
Clients

11 000

Overall client satisfaction



Net promoter score (NPS)



Henkilöstö

45%  **55%**

The personnel spent an average of **8.5** working days in training.



The average age of our employees is **36.1** years.

* Financial year 2016 figures for the global PwC network are released in October 2016, after the publication of this report.

Organisation

PwC Finland consists of the parent company PricewaterhouseCoopers Oy and subsidiaries wholly owned by the parent company, PwC Strategy& (Finland) Oy and PwC Services Oy, which is not engaged in business operations. In addition, the parent company holds the affiliate PwC Julkistarkastus Oy.

According to the Articles of Association of PricewaterhouseCoopers Oy, more than half of all the shares of the company and of the votes carried by them shall be held by the accountants employed by the company, approved by the Central Chamber of Commerce, or by APA firms. APA accountants owned 58% of the company's shares on 30 June 2016.

Legal and structural description of the PwC network

PwC Finland is part of the global organisation formed by the member firms of PricewaterhouseCoopers International Limited (PwCIL), where each company is an independent legal entity. The member firms of PwC network each have local ownership and management. The PwC network has specific guidelines and provisions for risk management, personnel management, brand-specific activities and communications that all firms in the network have undertaken to observe. Compliance with these guidelines and provisions is monitored regularly.

PwCIL's primary tasks include: (i) identifying new markets and developing strategies related thereto; (ii) reinforcing PwC's internal networks in order to develop competence and services; (iii) promoting awareness of the PwC brand; and (iv) ensuring the uniform application of common risk management and quality standards and procedures related to independence in member firms.

When joining the PwC network, member firms obtain the right to use the PwC marketing title and common resources, methodologies and know-how of the network. Similarly, all the member firms are obligated to follow certain practices common to the network and to maintain the provisions observed in the PwC network, approved by the management of PwCIL. The PwC network is not legally responsible for the activities or any negligent acts of member firms; the member firms themselves are responsible for these.

Administration

The activities of PricewaterhouseCoopers Oy are governed by effective legislation, the Articles of Association, and the numerous rules, guidelines and recommendations related to the industry. The objective of corporate governance is an open and transparent method of management. Guidelines on responsible conduct form the basis of all our activities, and

PwC's values – teamwork, excellence and leadership – create a firm basis for all of our operations, both with our clients and other external stakeholders, and among our personnel.

The Annual General Meeting, Board of Directors and CEO supported by the Territory Leadership Team, as well as the shareholders' and partners' meetings, partners' committee and nomination committee, are responsible for the administration of PricewaterhouseCoopers Oy. The principles of corporate governance are defined in the rules of procedure for each administrative organ.

General meeting

The Annual General Meeting is held by the end of December each year. The decisions that concern the AGM are made and the remunerations of the Board of Directors and accountants are determined at the meeting. In addition, the AGM approves the current price of the company's shares, which is used in the acquisition and disposal of shares the following year.

According to the Articles of Association, the AGM elects the Board of Directors each year, which consists of at least five and at most nine members. The chairman and any vice chairman of the Board of Directors and other members are chosen at the AGM, and their terms of

The goal of our company's corporate governance is open and transparent leadership, basis of which is formed by PwC's values – teamwork, excellence and leadership.

office end by the time of the next AGM. If a member of the Board of Directors resigns in the middle of a term of office, a by-election may be conducted at an extraordinary general meeting.

Board of Directors

It is the task of the Board of Directors to manage the administration of the company and the appropriate organisation of activities. The Board of Directors also ensures that the supervision of the bookkeeping and financial administration of the company is appropriately arranged. The Board of Directors also approves the business strategy, business plan and budget and monitors their execution. The Board of Directors appoints the CEO and approves the appointments of the business area managers and other members of the Territory Leadership Team. The matters to be discussed within the Board of Directors are presented by the CEO or, upon separate agreement, by another person representing the operational management of the company.

At least two-thirds of the members of the Board of Directors and any vice members, and the chairman and any vice chairman, shall be accountants employed by the company, approved by the Central Chamber of Commerce.

The most recent AGM of PricewaterhouseCoopers Oy was held on 25 November 2015. Until the AGM, Ylva Eriksson, Markku Kata-

jisto, Jaakko Kilpeläinen, Johan Kronberg (chairman), Juha Laitinen, Pekka Loikkanen and Timo Takalo were members of the Board of Directors.

