



Transparency Report



KPMG Oy Ab
1.10.2016–30.9.2017

KPMG.fi

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Message from the Chief Executive Officer

KPMG Oy Ab's Transparency Report for the financial year 1.10.2016 – 30.9.2017 has been prepared in accordance with the new EU Audit Regulation N:o 537/2014. Transparency Report is a key part of our communication and it provides our clients and interest groups with useful information about our organization. We describe the structure and governance of KPMG Finland and explain the KPMG values and ethical standards and principles which direct our operations.

Quality and independence are the foundation of our operations. They remain as the guiding principles when making business choices also in the changing operational and regulatory environment of our industry.

The way we operate leads us to take care of quality and the development of the competence of our personnel. Changes in the operational environment require us to constantly evaluate and develop our

procedures and ways of working.

We want to promote transparency and trust to KPMG and the audit industry as a whole by participating in the open dialogue with our interest groups. In addition, we are pleased to contribute to wider debate regarding the audit industry as well as to practical interpretation of the new regulation affecting the industry. We also want to promote further development of quality and emphasize the relevance of the audit profession in the society.

During the last year we have at KPMG Finland invested substantially in our development projects many of which relate to the digitalization of the community and to automatization of processes. We have further expanded our range of services to meet the needs of our clients and we have recruited and trained a significant number of new professionals. Our aim is to enable new and diverse career paths for our personnel also in the future.

Kimmo Antonen
Chief Executive Officer
KPMG Oy Ab

About us

Our business and strategy

KPMG Oy Ab is a professional services firm that provides Audit & Assurance, Tax & Legal and Advisory services. We operate out of 23 offices across Finland and had 1050 personnel on 30 September 2017 (30.9.2016: 966). KPMG Oy Ab was established in 1926 and it has been granted the status of an audit firm in accordance with the criteria of Chapter 6, section 5 of the Finnish Auditing Act.

KPMG Oy Ab is the parent company in a group which on September 30, 2017 included subsidiaries KPMG Global Strategy Group Finland Oy Ab, KPMG Julkishallinnon Palvelut Oy, KPMG IT Sertifiointi Oy, Trusteq Oy and certain non-operational companies. In October 2017, KPMG Oy Ab expanded its operations to Estonia by incorporating KPMG Estonia to the group. A list and further details of the group entities are set out in the [firm's financial statements](#). Our audit services in Finland are delivered through KPMG Oy Ab and KPMG Julkishallinnon Palvelut Oy. Only KPMG Oy Ab provides statutory audit services to public interest entities. Full details of the services offered by KPMG Oy Ab and its group companies can be found on our website www.kpmg.fi.

Our strategy and roadmap are set by KPMG Oy Ab's Board of Directors and have remained consistent for a number of years. KPMG Finland's strategy is founded on the KPMG International's global strategy. Our strategy includes that we want to:

- Drive a relentless focus on quality and excellent service
- Look after our clients and personnel
- Bring insights and expertise
- Invest in technology and innovations
- Build public trust.

Our structure and governance

Legal structure and ownership

KPMG Oy Ab is a limited liability company established under Finnish law. It is wholly owned by its partners working in the firm. According to the Finnish Auditing Act the majority of votes yielded by the firm's shares must be held by auditors working in the firm, audit firms or auditors or audit firms approved in an EEA state. On 30 September 2017 such auditors and audit firms held 57,1 per cent of the total number of votes.

Network arrangements

KPMG International

KPMG Oy Ab is affiliated with KPMG International Cooperative ("KPMG International"). KPMG International is a Swiss cooperative which is a legal entity formed under Swiss law. It is the entity with which all the member firms of the KPMG network are affiliated. Further details about KPMG International and its business, including our relationship with it, are available in the [Appendix 1 to the 2017 KPMG International Transparency Report](#).

KPMG International is a global network of professional services firms providing Audit, Tax, and Advisory services to a wide variety of public and private sector organizations. The KPMG network employs 200 000 experts in 154 countries. KPMG International's structure is designed to support consistency of service quality and adherence to agreed values wherever the member firms operate.

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

One of the main purposes of KPMG International is to facilitate the provision by member firms of high-quality Audit, Tax, and Advisory services to their clients. For example, KPMG International establishes and facilitates the implementation and maintenance of uniform policies, standards of work and conduct by member firms, and protects and enhances the use of the KPMG name and brand.

Legal relationship between KPMG International and each member firm

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are con-

Quality control and risk management are the responsibility of all KPMG Finland personnel

tained within agreements with KPMG International.

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

Member firms are generally locally owned and managed. Each member

firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities. Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients

to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

KPMG International governance bodies

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team. Further details on KPMG International's governance structure can be found in the [2017 KPMG International Transparency Report](#).

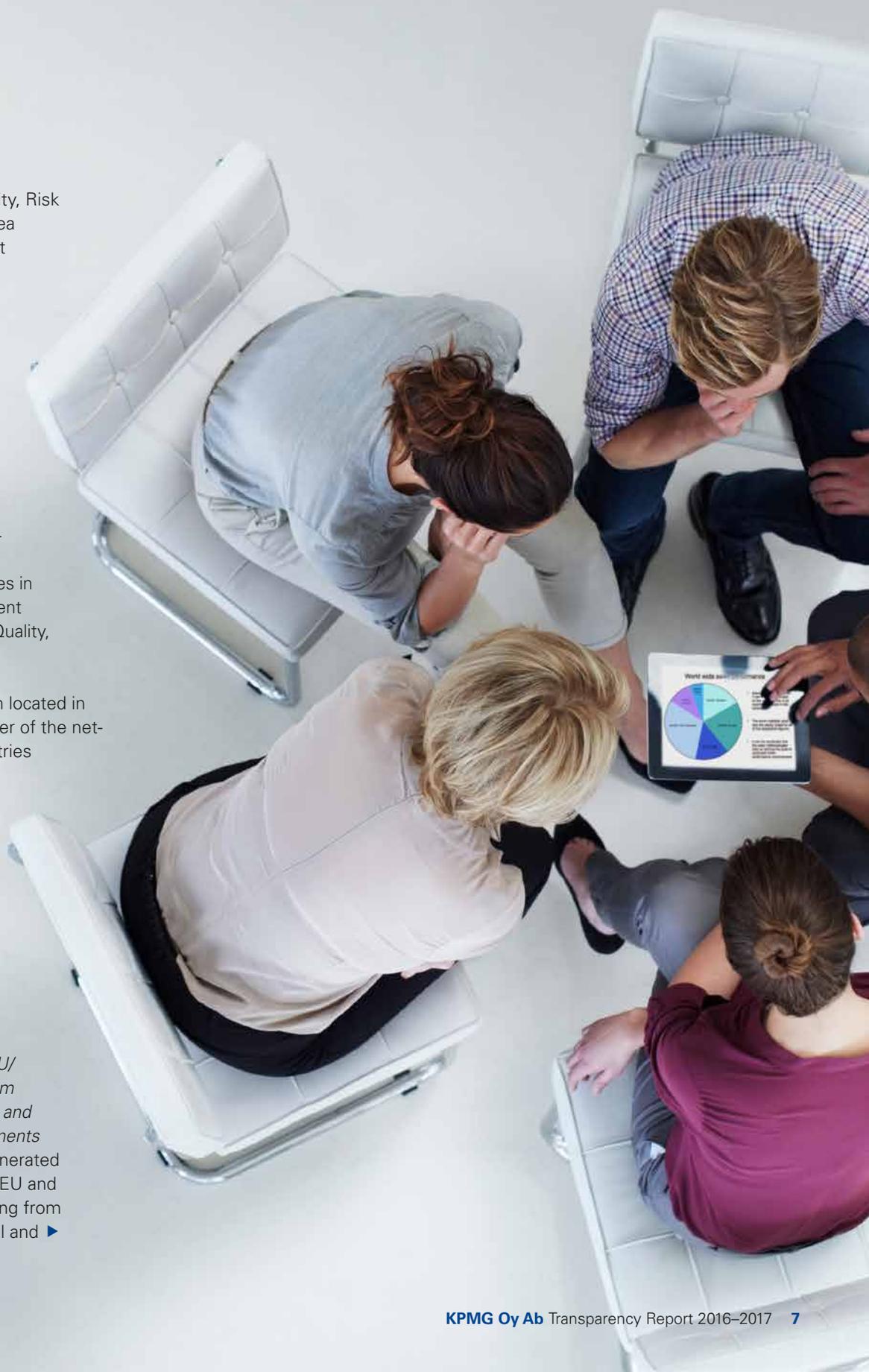
The Global Head of Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders who:

- assess the effectiveness of a member firm's quality and risk management efforts to identify and mitigate significant risks to the member firm and network, and actively monitor alignment with global quality and risk management strategies and priorities
- share leading best practices in quality and risk management
- report to Global Head of Quality, Risk and Regulatory.

