Transparency Report 2012

Ernst & Young Accountants LLP

The Netherlands

Quality In Everything We Do

Transparency Report 2012

Ernst & Young Accountants LLP, the Netherlands

Contents

Ernst & Young Accountants LLP

Ernst & Young Accountants LLP is registered in England and Wales with registered number OC335594 and has its registered office at 1 Lambeth Palace Road, London SE1 7EU, United Kingdom.
Ernst & Young Accountant LLP has its principal place of business at Boompjes 258, 3011 XZ Rotterdam, the Netherlands and is registered with the Chamber of Commerce Rotterdam, number 24432944.

Ernst & Young Accountants LLP holds a license from the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, AFM) for the performance of statutory audits (license number 13000742). This license is also valid for the performance of statutory audits for public interest entities ("Organisaties van Openbaar Belang", OOBs)

More information about Ernst & Young can be found in the Global Review on our website at www.ey.com

Letter from our Chairman

The world of auditing is full of debate and calls for change. In this context, we welcome the creation of the Dutch Code for Audit Firms (*Code voor Accountantsorganisaties*). At a time when the role of auditors and the quality of their work are still very much the subject of public scrutiny, our profession must show that it is willing to listen, willing to engage in dialogue and willing to change. The Code for Audit Firms is a testimony to our commitment to doing just that.

The main purpose of the Code is to help restore trust among our stakeholders. Society at large should be confident that the public interest of reliable, high-quality audits is always the auditors' number one priority. Against this background, the Code defines various principles for good internal governance by audit firms. It also exhorts audit firms to be transparent about their governance and to engage in a sustained, active dialogue with their stakeholders.

The Code was developed by the Netherlands Institute of Chartered Accountants (NBA, our professional organization); a similar code in the United Kingdom served as a source of inspiration. The Code is a key element of the NBA's Action Plan (*Plan van Aanpak*) published in late 2010. On 28 June 2012, eleven Dutch firms licensed to audit public interest entities (*Organisaties van Openbaar Belang*, OOBs) signed a covenant with the NBA and committed themselves to implementing the Code. These eleven firms include Ernst & Young and the other "Big Four". Our firm embraces the principles embodied in the Code and – to the extent they are not fully embedded in our processes already – we will implement them in our organization during fiscal year 2012/2013.

At Ernst & Young Accountants LLP, we continued our quality improvement efforts during fiscal year 2011/2012. Our "Investing in Quality" program picked up steam and several of its 32 individual projects have now been completed. With "Investing in Quality", we aim to improve both the technical capabilities and the quality-focused behavior of our partners and employees.

The results seen during the first year show that we are on track. The number of enquiries submitted to our Professional Practice Group (PPG) further increased, indicating a heightened awareness among our professionals of the need to consult the PPG in order to ensure high quality audits. During fiscal year 2011/2012, the results of both our Audit Quality Reviews (AQRs) and our Engagement Quality Reviews (EQRs) were better than in the previous fiscal year, although there is no cause for complacency: we can and should do even better.

Going forward, we want to focus our attention on achieving further quality improvements, rather than on continuing discussions relating to past disagreements with the AFM, our regulator. Further to its regular inspection in 2009, the AFM imposed two fines on our firm in fiscal year 2011/2012, related to our fulfilment of our duty of care and to our Compliance Officer function. We described the substance of these two topics in our Transparency Report for fiscal year 2010/2011. We have now decided to discontinue our appeal proceedings against the first one of these two fines and not to start appeal proceedings against the second one.

The reason for us to discontinue our appeal is that these two cases originate from three years ago. Our firm has changed since then and we agree with AFM that certain aspects should have been in place in 2009 also. We have implemented new procedures to bring our processes in line with the interpretations and requirements expressed by the AFM during its regular inspection in 2009, increased and improved our compliance office. We now want to move on and fully concentrate on further quality improvements. To the extent that different viewpoints between the AFM and our firm are still relevant for the performance of audits in the future, we will maintain a constructive dialogue. For example, the NBA will organize round table debates about the question to what extent an audit firm can rely on the work done by auditors from outside the firm but from inside its own international network. Although we may have different views on some of the matters noted by the AFM in its 2009 review, the bottom line is that both the AFM and our firm share the view that quality improvement is the basic and overall objective.

By accepting the two fines related to the 2009 regular inspection, only two cases remain outstanding with the AFM. Both cases are related to 2008 financial statement audits and in both cases the AFM has decided to bring proceedings against the individual auditor at the Disciplinary Council of Accountants and Auditors of the Netherlands (*Accountantskamer*, our profession's disciplinary tribunal). In these two cases, we uphold the audit opinions which were issued at the time.

Let me reiterate that we fully support external regulation and monitoring of the audit profession. Valuable suggestions by the AFM have been part and parcel of our quality improvement efforts over the last few years.

While we focus internally on further improvement of the quality of our services and their documentation in particular, we also engage proactively in the debate regarding the future of the audit profession in the Netherlands and Europe. There is a clear link between this internal quality effort and the external debate on the future of the profession. In our opinion, improving the quality of audits and of communication about audit results should be the yardstick used to measure all proposals aimed at changing the profession. Against this background, we believe some of the proposals put forward by EU Commissioner Mr Barnier will not contribute to the stated objectives.

From a quality perspective, we also believe that two amendments to the Dutch Audit Profession Act (*Wet op het accountantsberoep*) that were approved by the Lower House of the Dutch Parliament in the first months of 2012 are counterproductive. We take the view that mandatory audit firm rotation and a restriction of the services an audit firm can provide to an audit client to the degree as proposed in one of the amendments will be detrimental to audit quality. What is more, audit quality does not benefit from individual EU member states passing legislation that may not be in line or even conflict with EU legislation in the making.

We believe that other initiatives are having a much more positive impact on audit quality: oversight by the AFM and similar regulators elsewhere in and outside Europe, the implementation of the NBA's Action Plan , including the issuance of the Code for Audit Firms, the quality improvement programs of individual firms such as our own, a more prominent role of the non-executive Supervisory Board (*Raad van Commissarissen*) in a company's relationship with its auditor, and improved communications between financial institutions, their auditors and the Dutch Central Bank (*De Nederlandsche Bank*).

We will continue to participate in the debate on the future of the profession with stakeholders, politicians and the media. We will continue to communicate with our stakeholders and society at large, through this Transparency Report and through many other means. We embrace the need for change as described by the International Auditing and Assurance Standards Board (IAASB). The IAASB has published a proposal for "new" auditor's reports in order to create an informative auditor's report that delivers more value to an entity's stakeholders. These trends are in line with users' calls for a more transparent auditor's report.

Obviously, there are limits to our transparency. For example, the duty of confidentiality we have towards our audit clients does not allow us to be as transparent as we would like to be in presenting examples of how the quality of our work has a positive impact on financial statements. We must also consider the impact our public communication may have on pending or future legal proceedings brought against our firm or our auditors. But within these limits, we want to be open about our work, our efforts, our achievements and challenges, and our passion for quality.

Finally, I would like to direct a few words to all our stakeholders. Inside and outside our firm, fiscal year 2011/2012 was not the easiest of years from an economic and financial viewpoint. I would like to thank our clients, the investors in our clients who rely on our work and other stakeholders for their continued trust in our firm in these difficult circumstances. I am also very grateful to all our partners and employees for their continued professionalism, enthusiasm and hard work. With the trust of our clients and the dedication of our people, I am sure we will keep improving.

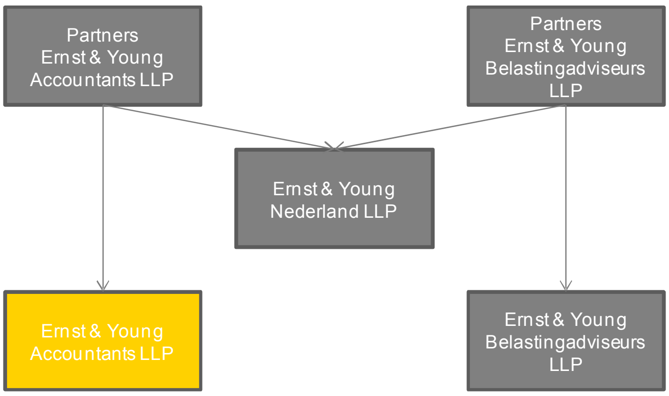
Rotterdam, 28 September 2012
Giljam A.M. Aarnink
Chairman Ernst & Young Accountants LLP

Legal structure, ownership and governance

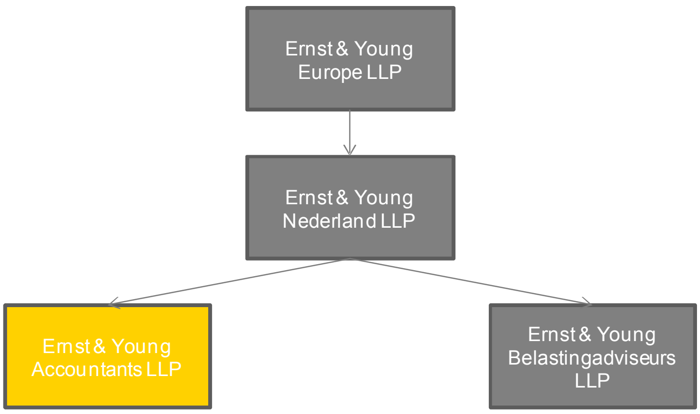
In The Netherlands the Ernst & Young audit firm operates through a UK Limited Partnership named Ernst & Young Accountants LLP. In this report, we refer to Ernst & Young Accountants LLP by its full name, or as the "firm", "we" or "us". We are a member firm of Ernst & Young Global Limited (EYG), the global governance entity of the international Ernst & Young network.

Ownership, control, organization

Ernst & Young Accountants LLP is owned by the private practice companies of our partners in The Netherlands ("members"). Apart from their stake in Ernst & Young Accountants LLP, our members are also co-owners of Ernst & Young Nederland LLP, together with the members of Ernst & Young Belastingadviseurs LLP. The members of our firm and of Ernst & Young Belastingadviseurs LLP are also co-owners of Ernst & Young Europe LLP, a UK limited liability partnership owned by members of EYG member firms in Europe. Our simplified ownership structure is illustrated below.



Ernst & Young Europe LLP has indirect control over our firm through Ernst & Young Nederland LLP. The simplified control structure is illustrated below,



As for our organization, Ernst & Young (EMEIA) Limited ("EMEIA Limited") is the principal governance entity for the EYG member firms in the EMEIA area – Europe, Middle East, India and Africa.

In the remainder of this chapter and the next – Network Arrangements – we provide more details about our organization, our governance, our governance bodies and our international network.

The network of Ernst & Young Accountants LLP operates from 15 offices in the Netherlands and consists of:

- Ernst & Young Nederland LLP
- Ernst & Young Belastingadviseurs LLP
- Ernst & Young Actuarissen BV
- Ernst & Young CertifyPoint BV
- Ernst & Young VAT Rep BV
- Ernst & Young Real Estate Advisory Services BV
- Stichting Ernst & Young Foundation

Ernst & Young Belastingadviseurs LLP has a strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP. Holland Van Gijzen is not part of the network of Ernst & Young Accountants LLP.

Ernst & Young Nederland LLP coordinates and facilitates Ernst & Young's activities in the Netherlands, but does not provide services to external clients. The economic profits of Ernst & Young Accountants LLP are distributed among partners through Ernst & Young Nederland LLP.

Governance

The Board of Directors of Ernst & Young Accountants LLP is responsible for the commercial, financial and reputational standing of the firm. The Board manages our firm's operational and financial effectiveness, its compliance with local and international professional standards and audit regulations, the implementation of our assurance strategy, methodology and tools, and the sufficiency of our resources. The four members of the Board of Directors of Ernst & Young Accountants LLP are elected by Ernst & Young Nederland LLP. The current Board members are Giljam Aarnink (Chairman), Jaap Hetebrij (Belgium/Netherlands Professional Practice Director), Jules Verhagen (Markets) and Michèle Hagers (Human Resources).

(Co-)Policymakers

During 2011/2012 the following persons were responsible for policymaking and co-policymaking (*beleidsbepalers* and *medebeleidsbepalers*) at Ernst & Young Accountants LLP.

Policymakers (Assurance Leadership):

- The four members of the Board of Ernst & Young Accountants LLP
- Patrick Rottiers and Martine Blockx, partners of the Belgium audit firm responsible for Assurance Enablement and Operations
- Rob Lelieveld, the Netherlands Financial Services (FS) leader

Co-policymakers:

- Pieter Jongstra, chairman of the Board of Directors of Ernst & Young Nederland LLP, and Kees van Boxel, member of the Board of Directors of Ernst & Young Nederland LLP
- Mark Otty, Managing Partner Europe
- Felice Persico, Assurance Leader Europe
- Victor Veger, Assurance Leader Europe FS
- Jean-Yves Jégourel, Professional Practice Director Europe (resigned as per 1 July 2012)

Board of Directors of Ernst & Young Nederland LLP

Ernst & Young Nederland LLP is governed by a Board of Directors elected by Ernst & Young Europe LLP. Current Board members are Pieter Jongstra (Chairman), Giljam Aarnink and Kees van Boxel. The Board provides coordinating leadership in order to optimize the shared course of business and practices of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP, and to promote their joint strategy.

EMEIA Area

Ernst & Young's EMEIA Area comprises EYG member firms in 93 countries in Europe, Middle East, India and Africa.

Ernst & Young (EMEIA) Limited ("EMEIA Limited"), an English company limited by guarantee, is the principal governance entity for the EYG member firms in the EMEIA Area. EMEIA Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG.

In Europe, a holding entity, Ernst & Young Europe LLP ("Ernst & Young Europe") was formed in conjunction with the EMEIA Area. Ernst & Young Europe is an English limited liability partnership, owned by partners of EYG member firms in Europe. It is an audit firm registered with the ICAEW but it does not carry out audits or provide any professional services. To the extent permitted by local legal and regulatory requirements, Ernst & Young Europe has acquired or will acquire control of the EYG member firms in the European countries in the EMEIA Area. Ernst & Young Europe is a member firm of both EYG and EMEIA Limited.

Ernst & Young Europe's principal bodies are:

Europe Executive
The Europe Executive effectively operates as the Board of Ernst & Young Europe. It has authority and accountability for strategy execution and management of its operations under four dimensions being People, Quality, Growth and Operational Excellence. It is comprised of the Europe Managing Partner, the Europe Chief Operating Officer, the leaders for Markets, People, Quality & Risk Management, the service line leaders for Assurance, Advisory, Transaction Advisory Services and Tax and all Sub-Area Managing Partners of the Sub-Areas in Europe.

