

**STATEMENT OF PROTOCOL  
BETWEEN  
THE PUBLIC COMPANY ACCOUNTING OVERSIGHT  
BOARD OF THE UNITED STATES  
AND  
THE COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA  
OF ITALY**

The Public Company Accounting Oversight Board ("PCAOB") in the U.S., based on its obligations and authority under the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"),

and

the Commissione Nazionale per le Società e la Borsa ("CONSOB") in Italy, based on its obligations and authority under Legislative Decree no. 58/1998, Legislative Decree no. 39/2010 and the European Commission Decision No. 2013/280/EU of June 11, 2013 on the adequacy of the competent authorities of the United States of America pursuant to Article 47, paragraph 1(c) of Directive 2006/43/EC

have agreed as follows:

Article I. Purpose of Statement

- A. The PCAOB in the United States and CONSOB in Italy each seek to improve the accuracy and reliability of audit reports so as to protect investors and to help promote public trust in the audit process and investor confidence in their respective capital markets. Given the global nature of capital markets, the PCAOB and CONSOB recognize the need for cooperation to facilitate the performance of the functions with which they are entrusted within their respective jurisdictions to enforce or secure compliance with their respective laws and regulations concerning oversight of Auditors subject to the oversight of both the PCAOB and CONSOB.
- B. The purpose of this Statement of Protocol ("Statement") is to facilitate cooperation between the Parties to the extent permitted by their respective laws and/or regulations in the oversight, inspection and investigation of Auditors subject to the regulatory jurisdiction of both the PCAOB and CONSOB. The PCAOB and CONSOB believe that it is in their common interest to cooperate to the extent that such cooperation is compatible with the Parties' respective laws and/or regulations, their important interests and their reasonably available resources. Cooperation is intended to permit the Parties to meet their

respective statutory oversight mandates. Cooperation, including by joint inspections, also is intended to assist the Parties in determining the degree to which one Party may rely in the future on the other Party's oversight activities, including inspections and investigations, with regard to auditors that fall within the regulatory jurisdiction of both Parties.

- C. This Statement does not create any binding legal obligations or supersede domestic laws. This Statement does not give rise to a legal right on the part of the PCAOB, CONSOB or any other governmental or non-governmental entity or any private person to challenge, directly or indirectly, the degree or manner of cooperation by the PCAOB or CONSOB.
- D. This Statement does not prohibit the PCAOB or CONSOB from taking measures with regard to the oversight of Auditors that are different from or in addition to the measures set forth in this Statement.
- E. Cooperation in the context of an inspection or investigation does not cover a request for assistance or information to the extent that it involves a Party obtaining on behalf of the other Party Information to which the requesting Party is not entitled under its own laws or regulations.

## Article II. Definitions

For the purposes of this Statement,

**"Party"** or **"Parties"** means the PCAOB and/or CONSOB.

**"Auditor"** means a natural person, an audit firm, or a person associated with such a firm, that is subject to the regulatory jurisdiction of both Parties.

**"Information"** means public and non-public information which includes but is not limited to (1) reports on the outcome of inspections, including information on firm-wide quality control reviews and engagement reviews, provided that the reports relate to Auditors that are subject to the regulatory jurisdiction of both the PCAOB and CONSOB, and (2) audit working papers or other documents held by Auditors, provided that the documents relate to matters that are subject to the regulatory jurisdiction of the PCAOB and CONSOB.

**"Inspections"** refers to reviews of Auditors to assess the degree of compliance of each Auditor with applicable laws, rules and professional

standards in connection with its performance of audits, the issuance of *audit reports and related matters*, pursuant to Legislative Decree no. 58/1998 and Legislative Decree no. 39/2010 in Italy and the Sarbanes-Oxley Act in the United States.

**"Investigations"** refers to investigations undertaken by a Party of any act or practice, or omission to act, by an Auditor that may violate or may have violated applicable laws, rules or professional standards.