The name of each audit firm located in the EU/EEA that is a member of the network and the EU/EEA countries in which each network member firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are listed in Attachment 3 and also available on [KPMG International's website](#).

Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements

Aggregated revenues generated by KPMG audit firms, from EU and EEA Member States resulting from the statutory audit of annual and ►





We promote a culture in which consultation is encouraged and recognized as a strength

consolidated financial statements was EUR 2,7 billion during the year ending 30th September 2017. The EU/EEA aggregated statutory audit revenue figures are translated at the average exchange rate prevailing in the 12 months ended 30th September 2017.

Governance structure

The firm's governance systems aim at an efficient and clear way of operating in which the responsibilities and authorities of its various organs are distinctly defined. The firm's operating principles are defined in business and governance models (including the KPMG values and the Code of Conduct) approved by the Board of Directors. The objectives of the company's governance principles are transparency and responsible activity. Shareholders' meeting, the Board of Directors and its committees, the Chief Executive Officer and the executive committee and partner meetings are in charge of the corporate governance systems.

In its operations the firm complies with the provisions of the Finnish Companies Act, Auditing Act and other applicable legislation as well as the firm's articles of association. The firm's activities are also guided by directions and recommendations for the business issued by different authorities, regulators and the EU, as well as the self-regulation of the audit field.

Shareholders' meeting

The shareholders' meeting is the firm's highest decision-making organ convening at least once a year. Additional shareholders' meetings are convened in accordance with the provisions of the Finnish Companies Act.

The provisions of the Companies Act and the articles of association are followed when making decisions in the shareholders' meeting. The responsibilities of the shareholders' meeting include election of Board of Directors members and auditors, the discharge of the Board of Directors members and the Chief Executive Officer from liability, adoption of the financial statements and deciding on the use of profit.

Appointments Committee

Appointments Committee's task is to prepare a proposal for the shareholders' meeting regarding the Board of Directors. The shareholders elect the members of the Appointments Committee so that it represents all groups of shareholders. The chairman of the Board of Directors acts as expert member in the committee. Members of the Appointments Committee are elected for one year at a time unless otherwise decided. At the end of the year 2016 the appointments committee was composed of Lasse Holopainen, Markku Lepistö, Mikko Palmu (Chairman), Tiina Torniainen (Deputy Chairman of the Board of Directors, expert member) and Marcus Tötterman.

The Board of Directors

Under the articles of association the shareholders' meeting annually elects a Board of Directors containing 4–8 members. More than half of the members and its chairman and deputy chairman must be authorized public accountants working for the firm.

The Board of Directors must comply with the Companies Act and other acts regulating the operations of the firm and the group, the articles of association and the approved principles of the firm's corporate governance.

The members of the Board of Directors are paid a compensation set by the shareholders' meeting.

The Board of Directors is responsible for outlining the firm's and group's strategy and monitoring its implementation. The Board accepts the operating plans for the different client service

functions on the basis of the strategy and is responsible for defining the monitoring principles of operations. The Board of Directors appoints the Chief Executive Officer and approves the appointments of the Chief Executive Officer's direct subordinates. The Board also bears the responsibility for the appropriate organization of operations and for defining and monitoring the risk management principles.

Members of the Board of Directors were:

- 1 October 2016 – 15 December 2016
Toni Aaltonen, Ari Engblom, Ari Eskelinen, Sixten Nyman (Chairman), Jukka Teikari and Tiina Torniainen (Deputy Chairman).
- 15 December 2016 – 30 September 2017
Ari Engblom, Ari Eskelinen, Raija-Leena Hankonen (Chairman), Mika Laaksonen, Anders Lundin, Jukka Teikari and Tiina Torniainen (Deputy Chairman).

Juha Purovesi, Chief Financial and Operating Officer has acted as secretary of the Board of Directors.

The Board convened 13 times.

In addition, there have been two main bodies dealing with key aspects of governance within the group that report into the Board of Directors, the Risk Management Committee and the Disciplinary Committee.

The Board of Directors regularly evaluates its effectiveness, policies and performance.

Risk Management Committee

The Board of Directors has previously nominated a Risk Management Committee, whose function has been to identify the most important strategic, operative and regulatory compliance risks and to assess their significance to firm's activities and monitor the development of risk exposures. For the financial year 1.10.2016–30.9.2017, the Board of Directors did not nominate a separate Risk Management Committee but instead assigned the executive committee of the firm to prepare a risk assessment and risk matrix for the Board of Directors to consider.

Disciplinary Committee

The Disciplinary Committee is an independent disciplinary organ appointed by the Board of Directors whose responsibility is to support the compliance with KPMG International's instructions as well as the firm's internal instructions. It also takes disciplinary actions defined in the Committee's standing order in situations where these instructions have been violated.

Members of the Disciplinary Committee were:

- 1 October 2016 – 25 January 2017
Toni Aaltonen (chairman), Lasse Holopainen, Mikko Palmu and Tiina Torniainen.
- 25 January 2017 – 30 September 2017:
Ari Eskelinen (chairman), Lasse Holopainen, Mikko Palmu and Tiina Torniainen.

Chief Executive Officer

Chief Executive Officer, elected by the firm's Board of Directors, is in charge of the group's business operations. Executive committee assists the Chief Executive Officer who is the chairman of the group.

Together with the chairman of the Board of Directors, the Chief Executive Officer prepares the group's strategic views for the Board of Directors to process. The Chief Executive Officer is responsible for the implementation of approved strategy and acts as performance manager for the members of the executive committee and the Risk Management Partner. The Chief Executive Officer is in charge of group's risk management based on policies determined by the Board of Directors. Chief Executive Officer is also in charge of KPMG's international relationships.

Since December 15, 2016, the firm's Chief Executive Officer has been Authorised Public Accountant, KHT Kimmo Antonen. He replaced the previous Chief Executive Officer, Authorised Public Accountant, KHT Raija-Leena Hankonen, whose term of office as CEO expired as planned on that date. ►

Executive Committee

The executive committee assists the Chief Executive Officer in the group's operative management and in implementing the strategy confirmed by the Board of Directors as well as in developing the business operations, defining the group level operating instructions and managing internal communication.

The executive committee consisted of:

- 1 October 2016 – 15 December 2016
Kimmo Antonen (Audit & Assurance), Tomas Granvik (Sales and Markets), Nina Gros (HR), Raija-Leena Hankonen (CEO), Christian Liljeström (Advisory), Juha Purovesi (Chief Operating Officer) and Timo Torkkel (Tax & Legal).
- 15 December 2016 – 30 September 2017
Toni Aaltonen (Audit & Assurance), Kimmo Antonen (Chief Executive Officer), Tomas Granvik (Sales & Markets), Hanna Niemi (People, Performance and Culture), Kalle Nurminen (Advisory), Juha Purovesi (Chief Operating Officer), Juha Sääskilahti (Tax & Legal), Timo Torkkel (Development & Innovations)

The executive committee convenes on average twice a month.

Quality & Risk Management team (QRM)

Quality & Risk Management team (QRM) monitors our professional risks and supports the management in developing the quality of our operations. Risk Management Partner Tiina Tornainen is in charge of the team composed of fifteen specialists altogether. QRM team's duties include of e.g. risk management of the group, the Office of General Counsel function as well as the Department of Professional Practice function.

QRM team assists and advises auditors and other specialists with e.g. audit related matters and financial statement issues, auditor's reporting, engagement contracts and professional risk management. QRM team cooperates with the global QRM network of international KPMG member firms as well as with the relevant regulatory bodies. QRM team

also follows applicable regulation and amendments thereto.

Partners and partner meetings

All KPMG Oy Ab partners are employed by the firm. The partners must commit to complying with KPMG's rules of independence and investments, its risk management policies and other regulations covering its operations. Partners must manage all their assignments diligently. They must follow the ethics and

Technology and innovation are changing the way we execute our audit engagement, empowering our people to deliver greater quality and value

high professional standards generally adopted within their profession. At the end of the financial year on 30 September 2017 the firm had a total of 60 partners, 42 of which were equity partners with shareholdings in the company.