Europe Advisory Council
Ernst & Young Europe has an elected Europe Advisory Council, which is composed of a number of partners of the EYG member firms in Europe. It serves in an advisory role to the Europe Executive on policies, strategies and other matters and its approval is required for a number of significant matters, e.g. appointment of the Europe Managing Partner, the financial reports of Ernst & Young Europe, and material transactions.

Network arrangements

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, 152,000 people in over 140 countries are united by shared values and an unwavering commitment to quality, integrity and professional scepticism. Ernst & Young makes a difference by helping its people, clients and wider communities achieve their potential. In today's global market, our integrated approach is particularly important in the delivery of high quality multinational audits, which can span multiple jurisdictions. In our report that follows, we set out core elements of our quality framework which support our seamless, high quality service delivery.

In this report, Ernst & Young refers collectively to the global organization of member firms of Ernst & Young Global Limited (EYG or Global), a UK company limited by guarantee. EYG is the central entity of the Ernst & Young network and coordinates the member firms and cooperation among them. EYG does not provide services. Its objectives include the promotion of the provision by its member firms of seamless, consistent, high-quality service, worldwide. Each member firm is a legally distinct entity. The member firms' obligations and responsibilities are governed by the regulations of EYG and various other agreements.

The member firms are grouped into four geographic Areas: Americas, Asia-Pacific, EMEIA (Europe, Middle East, India and Africa) and Japan. The Areas comprise a number of Sub-Areas, which are composed of member firms or sections of those firms.

Ernst & Young Accountants LLP is part of EMEIA, which comprises member firms in 93 countries. Within the EMEIA Area, there are 12 Sub-Areas. Ernst & Young Accountants LLP is part of the Belgium/Netherlands Sub-Area and part of the Financial Services Sub-Area.

The structure of the global organization reflects the principles that governance and management roles be separated and that Ernst & Young as a global organization has one shared strategy. EYG's principal global bodies include:

Global Advisory Council

The Global Advisory Council is the main advisory body of the global Ernst & Young organization. It comprises a number of member-firm partner-level professionals (referred to as "partners") drawn from across the four Areas and includes independent non-executive representatives ("INEs"). The partners, who otherwise do not hold senior management roles, are elected by their peers for a three year term, with provisions for one successive re – appointment. The INEs are nominated by a dedicated committee. The Global Advisory Council advises EYG and Ernst & Young on policies, strategies, and the public interest aspects of their decision making. The approval of the Global Advisory Council is required for a number of significant matters that could affect Ernst & Young.

Independent Non-Executive Representatives (INEs)

The UK Audit Firm Governance Code, which came into effect in 2010 and applies to Ernst & Young's UK business, required the addition of INEs to our governance body.

As individuals from outside Ernst & Young, the INEs bring to the Global Advisory Council and our global organization as a whole the benefit of significant outside perspectives and views. We draw on the experiences of high-level professionals with globally diverse backgrounds in regulation, business and public service. The INEs collectively enhance shareholder confidence in the public interest aspects of Ernst & Young's decision making, stakeholder dialogue and management of reputational risks.

Appointment

The INEs are nominated by the INE Nominating Committee comprising the Chairman of EYG, the Presiding Partner of the Global Advisory Council and other persons as the Chairman and the Presiding Partner in their discretion deem appropriate. The nominations require approval by the Global Executive and ratification by the Global Advisory Council.

Support

INEs are entitled to receive all necessary information about global affairs. To ensure the effectiveness of each INE, they receive full administrative support, and the cost of any independent professional advice that may be required is met.

Term

The term of an INE is three years with provision for one successive re-appointment at the behest of the INE Nominating Committee and the Global Executive.

Disagreements

Any disagreement with an INE would be resolved by mediation by the Chairman of EYG through a defined process of notification and consultation. In the event of an unresolved disagreement, the INE has the right to resign from the position.

Independence

We have considered the auditor independence standards as they apply to INEs in their role as members of the Global Advisory Council, and are satisfied they are met.

In June 2012, Ernst & Young Accountants LLP signed a covenant for the implementation of the Dutch Code for Audit Firms. We fully support the main objective of the Code: safeguarding the public interest in audit firms. Society at large must be confident that our audit reports are reliable. The Code describes the instruments for safeguarding the public interest, such as independence, quality and business integrity.

In particular, the Code will strengthen the governance of audit firms by introducing a public interest committee. The Code will also improve the accountability of audit firms. Currently, we are in the process of implementing the Code.

Global Executive

The Global Executive brings together the leadership of Ernst & Young functions, services and geographies. It is chaired by the Chairman and Chief Executive Officer of EYG, and includes its Chief Operating Officer; the Area Managing Partners; the global functional leaders — the Global Managing Partners of People, Markets, Quality & Risk Management and Operations and Finance; and the global service line Vice Chairs — Assurance, Advisory, Tax and Transaction Advisory Services as well as the Global Vice Chair for Public Policy. The Global Executive also includes a representative from the emerging markets practices.

The Global Executive and the Global Advisory Council approve nominations for the Chairman, Chief Executive Officer and the Chief Operating Officer of EYG and ratify appointments of Global Managing Partners. The Global Executive also approves appointments of Global Vice Chairs. The Global Advisory Council ratifies the appointments of any Global Vice Chair who serves as a member of the Global Executive. Furthermore, the Global Executive approves appointments of Area Managing Partners. Such appointments are subject to ratification by the Global Advisory Council.

The Global Executive's terms of reference include the promotion of the global objectives and the development, approval and, where relevant, implementation of:

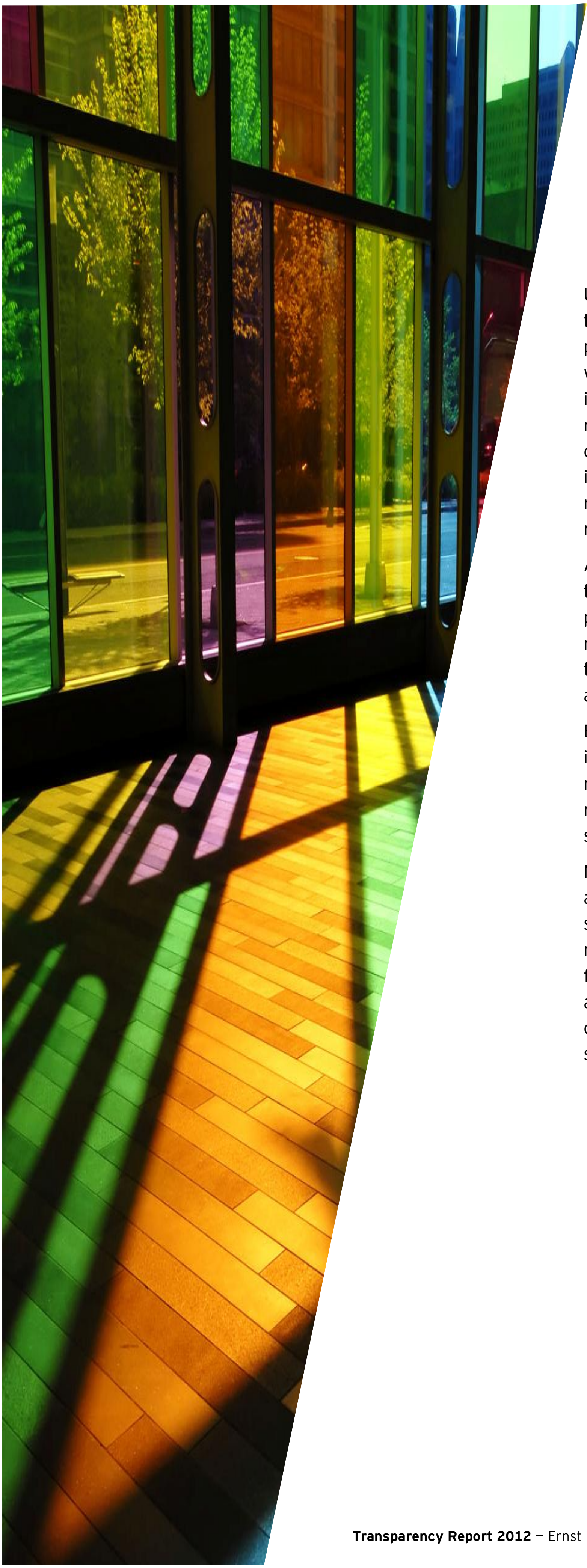
- Instilling professional values
- Global strategies and plans
- Common standards, methodologies and policies to be promoted within member firms
- People initiatives, including criteria and processes for admission, evaluation, development, reward and retirement of partners
- Quality improvement and protection programs
- Proposals regarding regulatory matters and public policy
- Policies and guidance relating to member firms' service of international clients, business development, markets and branding
- Business plans, development funds and investment priorities of Ernst & Young
- Annual financial reports and budgets of EYG
- Global Advisory Council recommendations
- The power to mediate and adjudicate disputes between member firms
- Any other proposal which supports the global objectives

Global Executive Committees

Chaired by members of the Global Executive and bringing together representatives from the four Areas, the Global Executive Committees are responsible for making recommendations to the Global Executive. There are committees for People, Quality & Risk Management, Markets, Operations and Finance, Assurance, Advisory, Tax, and Transaction Advisory Services.

Global Practice Group

This group brings together the members of the Global Executive, Global Executive Committees and Sub-Area leaders. The Global Practice Group seeks to ensure common understanding across member firms of Ernst & Young strategic objectives and consistency of execution across the organization.



Under the regulations of EYG, the member firms commit themselves to pursue Ernst & Young's objectives such as the provision of seamless, consistent, high-quality service, worldwide. To that end, the member firms undertake to implement the global strategies and plans and to maintain the minimum scope of service capability. They are required to comply with common standards, methodologies and policies including those regarding audit methodology, quality and risk management, independence, knowledge sharing, human resources and technology enablers.

Above all, EYG member firms commit themselves to conducting their professional practices in accordance with the applicable professional and ethical standards as well as with all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by our Global Code of Conduct and our Values.

Besides adopting the regulations of EYG, member firms enter into several other agreements covering aspects of their membership in the Ernst & Young organization such as the right and obligation to use the Ernst & Young name and the sharing of knowledge.

Member firms are subject to reviews that evaluate their adherence to EYG requirements and policies governing issues such as independence, quality and risk management, audit methodology and human resources. As necessary, special focus reviews are performed to address situations or concerns as they arise. Member firms unable to meet the quality commitments and other EYG membership requirements are subject to separation from the Ernst & Young organization.

Internal quality control system

Ernst & Young Accountants LLP's reputation for providing high quality professional audit services in an independent, objective and ethical manner is fundamental to our success as independent auditors. We continue to invest in initiatives to promote enhanced objectivity, independence and professional scepticism. These are fundamental attributes of a high quality audit.

At Ernst & Young Accountants LLP, our role as auditors is to provide assurance on the fair presentation of the financial reports of the company we audit. We bring together qualified teams to provide our services, drawing on our expertise across industry sectors and services. We continually strive to improve our quality and risk management processes so that the quality of our service is at a consistently high level.

We recognize that in today's environment — characterized by continuing globalization and the rapid movement of capital — the quality of our audit services has never been more important. Reflecting the strength of our commitment to delivering quality in everything we do, Ernst & Young has continued to invest heavily in developing the audit methodology, tools and other resources needed to support quality service delivery. While the market and stakeholders continue to demand high-quality audits, they also demand increasingly efficient and effective delivery of audit services. Ernst & Young continues to seek ways to improve the effectiveness and the efficiency of the audit methodology and processes, while maintaining audit quality. We work to understand where our audit quality may not be up to Ernst & Young's expectations and those of stakeholders including external audit firm regulators. We seek to learn from external and internal inspection activities and to identify root causes of quality occurrences for continuous improvement in audit quality.

Effectiveness of quality control system

Ernst & Young has designed and implemented a comprehensive set of global audit quality control policies and practices, as described herein. These policies and practices meet the requirements of the International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB). Ernst & Young Accountants LLP has adopted these global policies and procedures, and has supplemented them as necessary to comply with local laws and professional guidelines and to address specific business needs. We also execute the Ernst & Young Audit Quality Review (AQR) program and annually evaluate whether our system of audit quality control has operated effectively in a manner so as to provide reasonable assurance that Ernst & Young Accountants LLP and our personnel comply with applicable professional and Ernst & Young standards and regulatory requirements.

The results of the AQR program and external inspections are evaluated and communicated within Ernst & Young Accountants LLP to provide the basis for continuous improvement in audit quality, consistent with the highest standards in the profession.

The recent results of such monitoring, together with the recent feedback from independent regulatory inspection visits, provide Ernst & Young Accountants LLP with a basis to conclude that our internal control systems are designed appropriately and are operating effectively.

In this section, we describe our main risks and the various components of our audit quality control system:

- Instilling professional values
- Performing audits
- Review and consultation
- Internal and external accountability
- Audit quality reviews

> The public function is our key driver. This is about earning trust in the work we do. We focus on the right people, tools, support and continuous improvement. We act on this with a strong Tone-at-the-top, never compromising on quality or integrity.
>
> Jaap Hetebrij , Board Member and Sub-Area Professional Practice Director

Risk paragraph

Trust is key

Our firm services multiple markets, and our professionals have different backgrounds. Risks vary for each market and specialization. In all markets, our main risk is a loss of trust. The backbone of the audit profession is that society at large can rely on audit opinions. A loss of trust in the audit profession results in discomfort among stakeholders and actions beyond our control by regulators and lawmakers. Therefore, strengthening trust is essential, and we are actively contributing to achieve this, through our efforts to maintain and further improve the quality of our work and through our dialogue with our stakeholders.

A loss of trust can result in dissatisfied clients, a loss of clients, fines or even the loss of our license to operate. That is why maintaining high quality and following risk management procedures are our key controls. In these efforts, we leverage our membership of the global Ernst & Young network. We assess new regulations and translate them into guidance for our clients and our professionals. We make important investments to support and train our professionals in order to ensure that we can provide the quality we strive for.

Key risks are that we do not serve the right clients, we do not use the right people or we do not execute the right procedures appropriately.

The right clients

Serving the right clients requires that we thoroughly assess potential new clients and continuously monitor existing clients. For financial audit clients, a formal assessment is carried out each year, which addresses a wide range of questions to assess risks. Relevant changes during the year result in an adjusted assessment. Based on this assessment, we define our risk response, which for instance could result in an Engagement Quality Review being performed during the audit process, or adding specialists to the team. Our risk assessment of a new or existing client may also lead to us not accepting a prospective client or to the termination of an existing relationship. If a client is not willing to pay a reasonable fee to allow us to perform the audit at the level required, we will decline to enter into or to continue our relationship with that client.