At the AGM of 25 November 2015, Ylva Eriksson, Markku Katajisto, Jaakko Kilpeläinen, Johan Kronberg, Juha Laitinen, Pekka Loikkanen and Timo Takalo were elected as members of the Board of Directors. The AGM elected Pekka Loikkanen, APA, as the chairman of the Board of Directors.

The Board of Directors convened 18 times during the financial year. The activities and working methods of the Board of Directors are assessed each year. This takes place as a self-assessment.

CEO

The Board of Directors of PricewaterhouseCoopers Oy appoints the CEO, who is responsible for the management of the company, the execution of the strategy and development of business in accordance with the directions and rules supplied by the Board of Directors. The Territory Leadership Team assists the CEO. Starting from 1 July 2015, the company's CEO has been Mikko Nieminen, APA. Starting from December 2015, Mikko Nieminen has also acted as the Territory Senior Partner (TSP) elected by the partners' meeting who represents the company and its shareholders in the PwC network.

Territory Leadership Team

The primary task of the Territory Leadership Team is to assist the CEO in operative management and the execution of the decisions of the Board of Directors. The Territory Leadership Team has no powers based on law or the Articles of Association. The Territory Leadership Team guides and develops the company's activities in order to achieve the strategic objectives.

At the end of the financial year on 30 June 2016, members of the Territory Leadership Team were Mikko Nieminen (CEO), Tomi Hyryläinen (Assurance Leader), Mika Kaarisalo (Private Company Services Leader), Mirel Leino (Markets Leader), Janne Rajalahti (former Territory Senior Partner), Petri Seppälä (Tax & Legal Services Leader), Kauko Storbacka (Transaction Services Leader), Hannu Suonio (Advisory Leader), Kati Tammilehto (Chief Operating Officer), Leena Tiensuu (Human Capital Leader) and Kimmo Vilske (Corporate Finance Leader). The CEO acts as the chairman of the Territory Leadership Team. The Territory Leadership Team convened 25 times during the financial year.

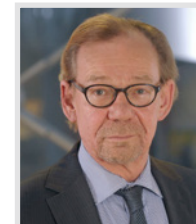
Board of Directors 30.6.2016



Ylva Eriksson
APA, Partner
b. 1969



Markku Katajisto
APA, Partner
b. 1969



Jaakko Kilpeläinen
M.Sc., Director
b. 1955



Juha Laitinen
LL.M., Partner
b. 1963



Pekka Loikkanen
(Chairman of the Board)
APA, Partner
b. 1959



Timo Takalo
APA, Partner
b. 1968

Management Team 30.6.2016



Mikko Nieminen
CEO
APA, Partner
b. 1973



Tomi Hyryläinen
Assurance Leader
APA, Partner
b. 1970



Mika Kaarisalo
Private Company
Services Leader
APA, Partner
b. 1964



Mirel Leino
Markets Leader
D.Sc. (Econ.), CFA,
Partner
b. 1971



Janne Rajalahti
Territory Senior Partner
APA, Partner
b. 1964



Petri Seppälä
Tax & Legal Services
Leader
Associate in Laws,
LL.M., Partner
b. 1967



Kauko Storbacka
Transaction Services
Leader
APA, Partner
b. 1979



Hannu Suonio
Advisory Leader
M.Sc. (Tech.), Partner
b. 1972



Kati Tammilehto
Chief Operating Officer
M.Sc.(Econ.)
b. 1966



Leena Tiensuu
Human Capital Leader
LL.M., MBA
b. 1959



Kimmo Vilske
Corporate Finance
Leader
M.Sc. (Tech.), Partner
b. 1970

Partners

PricewaterhouseCoopers Oy is owned by its shareholders under its employment, i.e., Equity Partners. The rights and responsibilities of the partners are determined on the basis of the Limited Liability Companies Act, the Articles of Association and the partnership agreement. In general meetings, the partners exercise the highest decision-making power as referred to in the Limited Liability Companies Act and the Articles of Association.

In addition to Equity Partners, there are Associated Partners. The rights and responsibilities of Associated Partners are determined on the basis of the partnership agreement. In shareholders' and partners' meetings, Associated Partners and Equity Partners participate in decision-making concerning issues referred to in the partnership agreement.

At the end of the financial year, there were a total of 75 partners in the company, of whom 43 were Equity Partners and 32 Associated Partners.