Partner meetings are held regularly to deal with any common matters of partners that are of importance to the firm's operations and to all of its partners. Meetings concerning shareholder matters or compensation of partners are attended by shareholders only.

Compensation of partners

Earlier KPMG Oy Ab had a Partner Compensation Board which made decisions on the compensation of partners and proposed the acceptance of new partners and the termination of current partners' partnership. The Partner Compensation Board was composed of the chairman of the parent company's Board of Directors and the Chief Executive Officer as well as three representatives elected by the shareholders from among themselves who are not members of the Board of Directors. The shareholders' representatives

were elected so that one representative was elected from each service line (Audit & Assurance, Tax & Legal, Advisory).

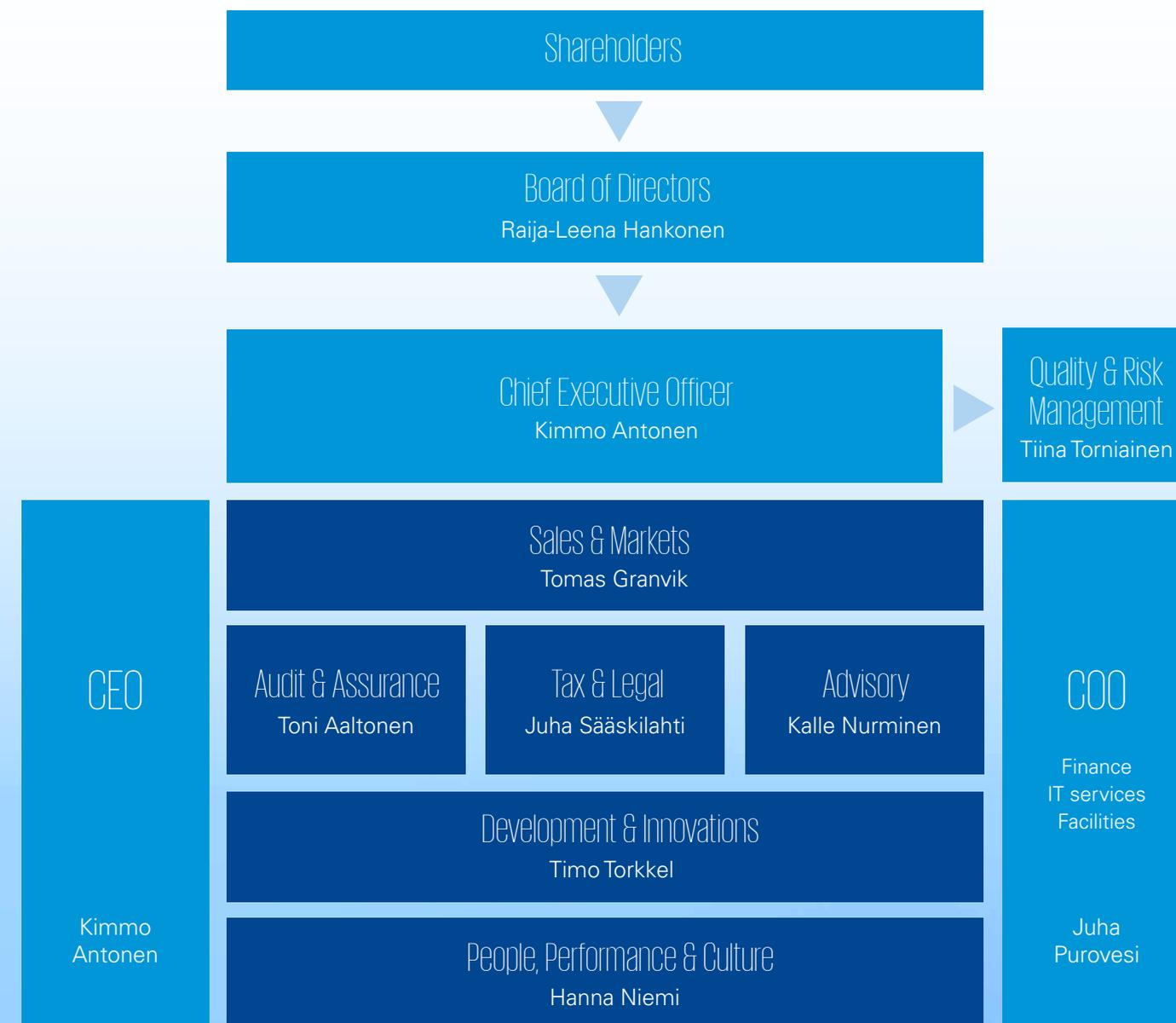
The responsibility and organisation of decision making of partner compensation was changed and the new principles were applied for the first time for the financial year 1.10.2016 – 30.9.2017. According to these principles the Board of Directors decides the compensation of the Chief Executive Officer and the

compensation of other members of the executive committee based on proposition made by the Chief Executive Officer. The Board of Directors also confirms the compensation of other partners based on proposition made by the executive committee.

The Board of Directors oversees that partners are rewarded equitably according to consistent principles and that compensation is based on the achievement of goals set for each of them personally. Compensation of partners is partly based on the firm's financial success as well.

The personal goals forming a part of the partners' compensation include e.g. the quality of their work, client feedback, acting in compliance with the firm's values and operating principles, and the growth and profitability of the business. Additional elements for the compensation of partners who bear organizational responsibility include leadership and development of the business operations. The compensation of audit partners is not influenced by the amount of non-audit services provided to their audit clients.

Organization



Board of Directors



Raija-Leena Hankonen

Chairman of the Board, Partner, Audit & Assurance
Authorised Public Accountant, KHT, M.Sc. (Econ.)



Ari Eskelinen

Partner, Audit & Assurance
M.Sc. (Econ.)



Ari Engblom

Partner, Tax & Legal
M.Sc. (Econ.), LL.M.



Jukka Teikari

Partner, Advisory
M.Sc. (Econ.)



Mika Laaksonen

Partner, Advisory
CRISC, CISA, CISSP, CISM, CGEIT, M.Sc. (Tech.)



Anders Lundin

Partner, Audit & Assurance, Authorized Public Accountant, KHT
M.Sc. (Econ.)



Tiina Tornainen

Vice Chairman of the Board, Partner, Quality & Risk Management
Authorised Public Accountant, KHT, CIA, M.Sc. (Econ.)

Executive Committee



Timo Torkkel

Head of Development & Innovations
D.Sc. (Econ.)

Toni Aaltonen

Head of Audit & Assurance,
Authorised Public Accountant, KHT, M.Sc. (Econ.)

Kimmo Antonen

Chief Executive Officer, Authorised Public Accountant, KHT
M.Sc. (Econ.)

Juha Purovesi

Chief Operating Officer
M.Sc. (Econ.)

Tomas Granvik

Head of Sales & Markets
M.A. Corporate Law

Kalle Nurminen

Head of Advisory
M.Sc. (Econ.)

Hanna Niemi

Head of People, Performance & Culture
M.Sc. (Econ.)

Juha Säaskilanti

Head of Tax & Legal
M.Sc. (Econ.)