The right people

Serving our clients with the right professionals means that we want to attract talented people, train them in classrooms and on the job, and deploy them in a way that allows them to develop themselves and join the teams in which their skills are required.

In the past few years, many areas of our profession were faced with new, more detailed regulations, which require specialists to join our teams. Many teams nowadays leverage IT specialists, actuaries and tax specialists.

Valuation specialists are involved more often every year, for example in audits in the real estate sector. These specialists have a background different from auditors; they need to be trained to assist audit teams in a way compliant with International Standards on Auditing (ISAs), both in what they do and in how they document their work.

Feedback is provided throughout the year and annually in our performance evaluation system and process. Quality is an important item in evaluating performance. Sub-standard quality performance directly impacts the overall performance rating, promotion opportunities and remuneration.

We must attract and retain talented, engaged people, even when our profession is under intense scrutiny and is subject to public criticism. People educated and trained at our firm are attractive prospective employees for many other organizations. It is therefore essential that the audit profession remains attractive in terms of work, public standing and rewards.

The right procedures and infrastructure

Performing the right procedures is supported by the tools referred to above and by a range of controls and dedicated units, including our Global Audit Methodology, our training programs, our Professional Practice Group and our consultation procedures. If and when necessary, consultation can be extended to a Sub-Area, Area or even global level.

In addition to controls, we perform an Audit Quality Review (AQR) on completed audit files. Within Ernst & Young, this review is performed globally every year. At least one file of each audit partner is subject to review at least every three years. An unsatisfactory outcome impacts the partner's earnings for the year and that partner's audit files will again be part of the sample during the next AQR cycle.

Quality & Risk Management in Assurance: our Professional Practice Group (PPG)

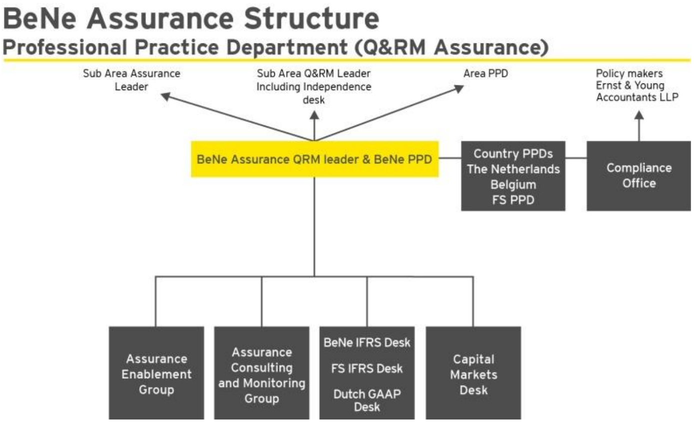
To ensure high-quality standards, independence and integrity throughout our organization and the entire audit chain, Ernst & Young has put various structures and procedures in place. Ernst & Young's Belgium/Netherlands Sub-Area has an overarching Quality & Risk Management department (Q&RM), which deals with issues that go beyond individual service lines, e.g. independence. In addition, each service line (Assurance, Tax, Advisory and TAS) has its own Belgium/Netherlands Q&RM function, which deals with quality and risk issues that are service line-specific. Our Financial Services Sub-Area has the same structure to support financial services professionals.

Within this overarching framework, the Belgium/Netherlands Assurance Q&RM function is performed by the Professional Practice Group (PPG), which is responsible for most Q&RM activities for this service line.

The PPG plays a key role in upholding the quality of the professional assurance services – including audits – that auditors at Ernst & Young Accountants LLP perform. Currently, Jaap Hetebrij is the Belgium/Netherlands Assurance Q&RM Leader and Belgium/Netherlands Professional Practice Director. He is a member of our firm's Board. Within the Belgium/Netherlands Assurance Q&RM function, the Dutch PPG deals specifically with issues affected by Dutch legislation, regulations, standards and requirements of the Dutch supervisor. Auke de Bos heads the Dutch PPG. In addition, in compliance with Dutch legislation, our Dutch firm has a Compliance Officer and a Compliance Office (CO), which are described separately elsewhere in this Transparency Report.

The PPG keeps all our partners informed of relevant international and national developments that affect the way in which audits must be conducted. It organizes regular training sessions for partners and employees. Furthermore, the PPG directs our Engagement Quality Reviews (EQR). The PPG must be consulted by an audit team in case of significant professional doubt; the judgment of the PPG in these cases is binding. Last but not least, the PPG can also be consulted by professionals from service lines other than Assurance, and it oversees initiatives in the field of risk management.

All in all, the entire Belgium/Netherlands PPG organization consists of more than 50 professionals, who dedicate all or a substantial part of their time to Assurance Q&RM activities, totalling over 55,000 hours per annum. These professionals include nine partners – eight of which are Dutch – and five executive directors. Within the PPG, various teams deal with specific tasks. The Assurance Enablement group supports the Assurance service line in their consistent application of the Ernst & Young Global Audit Methodology. The Assurance Consultation and Monitoring Group, the IFRS desk and the Dutch GAAP desk provide technical assistance and consultation regarding the application of auditing and accounting standards. Finally, the Capital Markets desk supports teams dealing with Initial Public Offerings or other financial market transactions.



The Compliance Office

The principal task of our Compliance Officer is to monitor that our firm, our partners and our employees comply with the rules laid down by or pursuant to Sections 13 to 24 of the Dutch Act on the Supervision of Audit Firms (*Wet toezicht accountantsorganisaties*) and maintain high standards of integrity. Our Compliance Officer - Nico Pul as from 1 October 2011 – reports to the policymakers as a direct report to Chairman Giljam Aarnink.

Ernst & Young's globally consistent structure determines that compliance tasks are allocated to other functions such as QRM (including Independence Desk), the PPG and the Legal Department. Following the principal task, arrangements between the Compliance Office (CO) and these other functions allow the CO to direct their efforts and with this to make use of their compliance-related efforts and findings. Their findings are reported to both the policymakers and the CO. In the past year, initiatives were taken to further formalize information exchange between the CO and the other functions referred to.

Among other tasks and based on an integrated risk analysis, the CO monitors the design, implementation and results of our firm's efforts in the area of quality management. For example, the CO monitors whether Engagement Quality Reviews (EQR) were executed for all our engagements where the law or our internal rules require them, and it verifies whether the EQR clearance was documented appropriately and finished on time.

The CO carries out a significant number of investigations into quality processes and controls, in order to assess and monitor the design and operating effectiveness of the safeguards for high standards of integrity, independence and quality within our organization. To the same end, it also performs topic or case driven investigations, such as an investigation started in 2012 regarding so-called SiSa reporting of municipalities (see the External Quality Assurance Review section in this Transparency Report). The office proactively seeks to either prevent compliance issues from arising or discover and remedy them at an early stage. Wherever feasible, the CO engages Ernst & Young managers and senior managers from outside its own office in these research projects to further instil the right values within our firm. Another important task of the CO is to head our annual Audit Quality Reviews (AQR) on a sample of audit files covering a wide range of quality checks as part of Ernst & Young's global AQR effort. AQR results are a reliable indicator of audit quality, including of audit teams' compliance with regulations and standards. They also provide insights that help us to determine where we can further improve our quality processes and controls.

Our Compliance Office consists of two full-time staff and three part-time staff, including the Compliance Officer and a deputy Compliance Officer. In 2012, the CO developed an integrated risk management framework to assess risk and risk management in an enhanced and structured manner. The framework will be finalized and implemented in 2012/2013.

The CO duly noted reports by the AFM into the audit profession and our firm, and our responses. This allows the CO to better understand the AFM's requirements regarding auditors and audit firms. In addition, the AFM provided further clarification in various meetings regarding their interpretation of auditing standards. The CO will take this clarification into account.

The CO pro-actively monitored our quality management through risk-based investigations. For example, in February 2012, at the request of our Assurance Management Team, the CO started an investigation after it had become clear that a Dutch housing corporation (not an EY client) suffered from financial distress due to its positions in financial derivatives. We reviewed a sample of our 2010 audits of housing corporations to assess audit quality and documentation in this specific area. The investigation was completed in August 2012 (see the External Quality Assurance Review section in this Transparency Report).

Instilling professional values

Tone at the top

Setting the right "tone at the top" is a key responsibility of our senior leadership team. We communicate to our people that quality and professional responsibility starts with them and is the most important thing they do every day. Our approach to ethics and integrity is embedded in our culture of consultation, our training programs and internal communications. Senior management regularly reinforces these expectations and the importance of performing quality work and complying with professional standards and our policies through varied forms of communication. Also, we assess quality of professional service as a key metric in evaluating and rewarding all professionals.

Our culture strongly supports collaboration and consultation and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters. We also emphasize the importance of determining that an engagement team and client have correctly followed consultation advice when necessary. Our internal message consistently has been that no single client is more important than professional reputation – the reputation of Ernst & Young Accountants LLP and the reputation of each of our professionals. "Quality In Everything We Do" is a message that we continually reinforce to our people and clients.

Investing in Quality

In early 2011, we started our "Investing in Quality" program to optimize our professional performance in three areas: professional skills, organization & control, and business process redesign. Through this program, we try to further improve our technical and behavioral skills. The program consists of 32 separate projects, several of which have now been completed. For example, one project further refined our uniform, standardized procedures in the audit process. These new procedures have been implemented and will be updated annually.

We have developed standard slide decks in another project as a tool to be used at meetings in our local offices to update and improve our technical professional skills and discuss areas and examples of good professional scepticism. For each functional category (partners, managers and directors; senior staff; junior staff), we have developed a separate deck. During and after use, these decks will be continuously improved and updated in tandem with the Quality Partners in our local offices.

We have also established a new communication channel to further improve the link between our Assurance Management Team, our partners and our other employees through periodical meetings. The first of these "Your Business" meetings took place in May 2012.

Information on some other "Investing in Quality" projects is provided in the "Continuing Education of Statutory Auditors" section in this Transparency Report.

Code of conduct

We promote a culture of integrity, as well as the performance of high-quality audits, among all Ernst & Young professionals. The Global Code of Conduct provides a clear set of the standards and behaviors that guide our actions and our business conduct.

It is organized into five categories containing principles that are to be followed by everyone within Ernst & Young Accountants LLP to guide behavior across all areas of activity:

- Working with one another
- Working with clients and others
- Acting with professional integrity
- Maintaining our objectivity and independence
- Respecting intellectual capital

Through our procedures to monitor compliance with the Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation.

We also have EY/Ethics, a global ethics hotline, to provide Ernst & Young people, clients and others outside of the organization with a means to confidentially report activity that may involve unethical or improper behavior that may be in violation of professional standards or otherwise inconsistent with the Global Code of Conduct. EY/Ethics is operated by external organizations that provide confidential and, if so desired, anonymous, hotline reporting services for companies worldwide.

The EY/Ethics hotline and complaints

Our policy is to avoid tensions and dissatisfaction among employees and to solve issues quickly if and when they occur. Nevertheless, all employees can submit a formal report through the EY/Ethics hotline, which will be followed up diligently (*Klokkenluidersregeling*). During this fiscal year, no internal reports were filed through the EY/Ethics hotline.

The EY/Ethics hotline is also open for external reports. In fiscal year 2011/2012, one external report was filed through our EY/Ethics hotline. This report concerned a complaint by a former client against an employee of Ernst & Young Accountants LLP. We investigated the report and took swift action to solve the problem to the satisfaction of the former client. Subsequently, the report was closed.

Through other channels, our firm occasionally receives comments, questions or complaints from clients, liquidators or other stakeholders. Items raised include different expectations regarding the assurance or services delivered, our invoices or the timeliness in the delivery of our services. Most issues are dealt with satisfactorily at the operational level, i.e. by the teams involved. More substantial comments, questions or complaints are always dealt with at a higher level in the organization, but there were only a few cases in the year under review. In rare occasions, we made a financial gesture. In one case, the client took the decision to terminate its relationship with us.

In addition to the Global Code of Conduct, specific anti-bribery and insider trading policies are in place.

Our values
Who we are

People who demonstrate integrity, respect and teaming.

People with energy, enthusiasm and the courage to lead.

People who build relationships based on doing the right thing.

During fiscal year 2011/2012, Ernst & Young Accountants LLP continued to insist on strict compliance with our Global Code of Conduct by our partners and other professionals. We expect them to live up to high standards of integrity and professionalism; we take action when they fail to do so.

Infringements

An infringement (*schending*) is recorded in case of a breach of certain formal internal or external regulations and rules. Ernst & Young Accountants LLP keeps a detailed register of all infringements by its partners and employees. These infringements vary widely as to their nature, seriousness and impact. Infringements are reported to our firm's Assurance Leadership and an evaluation takes place of whether procedures within the organization should be adapted and/or what measures should be taken against the infringing partner or employee.

The two most important categories of infringements are infringements of independence rules and infringements of rules and regulations regarding audits of financial statements. We provide information on independence-related infringements during fiscal year 2011/2012 in the "Independence practices" section of this Transparency Report. Examples of infringements relating to audits of financial statements are late filing of documents and the issuance of a formal audit opinion before the Compliance Office has been notified that the Engagement Quality Review is completed.

The table below indicates the number of infringements of external rules and regulations related to the quality or quality control of audits of financial statements during fiscal year 2011/2012. The breakdown by type of client concerns their qualifications under Dutch law: public interest entities (*Organisaties van Openbaar Belang*, such as listed and/or regulated clients), *wettelijke controle* (WeCo, financial statement audit required by law) and other audits of statutory financial statements (indicated below as non-WeCo). In total we perform over 6,500 audits annually.

Type of infringement at financial statement audits	OOB	WeCo/ non-OOB	non-WeCo	Total
Engagement Quality Review lacking	1	0	0	1
EQR notice after opinion release	1	1	1	3
Insufficient Audit Quality Review result	0	2	1	3
"Material" error undetected	1	1	0	2
"Immaterial error" undetected	0	1	0	1
Other	0	2	3	5
Total	3	7	5	15

Explanatory notes to the table:

- One WeCo client should have been changed to OOB status after it has issued certain debt securities, but this was not noted on time. As a result, an EQR was not performed on time, but only after issuance. The EQR confirmed the auditor's opinion issued.
- In three cases, the mandatory EQR notice was sent to the compliance officer late, i.e. the day after the auditor's opinion had been issued.
- Three engagements were labelled insufficient during our 2010/2011 AQR review.
- None of the errors detected after an auditor's opinion had been issued qualified as fundamental under Dutch law, two qualified as material under Dutch law and one as immaterial.
- The five other infringements related to non-compliance with specific audit standards or internal rules.