Partners' committee

The task of the partners' committee is the preparation of issues relating to the hiring of partners, partnership policy and structure for the Board of Directors. The partners' committee is formed by the chairman of the Board of Directors, the CEO, the chairman of the nomi-

nation committee and two members of the Board of Directors elected from among themselves for a term of two years who represent the partners as extensively as possible. The chairman of the Board of Directors of the company acts as the chairman of the partners' committee. The members of the partners' committee are not separately elected, excluding the member elected by the Board of Directors from among themselves; serving on the partners' committee is considered part of the larger job description in the tasks mentioned.

During the closed financial year, members of the partners' committee were Pekka Loikkanen (chairman), Mikko Nieminen, Juha Laitinen, Matias Lindholm and Ylva Eriksson.

Nomination committee

It is the task of the nomination committee to prepare a proposal for the AGM on the number and identity of candidates for the Board of Directors, and the identities of the chairman and any vice chairmen. The nomination committee also prepares the election of the TSP for the partners' meeting.

The partners' meeting elects four partners to the nomination committee; of these, one is the chairman and one the vice chairman. The chairman or members of the Board of Directors or the CEO cannot be members of the

nomination committee. The term of office of the members of the nomination committee lasts from one partners' meeting to the next held in connection with the AGM, unless decided otherwise.

During the closed financial year, members of the nomination committee were Matias Lindholm (chairman), Kai Wist (vice chairman), Heikki Lassila and Hannu Pellinen.

Basis for remuneration of partners

A reward scheme approved by the partners' meeting is adhered to in the remuneration of partners, and its basic principles are similar throughout the entire PwC network. The partners' committee decides on any changes to the reward scheme, and major changes are brought before the Board of Directors and the partners' meeting for approval.

The partners' committee decides on the remuneration of partners. The Board of Directors decides on the remuneration of the partners' committee. The partners are divided into different classes according to experience, skills and roles, and the reward scheme pays attention to the attainment of personal objectives set for each year, conformity to values, the partner's role in the organisation and the financial result of the company.

The reward scheme pays attention to the attainment of personal objectives set for each year, conformity to values, the partner's role in the organisation and the financial result of the company.

Quality assurance system

Our company's values – teamwork, excellence and leadership – support the objective of a high level of quality in all our client work. In addition to observing good technical quality and regulations, quality also refers to our way of working with our clients: our ability to put ourselves in our clients' shoes and exceed their expectations. In internal training and other events, we constantly emphasise the meaning of high quality. We also conduct client satisfaction surveys on a regular basis.

Firms across the PwC network use standardised operating principles and procedures on quality and the supply of services. It is the task of the company's Risk & Quality Partner, together with the Risk & Quality partners and managers of the business areas, to maintain the principles and systems relating to risk management and to monitor compliance with them. We conduct a self-assessment on compliance with the operating principles each year.

The Risk & Quality Partner reports to the Territory Leadership Team of our company and the CEO (TSP).

We follow a quality control review programme concerning auditing engagements of the PwC network, which is adopted in all the firms within the network. The individual PwC firms can supplement the global guidelines with lo-

cal regulatory requirements. According to the programme, all the authorised public accountants and other persons responsible for engagements are subject to engagement-specific quality control at least every five years. We report the results of the quality control review to both the top management of PricewaterhouseCoopers Oy and the PwC network. We draft an action plan on the basis of the report in order to rectify any observed defects. The management of our company monitors the implementation of the approved plan of action.

We observe the International Standard on Quality Control (ISQC) 1, the purpose of which is to guarantee with reasonable certainty that we conduct our auditing and other assurance engagements in a manner regulated by professional standards, regulations and legislation. The standard on quality control also requires a review process. In our company, this has been entrusted to the partner assigned to this duty, i.e. the Chief Quality Officer (CQO). The review process aims to provide reasonable certainty that our operating principles and procedures relating to the quality control system are appropriate, function effectively and are adhered to.

The PwC network conducts a Quality Management Review in our company at regular intervals, reviewing the appropriateness of our op-

erating principles and procedures, and the method of execution of our engagements.

It is the task of our Quality Office function to ensure that the auditing and other assurance engagements are dealt with maintaining high quality and the appropriate procedures and that they are conducted effectively. The chairman of the Quality Office is the partner responsible for methodology and its members include the director of the auditing business area, the CQO, and the partners responsible for independence and risk management within the auditing business area, quality control reviews and internal training.