System of quality control

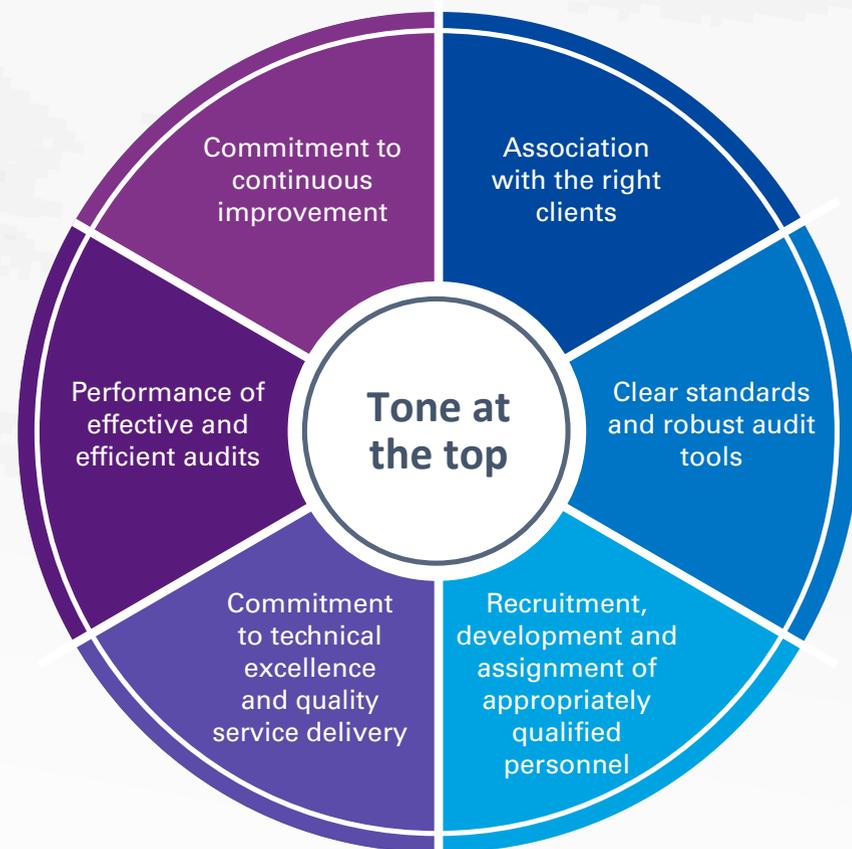
Overview

A robust and consistent system of quality control is an essential requirement in performing high-quality services. Accordingly, KPMG International has quality control policies that apply to all member firms. These are included in KPMG's Global Quality & Risk Management Manual available to all personnel. These policies and associated procedures are designed to guide member firms in complying with relevant professional standards, regulatory and legal requirements, and in issuing reports that are appropriate in the circumstances.

These policies and procedures are based on the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), and on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). Both of these are relevant to firms that perform statutory audits and other assurance and related services engagements.

KPMG Finland implements KPMG International policies and procedures and adopts additional policies and procedures that are designed to address requirements in the Finnish Auditing Act and other local legislation.

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



Quality control and risk management are the responsibility of all KPMG Finland personnel. This responsibility includes the need to understand and adhere to firm policies and associated procedures in carrying out their day-to-day activities. The system of quality control applies to KPMG personnel. While many KPMG's quality control processes are cross-functional, and apply equally

to i.a. tax & legal and advisory work, the remainder of this section focuses mainly on the delivery of quality audits.

Audit quality framework

At KPMG Finland audit quality is not just about reaching the right opinion, but how that opinion is reached. We view the outcome of a quality audit as the delivery of an appropriate and independ-

ent opinion in compliance with the good auditing practice in Finland.

To help all audit professionals concentrate on the fundamental skills and behaviors required to deliver an appropriate and independent opinion, KPMG International utilizes the Audit Quality Framework. This framework describes what we believe drives audit quality, and highlights how every audit professional at KPMG contributes to the delivery of audit quality.

Tone at the top – Leadership responsibilities for quality

The culture of KPMG International and KPMG Finland is underpinned by a strong set of values and supporting policies and processes and enables the right attitudes and behaviors throughout the KPMG network, starting from the very top. We promote a culture in which consultation is encouraged and recognized as a strength.

Tone at the top means that KPMG Finland's leadership demonstrates commitment to quality, ethics and integrity and communicates its commitment to clients, stakeholders, and society at large.

Integrity is a critical characteristic that stakeholders expect and rely on. It is also the key KPMG Value: "Above all, we act with integrity." Integrity means constantly striving to uphold the highest professional standards, providing sound

It is important that all our professionals have the necessary business and leadership skills in addition to technical skills to be able to perform quality work

good-quality advice to our clients and maintaining independence.

Our Values, which have been explicitly codified for a number of years, are embedded into working practices and values-based compliance culture at KPMG Finland. Our Values are:

- We lead by example
- We work together
- We respect the individual
- We seek the facts and provide insight
- We are open and honest in our communication
- We are committed to our communities
- Above all, we act with integrity.

Code of conduct

KPMG International has a Global Code of Conduct which member firms including KPMG Finland are required to adopt.

The KPMG Finland's Code of Conduct incorporates the KPMG Values and defines the standards of ethical conduct that is required from all KPMG people.

In addition, the Code of Conduct emphasizes that each partner and employee is personally responsible for following the legal, professional, and ethical standards that apply the job function and level of responsibility. The Code of Conduct includes provisions that require KPMG personnel to

- comply with all applicable laws, regulations and KPMG Finland policies
- report any illegal acts, whether committed by KPMG Finland personnel, clients or other third parties
- report breaches of KPMG policies
- uphold the highest levels of client confidentiality
- not offer or accept bribes.

Our personnel are encouraged to raise their concerns when they see behaviors or actions that are inconsistent with our Values or professional responsibilities and required to do so when they see breaches of KPMG policies, laws and regulations, and professional standards. ►

We have procedures and established channels of communication so that our personnel can report ethical and quality issues and individuals who report in good faith will not suffer any adverse impact regardless of whether the concern is ultimately substantiated.

The [KPMG International hotline](#) is a mechanism for KPMG partners, employees, clients and other external parties to confidentially report concerns they have relating to certain areas of activity by KPMG International itself, KPMG member firms or the senior leadership or employees of a KPMG member firm.

At KPMG Finland, we regularly monitor the extent to which our people feel we live our Values through the Global People Survey (refer to section "Insights from our people – Global People Survey (GPS)").

Leadership responsibilities for quality and risk management

Leadership plays a critical role in setting the right tone and leading by example. Our leadership team is committed to building a culture based on quality, integrity and ethics, demonstrated through their actions – communications, presentations to teams and one-to-one discussions.

The following individuals have leadership responsibilities for quality and risk management at KPMG Finland.

Chief Executive Officer

In accordance with the principles in ISQC 1, our CEO Kimmo Antonen has assumed ultimate responsibility for KPMG Finland's system of quality control.

National Risk Management Partner

Operational responsibility for the system of quality control, risk management and compliance in KPMG Finland has been delegated to the National Risk Management Partner who is responsible for setting overall professional risk management and quality control policies and monitoring compliance for the firm. The Risk Management Partner of KPMG Finland Tiina Tornainen reports directly to the CEO and consults with the appoint-

ed Area Quality and Risk Management Leader. The Risk Management Partner is the head of QRM team composed of fifteen specialists altogether.

The Risk Management Partner is also acting as the Ethics & Independence Partner.

The Audit and Assurance, Tax & Legal and Advisory functions – Function Heads

The three heads of the client service functions are accountable to the CEO for the quality of service delivered in their respective functions. Between them, they determine the operation of the risk management, quality assurance and monitoring procedures for their specific functions within the framework set by the National Risk Management Partner and the QRM team. These procedures make it clear that at the engagement level, risk management and quality control is ultimately the responsibility of all professionals.

KPMG Finland's Head of Audit & Assurance is responsible for leading a sustainable high-quality Audit practice. This includes:

- setting the right 'tone at the top' by demonstrating a commitment to the professional standards, including skepticism, objectivity, and independence
- developing and implementing strategies to monitor and maintain knowledge and skills required of partners and employees to fulfil their professional responsibilities
- working with the Risk Management Partner and the QRM team to monitor and address audit quality and risk matters as they relate to the Audit practice, including an annual evaluation of activities considered to be key to audit quality.

Association with the right clients

Client and engagement acceptance and continuance policies and processes help protect KPMG's reputation, support our brand and are an important part to our ability to provide high-quality professional services.

Accordingly, KPMG International has established policies and procedures which all member firms are required to implement in order to decide whether

to accept or continue a client relationship, and whether to perform a specific engagement for that client.

Prospective client and engagement evaluation process

Client evaluation

KPMG Finland undertakes an evaluation of every prospective client.

This involves an assessment of the prospective client's principals, its business and other service-related matters. This also involves identification of the prospective client, its key management and significant beneficial owners. QRM team approves each prospective client evaluation. Where the client is considered to be 'high risk' the Risk Management Partner or delegate is involved in approving the evaluation.

Engagement evaluation

The prospective engagement partner evaluates each prospective engagement, in practice this may be completed at the same time as the client evaluation, particularly in respect of audit appointments. The evaluation identifies potential risks in relation to the engagement. A range of factors are considered as part of this evaluation, including potential independence and conflict of interest issues (using Sentinel™, KPMG's conflicts and independence checking system) as well as factors specific to the type of engagement, including for audit services, the competence of the client's financial management team and the skills and experience of personnel assigned to staff the engagement. The evaluation includes review by the Risk Management Partner or the quality and risk management team as required.

We follow specific procedures to identify and evaluate threats to independence for prospective audit clients that are public interest entities.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are

required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

An annual re-evaluation of all KPMG Finland audit clients and audit engagements is undertaken. In addition, clients are re-evaluated if there is an indication that there may be a change in their risk profile.