Not included in the table are infringements regarding archiving of audit files, which relates to the timeliness of an event after sign-off only. Archiving means that an electronic copy of the audit file is stored in our archive system, after which it is no longer editable/adjustable. For OOBs and other WeCos, external regulations prescribe the period within which audit files are to be archived (45-60 days after signing the auditor's opinion, depending on the applicable regime). In 2010, for quality and efficiency reasons, we set an internal deadline of ten days for all financial statement audits. Where justifiable and subject to approval by the PPG, a longer term may be applied. This deadline (or the approved longer term) was met for all OOBs.

Regarding non-OOB/WeCo's, we met the external rule of 60 days for 99% of the total audit files, as we did not meet the deadline for 38 files. As we were dissatisfied with this outcome, we implemented a weekly monitoring procedure. This procedure identifies engagements not filed after ten days. The engagement partner involved is contacted and the reasons causing the delay are assessed. Actions are agreed upon to ensure an appropriate archiving response as of that date.

Infringements regarding engagements other than financial statement audits mainly concerned two Standard 4400 reports – more widely distributed than allowed – and three undetected errors in special purpose annexes to financial statements ("SiSa" filings). We were dissatisfied by these results and have taken improvement measures to ensure the quality required as from the 2011 financial statement audits. One infringement regarding engagements other than financial statement audits, concerned an AQR 3 rating for a review opinion file, which was followed-up in a similar fashion as 3 ratings for financial statement audit engagements.

Incidents

Under Dutch law, we are obliged to inform the AFM immediately about any incident which might have serious consequences for the integrity of our operations. In June 2010, the AFM explained its interpretation of an "incident" in further detail. This interpretation is broad in scope and includes examples of risks that are not related to infringements nor to deficiencies in the quality of auditors' work. During fiscal year 2011/2012, we reported three incidents to the AFM. All three were related to cases in which media could potentially report about our client and refer to us as the auditors of that client. One of these cases related to a material error detected in the financial statements of the previous year, one related to a bankruptcy and one related to an official investigation in which we are not a party. We reported these cases proactively, as the AFM includes possible reputational risk in its definition of incidents. Moreover, we keep the AFM informed about our follow-up, discuss the results thereof with the AFM and report measures taken when applicable.

Performing audits

Audit methodology

The Ernst & Young Global Audit Methodology (EY GAM) provides a global framework for delivery of high-quality audit services through consistent application of thought processes, judgments and audit procedures in all audit engagements. One of the cornerstones of EY GAM is making (and reconsidering and modifying, when appropriate, throughout the audit) risk assessments and then determining the nature, timing and extent of audit procedures based on those risk assessments. EY GAM also places emphasis on the application of appropriate professional scepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in the Netherlands to comply with the local auditing standards and regulatory or statutory requirements.

EY GAM is organized into interdependent phases designed to focus on the client's business and financial statement risks and how those risks affect our audit of the financial statements. The methodology and guidance in GAM represents our comprehensive methodology and consists of three key components which are requirements, supplemental guidance, and supporting forms, templates and examples. The requirements reflect the typical flow of how Ernst & Young Accountants LLP executes an audit. The supplements provide the requirements and guidance for specific situations and circumstances that may arise during an audit. The forms, templates and examples include leading practice illustrations and assist in performing and documenting audit procedures.

Enhancements to the audit methodology are made on a regular basis as a result of new standards, emerging auditing issues and matters, implementation experiences and external and internal inspection results. For example EY GAM was rewritten in the recent past to incorporate new auditing requirements as a result of the issuance of new and clarified ISAs. In addition, we continually monitor current and emerging developments and issue timely audit planning and other reminders. These reminders emphasize areas noted during inspections as well as key topics of interest to the International Forum of Independent Audit Regulators (IFIAR) including professional scepticism, group audits, revenue recognition and engagement quality reviews.

EY GAM requires compliance with relevant ethical requirements, including independence from the company we audit.

Technology enablers

Numerous technology enablers are used by audit engagement teams to assist in executing and documenting the work performed in accordance with EY GAM. GAMx is our primary audit support tool that drives uniform execution of EY GAM and appropriate audit documentation, strengthening our ability to deliver consistent, high-quality audits. It provides linked access to knowledge databases (audit guidance and interpretations), professional standards, documentation templates and other tools necessary to execute and document a risk-based audit effectively. GAMx provides a team-collaboration environment that facilitates sharing information and the documentation of procedures and conclusions. GAMx also enables secure peer-to-peer communications so our people can work together as if they were in the same physical location. Audit engagement teams use other software applications, forms and templates during various phases of an audit to assist in making and documenting audit considerations and data acquisition and analysis functions.

Formation of audit engagement teams

Ernst & Young Accountants LLP's policies require an annual review of partner assignments by our Assurance leadership and Professional Practice Director (PPD) to make sure that the professionals leading listed company audits possess the appropriate competencies, i.e. the knowledge, skills and abilities to fulfil their engagement responsibilities, and are in compliance with applicable auditor rotation regulations.

The assignment of people to audit engagement teams is also made under the direction of our Assurance leadership. Factors considered when assigning people to audit teams include: competence, engagement size and complexity, specialized industry knowledge and experience, timing of work, continuity and opportunities for on-the-job training. For more complex engagements, consideration is given to whether specialized or additional expertise is needed to supplement or enhance the audit engagement team.

In many situations, internal experts are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining appropriate audit evidence. These professionals are used in situations requiring special skills or knowledge, such as information systems, asset valuation and actuarial analysis.

Review and consultation

Reviews of audit work

Ernst & Young policies describe the requirements for timely, direct executive participation on audits and various levels of reviews of the work performed. Members of the audit engagement team perform a detailed review of the audit documentation while engagement executives perform a second-level review. A tax representative reviews the significant tax and other relevant working papers. For listed and certain other companies, an engagement quality review partner (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the company we audit and our report thereon. The nature, timing and extent of the reviews of the working papers that are appropriate in a given instance depend on many factors, including the materiality, subjectivity and complexity of the subject matter; the ability and experience of the audit team member preparing the audit documentation; the level of the reviewer's direct participation in the audit work and the extent of consultation employed.

These policies also describe the roles and responsibilities of each audit engagement team member and the requirements for documenting their work and conclusions.

During this year, EY's guidance on accounting, auditing and financial reporting consultations was refreshed and re-issued for audit professionals.

Consultation requirements

Consultation requirements and related policies and procedures are designed to involve the right resources so that audit teams can reach appropriate conclusions on relevant accounting, auditing, reporting, regulatory and independence matters. Consultation is a part of the decision-making process, not just a process to provide advice. For complex and sensitive matters, we require consultation outside of the audit engagement team with other personnel who have more experience or specialized knowledge, primarily Professional Practice and Independence personnel.

Ernst & Young has a formal process for consulting on such complex and sensitive matters. Our policies also describe our requirements for documenting consultations, including the requirement to obtain written concurrence from the person consulted to demonstrate the consultant's understanding of the matter and its resolution.

Consulting the Professional Practice Group (PPG)

During fiscal year 2011/2012, the number of formal technical consultations with our PPG increased sharply. This increase occurred after an important communication effort by the PPG in which it stressed the importance of consultations as an instrument for quality improvement. As a result, the number of consultations on auditing standards, accounting, fraud and capital markets rose from 613 in 2010/2011 to 1,230 in 2011/2012. The 418 consultations referred to in the Transparency Report 2011 reflected Assurance consultations only. This year, the equivalent number was 951. Consultations with our Independence Desk are not included in these numbers. Informal consultations or inquiries are not included in these numbers either.

A Fraud Panel was set up within the PPG with effect from 1 March 2011 to deal specifically with consultations relating to possible fraud issues at clients. In setting up the Fraud Panel, we aim to improve procedures and policies within our firm with respect to fraud issues. This should allow us to deal more consistently with indications of fraud, reinforce support to our audit teams and explain our actions in this area more clearly to regulators and society at large. The Fraud Panel discussed 23 consultation requests in fiscal year 2011/2012.

The Fraud Panel follows the example of the Going Concern Panel set up in 2009 in the wake of the credit crisis in response to the increased risk of going concern problems at our clients. The number of consultations with the Going Concern Panel increased from 180 in fiscal year 2010/2011 to 255 in fiscal year 2011/2012, which is included in the numbers above.

Engagement quality reviews

Engagement quality reviews, performed by audit partners in compliance with professional standards, are required for audits of all listed companies and those considered to be higher risk. Engagement quality reviewers are experienced professionals with significant subject-matter knowledge, independent of the engagement team and able to provide a further objective evaluation of significant accounting, auditing and reporting matters. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual. The engagement quality review is an activity that generally spans the entire engagement cycle and is not limited to a review of the financial statements at the time of issuance of our report. Policies and procedures for the performance and documentation of engagement quality reviews, which were strengthened in the recent past to place more emphasis on this important quality feature, provide specific guidelines on the nature, timing and extent of the procedures to be performed. Our PPD reviews and approves all engagement quality review assignments for listed companies and those considered to be higher risk.

Our Engagement Quality Reviews in 2011/2012

EQRs (*Onafhankelijke kwaliteitsbeheersing*) are an important part of our quality control system. During an EQR, an audit professional from our firm who does not form part of the audit engagement team checks if significant matters in the audit have been resolved on or before the date of the auditor's report. To this end, the reviewer may evaluate significant risks identified during the audit and responses to these risks, important judgments made by the engagement team, adjusted and unadjusted misstatements identified and matters to be communicated to the client's management and the persons in charge of governance. Engagement auditors are not allowed to sign off on an engagement until the reviewing auditor has informed the Compliance Officer that he or she agrees with the engagement auditor's conclusions.

Our insistence on correct compliance with EQR procedures resulted in further improvements. During fiscal year 2011/2012, 718 EQR references were provided to the Compliance Officer. In one case, the audit team identified after sign-off that an EQR should have been performed. In three cases the auditor's opinion was issued before EQR clearance had been sent to the Compliance Officer (i.e. one day before).

In the Netherlands, EQRs are mandatory for *Organisaties van Openbaar Belang* (OOBs – Public Interest Entities). As of 1 July 2011, Ernst & Young's global policy is to perform EQRs for all OOBs and high-risk clients. At the same time, the scope and the contents of the EQR were increased.

We also performed EQRs at identified groups of clients. Examples include our ten major non-OOB clients, large municipalities, large pension funds and various state-owned entities.

In accordance with this policy, Ernst & Young Accountants LLP did not perform EQRs on moderate risk clients during fiscal year 2011/2012. Therefore, the total number of EQRs fell from 1,018 in fiscal year 2011 to 718 in fiscal year 2011/2012.

For moderate risk clients we performed a pre-issuance review instead – which is less detailed than an EQR – of the audits of our moderate risk clients during fiscal year 2011/2012. Based on the results of those pre-issuance reviews, we identified standard situations that require heightened attention of the audit engagement team. Based on these findings, we issued additional instructions to our audit engagement teams and discontinued the pre-issuance reviews for moderate risk engagements as of 1 July 2012. At the same time, technical consultation requirements were prescribed in more detail, which will allow teams to get appropriate clearance on the relevant topics in a different manner.

Audit engagement team disagreement-resolution process

We have a collaborative culture and encourage our people to speak up if a professional disagreement arises or they are uncomfortable about a matter having to do with a client engagement. Policies and procedures are designed to empower our people by requiring members of an audit engagement team to raise any disagreements that are considered to be material or that may affect our opinion on the financial statements being audited. Such policies are introduced at the entry level and reinforced thereafter to instil in our people both the responsibility and authority to require a thorough hearing and vetting of differing viewpoints.

Differences of professional opinion that arise during an audit generally are resolved at the audit engagement team level. However, if any individual involved in the discussion of an issue is not satisfied with the decision, he or she has both the right and the obligation to see that the issue is referred to the next level of authority. If the engagement quality reviewer makes recommendations that the engagement partner does not accept and the matter is not resolved to the reviewer's satisfaction, the report is not issued until the matter is resolved by following the appropriate consultative processes for resolution of professional differences. When a matter that goes beyond the audit engagement team is ultimately resolved, our policies require it to be documented in the same manner as described previously for consultations.

Document retention and data privacy

Ernst & Young Accountants LLP's record retention policy applies to all engagements and personnel. This policy emphasizes that all documents must be preserved whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceeding involving us or one of our clients that may relate to our work. The policy also addresses Dutch legal requirements applicable to the creation and maintenance of working papers relevant to the work performed.

Ernst & Young has a global policy on data privacy that sets out the principles to be applied to the use and protection of personal data, including that relating to current, past and prospective personnel, clients, suppliers and business associates. It provides a foundation for maintaining the privacy of all personal data used by Ernst & Young Accountants LLP.

Internal and external accountability

Audit partner rotation

Mandatory audit partner rotation is one of the measures that Ernst & Young supports to help strengthen auditor independence. We comply with the audit partner rotation requirements of the code of the International Ethics Standards Board for Accountants (IESBA) and the independence requirements of the Dutch Institute of Chartered Accountants (NBA), as well as the U.S. Securities and Exchange Commission (SEC) where required. Ernst & Young Accountants LLP supports audit partner rotation because it provides a fresh perspective and promotes independence from company management while retaining expertise and knowledge of the business. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls, and independent audit oversight help strengthen independence and objectivity and are important safeguards of audit quality.

For listed companies where rotation of the audit partner is not mandated by local independence regulation, or is less restrictive than the IESBA requirements, the Global Independence Policy requires the lead engagement partner and the engagement quality reviewer be rotated after seven years. For a newly listed audit client, the lead engagement partner and the engagement quality reviewer may remain in place for an additional two years before rotating off the team, regardless of the time they served prior to the listing. Following rotation, the partner may not resume the lead or engagement quality review role until a minimum of two years has elapsed.

To monitor requirements on partner rotation effectively, we have tools with which we track partner rotation. We also have implemented a process for partner rotation-planning and decision-making that involves consultation with and approvals by our Professional Practice and Independence professionals.