### Article III. Cooperation

#### A. Scope of Cooperation

1. Cooperation under this Statement includes the exchange of information, including non-public information, between the Parties regarding the matters set forth in the request for assistance and relating to Auditors that fall within the regulatory jurisdiction of both the PCAOB and CONSOB.
2. Cooperation may include one Party assisting the other Party in an inspection or an investigation by performing activities that may include, but are not limited to, facilitating access to information and/or, if requested, reviewing audit work papers and other documents; *interviewing an Auditor, reviewing an Auditor's quality control system, and/or performing other testing of the audit, supervisory and quality control procedures of an Auditor on behalf of the other Party.*
3. *The Parties may consult and revise the scope of cooperation over time and with regard to each inspection or investigation.*
4. The Parties may at the request of either Party consult on issues related to the matters covered by this Statement, and otherwise exchange views and share experiences and knowledge gained in the discharge of their respective duties to the extent consistent with their respective laws and regulations.

#### B. Inspections

1. In order to assist the Parties in determining the degree to which one Party may rely in the future on the other Party's inspections of auditors that fall within the regulatory jurisdiction of both Parties, the Parties may conduct joint inspections pursuant to the framework set forth under the European Commission Decision No. 2013/280/EU

of June 11, 2013 on the adequacy of the competent authorities of the United States of America pursuant to Article 47, paragraph 1(c) of Directive 2006/43/EC. Each Party may decline to carry out inspections jointly.

2. Before an inspection is carried out jointly, the Parties will endeavor to reach a consensus on a work plan for the inspection, which may include, in general, the steps and procedures expected to be performed during the inspection, including the audit engagements to be reviewed, the intended timeframe for the inspection and the allocation of work that each Party expects to perform.
3. For each inspection carried out jointly, the Party in whose jurisdiction the inspection is conducted may choose to lead the administrative and organizational aspects of the inspection, meaning that it will manage communications with the Auditor and organize the logistics of the inspections.
4. In any case, the Party in whose jurisdiction the joint inspection is conducted may choose to receive all audit work papers and other documents from the Auditor in the first instance before transferring them to the requesting Party. The requesting Party may receive through the requested Party copies of working papers or other documents held by an Auditor in the requested Party's jurisdiction and take them to its own jurisdiction as needed to comply with its documentation requirements, in order to support its inspection findings or for purposes of an investigation. The requested Party will identify the working papers or other documents copied for the requesting Party before transmitting them to the Requesting Party in accordance with this Statement. The arrangements established between the Parties with respect to the transfer of personal data in accordance with Article IX must be observed.
5. While each Party is responsible for its own findings and conclusions that result from the inspection, the Parties shall consult each other about their findings and conclusions during inspection field work. The Parties shall also inform each other about possible findings that they provide to the inspected Auditor.

#### Article IV. Requests for Information

- A. Each Party may provide the other Party with Information upon request.

- B. Other than in the case of routine requests such as for payment of annual fees and in connection with registration and annual or special reporting requirements and barring exceptional circumstances, or except as otherwise agreed by the Parties, requests for non-public information from an Auditor in the other Party's jurisdiction shall be sent to the other Party, who will pass on the request<sup>1</sup> (in the form provided by the requesting Party) to the Auditor.<sup>2</sup>
- C. Requests for information shall be made in writing (including e-mail or facsimile, provided such communication is confirmed through an original, signed document), and addressed to the requested Party's contact person listed in Appendix A.
- D. The requesting Party shall specify the following, to the extent appropriate:
1. The information requested;
  2. The reasons why the information sought will be of assistance and, if applicable, the relevant provisions that may have been violated;
  3. The purposes for which the information will be used;
  4. An indication of the urgency of the request, or the desired time period for the reply;
  5. An indication of any special precautions that should be taken in submitting a request to an Auditor, including the sensitivity of the information;
  6. To the best of the knowledge of the requesting Party, an indication of whether the information requested might be subject to further use or transfer under Article VI paragraph B or Article VIII paragraph E.

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<sup>1</sup> The PCAOB has informed CONSOB that it would be willing to pass on requests from CONSOB to an Auditor but that CONSOB may make requests for information directly to any Auditor without sending the request to or through the PCAOB.