The personnel of our company and outside parties have the opportunity to disclose, in confidence, any detected or suspected misconducts from the professional standards and legislation concerning our company through the PwC network's [website](#).

Our principles heighten the importance of consultation in difficult professional questions or those that require interpretation. Our assigned experienced experts are responsible for consultation.

Our company and the accountants approved according to the Auditing Act in our service are subjected to external quality control as re-

We follow a quality control review programme of the PwC network in order to ensure that our operating principles and ways of conduct are appropriate, efficient and complied with.

ferred to in the Auditing Act at intervals of at least six years.

Dates of the most recent quality control reviews

The PwC network conducted a Quality Management Review (QMR) in our company in spring 2015, and evaluated the appropriateness of our operating principles and procedures. The observations were reported to the Territory Leadership Team and Board of Directors in August 2015.

The Auditing Board (TILA) of the Central Chamber of Commerce last conducted a control visit to our company in autumn 2013.

PricewaterhouseCoopers Oy is also registered with the PCAOB (Public Company Accounting Oversight Board with the US accounting industry), which conducted a quality control check at our company in autumn 2013.

List of publicly traded companies and credit and insurance institutions in which an APA firm has been chosen as an accountant during the past financial year

A list of publicly traded companies and credit and insurance institutions in which an APA firm has been chosen as an accountant during the past financial year is attached.

The website of PwC Finland contains a separate up-to-date list on the publicly traded com-

panies and credit and insurance institutions in which an APA firm or an accountant employed by it has been chosen as an accountant.

Independence policies and description of monitoring compliance

We adhere to the global independence policies and procedures of the PwC network, which include the minimum requirements related to independence and which are applied to all the assurance engagements conducted by us. The independence policies and procedures are based on the code of ethics of the International Ethics Standards Board for Accountants (IESBA) and Securities and Exchange Commission's (SEC) independence rules with regard to SEC companies, and comply with the requirements of the Auditing Act. However, our policies regarding our auditing clients are more restrictive than those of the IESBA in certain respects. We maintain knowledge of our personnel on issues of independence by internal news releases and training.

We follow a careful approval procedure of new clients and engagements. We have a centralised database of independence entities of the PwC network at our disposal. By "independence entity" we refer to an auditing client which is significant from the point of view of public interest or which has foreign subsidiaries, or a client for which we provide other recurring assurance services and which is listed or which has foreign subsidiaries. The use of a

centralised database enables the making of independence reviews regarding new clients and engagements. It is our policy to ensure, prior to the approval of new clients and engagements, that no conflicts of interest are involved in the engagements that might endanger the independence of our company as an auditor.

It is our practice that the partner responsible for an auditing client approves services other than auditing services provided to the same client. This ensures that our independence and objectivity remain intact with regard to the services provided to our clients. With regard to independence entities, this prior approval is taken care of by using the authorisation system adopted by all the firms in the PwC network.

We adhere to the rotation requirements set for the terms of accountants in the Finnish Auditing Act and the ethical code of conduct of IESBA. We monitor compliance with these principles with regard to publicly traded companies and credit and insurance institutions through real-time updates to a centralised database tool and through supervision measures conducted once a year.

We request a confirmation of compliance with the operating principles from all our employees on an annual basis. In this conjunction, our experts also provide a confirmation of compliance with our independence rules. Our new employees also provide a confirmation of compliance with our rules when starting work

The training of the global PwC network combined with one tailored to the own local needs of PwC Finland, offers opportunities for both in-depth specialisation and comprehensive accumulation of skills.

with us. All partners, together with directors and managers acting as experts in client work, as well as employees of our internal service centre, maintain information on the ownership of securities in a portfolio system, which compares them to the database containing all the independence entities in the PwC network and points out potential problems.

We also monitor compliance with independence policies and procedures by carrying out spot checks on our individual experts each year. Potential breaches of the independence rules are reported to the Territory Leadership Team and Board of Directors of our company and to clients. The disciplinary principles and sanction policies of our company are applied to any detected breaches of the independence rules.

Continuous development of competence

PwC is a professional service organisation where success is based on knowledgeable and skilled personnel. PwC Professional, our competence leadership model, is part of PwC’s leadership model, in which one purpose is to support and set a framework for the extensive professional development of all PwC personnel. A particular focus area during this financial year has been the reinforcement of a feedback culture which supports development.