Clear standards and robust audit tools

Audit methodology and tools

Significant resources are dedicated to keeping our methods and tools complete and up to date. The global audit methodology, developed by the Global Service Centre (GSC), is based on the requirements of the International Standards on Auditing (ISAs). The global audit methodology is set out in KPMG International's Audit Manual (KAM) and includes additional requirements that go beyond the ISAs, which KPMG International believes enhance the quality of the audit.

The global audit methodology is supported by eAudit, KPMG International's electronic audit tool, which provides KPMG Finland's auditors with the methodology, guidance, and industry knowledge needed to perform high-quality audits. KPMG Finland has a separate tool for very small audit engagements.

The key activities within the eAudit workflow are engagement setup, risk assessment, testing and completion.

KAM contains examples and guidance for, among other things, procedures intended to identify and assess the risk of material misstatement and procedures to respond to those assessed risks.

The global audit methodology encourages use of specialists when appropriate, and also requires involvement of relevant specialists in the core audit engagement team when certain criteria

are met or where the audit team considers it appropriate or necessary.

Data & Analytics

Technology and innovation are changing the way we execute our audit engagements, empowering our people to deliver greater quality and value. Making data and analytics a core part of the KPMG audit is critical to our mission of driving audit quality.

Further details on innovation in audit tools and technology are set out in the KPMG International Annual Review.

We commit to continually improve the quality, consistency and efficiency of our audits

Independence, integrity, ethics and objectivity

KPMG International has detailed independence policies and procedures, incorporating the requirements of the IESBA Code of Ethics. These are set out in KPMG's Global Quality & Risk Management Manual. Automated tools facilitate compliance with these requirements.

These policies are supplemented by other processes to ensure compliance with regulatory requirements. These policies and processes cover areas such as firm independence, personal independence, firm financial relationships, firm rotation and partner rotation and approval of audit and non-audit services.

KPMG Finland has a designated Ethics and Independence Partner (EIP), Tiina Tornainen, who has primary responsibility for the direction and execution of ethics and independence policies and procedures. Member firms' EIPs are supported by the Global Independence Group.

Personal financial independence

KPMG International policies require that each KPMG member firm and its professionals are free from prohibited financial interests in, and prohibited relation-

ships with, KPMG's audit clients, their management and directors. The policies also extend the IESBA Code of Ethics restrictions on ownership of audit client securities to every KPMG member firm partner in respect of any audit client of any member firm.

KPMG Finland personnel are responsible for making appropriate inquiries and taking other appropriate actions on an ongoing basis to ensure that they do not have any personal financial, business or family interests that are restricted for independence purposes.

In common with other KPMG member firms, we use an independence compliance system (KICS) to assist our personnel in complying with personal independence investment policies. This system contains an inventory of publicly available investments.

Partners and personnel who are assistant manager grade or above are instructed to ensure the permissibility of the investment by using the KICS system prior to entering into an investment. They are also required to maintain a record of all of their investments in KICS, which automatically notifies them if their investments subsequently become restricted and they must dispose of that investment. We monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of a sample of professionals.

Employment relationships

Any professional providing services to an audit client irrespective of function is required to notify our EIP if they intend to enter into employment negotiations with that audit client.

In accordance with the Finnish Auditing Act there are time restrictions ►

regarding key audit partners and other authorised auditors in the audit engagement team joining that client in certain roles until a defined period of time has passed.

Firm financial independence

KPMG Finland uses KICS to record its own financial investments, all borrowing and capital financing relationships.

Business relationships/suppliers

KPMG Finland has policies and procedures in place that are designed to ensure its business relationships are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements.

Business acquisitions and investments

If KPMG Finland is in the process of considering the acquisition of, or investment in, a business, it is required to perform sufficient due diligence procedures on the prospective target to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultation requirements are applied to enable independence and other issues to be addressed when integrating the business into KPMG Finland and the KPMG network.

Independence clearance process

KPMG Finland follows specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities; these procedures, also referred to as 'the independence clearance process,' must be completed prior to accepting an audit engagement for these entities.

Independence training and confirmations

KPMG Finland provides all partners and personnel with independence training that is appropriate to their grade and function on an annual basis. New personnel are required to complete this training when they start working for KPMG.

We also provide all personnel with training on the Code of Conduct and ethical behavior, including KPMG's anti-bribery policies, compliance with laws, regulations, and professional standards, and reporting suspected or actual non-compliance with laws, regulations, professional standards, and KPMG's policies.

Upon acceptance of employment, all KPMG personnel are required to confirm that they are in compliance with, and will abide by applicable ethics and independence rules and policies. Thereafter, all KPMG personnel are required to confirm annually that they have remained in compliance with applicable ethics and independence policies throughout the financial year.

Non-audit services

KPMG Finland has policies, which are consistent with the Finnish Auditing Act, the EU Audit Regulation and the IESBA principles, which address the scope of services that can be provided to audit clients.

We establish and maintain a process to review and approve all new and modified services that are developed by the KPMG Finland or adopted from another member firm. The EIP is involved in the review of potential independence issues.

In addition to identifying potential conflicts of interest, Sentinel™, facilitates compliance with these policies. Certain information on all prospective engagements, including service descriptions and fees must be entered into Sentinel™ as part of the engagement acceptance process. Using Sentinel™ lead audit engagement partners are required to: maintain group structures for their public interest entity audit clients as well as their affiliates, and identify and evaluate any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats. Sentinel™ enables lead audit engagement partners for those entities for which group structures are maintained, to review and approve, or deny, any proposed service for those entities worldwide.

Conflicts of interest

Conflicts of interest can arise in situations where KPMG personnel have a personal connection with the client which may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the Risk Management Partner / QRM team is required in these situations.

All KPMG member firms and personnel are responsible for identifying and managing conflicts of interest.

Sentinel™ is the tool all KPMG member firms use for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.

Breaches of independence policy

All KPMG Finland personnel are required to report an independence breach as soon as they become aware of it. In the event of failure to comply with our independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy.

KPMG Finland has a documented disciplinary policy in relation to breaches of independence policies. The disciplinary policy applies to all breaches of independence rules, incorporating incremental sanctions reflecting the seriousness of any violations.

Compliance with laws, regulations, and anti-bribery and corruption

Compliance with laws, regulations and standards is a key aspect for all KPMG Finland personnel. In particular, KPMG Finland has zero tolerance of bribery and corruption.

Accordingly, training covering compliance with laws (including those relating to anti-bribery and corruption), regulations, professional standards, and the KPMG Code of Conduct is ►



We actively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered

required to be completed by KPMG Finland personnel.

Partner and firm rotation

Partner rotation

KPMG Finland rotation policies are consistent with the IESBA Code of Ethics, the EU Audit Regulation and other Finnish legislation.

KPMG Finland's auditors in key audit partner roles (engagement partner, Engagement Quality Control Reviewer and other key audit partners) are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International policy. These requirements place limits on the number of consecutive years that auditors in certain roles may provide statutory audit services to a client, followed by a 'time-out' period during which time they may not participate in the audit, provide quality control for the audit, consult with the engagement team or the client regarding technical or industry-specific issues or in any way influence the outcome of the audit.

KPMG Finland monitors the rotation of key audit partners and develops transition plans to enable allocation of auditors with the necessary competence and capability to deliver a consistent quality of service to clients.

Firm rotation

In accordance with the Finnish Auditing Act there is a maximum period of 20 years that an audit firm can usually act as an auditor in a public interest entity. After 10 years there is a mandatory tendering after which the same audit firm can continue to act as an auditor for additional 10 years. KPMG Finland has processes in place to track and manage audit firm rotation.

Recruitment, development and assignment of appropriately qualified personnel

One of the key drivers of quality is ensuring that our professionals have the appropriate skills and experience to deliver quality in audit. This requires appropriate recruitment, development,

promotion, retention and assignment of professionals.

Recruitment

Our recruiting strategies are focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools. KPMG Finland also recruits experienced personnel.

All candidates submit an application and are employed following a variety of selection processes, which may include competency-based interviews, psychometric and ability testing, and qualification/reference checks.

Personal development

It is important that all our professionals have the necessary business and leadership skills in addition to technical skills to be able to perform quality work.

In relation to audit and assurance, opportunities are provided for professionals to develop the skills, behaviors, and personal qualities that form the foundations of a successful career in auditing. Courses are available to develop technical, leadership, and business skills.