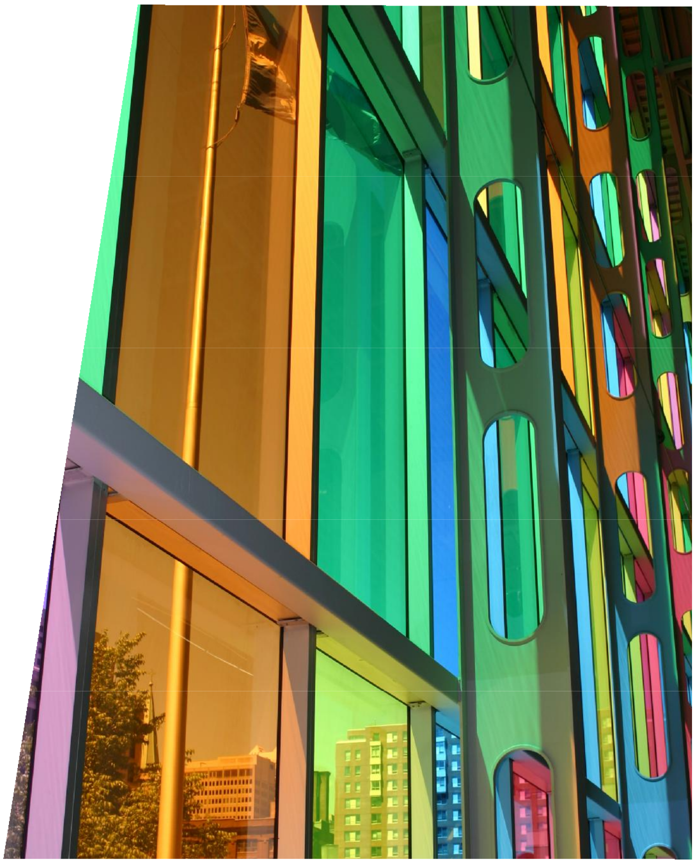
Last year external auditors rotated on 34 engagements out of 228 engagements regarding to which audit rotation rules apply. Sometimes, we rotate an auditor for other reasons than mandatory rules. In one case, for example, the rotation was the consequence of a possible business combination of two clients where the same partner acted as auditor. The partner rotated off one of the engagements pro-actively to avoid a potential conflict of interest. In one other case, for example, one of our auditor decided pro-actively to rotate off an engagement as the audit client made a substantial change in its business model and an auditor with different expertise was considered more appropriate going forward.

Client acceptance and continuance

Ernst & Young's client acceptance and continuance policy sets out principles to determine whether to accept a new client or a new engagement, or to continue a relationship with an existing client. These principles are fundamental to maintaining quality, managing risk, protecting our personnel and meeting regulatory requirements.

The objectives of the policy are to:

- Establish a rigorous process for evaluating risk and making decisions to accept/continue clients or engagements
- Meet applicable independence requirements
- Identify and deal appropriately with any conflicts of interest
- Identify and decline clients that pose excessive risk
- Require consultation with designated professionals to identify additional risk-management procedures for specific high-risk factors
- Comply with legal, regulatory and professional requirements



We dedicate significant time and resources to the strict implementation of our client acceptance and continuance policies. Of all audit engagements accepted and continued, we considered 1% to be "High Risk", 19% to be "Moderate Risk" and 80% to be "Low Risk"; of all OOB audit engagements these percentages are 7, 68 and 25 respectively.

Five audit engagements were terminated by the client during the audit process. Two of them followed bankruptcy, one related to a receivership status, one resulted from a technical discussion regarding the qualification of the client as personal holding and one opted for cost saving reasons to change to the audit firm already providing certain advisory services.

In addition, the global conflicts policy forms the framework for the client and engagement acceptance and continuance process as far as it relates to conflicts of interest. It defines categories of conflicts of interest as a global standard as well as a process for identifying potential conflicts of interest.

Furthermore, the global conflicts policy includes provisions for managing conflicts of interest, which have been identified by that process, as quickly and efficiently as possible, through the use of appropriate safeguards. Such safeguards range from obtaining the relevant clients' consent to act for two or more clients, to member firms declining an engagement in order to avoid an identified conflict.

The Global Tool for Acceptance and Continuance (GTAC) is an intranet-based system for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and member firm policies. GTAC takes users step-by-step through the acceptance and continuance requirements and connects to the resources and information needed to assess both business opportunities and associated risks.

The client acceptance process involves a careful consideration of the risk characteristics of a prospective client and several due-diligence procedures. Before we take on a new engagement or client, we determine if we can commit sufficient resources to deliver quality service, especially in highly technical areas, and that the services the client wants are appropriate for us to provide. The approval process is rigorous, and no new listed audit engagement may be accepted without the approval of our PPD.

In our annual client continuance process, we review our service delivery and ability to continue to provide quality service and confirm that clients share Ernst & Young Accountants LLP's commitment to quality and transparency in financial reporting. The partner in charge of each audit, together with our Assurance leadership, annually reviews our relationship with the audit client to determine whether continuance is appropriate.

As a result of this review, certain audit engagements are identified as requiring, and are then subjected to, additional oversight procedures during the audit, and some audit clients are discontinued. As with the client acceptance process, our PPD is involved in the client continuance process and must concur with the continuance decisions.

Both client acceptance and client continuance decisions depend on, among other things, the absence of any perception that a company's management pressures the audit engagement team to accept inappropriate accounting and reporting or uses financial pressures to undermine audit quality. Considerations and conclusions on the integrity of management are essential to acceptance and continuance decisions.

Audit quality reviews

The global Audit Quality Review (AQR) program is a cornerstone of Ernst & Young's efforts to maintain and improve audit quality. Ernst & Young Accountants LLP executes the global Audit Quality Review (AQR) program, reports results and develops responsive actions plans The primary goal of the global AQR program is to determine whether systems of quality controls, including those of Ernst & Young Accountants LLP, are appropriately designed and followed in the execution of audit engagements to provide reasonable assurance of compliance with policies and procedures, professional standards and regulatory requirements. The global AQR program complies with guidelines in the International Standard on Quality Control No. 1, as amended (ISQC No.1) and is supplemented where necessary to comply with Dutch professional standards and regulatory requirements. The AQR program also aids Ernst & Young Accountants LLP's continual efforts to identify areas where we can improve our performance or enhance our policies and procedures.

The global AQR program is implemented annually and is coordinated and monitored by representatives of the PPD network, with oversight by the Global Q&RM network.

The engagements reviewed each year are selected on a risk-based approach emphasizing audit clients that are large, complex or of significant public interest. The AQR program includes detailed, risk-focused file reviews covering a large sample of listed and non-listed audit engagements to measure compliance with internal policies and procedures, EY GAM requirements and relevant local professional standards and regulatory requirements. In addition, practice level reviews are performed every three years to assess compliance with quality control policies and procedures in the functional areas set forth in ISQC No. 1.

The AQR program complements external practice monitoring and inspection activities, such as regulatory inspection programs and external peer reviews.

Dutch Audit Quality Review results for the year

In 2011/2012, Ernst & Young Accountants LLP 's AQR encompassed the inspection of 59 audit engagements. In

2011/2012, 97% of the engagements inspected internally by Ernst & Young Accountants LLP were rated as having no material findings or deficiencies. Whether there are material or minor findings or deficiencies, Ernst & Young Accountants LLP looks at the findings or internal and external inspections to identify root causes, develop action plans and seeks to improve audit quality.

The professionals who serve as AQR reviewers and team leaders are selected based on their skills and professional competence in both accounting and auditing as well as their industry specialization. Additionally, team leaders and reviewers frequently work in the AQR program over a period of several years and possess a high level of skill in the execution of the program. Team leaders and reviewers are assigned to inspections outside of their home location, partially come from abroad, and are independent of the audit teams reviewed.

Results of the AQR program and external practice-monitoring and inspection activities are evaluated and communicated so that quality improvement actions can be taken at the appropriate level. Measures to resolve audit quality issues noted from the AQR program, regulatory inspections and peer reviews are addressed by our Assurance leadership and our PPG. The actions identified are monitored by our PPG. These programs provide important practice monitoring feedback for our continuing quality improvement efforts.

Over the past two fiscal years, the outcomes of the Dutch AQRs were as follows:

	2011/2012		2010/2011	
1 rating	45	76%	54	65%
2 rating	12	21%	26	31%
3 rating	2	3%	3	4%
Total	59	100%	83	100%

- 1 rating – There were no or minor findings
- 2 rating – The findings were more than minor but less than material
- 3 rating – There were material findings

The overall results of the AQR 2012 program have improved compared to last year. Nevertheless, the results also indicate that there is still room - and a need - for further improvement. We will continue our efforts to ensure compliance with statutory rules and with our high quality standards in all aspects of the audit. The message our leadership is continually sending to our partners and staff regarding the importance of *quality in everything we do* is part of this effort.

The main findings from the 2011/2012 AQR relate to insufficient compliance with policies and procedures. There is room for improvement, especially in the area of documentation. We noted that, while audit procedures had been performed, documentation did not always satisfy our requirements. Compared to fiscal year 2010/2011, however, we have improved the quality of documentation in our audits, in part due to suggestions in this area from the AFM, our Dutch regulator. No relevant findings were noted for any of the selected engagements for AQR that had also been subject to an EQR. 14 out of 15 EQR reviewed engagements selected were rated 1 in AQR (93%); the other one was rated (a better) 2.

Two "non-OOB" engagements were given a 3 rating, one of them not being an audit required by law ("non-WeCo"). In one engagement, we found insufficient audit evidence regarding inventory valuation, which should have led to an emphasis of matter paragraph in the auditor's opinion. Findings in the other engagement concerned insufficient audit evidence regarding a portion of revenues as well as substandard documentation in some parts of the files. Each partner who receives a 3 rating is invited to a disciplinary meeting with management and will be submitted to an AQR in the next fiscal year. When partners are given a 3 rating, it will negatively impact their remuneration. In case of a 2 rating, this may be the case. Our PPG will analyze whether immediate remedial action is needed for 2 and 3 rated engagements. Furthermore, the audit partners involved are required to prepare a Remedial Action Plan (RAP) in which relevant actions aimed at improving their performance are to be included. The RAPs are submitted to the Country Professional Practice Director (PPD) for approval.

During fiscal year 2011/2012, fewer audit engagements were subject to an AQR than in the previous fiscal year. Each partner is subjected to an AQR at least once every three years. However, the number of individual partners may vary from year to year, also depending on the offices selected for review.

In addition to the audits inspected of partners in the regular AQR, our Compliance Officer also selects additional partners for AQR inspection, based on a risk analysis. This risk analysis takes into account any signals that might indicate potential quality issues. The results of these additional inspections – not included in the table above – are also reported to the policymakers. These inspections did not result in any additional 3 ratings. Relatively more 2 ratings resulted, however. They will be followed up in the same way as other 2 ratings, as described above.

The overall outcome of the AQRs from fiscal year 2009/2010 had resulted in a Quality Improvement Plan (QUIP). After an analysis of the 2010/2011 results, we decided to continue this plan. A QUIP-based checklist provides all audit teams with reminders of points for attention, as well as best audit practices. The items of the checklist must be implemented in all engagements and their implementation must be documented. In order to further foster high-quality audits, "mini-AQRs" were organized during fiscal year 2011/2012. They comprise an internal review of the quality of the interim reports produced during an audit. The aim is to pro-actively review quality before the audit opinion is issued.

External quality assurance review

Ernst & Young Accountants LLP's audit practice and its registered external auditors are subject to supervision by the AFM. As part of its regular inspections, the AFM evaluates our quality control systems and reviews selected engagements. The AFM also performs topic-related investigations (*themaonderzoeken*) and case-specific investigations following incidents such as the bankruptcy of an audit client. We are also subject to other inspections, e.g. by the Board for Quality Research (*College Kwaliteitsonderzoek*, CKO) from our Dutch professional association NBA.

AFM - regular inspection 2009 and its aftermath

The most recent regular inspection by the AFM took place in 2009. This inspection dealt with financial statement audits in the years 2007 and 2008 in the financial services, automotive and real estate sectors. In December 2010, the AFM sent us it final report on this regular inspection. In our Transparency Reports for 2010 and 2011, we reported extensively on this inspection and our dialogue with the AFM regarding its main conclusions.

In November 2011, as a result of the 2009 inspection, the AFM informed us of its decision to impose two administrative fines, one for neglect of our duty of care and one for the way in which the roles of the Compliance Officer and the Compliance Office had been defined and implemented in our firm. The first fine was €54,450, while the second was €217,810. We have now decided to discontinue our appeal proceedings against the first one of these two fines and not to start appeal proceedings against the second one. We decided to move on and fully concentrate on further quality improvements. We agree with AFM that some of the current procedures at our firm should have been in place in 2009. Over the last few years, not only have we implemented these new procedures to bring our processes in line with the interpretations and requirements expressed by the AFM during its regular inspection in 2009. We also increased our compliance office.

To the extent that differing viewpoints between the AFM and our firm are still relevant to the performance of audits in the future, we will continue a constructive dialogue. For example, the NBA will organize round table debates about the question to what extent an audit firm can rely on work performed by auditors from outside the firm but from inside its own international network. Although we may have different views on some of the matters noted by the AFM in its 2009 review, the bottom line is that the AFM and our firm share the view that quality improvement is the basic and overall objective.

AFM - topic-related review "Incentives for quality"

In the first half of 2011, the AFM carried out the "Incentives for quality" (*Themaonderzoek "Prikkels voor kwaliteit"*) review, a topic-related review among all Dutch audit firms holding an OOB license. The purpose of this review was twofold. First, to collect information regarding threats to auditors' independence and the way the firms deal with those threats. Second, to gauge the role which different factors, especially quality, play in the assessment, remuneration, promotion and sanctioning of external auditors at those firms. The AFM's main objective was to collect information and explore these two topics, rather than identify individual and specific infringements of current regulations and legislation.

The AFM published the report on its review in October 2011. As for auditors' independence, the AFM reported that, in general, audit firms complied with independence rules. The AFM also concluded that there were many areas and cases in which there is no exact legal or regulatory framework that defines how auditors and audit firms ought to act to safeguard their independence. In these instances, according to the AFM, due to the lack of clear and more restrictive rules, it solely comes down to the judgment of auditors and their firms how they should best guarantee their independence.

Regarding the assessment, promotion, remuneration and sanctioning of external auditors, the AFM performed 46 case studies. It found that the weight attributed to the "quality of external audits performed" aspect in the assessments of external auditors differed for each firm. It also found, however, that the majority of audit firms holding an OOB license clearly take quality aspects into account when deciding on assessment, promotion, remuneration and sanctioning. The AFM also stated that it had been unable to identify the weight attributed to commercial aspects – client acquisition, cross-selling, entrepreneurship – in comparison with quality aspects in the assessment and remuneration of external auditors.