Training is based on goals derived from the strategy and the needs detected in client work. The training range of the global PwC network,

combined with training tailored to PwC Finland’s own local needs, offers opportunities for both in-depth specialisation and the comprehensive accumulation of skills. Training is divided into expert training, the development of client relationship management and interaction skills, and training focusing on PwC’s practices, culture and values, and it is unit-, business area- and engagement-specific. In particular, training related to changes in legislation, standards and regulations, and the assurance of our operational quality is organised continuously. This is supported by continuous communications related to changes in regulation and other development, as well as the databases used. Some training is mandatory based on the role, whereas some training is based on individual development goals.

Financial information on the extent of activities

PwC Finland’s turnover in the financial year that ended on 30 June 2016 was EUR 124.4 million (representing growth of 13.5% from the previous year), with the following subdivision according to business area:

Auditing and other assurance services	EUR 71.6 million
Tax consulting and legal services	EUR 27.2 million
Consulting and deals	EUR 25.6 million

The company’s financial information is presented in more detail in the financial statements that will be published concerning the year 2016 after the AGM on 24/11/2016 on the [website](#) of PwC Finland.

Attachment

List of publicly traded companies and credit and insurance institutions in which an APA firm has been chosen as an accountant during the past financial year.

Companies 1.7.2015–30.6.2016

- Ahlstrom Oyj
- Alma Media Oyj
- Alma Vakuutus Oy
- Appetit Oyj
- Asiakastieto Group Oyj
- Aspocomp Group Oyj
- Atria Oyj
- Biohit Oyj
- Biotie Therapies Oyj
- CapMan Oyj
- Cargotec Oyj
- Caverion Oyj
- Componenta Oyj
- Etelä-Pohjanmaan Osuuspankki
- Etteplan Oyj
- F-Secure Oyj
- Ferratum Oyj
- Fingrid Oyj
- Finnair Oyj
- HKScan Oyj
- Honkarakenne Oyj
- Humppilan Osuuspankki
- Innofactor Oyj
- Jokioisten Osuuspankki
- Kerimäen Osuuspankki
- Keskinäinen Henkivakuutusyhtiö Suomi
- Kesko Oyj
- Kesälahden Osuuspankki
- KONE Oyj
- Kosken Osuuspankki
- Laihian Osuuspankki
- Lemminkäinen Oyj
- Leppävirran Osuuspankki
- Loimaan Seudun Osuuspankki
- Marimekko Oyj
- Mynämäen-Nousiaisten Osuuspankki
- Neste Oyj
- Niinijoen Osuuspankki
- Nokia Oyj
- Nordea Henkivakuutus Suomi Oy
- Nordea Bank Finland Abp (Nordea Pankki Suomi Oyj)
- Nordea Rahoitus Suomi Oy
- Norvestia Oyj
- Okmetic Oyj
- Olvi Oyj
- Orava Asuntorahasto Oyj
- Oriola-KD Oyj
- Orion Oyj
- Outotec Oyj
- Panostaja Oyj
- Pohjois-Karjalan Osuuspankki
- Pohjois-Savon Osuuspankki
- Polvijärven Osuuspankki
- Ponsse Oyj
- Posti Group Oyj
- Raisio Oyj
- Ramirent Oyj
- Rantasalmen Osuuspankki
- Raute Oyj
- Revenio Group Oyj
- Rymättylän Osuuspankki
- Soprano Oyj
- SRV Yhtiöt Oyj
- Sulkavan Osuuspankki
- Suomen Asuntohypopankki Oy
- Suomen Hypoteekkiyhdistys
- Suur-Savon Osuuspankki
- Takoma Oyj
- Talentum Oyj
- Talvivaaran Kaivososakeyhtiö Oyj
- Teollisuuden Voima Oyj
- Tieto Oyj
- Tuusniemen Osuuspankki
- Työttömyysvakuutusrahasto
- UPM-Kymmene Oyj
- Valion Keskinäinen Vakuutusyhtiö
- Valmet Oyj
- Vihannin Osuuspankki
- Viking Line ABP
- YIT Oyj
- Ypäjän Osuuspankki



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PwC Suomi:      

PwC helps companies to improve their efficiency, promote growth and to report reliably in a constantly changing environment. With over 930 professionals across Finland at your service, we are committed to delivering quality in consulting, deals, tax, legal, risk assurance, audit and other assurance services. Our purpose is to build trust in society and solve important problems. To find out more, please contact us or visit www.pwc.fi.

We are a network of firms in 157 countries with more than 223 000 people. The name PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.