Performance & Reward

Evaluation process

KPMG Finland's personnel, including partners, have annual goal-setting and performance reviews. Each person is evaluated on their agreed-upon goals, demonstration of our global behaviors and technical capabilities. A culture of continuous improvement is encouraged to drive feedback, both positive and developmental, from both junior and senior colleagues, as well as peers. Feedback gathered forms an integral part of performance reviews.

KPMG Finland monitors quality and compliance incidents for the purposes of partner evaluation, promotion and remuneration. These evaluations are conducted by performance managers and partners who are in a position to assess their performance and propose a performance rating.

KPMG Finland's policy prohibits audit partners from being evaluated on or compensated based on their success in selling non-assurance services to their audit clients.

Reward

We have compensation and promotion policies that are linked to the performance review process, which for partners includes key audit quality and compliance metrics.

Reward decisions are based on consideration of both individual and organizational (member firm) performance. The extent to which our people feel their performance has been reflected in their reward is measured through the Global People Survey.

Partner admissions

Our process for admission to partnership is rigorous and thorough, involving shareholders and appropriate members of leadership. Our criteria for admission to the partnership are consistent with our commitment to professionalism and integrity, quality, and being an employer of choice.

Assignment of professionals

KPMG Finland has procedures in place to assign both the auditors and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the engagement.

Function heads are responsible for the assignment process. Key considerations include auditor experience and capacity to perform the engagement taking into account the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement partners are required to be satisfied that their engagement teams have appropriate competencies and resources to perform audit engagements in accordance with KAM, professional standards, and applicable legal and regulatory requirements. This may include involving specialists from our own firm or other KPMG member firms.

Insights from our people – Global People Survey (GPS)

KPMG Finland invites all its people to participate in an independent Global People Survey which measures their overall level of engagement with the firm. The GPS provides an overall Employee Engagement Index (EEI) and Performance Excellence Index (PEI) as well as insights into areas driving engagement which may be strengths or opportunities. The survey also identifies opportunities to strengthen those levels of engagement.

The survey also specifically provides leadership with information on employee and partner attitudes to quality, leadership and tone at the top.

KPMG Finland participates in the GPS, monitors results and takes appropriate actions to communicate and respond to the findings of the survey.

Commitment to technical excellence and quality service delivery

All KPMG Finland professionals are provided with the technical training and support they need. This includes access to specialists and the QRM team, which is made up of senior professionals with extensive experience in audit, reporting and risk management. Where the right resource is not available within KPMG Finland, access is provided to a network of highly skilled KPMG professionals in other KPMG member firms.

The need for specialists (e.g. Information Technology, Tax & Legal, Treasury, Actuarial, Valuation) to be assigned to a specific audit engagement is considered as part of the audit engagement acceptance and continuance process. Specialists who are members of an audit team are provided with training on audit concepts.

Professional training

In addition to personal development discussed in the section above, our policies require all professionals to maintain their technical competence. Auditors shall comply with applicable regulatory and professional development requirements.

KPMG Finland has policies concerning the continuing education of audit

personnel. For audit personnel we annually determine obligatory professional trainings and monitor their completion.

KPMG Finland ensures that audit professionals working on engagements have appropriate knowledge of audit, industry and Finnish accounting standards including IFRS.

Consultation

KPMG Finland promotes a culture in which consultation is recognized as a strength and that encourages personnel to consult on difficult matters. To assist audit engagement professionals in addressing difficult matters, protocols have been established for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues.

Appropriate consultation support is provided to audit engagement professionals through QRM team.

Technical accounting and auditing support is available to all member firms through the International Standards Group (ISG) as well as the US Capital Markets Group for SEC foreign registrants.

KPMG network has an International Standards Group that works with Global IFRS and International Standards on Auditing topic teams with geographic representation from around the world to promote consistency of interpretation of IFRS and auditing requirements between member firms, identify emerging issues, and develop global guidance on a timely basis.

KPMG Audit Process

Our audit workflow is enabled through KPMG International's eAudit which is also an electronic audit file. eAudit integrates the KPMG audit methodology, guidance and industry knowledge, and the tools needed to manage audits consistently. KPMG Finland uses a separate tool in very small audit engagements.

The KPMG audit process includes:

- partner and manager involvement
- timely access to the right knowledge

- specialists and relevant industry expertise
- critical assessment of audit evidence
- exercise of professional judgment and professional skepticism
- ongoing mentoring, supervision, and review
- appropriately supported and documented conclusions
- robust challenge and review, including EQC review.

Partner and manager involvement

The engagement partner is responsible for the overall quality of the audit engagement and therefore for the direction, supervision and performance of the engagement.

The engagement partner is responsible for the final audit opinion and reviews key audit documentation – in particular, documentation relating to significant matters arising during the audit and conclusions reached.

Critical assessment of audit evidence with emphasis on professional skepticism

We consider all audit evidence obtained during the course of the audit, including consideration of contradictory or inconsistent audit evidence. The nature and extent of the audit evidence we gather is responsive to the assessed risks. We critically assess audit evidence obtained from all sources. For the purpose of obtaining sufficient appropriate audit evidence each team member is required to exercise professional judgment and maintain professional skepticism throughout the audit engagement.

Engagement Quality Control Review

Engagement Quality Control reviewers (EQCR) are independent of the engagement team and have the appropriate experience and knowledge to perform an objective review of the more critical decisions and judgments made by the engagement team and the appropriateness of the financial statements.

An EQC reviewer is required to be appointed for audits of all listed entities and other Public Interest Entities. ▶

Although the engagement partner is ultimately responsible for the resolution of financial reporting and auditing matters, the EQC reviewer must be satisfied that all significant questions raised have been resolved before an audit can be considered complete.

For other high risk engagements an "other review" is performed depending on the situation.

Two-way communication with the client

Two-way communication with those charged with governance, e.g. the audit committee or the Board of Directors, is key to audit quality and is a key aspect of reporting and service delivery.

At KPMG Finland we stress the importance of keeping those charged with governance informed of issues arising throughout the audit and the need to listen to and understand their views. We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and, when appropriate, ongoing informal discussions with management and members of the audit committee.

We ensure our communications meet the requirements of professional standards and regulatory requirements.

Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the Code of Conduct, training, and the annual confirmation process, that all of KPMG personnel are required to complete.

We have a formal document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, standards and regulations.

KPMG Finland has clear policies on information security that cover a wide range of areas. Data Privacy policies are in place governing the handling of personal information, and associated

training is required for all KPMG Finland personnel.

Commitment to continuous improvement

We commit to continually improve the quality, consistency and efficiency of our audits. KPMG network's quality monitoring and compliance programs enable us to identify quality deficiencies, to perform root cause analysis and develop, implement and report remedial action plans both in respect of individual audit engagements and the member firm's system of quality control. KPMG International's integrated quality and monitoring programs include the Quality Performance Review (QPR) program, the Risk Compliance Program (RCP) and the Global Compliance Review (GCR) program.

Internal monitoring and compliance programs

Our monitoring programs evaluate both:

- engagement performance in compliance with the applicable standards, applicable laws and regulation and KPMG International policies and procedures
- KPMG Finland compliance with KPMG International policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The results and lessons from the integrated monitoring programs are communicated internally, and the overall results and lessons from the programs are considered and appropriate action is taken at local, regional and global levels. Our internal monitoring program also contributes to the assessment of whether our system of quality control has been appropriately designed, effectively implemented, and operates effectively.

Two KPMG International developed and administered inspection programs are conducted annually across all functions: QPR and RCP.

Additionally, all member firms are covered at least every 3 years by the cross functional GCR program. Participation in QPR, RCP and GCR is a condition

of ongoing membership of the KPMG network.

Audit Quality Performance Reviews (QPRs)

The QPR program assesses engagement level performance and identifies opportunities to improve engagement quality.

Risk-based approach

Each authorised auditor is reviewed at least once in a 3 year cycle. A risk-based approach is used to select engagements.

KPMG Finland conducts the annual QPR program in accordance with KPMG International QPR instructions. The reviews are performed at KPMG Finland level and are monitored regionally and globally. Member firm Audit QPR reviews are overseen by a foreign senior experienced lead reviewer independent from the member firm.

Reporting

Findings from the QPR program are disseminated to member firm professionals through written communications, internal training tools, and periodic partner, manager and staff meetings.

These areas are also emphasized in subsequent inspection programs to assess the extent of continuous improvement.