An overall conclusion of the AFM was that new, clear and more restrictive rule-making is warranted for these two areas, without going into detail with regard to the substance of potential new rules. At Ernst & Young, we acknowledge the importance of independence and we have many procedures in place to guarantee the independence of our firm and our auditors. We do not favor new legislation or regulation in this area, especially if new laws or regulations were to be limited to the Netherlands. We believe the international level is best suited to specific initiatives regarding independence and we consider current and future proposals in this area from the NBA to be most relevant and valuable input for such international debate.

As regards quality, we explicitly take quality into account in assessing and remunerating our auditors and we reward people for good quality. We sanction people if the quality of their performance fails to satisfy our high standards. Such sanctions range from a discussion with the board in which the required standards are clearly explained to a cut in remuneration or even suspension of the auditor's right to perform statutory audits.

Regarding the AFM's findings at Ernst & Young during its "Incentives for quality" review, the AFM sent us a letter in September 2011, summarizing our processes and procedures regarding the two topics investigated and setting out how we apply them in practice. Our overall conclusion from that letter, the report and our discussions with the AFM regarding "Incentives for quality" is that our procedures regarding independence are solid. Nevertheless, we decided to follow-up on some of the valuable suggestions and best practice methods described by the AFM to further improve our procedures. This resulted in the following initiatives:

- The issuance of a new independence checklist
- The preparation of a new "fee disclosure" report
- The issuance of a slide deck for reporting to those charged with corporate governance-related responsibilities in our firm
- The review of all continued engagements in GTAC by our central Q&RM group to further improve data consistency

Apart from these specific initiatives, we provided feedback regarding "Incentives for quality" to all Assurance executives during our 2011 Summer Course.

AFM investigations and initiatives regarding specific audits
Closed investigations

We consider the AFM's investigation into a 2006/2007 audit, as referred to in our Transparency Report 2011, to be closed without any consequences for our firm.

Disciplinary proceedings

As DSB Bank's external auditor, Ernst & Young expressed an unqualified opinion on the company's 2008 financial statements in June 2009. A few months later, the bank went bankrupt. This prompted the AFM to launch an investigation into the external audit of the bank's financial statements. As a result of its investigation, the AFM filed a disciplinary complaint (*tuchtklacht*) against the external auditor with the Disciplinary Council of Accountants and Auditors of the Netherlands (*Accountantskamer*). The Council heard the case in March 2012. At the time of writing, the Council has not communicated its decision.

Our firm also reviewed the audit files, and we concluded that our auditor performed his tasks appropriately and that the unqualified opinion was correct. External factors may cause a company's circumstances to change rapidly, unexpectedly and dramatically. Therefore, an unqualified opinion issued by an external auditor on a certain date can never be an absolute guarantee that the company cannot go bankrupt during the next twelve months.

In another disciplinary case, in July 2012 the AFM informed us of its decision to file a complaint with the Auditors' Chamber (*Accountantskamer*) against an auditor of our firm. The AFM complaint is related to an investigation by the AFM conducted in the period 2009 – 2011 into a specific audit. We expect that this case will be handled by the Auditors' Chamber in December 2012.

Derivatives held by Housing Corporations ("Woningcorporaties")

In May 2012, the AFM asked the Big Four audit firms, including Ernst & Young, to review their audit files with respect to derivative financial instruments held by Dutch housing corporations. At the same time, the AFM launched its own investigation into the quality of the 2010 audits by the Big Four audit firms, including our firm, of derivatives held by housing corporations.

Prompted by the recent financial problems of a number of Dutch housing corporations, our firm had already commenced an internal review of the quality of our external audits of such corporations, with a focus on the audit of financial derivatives. This review was performed under the direction of our Compliance Office.

23 out of 70 housing corporation audit clients held derivative positions at 31 December 2010. We investigated a sample of 10 audit files and found that all 10 held derivative positions for risk reduction purposes only. Although, overall, the quality of the 2010 audits relating to derivatives was adequate, we noticed areas for improvement that will be addressed. We shared our findings with the AFM.

AFM is investigating audit quality regarding housing cooperatives, the quality controls of the firms under review and especially the quality of the internal reviews in this respect. It is our understanding that, later this year, the AFM will issue a general (i.e. not firm-specific) report on its investigation into the audits of derivatives held by housing corporations.

General observations

We are currently unable to go into more detail than set out in the foregoing where cases currently dealt with by the Disciplinary Council are concerned, owing to the legal sensitivities involved and the personal aspects of these pending cases.

While we may differ with the AFM on specific issues, we wish to reiterate that we fully support external supervision of the audit profession in general and the work of the AFM in particular. The inspections of the AFM contribute to increased professional scepticism and higher audit quality. We have taken many valuable suggestions from the AFM on board and we have adopted our processes and procedures accordingly. In cases where the AFM raises questions regarding possible failure by our auditors to comply with certain external or internal rules, we always investigate these instances. Where appropriate, we take disciplinary measures against the auditors involved.

Other external quality assurance reviews

CKO

In November 2011, the NBA's Board for Quality Research (*College Kwaliteitsonderzoek*, CKO) assessed whether our framework of quality control for audit and audit-related engagements was designed and operated in accordance with the legal requirements. To this end, it reviewed 26 non-statutory audit engagements performed by a total of 21 partners and executive directors of various Dutch Ernst & Young offices. In its final conclusions, the CKO confirmed that the quality of the work performed was sufficient in all 26 engagements. For a few engagements, the CKO suggested some minor points in which we can improve either our activities or the documentation of our work. Our Board, our Compliance Officer and our Professional Practice Group have followed up on these suggestions, e.g. by organizing workshops for partners and directors at various offices.

Dutch Ministry of Finance

Dutch municipalities and provinces have extensive reporting requirements to the Dutch Ministry of the Interior and Kingdom Relations (*Ministerie van Binnenlandse Zaken en Koninkrijksrelaties*) regarding specific government grants they receive. To streamline information provision and reporting and to ensure an efficient process, "Single Information, Single Audit" (SiSa) reporting procedures are used. SiSa results in the attachment of a detailed annexe to municipalities' financial statements, which is subject to external audit. Our firm performs such audits for 140 municipalities and provinces. The internal audit department of the Dutch Ministry of Finance performed an investigation into the SiSa annexes of a number of municipalities, including eight audited by our firm.

This audit by the Ministry of Finance concluded that in one annexe audited by our firm an error was not detected or, at least, not adjusted. A subsequent investigation by our Compliance Office revealed two additional errors in two other SiSa annexes. The errors related to spending by the municipalities that should have been included in the SiSa annexes but was not. We were dissatisfied by these results and have taken improvement measures to ensure the quality required as from the 2011 financial statement audits.

Independence practices

Ernst & Young independence policies and processes are designed to enable Ernst & Young in The Netherlands and our professionals to comply with the independence standards applicable to specific engagements, including, for example, the independence standards of the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC) and the applicable Dutch regulations. All professionals and certain other employees are required to participate in annual independence learning, to help maintain our independence from the companies we audit. The goal is to help our people understand both their personal and Ernst & Young Accountants LLP's obligations to be free from interests that might be regarded as being incompatible with objectivity, integrity and impartiality in serving an audit client.

We consider and evaluate independence from several relevant perspectives, including the financial relationships of both our Firm and professionals, employment relationships, business relationships, the permissibility of non-audit services we provide to audit clients, partner rotation, fee arrangements, Audit Committee pre-approval where applicable and partner remuneration and compensation.

A professional's failure to comply with applicable professional independence requirements will generally factor into promotion and compensation decisions, and may lead to other disciplinary measures.

We have implemented Ernst & Young global applications, tools and processes to support us, our professionals and other employees in complying with independence policies.

Global Independence Policy

Ernst & Young's Global Independence Policy contains the independence requirements for member firms, professionals and other employees. It is a robust policy predicated on the IESBA independence code, with more stringent requirements where prescribed by a given regulator. The Global Independence Policy also contains helpful supplementary guidance on a wide range of topics to aid professionals and other employees in applying the independence rules. The Global Independence Policy is readily accessible through the intranet on our Global Independence Community Homespace (CHS).

Global Independence System

Ernst & Young's Global Independence System (GIS) is an intranet-based tool that helps us, our professionals and other employees determine the listed entities from which independence is required and the independence restrictions that apply to each one. Most often these are listed audit clients and their affiliates, but they can be other types of attest or assurance clients. The tool includes family-tree data relating to affiliates of the listed audit client and is updated periodically by client-serving engagement teams. The entity data includes notations that indicate the independence rules which apply to each entity so our professionals can readily see both the entity and the independence notations. GIS is frequently used by our professionals to determine the type of services that can be provided to the client based on the independence notations.

Global Monitoring System

Ernst & Young's Global Monitoring System (GMS) is another important global tool that assists us and our professionals in identifying proscribed securities and other impermissible financial interests. Professionals of manager rank or higher are required to report the securities, which they or their immediate family members hold, into the GMS. When an individual enters a proscribed security into GMS, the individual will receive a notice and be required to dispose of the security. Identified exceptions are reported through the Global Independence Incident Reporting System (GIIRS) for regulatory matters.

GMS also facilitates annual and quarterly confirmation of compliance with Ernst & Young independence policies, as described in greater detail below.

Independence compliance

EYG has established a number of processes and programs aimed at monitoring the compliance with independence requirements of Ernst & Young professionals and member firms. These include the following activities, programs and processes:

Independence confirmations

Annually, each member firm and its associated entities are included in an Area-wide process to confirm compliance with the Global Independence Policy and requirements and to report identified exceptions, if any.

All Ernst & Young professional personnel and certain others based on their role or function are required to confirm compliance with Ernst & Young independence policies and procedures no less than annually. All partners are required to confirm compliance quarterly.

Timely and accurate completion of annual and quarterly independence confirmations is a high priority for the responsible leadership teams.

Global Independence Compliance Team

Ernst & Young's Global Independence Compliance Team (GICT) conducts an array of testing and member firm visits to assess compliance with several independence matters, including reviewing for non-audit services, business relationships with the companies we audit and financial relationships of member firms.

Furthermore, the GICT establishes the annual program for testing compliance with personal independence confirmation requirements and with reporting of information into GMS.

We confirm that the GICT completed an internal review of independence compliance during this fiscal year. No significant matters were noted in our test cycle.

Independence monitoring

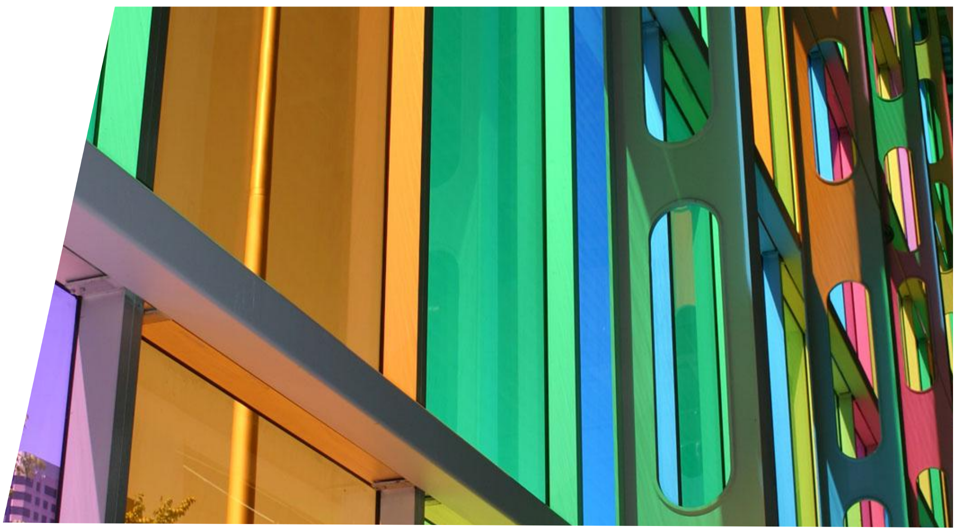
Our Belgium/Netherlands Central Quality & Risk Management (*Q&RM*) group deals with cross-service line Q&RM matters in both countries. Among other tasks, it monitors compliance with relevant independence requirements. The Independence Desk is managed by our Sub-Area Independence Leader Piet Hemschoote. The central Q&RM team deploys approximately 30 FTEs that serve all professionals and service lines of both countries. In addition to its various key control functions, Central Q&RM handles all independence-related consultation requests in our sub-area and receives, on average, some 5,000 independence-related email inquiries annually in the Netherlands alone. Those that require consultation with subject matter experts are discussed with Area and Global resources.

Q&RM's key controls and monitoring procedures cover the following areas: monitoring independence training and independence confirmations, recording personal financial interests in the Global Monitoring System (GMS) held by professionals at the level of manager and above, testing compliance with Q&RM policies, including client and engagement acceptance and independence assessment of non-audit services, business relationships, directorships, gifts and hospitality and data quality control in our systems.

Our independence monitoring activities enabled all of our partners and other professionals to complete mandatory training on the new independence policy and confirm their independence through our annual confirmation process (quarterly for partners).

Compliance with the requirements of GMS is monitored through our Personal Independence Compliance Testing (PICT) program, which is designed to cover both partners and other executives (directors and (senior) managers). Our sample sizes vary from year to year and are to ensure that all partners are tested at least once every three years. 92 partners were tested in the period covered. While our 2011/2012 test results at the partner level were positive overall, they indicated the need for improvement in terms of timeliness of administrative follow-up, and we have taken action in response to these findings. PICT testing for partners revealed a smaller number of formal violations with internal policies, such as late entry in our monitoring system of non-prohibited listed investments and the use of incorrect ISIN codes. The findings did not result in independence breaches as they were limited to investments held by partners outside the audit firm who were not involved in audits for clients of which they held securities.

Our testing for other executives revealed a need for improvement with respect to timely and complete reporting of securities, notably with respect to certain securities related to other financial products such as mortgages or long term benefit arrangements. The findings did not result in independence breaches as they were limited to investments held by professionals who were not involved in audits for clients of which they held securities.



Compliance with Q&RM policies, including acceptance of non-audit services, is managed through our Compliance Teams. In addition to the reviews by the Global Independence Compliance Team (GICT), Ernst & Young has a local compliance review process in place. All tests performed through the local compliance review process are reviewed by the EMEIA Compliance Team. The most recent review of the EMEIA Compliance Team took place in June 2012 and included testing of our control done by BeNe Q&RM on the compliance with our policies and procedures; it did not reveal significant matters nor reportable events as defined by the AFM. Findings of both the local and the global compliance programs are reported to the sub area Leadership Team and, when appropriate, to the Dutch Compliance Officer. Our local compliance team has also monitored the Fee Disclosures for OOBs.