<sup>2</sup> With respect to requests sent by the PCAOB to CONSOB in relation to Information in the hands of Auditor(s) in Italy, CONSOB has informed the PCAOB that any such request will be submitted by Consob to the Auditor under the cover of its own request letter.

## Article V. Execution of requests

- A. Each request for information shall be assessed on a case-by-case basis by the requested Party to determine whether information can be provided pursuant to this Statement and applicable law. In any case where the request cannot be met in full within the desired time period, the requested Party shall inform the requesting Party of the nature of the information being withheld and the reasons for its denial.
- B. Subject to paragraph C of this Article, the requested Party may refuse to act on a request where, for example:
  - 1. It concludes that the request is not in accordance with this Statement or would require the requested Party to act in a manner that would violate applicable laws, rules or regulations;
  - 2. It concludes that it would be contrary to the public interest of the requested Party's country for assistance to be given;
  - 3. The provision of information would adversely affect the sovereignty, security or public order of the requested Party's country; or
  - 4. Judicial proceedings have already been initiated in respect of the same actions and against the same Auditor(s) before the authorities of the country of the requested Party.
- C. In the event a Party refuses to provide requested information, the Parties will consult to determine if there are alternative ways to meet the requirements of the requesting Party. The Parties are aware that if the information is not provided, and the requesting Party determines that it cannot satisfy its regulatory obligations without the requested information, the requesting Party may take certain actions as allowed by its domestic laws, rules and regulations against the relevant Auditor(s) for refusing to provide the requested information.

## Article VI. Permissible Uses of Information

- A. The Requesting Party may use any non-public information, including unsolicited information, received in the course of

cooperation only as permitted or required by their respective authorizing statutes. This includes information received under this Statement that is reflected in documents created by either Party.

- B. If any Party intends to use information received in the course of cooperating for any other purpose than those stated under paragraph A, it must obtain the prior written consent of the requested Party on a case-by-case basis. If the requested Party consents to the use of information for any other purpose or for any purpose other than that stated in the original request under Article IV paragraph D, it may subject the use to conditions.

#### Article VII. Confidentiality

- A. Except as provided in Article VIII, each Party shall maintain as confidential all non-public information received in the course of cooperating, including requests for assistance, the contents of such requests, and consultations between the Parties. This includes information received under this Statement that is reflected in documents created by either Party. The obligation of confidentiality shall apply to all persons who are or have been employed by the Parties, involved in the governance of the Parties or otherwise associated with the Parties.
- B. With respect to any non-public information provided to the other Party, the Parties agree that:
  - 1. The requesting Party has established and will maintain such safeguards as are necessary and appropriate to protect the confidentiality of the information, including storing the information in a secure location when not in use.
  - 2. The requesting Party has provided to the other Party a description of its applicable information systems and controls and a description of the laws and regulations of the government of the requesting Party that are relevant to information access.
  - 3. The requesting Party will inform the other Party if the safeguards, information systems, controls, laws or regulations referenced in paragraph B.2 above change in a way that would weaken the protection for the information provided by the other Party.

## Article VIII. Exceptions to Confidentiality

- A. A Party may issue public inspection reports as permitted or required by the law of that Party's jurisdiction, including reports that identify the Auditor inspected and the inspection results, but do not identify the names of the clients reviewed.
- B. A Party may publicly announce sanctions imposed upon Auditors as permitted or required by the law of that Party's jurisdiction. Once having publicly announced any sanctions imposed on an Auditor that is located in the other Party's jurisdiction and subject to the other Party's authority, the Party shall give notice of the publication to the other Party.
- C. The PCAOB may share non-public information that the PCAOB has obtained in the course of cooperating under this Statement as follows:
  - 1. Upon the PCAOB's own initiative, any information obtained in connection with the PCAOB's audit regulatory functions, i.e., auditor oversight, quality assurance (including inspections), and investigations and discipline of auditors, that it considers relevant to: (i) the U.S. Securities and Exchange Commission's (SEC) oversight of auditors, or (ii) the SEC's oversight over the PCAOB.
  - 2. Upon request by the SEC, information shared for the purposes of: (i) the SEC's oversight of auditors, or (ii) the SEC's oversight over the PCAOB.
  - 3. Upon the PCAOB's own initiative, the PCAOB may share with the Attorney General of the United States or any state attorney general any information that it considers relevant to investigate or prosecute violations subject to criminal sanctions.
  - 4. For the sharing of information not covered under (1), (2) or (3) above, the PCAOB shall follow the procedure set forth below in paragraphs E and F of this Article.
- D. CONSOB may share non-public information obtained in the course of cooperating under this Statement with the entities covered under (1) and (2) below as follows:
  - 1. Upon its own initiative or upon request, CONSOB may share with the Italian Ministry of Economy and Finance any information obtained in connection with CONSOB's audit