Risk Compliance Program (RCP)

KPMG International develops and maintains quality control policies and processes that apply to all member firms. These policies and processes, and their related procedures, include the requirements of ISQC 1. During the annual RCP, we perform an assessment program consisting of documentation of quality controls and procedures, related compliance testing and reporting of exceptions, action plans and conclusions.

The objectives of the RCP are to:

- monitor, document and assess the extent of compliance of KPMG Finland's system of quality control with Global Quality & Risk Management

policies and key legal and regulatory requirements relating to the delivery of professional services

- provide the basis for KPMG Finland to evaluate that the firm and its personnel comply with relevant professional standards and applicable legal and regulatory requirements.

Where deficiencies are identified, we are required to develop appropriate action plans.

Global Compliance Review (GCR) program

Each member firm is subject to a GCR conducted by KPMG International's GCR team, independent of the member firm, at least once in a 3 year cycle.

The GCR provides independent oversight of our assessment of our system of quality control, including:

- our commitment to quality and risk management (tone at the top) and the extent to which the overall structure, governance and financing support and reinforce this commitment
- the completeness and robustness of our RCP.

We develop action plans to respond to all GCR findings.

Root Cause Analysis (RCA)

KPMG Finland performs root cause analysis to identify and address audit quality issues in order to prevent them from recurring and help identify good practices as part of continuous improvement.

External feedback and dialogue Regulators

In Finland the Auditor Oversight Unit at the Finnish Patent and Registration Office (PRH) has been carrying out independent inspections since the beginning of 2016. The Auditor Oversight Unit has performed quality control inspections of individual auditors and audit engagements of KPMG Finland during 2017. During the financial year 1.10.2016–30.9.2017 27 KPMG auditors were subject to PRH quality ►



control inspections. The Auditor Oversight Unit will carry out a quality control inspection of KPMG Finland during 2018.

The Auditing Board at the Central Chamber of Commerce was in charge of the auditor oversight until the end of 2015. During the autumn of 2015 the Auditing Board of Central Chamber of Commerce (TILA) carried out a quality control inspection targeted at both the system of quality control and individual engagements of KPMG Finland.

We have considered each of the findings and recommendations and have prepared action plans to address deficiencies and strengthen policies and procedures as appropriate.

Client feedback

We actively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered. Our aim is to take this feedback and make dynamic changes at both the engagement level and firm level to meet clients' needs.

Statement by the Board of Directors of KPMG Oy Ab on the effectiveness of quality control and independence

The measures and procedures that serve as the basis for the system of quality control for KPMG Finland outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Board of Directors has considered:

- the design and operation of the quality control systems as described in this report;
- the findings from the various compliance programs operated by our firm; and
- findings from regulatory inspections.

Taking all of this evidence together, the Board of Directors concludes with a reasonable level of assurance that the systems of quality control within our firm have operated effectively during the financial year 1.10.2016–30.9.2017.

Further, we confirm that an internal review of independence compliance within our firm has been conducted during the financial year 1.10.2016–30.9.2017.

Helsinki 31 January 2018
KPMG Oy Ab
Audit firm



Rajja-Leena Hankonen
Chairman of the Board of Directors



Kimmo Antonen
Chief Executive Officer

Appendix 1 Financial information

Service	FY 2016-2017 Revenue (k€)	FY 2015-2016 Revenue (k€)
Revenues from the statutory audit of annual and consolidated financial statements of public interest entities and entities belonging to a group of undertakings whose parent undertaking is a public interest entity	12 135	
Revenues from the statutory audit of annual and consolidated financial statements of other entities	30 549	
Revenues from permitted non-audit services to entities that are audited by the firm	28 782	
Revenues from non-audit services to other entities	54 872	
Total	126 338	120 070

Appendix 2 Our public interest entity audit clients

A list of KPMG Oy Ab's publicly listed audit clients and other public interest entity audit clients during the financial year 1.10.2016–30.9.2017:

Publicly listed companies

Ahlstrom-Munksjö Oyj
Aktia Bank Abp
Bonum Pankki Oyj
Containerships Oyj
Cramo Oyj
Destia Group Oyj
Digia Oyj
Digitalist Group Oyj
Efore Oyj
Elematic Oyj
Elisa Oyj
eQ Oyj
Etteplan Oyj
Evli Pankki Oyj
Finnvera Oyj
Fiskars Oyj Abp
Forchem Oyj
Func Food Group Oyj
Kojamo Oyj
Kuntarahoitus Oyj
Lassila & Tikanoja Oyj
Lehto Group Oyj
Martela Oyj
Metsä Board Oyj
Metsäliitto Osuuskunta
Neo Industrial Oyj
Nokian Renkaat Oyj
Oma Säästöpankki Oyj
OPYrityspankki Oyj
Op-Asuntoluottopankki Oyj
Outokumpu Oyj
Paroc Group Oy
Pihlajalinna Oyj

PKC Group Oyj
QPR Software Oyj
Qt Group Oyj
Raisio Oyj
Sanoma Oyj
SATO Oyj
Scanfil Oyj
Sievi Capital Oyj
Siili Solutions Oyj
Solteq Oyj
Sponda Oyj
Stockmann Oyj Abp
Suomen Hoivatilat Oyj
Säästöpankkien Keskuspankki Suomi Oyj
Talenom Oyj
Technopolis Oyj
Tecnotree Oyj
Teleste Oyj
Tikkurila Oyj
Tokmanni Group Oyj
Tulikivi Oyj
Valoe Oyj
Wulff-Yhtiöt Oyj
Wärtsilä Oyj Abp
Ålandsbanken Abp

Other public interest entities

Aito Säästöpankki Oy
Aktia Hypoteksbank Abp
Aktia Livförsäkring Ab
Alajärven Osuuspankki
Alavieskan Osuuspankki
Alavuden Seudun Osuuspankki
Andelsbanken för Åland

Andelsbanken Raseborg
Artjärven Osuuspankki
A-Vakuutus Oy
Enon Osuuspankki
Etelä-Hämeen Osuuspankki
Eurajoen Säästöpankki
Folksam Skadeförsäkring Ab
Försäkringsaktiebolaget Alandia
Försäkringsaktiebolaget Liv-Alandia
Försäkringsaktiebolaget Pensions-Alandia
Haapamäen Seudun Osuuspankki
Hailuodon Osuuspankki
Handelsbanken Finans Abp
Helsingin Seudun Osuuspankki
Huittisten Säästöpankki
Itä-Uudenmaan Osuuspankki
Janakkalan Osuuspankki
Järvi-Hämeen Osuuspankki
Kainuun Osuuspankki
Kalannin Säästöpankki
Kalkkisten Osuuspankki
Kannonkosken Osuuspankki
Kannuksen Osuuspankki
Keiteleen Osuuspankki
Keskinäinen Eläkevakuutusyhtiö Etera
Keskinäinen työeläkevakuutusyhtiö Varma
Keskinäinen Vakuutusyhtiö Fennia
Keskinäinen Vakuutusyhtiö Turva
Keski-Pohjanmaan Osuuspankki
Keski-Suomen Osuuspankki
Keski-Uudenmaan Osuuspankki
Keuruun Osuuspankki
Kiihtelysvaaran Osuuspankki
Kiikoisten Säästöpankki

Konneveden Osuuspankki
Korpilahden Osuuspankki
Kuhmon Osuuspankki
Kuortaneen Osuuspankki
Kurun Osuuspankki
Kuusamon Osuuspankki
Kymenlaakson Osuuspankki
Kyyjärven Osuuspankki
Kärkölän Osuuspankki
Käylän Osuuspankki
Lammin Osuuspankki
Lanneveden Osuuspankki
Lehtimäen Osuuspankki
Leppävirran Osuuspankki
Liedon Säästöpankki
Limingan Osuuspankki
LokalTapiola Sydusten
Ömsesidigt Försäkringsbolag
Lounaismaan Osuuspankki
Lounaisrannikon Osuuspankki
Lounais-Suomen Osuuspankki
Luhangan Osuuspankki
LähiTapiola Etelä Keskinäinen Vakuutusyhtiö
LähiTapiola Etelä-Pohjanmaa Keskinäinen Vakuutusyhtiö
LähiTapiola Itä Keskinäinen Vakuutusyhtiö
LähiTapiola Kaakkois-Suomi Keskinäinen Vakuutusyhtiö
LähiTapiola Kainuu-Koillismaa Keskinäinen Vakuutusyhtiö
LähiTapiola Keskinäinen Henkivakuutusyhtiö
LähiTapiola Keskinäinen Vakuutusyhtiö
LähiTapiola Keski-Suomi Keskinäinen Vakuutusyhtiö
LähiTapiola Lappi Keskinäinen Vakuutusyhtiö
LähiTapiola Loimi-Häme Keskinäinen Vakuutusyhtiö
LähiTapiola Lännen Keskinäinen Vakuutusyhtiö
LähiTapiola Pirkanmaa Keskinäinen Vakuutusyhtiö
LähiTapiola Pohjanmaa Keskinäinen Vakuutusyhtiö
LähiTapiola Pohjoinen Keskinäinen Vakuutusyhtiö