We have been reviewing business relationships entered into by Ernst & Young for several years. We generally track, on average, some 800 active business relationships. All of them have been subject to a documented review by the Independence team. Directorships of all Dutch professionals are monitored through a dedicated database. All confirmations provided by Dutch Professionals are reviewed and approved if authorized by our policies. Additional monitoring through public records exists for all partners and executive directors. Indeed, on a yearly basis our Q&RM organization searched public records to assess whether any Partner or Assurance Director holds a position that was potentially not disclosed. Gifts and Hospitality arrangements are reviewed by our central Q&RM team whenever the value of the gift or hospitality is estimated to be over € 750.

Our Data Quality monitoring enables us to determine that data supporting independence compliance is correctly reflected in our systems. During the 2011/2012 round of monitoring acceptance and continuance of clients and engagements, our Data Monitoring Group ("DMG") expanded its use of exception-based reports to improve the quality of our core data available throughout our systems.

Non-audit services

Compliance with professional standards governing the provision of non-audit services to audit clients is designed to be achieved through a variety of mechanisms including the use of GTAC (as described on pages 20 and 21) and SORT (as described on the next page), training, tools and required procedures completed during the performance of audits and our internal inspection processes.

Global independence learning

EYG develops and deploys a variety of independence learning programs within Ernst & Young.

The annual independence learning program covers our independence requirements focusing on recent changes to policy, as well as recurring themes and topics of importance. The annual independence learning must be completed by professionals and certain other personnel. Timely completion of annual independence learning is required and is monitored closely.

In addition to the annual independence learning program, there are numerous other independence learning programs or content such as in the new hire program, certain milestone programs and core service line curricula.

Service Offering Reference Tool

We assess and monitor our portfolio of services on an ongoing basis, confirming that they are permitted by law and professional standards, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. When appropriate, we exit or restrict services that could present undue independence or other risks. The Service Offering Reference Tool (SORT) provides our people with information about our service offerings. SORT includes guidance around which services can be delivered to audit and non-audit clients, and independence and other risk management issues.

Business Relationship Evaluation Tool

We oversee compliance with business relationships independence requirements through our Business Relationships Evaluation Tool. Our Firm, our professionals and other employees are required to evaluate and obtain approval of potential business relationships with an audit client in advance so that our business relationships are consistent with applicable independence professional standards.

Audit Committees and corporate governance

In addition to our internal applications, processes and tools that enable compliance with Independence rules and policies, Ernst & Young recognizes the important role audit committees and similar corporate governance bodies play in the oversight of auditor independence. Empowered and independent audit committees play a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest. Ernst & Young is committed to robust and regular communication with our clients' audit committees or those charged with governance. Our compliance with required audit committee communications as well as mandatory pre-approval of services, where applicable, is monitored through our systems and processes and is tested by our quality review programs all of which are described elsewhere herein.

Continuing education of statutory auditors

Recruitment and hiring

A strategic objective is to attract and build life-long relationships with talented audit professionals. We are proud of our people culture, and we are committed to doing even more to advance our people's development.

Recruiting for the Assurance practice is performed primarily on university campuses and supplemented, when necessary, by hiring people with prior work experience. We aspire to have a leading people culture everywhere in the world. Creating a culture that attracts, retains and develops outstanding people, leads to higher quality service.

Candidates are evaluated based on the following competencies:

- Technical skills and knowledge
- Intellectual competence
- Leadership skills
- Team/personal skills
- Motivation
- Communication skills
- Administrative skills

On 30 June 2012, Ernst & Young Accountants LLP had 1,849 employees on a full-time basis (1,903 on 30 June 2011). Of these employees 1,398 FTE worked for our Assurance Service Line (1,466 FTE or 78% on 30 June 2011). On 30 June 2012, we had 138 FTE partners (140 on 30 June 2011). Of these 138 partners, 101 worked for our Assurance Service Line (100 on 30 June 2011). 33 Executive Directors worked for our Assurance Service Line (32 on 30 June 2011).

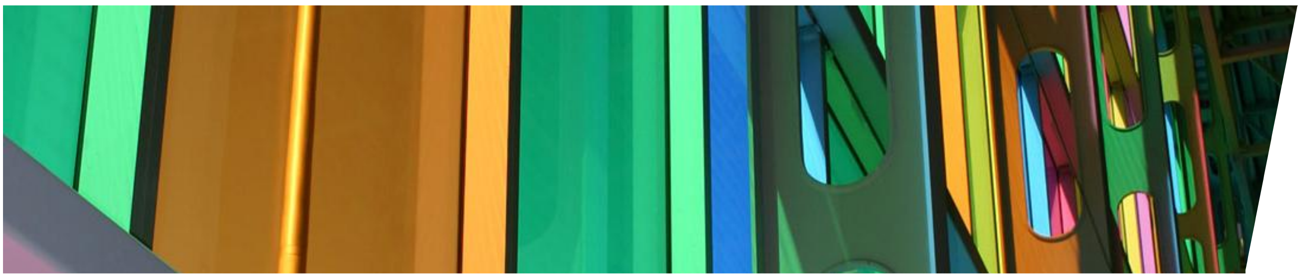
The turnover rate, i.e. the number of employees that left Ernst & Young Accountants LLP expressed as a percentage of the total number of employees, was 19%. For the Assurance service line, this rate was 18%.

Professional development

Following its launch we continue to deploy EYU, Ernst & Young's globally consistent career development framework. Through EYU, we provide our people with opportunities for the right experiences, learning and coaching to help them grow and achieve their potential.

EYU expands the commitment to coaching via various forms of counseling and mentoring, from the moment people are recruited through the various phases of their careers.

The learning component of EYU is based on an extensive and globally consistent learning curriculum that helps all of our people develop the right technical and personal leadership skills wherever they are located around the world. The core audit training courses are supplemented by learning programs that are developed in response to changes in accounting and reporting standards, independence and professional standards, and emerging practice issues.
We require our audit professionals to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a three-year period. Of these hours, 40% (eight hours each year and 48 hours over a three-year period) must cover technical subjects related to accounting and auditing.



Summer Executive Courses, our Executive Academy and "Investing in Quality" Projects

Our Summer Executive Courses are the basic compulsory training courses for our executives. During fiscal year 2011/2012, 600 executives attended these courses. In fiscal year 2012/2013, we expect this number to be around 560. During fiscal year 2011/2012, separate courses were provided for IFRS and NL GAAP updates and for professional scepticism (our firm's roll-out of the mandatory NBA training), as well as updates and training regarding audit standards and tools. Our Assurance Leadership Team was closely involved in the definition of the program. Besides our Summer Executive Courses, we continued our Executive Academy: three-hour sessions are held several times a year at all major local offices of Ernst & Young Accountants LLP in the Netherlands. They allow us to rapidly bring current issues to the attention of all our auditors. The Executive Academy sessions, too, are compulsory. The various subjects are introduced and taught by our internal Ernst & Young subject-matter specialist, including independence. Wherever possible, we present subjects in the form of dilemmas that may occur in our auditors daily practice.

For fiscal year 2011/2012, the number of hours budgeted for training was almost 390,000. The fiscal year 2011/2012 budget for out-of-pocket expenses relating to accommodation, training courses, training material, etc. was €6.2 million.

Various projects within our "Investing in Quality" program also deal with aspects of continuing education. In one of the education-related projects, we re-evaluate the contents and teacher quality of our educational curriculum in order to define and implement suggestions for improvement. In another "Investing in Quality" project, we try to improve our knowledge and practice of talent management; in yet another one, we try to refine the evaluation and remuneration models in order to further improve the retention rate among our professionals. In this project and in fiscal year 2012/2013, we will also explore how we can promote active coaching within our firm. Related to this project are projects dealing with questions such as how to facilitate flexible working - e.g. time and location independent and part-time - and a specific project on coaching, counselling and individual development prompted by our objective that all our professionals continuously meet our high audit quality standards. More information on "Investing in Quality" can be found in the separate text box in the "Instilling Professional Values" section of this Transparency Report.

In addition to formal learning, professional development occurs through coaching and experiences our professionals receive on the job. Coaching helps to transform knowledge and experience into practice. Experienced professionals are expected to coach and develop less experienced personnel to create a continual learning environment.

Performance management

A comprehensive performance management process requires our people to set goals, have clear work expectations, receive feedback and talk about their performance. The Performance Management and Development Process (PMDP) is designed to help our people grow and succeed in their careers. Under the PMDP, periodic job performance reviews are combined with annual self-appraisal and annual reviews. As part of the annual review process, each professional, in conjunction with his or her counselor (an assigned, more experienced professional), identifies opportunities for further development. Professionals and their counselors are guided by a set of firm wide expectations that articulate the knowledge, skills and behaviors that should be maintained and developed for the respective rank. These expectations are derived from and aligned with our global strategy and values.

Litigation during fiscal year 2011/2012

Disciplinary cases

During fiscal year 2011/2012, disciplinary cases were brought against two of our external auditors before the Disciplinary Council of Accountants and Auditors of the Netherlands (*Accountantskamer*). In both cases, as well as in the case that was brought against one of our auditors in fiscal year 2010/2011, we await Disciplinary Council's decision. Another disciplinary case is still pending at the Trade and Industry Appeals Board (*College van beroep voor het bedrijfsleven*).

In July 2012, i.e. after the our 2011/2012 fiscal year was closed, two disciplinary cases were brought before the Disciplinary Council. One of these is set out in the "External Quality Assurance Review" section of this Transparency Report. The other relates to a matter raised against another partner in a situation where the partner in question did not represent our firm. These cases are in their early stages and they could last several years.

Claims under civil law

During fiscal year 2011/2012, one case was settled and proceedings halted. In four other pending cases, the courts have not rendered their decisions yet. These cases may take several years.

This fiscal year, one new civil proceeding was brought against a former partner of our firm. Ernst & Young Accountants LLP itself was not summoned to appear in court in this case. No new cases under civil law were brought against the firm in fiscal year 2011/2012.

General remarks

We are currently unable to go into more detail than set out in the foregoing where cases currently dealt with by the Disciplinary Council are concerned, owing to the legal sensitivities involved and the personal aspects of these pending cases.

Financial information

The financial information presented below for Ernst & Young Accountants LLP refers to the financial year ended on 30 June 2012. This financial information represents combined not consolidated revenues and includes expenses billed to clients and revenues related to billings to other EYG member firms. Also, revenue amounts disclosed herein include revenues from both audit and non-audit clients.

Revenue presented in the tables below is in accordance with our management information. Other Assurance Services revenue includes accounting and financing services, risk related services including internal controls, internal audits, technology and security, Sarbanes-Oxley (SOX) compliance, actuarial, fraud and forensics, and other attestation services. Other Non-Audit Services revenue includes transaction, valuation, performance improvement, restructuring and other advisory related services.

The Assurance Service Line's total revenue is broken down into two categories:

- Assurance
- Assurance-related

Assurance revenue consists of statutory audits and other assurance. Other assurance includes non-statutory audits, financial statement-related audits, corporate responsibility audits and review, and financial statements reviews.

Assurance-related revenue consists of compilation, financial accounting advisory services, fraud investigation and dispute services, and other assurance-related services.

Other assurance related services include agreed-upon procedures, risk-related services (including internal controls), internal audits, technology and security, Sarbanes-Oxley (SOX) compliance, and assurance services other than audit or review of historical financial information.

Statutory audit and other assurance revenue represents 80% of total assurance revenue.

Revenue includes intercompany eliminations for Ernst & Young member firms forming part of Ernst & Young Nederland LLP. The financial information shown below provides a breakdown of total revenue according to different types of clients: OOB statutory audit clients, non-OOB statutory audit clients, assurance clients for which we perform non-statutory audits, assurance clients for which we perform assurance-related services, and other clients (i.e. non-audit clients). The table shows that for audit clients the majority of revenue is generated through assurance and assurance-related services.

Breakdowns of revenue

Entity (€000)	2011/ 2012	%	2010/ 2011	%
Statutory audits	196,980	63	196,074	62
Other assurance	52,849	17	62,743	19
Audit and other assurance	**249,829**	**80**	**258,817**	**81**
Compilation	25,593	8	27,589	9
Financial accounting advisory services	5,937	2	2,400	1
Fraud investigation and dispute services	3,536	1	4,005	1
Other assurance-related	28,248	9	25,104	8
Total assurance-related	**63,314**	**20**	**59,098**	**19**
Assurance	313,143	100	317,915	100

Entity[1] (€000)	2011/ 2012	%	2010/ 2011	%
Assurance	313,143	52	317,915	53
Other service lines	81,889	14	74,221	12
Ernst & Young Accountants LLP - total	395,032	66	392,136	65
Ernst & Young Belastingadviseurs LLP	193,453	32	195,941	33
Ernst & Young Nederland LLP and subsidiaries[2]	10,773	2	13,635	2
Total	599,258	100	601,712	100

[1] The breakdown in the table is based on the engagement revenues of the various legal entities and, therefore, differs from the revenue breakdown by service line shown in Note 6.1 of the consolidated financial statements Ernst & Young Nederland LLP that is based on the revenue generated by the people of the various managerial service lines.

[2] Ernst & Young Actuarissen BV, Ernst & Young VAT Rep BV, Ernst & Young CertifyPoint BV.

2011/2012 (€000)	Statutory audit services	Other assurance services	Total assurance services	Assurance-related services	Advisory and transaction advisory services	Tax advisory services	Other non-audit services	Total
Audit clients - statutory audit - WeCo/OOB	53,330 64%	1,012 1%	54,342 65%	9,972 12%	10,875 13%	5,311 7%	2,864 3%	83,364 100%
Audit clients - WeCo/non-OOB	143,650 57%	5,351 2%	149,001 59%	16,680 7%	21,651 9%	61,777 24%	2,026 1%	251,135 100%
Assurance clients - non-WeCo		46,486 69%	46,486 69%	5,553 8%	3,232 5%	11,400 17%	953 1%	67,624 100%
Assurance clients - assurance-related				31,109 49%	12,839 20%	18,898 30%	392 1%	63,238 100%
Other clients					33,292 25%	96,067 72%	4,538 3%	132,897 100%
Total	196,980	52,849	249,829	63,314	81,889	193,453	10,773	599,258

2010/2011 (€000)	Statutory audit services	Other assurance services	Total assurance services	Assurance-related services	Advisory and transaction advisory services	Tax advisory services	Other non-audit services	Total
Audit clients - statutory audit - WeCo/OOB	54,142 65%	3,645 4%	57,787 69%	7,941 10%	7,236 9%	5,563 7%	4,213 5%	82,740 100%
Audit clients - WeCo/non-OOB	141,932 59%	8,453 3%	150,385 62%	12,715 5%	19,791 8%	56,693 24%	1,622 1%	241,206 100%
Assurance clients - non-WeCo		50,645 67%	50,645 67%	5,718 7%	4,443 6%	13,511 18%	1,506 2%	75,823 100%
Assurance clients - assurance -related				32,724 46%	18,152 26%	18,961 27%	430 1%	70,267 100%
Other clients					24,599 19%	101,213 77%	5,864 4%	131,676 100%
Total	196,074	62,743	258,817	59,098	74,221	195,941	13,635	601,712

Partner remuneration

Quality is at the center of our business strategy and a key component of our performance-management systems. Partners and other professionals are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results.