regulatory functions, i.e., auditor oversight, quality assurance (including inspections), and investigations and discipline of auditors, that it considers relevant for the purposes of the Ministry of Economy and Finance's oversight of auditors, pursuant to Article 23 of Legislative Decree no. 39/2010.

2. Upon its own initiative or upon request, CONSOB may share with the public prosecutor any information that it considers relevant to investigate or prosecute violations subject to criminal sanctions pursuant to Article 4(10) of Legislative Decree no. 58/1998.
3. For the sharing of information not covered under (1) or (2) above, CONSOB shall follow the procedure set forth below in paragraph E and F of this Article.

E. Except as set out in paragraph C.1, C.2 and C.3 and in paragraphs D.1 and D.2 of this Article above, if the PCAOB intends to share with a third party any non-public information received in the course of cooperation as set forth in paragraph (2) below or CONSOB intends to share with a third party non-public information received in the course of cooperation as set forth in paragraph (3) below, the Party intending to share such information shall request the prior written consent of the Party which provided the Information and consult with that Party according to the following procedure:

1. The Party that intends to transfer this Information shall indicate the reasons and the purposes for which the information is to be transferred.
2. The PCAOB may share such Information only with those entities identified in section 105(b)(5) of the Sarbanes-Oxley Act, which states that these entities shall maintain such information as confidential and privileged.
3. CONSOB may share such Information only with those entities identified in Article 4(1) of Legislative Decree no. 58/1998 and Article 21 of Law no. 262/2005, as long as the intended recipient is legally obligated to maintain such information as confidential.
4. If the requested Party does not provide consent within a reasonable time, not to exceed 10 working days, the Party intending to transfer the information will consult with the requested Party and consider the objections of the other Party before deciding whether it will transfer the Information.

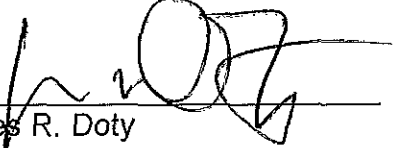
- F. Should a Party wish to share with a third party any non-public information received in the course of cooperation, other than as provided in paragraphs C, D and E of this Article VIII above, that Party must obtain the written consent of the Party which provided the information prior to any such sharing.

Article IX. Transfer of personal data


The transfer of personal data pursuant to this Statement is subject to the establishment of appropriate arrangements on the transfer of personal data.

Article X. Entry into effect, Expiration and Termination

- A. This Statement comes into force from the date of signature. It will have effect only during the period that a decision by the European Commission pursuant to Article 47 paragraph 1 of Directive 2006/43/EC in respect of the United States is also in force.
- B. The Parties may consult and revise the terms of this Statement by common consent, in particular in the event of a substantial change in the laws, regulations or practices affecting the operation of this Statement.
- C. This Statement may be terminated by either Party at any time by written notice to the other Party. After termination of this Statement, the Parties shall continue to maintain as confidential, consistent with Article VII, any non-public information provided under this Statement.

  
James R. Doty  
Chairman  
Public Company Accounting  
Oversight Board

Date: 11.23.16

  
Giuseppe Vegas  
Chairman  
Commissione Nazionale per le Società e la Borsa

Date: 21/06/2016