LähiTapiola Pääkaupunkiseutu Keskinäinen Vakuutusyhtiö
LähiTapiola Satakunta Keskinäinen Vakuutusyhtiö
LähiTapiola Savo Keskinäinen Vakuutusyhtiö
LähiTapiola Savo-Karjala Keskinäinen Vakuutusyhtiö
LähiTapiola Uusimaa Keskinäinen Vakuutusyhtiö
LähiTapiola Varsinais-Suomi Keskinäinen Vakuutusyhtiö
LähiTapiola Vellamo Keskinäinen Vakuutusyhtiö
Länsi-Kymen Osuuspankki
Länsi-Uudenmaan Osuuspankki
Länsi-Uudenmaan Säästöpankki
Maaningan Osuuspankki
Mietoisten Säästöpankki
Multian Osuuspankki
Mäntsälän Osuuspankki
Nagu Andelsbank
Nilakan Seudun Osuuspankki
Nivalan Järvikylän Osuuspankki
Nivalan Osuuspankki
Nooa Säästöpankki Oy
OP Vakuutus Oy
OP-Henkivakuutus Oy
OP-Korttityhtiö Oyj
OP-Prosessipalvelut Oy
Orimattilan Osuuspankki
Oulun Osuuspankki
Outokummun Osuuspankki
OVY Vakuutus Oy
Paltamon Osuuspankki
Pensionsförsäkringsaktiebolaget Veritas
Peräseinäjoen Osuuspankki
Petäjaveden Osuuspankki
Pielisen Osuuspankki
Pihtiputaan Osuuspankki
Pohjantähti Keskinäinen Vakuutusyhtiö
Pohjolan Osuuspankki
Posion Osuuspankki
Pudasjärven Osuuspankki
Pukkilan Osuuspankki
Pulkkilan Osuuspankki
Puolangan Osuuspankki
Pyhärannan Säästöpankki

Raahen Seudun Osuuspankki
Rautalammin Osuuspankki
Riistaveden Osuuspankki
Ruukin Osuuspankki
Rääkkylän Osuuspankki
Sallan Osuuspankki
SHB Liv Försäkringsaktiebolag
Sievin Osuuspankki
Siikajoen Osuuspankki
Siikalatvan Osuuspankki
Siilinjärven Osuuspankki
Simpeleen Osuuspankki
Someron Säästöpankki
Sonkajärven Osuuspankki
S-Pankki Oy
Sp-Henkivakuutus Oy
SP-kiinnitysluottopankki Oyj
Suomen Vahinkovakuutus Oy
Suomenselän Osuuspankki
Suonenjoen Osuuspankki
Säästöpankki Sinetti
Taivalkosken Osuuspankki
Tarvasjoen Osuuspankki
Tervolan Osuuspankki
Tervon Osuuspankki
Tiistenjoen Osuuspankki
Tornion Osuuspankki
Turun Seudun Osuuspankki
Tuupovaaran Osuuspankki
Urjalan Osuuspankki
Utajärven Osuuspankki
Vaara-Karjalan Osuuspankki
Vakuutusosakeyhtiö
Bothnia International
Vakuutusosakeyhtiö Eurooppalainen
Vakuutusosakeyhtiö Garantia
Vakuutusosakeyhtiö Henki-Fennia
Vampulan Osuuspankki
Vehmersalmen Osuuspankki
Vesannon Osuuspankki
Vimpelin Osuuspankki
Ylitornion Osuuspankki
Ylä-Kainuun Osuuspankki
Ylä-Savon Osuuspankki
Ålands Ömsesidiga Försäkringsbolag

Appendix 3 List of KPMG audit entities located in the EU & EEA

As at 30 September 2017

This is a list of KPMG audit firms as defined in Article 2 (3) of EU Directive 2006/43/EC which are located in EU/EEA countries. It has been prepared solely for the purpose of compliance by KPMG member firms with Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC. It is prepared by KPMG International Cooperative ('KPMGI'), a Swiss entity which provides no professional services to clients. To the best of our knowledge, the list is accurate as of 30 September 2017. However, we cannot and do not warrant its accuracy at any given time.

Location	Firm Name
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz)
Austria	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz)
Austria	KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Austria	Plan Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz)
Austria	Plan Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	Securitas Revisions- und Treuhandgesellschaft m.b.H.
Austria	T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH
Austria	Treuhand - Salzburg GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Austria	K 17 Wirtschaftsprüfungs GmbH
Austria	K 41 Wirtschaftsprüfungs GmbH
Austria	KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH
Austria	KPMG Burgenland Wirtschaftstreuhand GmbH
Austria	SKP Schüßling, Kofler & Partner GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Austria	THS Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H.
Belgium	KPMG Bedrijfsrevisoren/KPMG Réviseurs d'Entreprises
Bulgaria	KPMG Bulgaria OOD
Croatia	KPMG Croatia d.o.o. za reviziju
Cyprus	KPMG Limited
Czech Republic	KPMG Ceska republika Audit, s.r.o.
Denmark	KPMG P/S
Estonia	KPMG Baltics OÜ
Finland	KPMG Oy Ab
Finland	KPMG Julkishallinnon Palvelut Oy
France	Avignon Experts Comptables
France	CEGEST
France	FUTIN Associés
France	KPMG Audit DFA S.A.S.

France	KPMG Audit Est S.A.S.
France	KPMG Audit FS I S.A.S.
France	KPMG Audit ID S.A.S.
France	KPMG Audit IS S.A.S.
France	KPMG Audit Nord S.A.S.
France	KPMG Audit Normandie S.A.S.
France	KPMG Audit Ouest S.A.S.
France	KPMG Audit Paris et Centre S.A.S.
France	KPMG Audit Rhône Alpes Auvergne S.A.S.
France	KPMG Audit Sud-Est S.A.S.
France	KPMG Audit Sud-Ouest S.A.S.
France	KPMG SA
France	KPMG Tartaroli
France	SALUSTRO REYDEL S.A.
France	SAS de Commissaires aux Comptes Berthoud Coldefy Chabaliér
France	SEGEC
France	SGADG
Germany	KPMG AG Wirtschaftsprüfungsgesellschaft
Germany	ATH Allgemeine Treuhandgesellschaft mbH Wirtschaftsprüfungsgesellschaft
Germany	EUREVISIO GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Germany	KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Germany	KPMG Prüfungs- und Beratungsgesellschaft für den Öffentlichen Sektor Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
Gibraltar	KPMG Limited
Greece	KPMG Certified Auditors AE
Hungary	KPMG Hungária Kft./KPMG Hungary Ltd.
Iceland	KPMG ehf.
Ireland	KPMG
Italy	KPMG S.p.A.
Italy	KPMG Audit S.p.A.
Latvia	KPMG Baltics SIA
Liechtenstein	KPMG (Liechtenstein) AG
Lithuania	'KPMG Baltics' UAB
Luxembourg	KPMG Luxembourg
Malta	KPMG
Netherlands	KPMG Accountants N.V.
Norway	KPMG Holding AS
Norway	KPMG AS
Poland	KPMG Audyt Sp. z o.o.
Poland	KPMG Audyt Sp. z o.o. Sp. Komandytowa
Portugal	KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.
Romania	KPMG Audit SRL
Slovakia	KPMG Slovensko spol. s r.o.
Slovenia	KPMG Slovenija, podjetje za revidiranje, d.o.o.
Spain	KPMG Auditores, S.L.
Sweden	KPMG AB
United Kingdom	KPMG LLP
United Kingdom	KPMG Audit Holdings Limited
United Kingdom	KPMG Audit Plc
United Kingdom	KPMG Holdings Limited
United Kingdom	KPMG Overseas Services Limited

List of KPMG audit entities located in EU & EEA/As at 30 September 2017

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