The Global Partner Performance Management (GPPM) process is a globally consistent evaluation process for all partners in Ernst & Young member firms around the world. It reinforces the global business agenda by linking their performance to wider goals and values. GPPM is an ongoing cyclical process that includes goal setting, personal development planning, performance review and recognition and reward. It is used as the cornerstone of the evaluation process to document partners' goals and performance. A partner's goals are required to reflect various global priorities, one of which is Quality.

We prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-assurance services to their audit clients. This reinforces to our partners their professional obligation to maintain our independence and objectivity.

Specific quality and risk management performance measures have been developed to take account of:

- Technical excellence
- Living our values as demonstrated by behaviors and attitude
- Demonstrating knowledge of and leadership in quality and risk management
- Compliance with policies and procedures
- Compliance with laws, regulations and professional duties
- Contributing to protecting and enhancing the Ernst & Young brand

Our partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured by the GPPM process. Partners are assessed annually on their performance in quality service delivery, leading people, operational excellence and market leadership and growth. To recognize different market values for different skills and roles, and to attract and retain high-performing individuals, the following factors are also considered when calculating total reward: seniority, role and responsibility, long-term potential and mobility.

Instances of non-compliance with quality standards result in remedial actions, which may include compensation adjustment, additional training, additional supervision, or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from our Firm.

An important part of our partners' quality assessment is based on information resulting from our Audit Quality Reviews (AQRs) and input provided by the Compliance Office, the Independence Desk, the Professional Practice Group and the Legal Department.

This results in a separate quality rating that is part of the GPPM process on a scale of 1 to 5 as indicated in the table below. This process is completed annually by the end of October. The overall rating cannot exceed the quality rating by more than 1.

When performing below expectation, especially on quality, assurance partners are no longer entitled to performance awards and their profit shares in principle can even be reduced by 5% to 15%. Four of our assurance partners registered as external auditor incurred a downward adjustment on their remuneration due to their quality performance. The maximum penalty amounted to 13% of the partner's profit share, which was a result of poor performance on quality.

Quality rating results as part of GPPM were:

Quality rating	2011/ 2012	%	2010/ 2011	%
1 - Did not meet expectations	0	0	0	0
2 - Certain improvements needed	5	5	5	5
3 - Met our high expectations	53	51	49	46
4 - Exceeded our high expectations	38	36	44	42
5 - Significantly exceeded our high expectations	8	8	7	7
Totals	104	100	105	100

Outperforming partners can be granted performance awards up to 25%. In order to be entitled for performance awards, quality must meet our standards or be above standard (quality rating 3 or higher). Each year on average 40-50% of the partners are granted awards for their performance.

Statement of policymakers

The policymakers confirm their responsibility for designing and maintaining the system of quality control. In conformity with Ernst & Young's guidelines and regulations, reviews were held, focusing on the effectiveness of the systems of quality control, during and after the fiscal year ended 30 June 2012. The AQR (Audit Quality Review) 2012 report and reports of the Compliance Officer were discussed in the meeting of 10 September 2012 of the policymakers and the Compliance Officer. That date is considered the date of the review of the system of quality control. The Transparency Report was adopted in the meeting of the Assurance Management team on 28 September 2012, where the input of all policymakers was discussed and agreed.

Based on the outcome of the reviews and reports referred to above and reporting by the Compliance Office and other departments during the year, the policymakers confirm the following:

- This report provides an accurate and general description of the system of quality control, and the system is effective.
- Internal supervision has been carried out with respect to compliance with laws, independence regulations and other professional regulations.
- Ernst & Young Accountants LLP pursues an effective policy for the structured maintenance of the basic knowledge of its employees and partners and keeping up to date on developments in their respective fields.

Rotterdam, 28 September 2012

Giljam Aarnink

Martine Blockx

Michèle Hagers

Jaap Hetebrij

Rob Lelieveld

Patrick Rottiers

Jules Verhagen

Appendix: Public interest entity audit clients

In the financial year ended on 30 June 2012, Ernst & Young Accountants LLP performed statutory audits of the following public interest entities:

Adecco International Financial Services B.V.

AEGON Bank N.V.

AEGON Levensverzekering N.V.

AEGON N.V.

AEGON Schadeverzekering N.V.

AEGON Spaarkas N.V.

Akbank N.V.

Algemene Friese Onderlinge Schadeverzekeringsmaatschappij "Zevenwouden" U.A.

AMG Advanced Metallurgical Group N.V.

Anderzorg N.V.

Anthos Bank B.V.

Ares Euro CLO I B.V.

Ares European CLO II B.V.

ASTARTA Holding N.V.

Azivo Zorgverzekeraar N.V.

Bank Mendes Gans N.V.

Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.

BCR Finance B.V.

Beter Bed Holding N.V.

BinckBank N.V.

BNP Paribas Fund II N.V.

BNP Paribas Fund III N.V.

Brit Insurance Holdings N.V.

CELF Loan Partners B.V.

Chagoi 2010 B.V.

Chapel 2003-1 B.V.

Chapel 2007 B.V.

CITADEL 2010-I B.V.

CITADEL 2010-II B.V.

Columbia Securities N.V.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Crown Van Gelder N.V.

Delta Lloyd Azië Deelnemingen Fonds N.V.

Delta Lloyd Bankengroep N.V.

Delta Lloyd Deelnemingen Fonds N.V.

Delta Lloyd Dollar Fonds N.V.

Delta Lloyd Donau Fonds N.V.

Delta Lloyd Euro Credit Fund N.V.

Delta Lloyd Europa Fonds N.V.

Delta Lloyd Europees Deelnemingen Fonds N.V.

Delta Lloyd Investment Fund N.V.

Delta Lloyd Levensverzekering N.V.

Delta Lloyd Mix Fonds N.V.

Delta Lloyd N.V.

Delta Lloyd Nederland Fonds N.V.

Delta Lloyd Rente Fonds N.V.

Delta Lloyd Schadeverzekering N.V.

Delta Lloyd Select Dividend Fonds N.V.

Delta Lloyd Zorgverzekering N.V.

DSB Leven N.V.

DSB Schade N.V.

DUNIA Capital B.V.

EADS Finance B.V.

ECAS 2011-1 Loan B.V.

ELM B.V.

EMF-NL 2008-1 B.V.

EMF-NL 2008-2 B.V.

EMF-NL Prime 2008-A B.V.

ENEL Finance International NV

ENEL Investment Holding BV

Enexis Holding N.V.

Eurocommercial Properties N.V.

European Aeronautic Defence and Space Company EADS N.V.

European Assets Trust N.V.

Eurosail-NL 2007-1 B.V.

Eurosail-NL 2007-2 B.V.

F. van Lanschot Bankiers N.V.

Facultatieve Verzekeringen N.V.

Fortuna Entertainment Group N.V.

Friesland Bank N.V.

GENERALI levensverzekering maatschappij N.V.

GENERALI schadeverzekering maatschappij N.V.

Global Loan Opportunity Fund B.V.

Global Senior Loan Index Fund 1 B.V.

Green Lion I B.V.

Green Lion II B.V.

Green Lion III B.V.

Harbourmaster CLO 10 B.V.

Harbourmaster CLO 11 B.V.

Harbourmaster CLO 4 B.V.

Harbourmaster CLO 7 B.V.

Harbourmaster CLO 8 B.V.

Harbourmaster CLO 9 B.V.

HeidelbergCement Finance B.V.

Hitachi International (Holland) B.V.

Holland Colours N.V.

Hollands Welvaren Leven N.V.

HypoVereinsFinance N.V.

Iberdrola International B.V.

ICT Automatisering N.V.

ING Bank N.V.

ING Beleggingsfondsen Paraplu N.V.

ING Beleggingsfondsen Paraplu II N.V.

ING Groep N.V.

ING Insurance Services N.V.

ING Verzekeringen N.V.

"Insinger de Beaufort European Mid Cap

Fund N.V."

Insinger de Beaufort Umbrella Fund N.V.

International Endesa B.V.

IZA Zorgverzekeraar N.V.

IZZ Zorgverzekeraar N.V.

Kardan N.V.

Kazakh Mortgage-Backed Securities 2007-1 B.V.

KBC Internationale Financieringsmaatschappij N.V.

Koninklijke Brill N.V.

Koninklijke DSM N.V.

Koninklijke Wegener N.V.

Lancelot 2006 B.V.

Leeuwarder Onderlinge Verzekeringen U.A.

Leidsche Verzekering Maatschappij N.V.

Levensverzekering Maatschappij "De Onderlinge van 1719 U.A."

Macintosh Retail Group N.V.

Menzis N.V.

Menzis Zorgverzekeraar N.V.

Mizuho Corporate Bank Nederland N.V.

Monastery 2004-I B.V.

Monastery 2006-I B.V.

Monuta Verzekeringen N.V.

Movir N.V.

Mutual Insurance Association "Munis" (Onderlinge Verzekeringsmaatschappij "Munis") U.A.

N.V. Bank Nederlandse Gemeenten

N.V. Nederlandse Gasunie

N.V. Schadeverzekering Maatschappij De Nederlanden van Nu

N.V. Univé Schade

N.V. Univé Zorg

N.V. Zorgverzekeraar UMC

Nationale-Nederlanden Bank N.V.

Nationale-Nederlanden Internationale Schadeverzekering S.E.

Nationale-Nederlanden Levensverzekering Maatschappij N.V.

Nationale-Nederlanden Schadeverzekering Maatschappij N.V.

Nationale-Nederlanden Services N.V.

Neways Electronics International N.V.

Nurfinance B.V.

Océ N.V.

OHRA Ziektekostenverzekeringen N.V.

OHRA Zorgverzekeringen N.V.

Onderlinge Levensverzekering-Maatschappij "'s-Gravenhage" U.A.

Onderlinge Univé Dichtbij U.A.

Onderlinge Verzekering Maatschappij Univé "De Onderlinge" U.A.

Onderlinge Verzekeringen Overheid (OVO) U.A.

Onderlinge Verzekerings Maatschappij "Univé Staphorst" B.A.

Onderlinge Verzekeringsmaatschappij Univé Groningen U.A.

Onderlinge Waarborgmaatschappij "Univé Noord Groningen" B.A.

Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep, Aanvullende Verzekering U.A.

Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep, Zorgverzekeraar U.A.

Onderlinge Waarborgmaatschappij voor Instellingen in de Gezondheidszorg MediFire b.a.

Onderlinge Waarborgmaatschappij voor Instellingen in de Gezondheidszorg MediRisk B.A.

Onderlinge Waarborgmaatschappij Zorgverzekeraar Zorg en Zekerheid U.A.

OOM Global Care N.V.

OOM Schadeverzekering N.V.

Optas Pensioenen N.V.

Oranjewoud N.V.

PACCAR Financial Europe B.V.

Palmboomen Cultuur Maatschappij Mopoli (Palmeraies De Mopoli) N.V.

PNO Onderlinge Ziektekostenverzekering maatschappij U.A.

Qiagen N.V.

Rabohypotheekbank N.V.

Reis- en Rechtshulp N.V.

Robeco Afrika Fonds N.V.

Robeco Balanced Mix N.V.

Robeco Direct N.V.

Robeco Duurzaam N.V.

Robeco Dynamic Mix N.V.

Robeco Growth Mix N.V.

Robeco Hollands Bezit N.V.

Robeco Life Cycle Funds N.V.

Robeco N.V.

Robeco Safe Mix N.V.

Robeco Solid Mix N.V.

Robein Leven N.V.

Rodamco Europe Finance B.V.

Rolinco N.V.

Ronson Europe N.V.

Roto Smeets Group N.V.

Saecure 5 B.V.

Saecure 6 NHG B.V.

Siemens Financieringsmaatschappij N.V.

Skyline 2007 B.V.

Société Générale Bank Nederland N.V.

Spyker N.V.

Stern Groep N.V.

Stichting Eleven Cities No. 1

Stichting Eleven Cities No. 2

Stichting Eleven Cities No. 3

Stichting Eleven Cities No. 4

Stichting Eleven Cities No. 5

Stichting Eleven Cities No. 6

Stichting Eleven Cities No. 7

Stichting Profile Securitisation I

Storm 2004-II B.V.

Storm 2005 B.V.

Storm 2006-I B.V.

Storm 2006-II B.V.

Storm 2007-I B.V.

Storm 2008 B.V.

STORM 2010-I B.V.

STORM 2010-II B.V.

STORM 2010-III B.V.

STORM 2010-IV B.V.

STORM 2011-I B.V.

STORM 2011-II B.V.

STORM 2011-III B.V.

Strong 2006 B.V.

STRONG 2011-I B.V.

Syngenta Finance N.V.

TD Bank N.V.

Telefonica Europe B.V.

Theodoor Gilissen Bankiers N.V.

TIE Holding N.V.

Tiels Onderling Fonds tot uitkering bij overlijden "Gustaaf Adolf" U.A.

UBS Bank (Netherlands) B.V.

UBS Investment Bank Nederland B.V.

UNIT4 N.V.

Univé Midden Brandverzekeraar N.V.

Univé Oost Brandverzekeraar N.V.

Unive Reest Aa en Linde Brandverzekeraar N.V.

Univé Zuid-Holland Brandverzekeraar N.V.

UVM Verzekeringsmaatschappij N.V.

Van Lanschot N.V.

VEHEREX Schade N.V.

Vesteda Residential Funding II B.V.

VGZ Zorgverzekeraar N.V.

Vimpelcom Holdings B.V.

VVAA Levensverzekeringen N.V.

VVAA schadeverzekeringen N.V.

Würth Finance International B.V.

Yapi Kredi Bank Nederland N.V.

Zentiva N.V.

Zorgverzekeraar Cares Gouda N.V.

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