Statement of Protocol between
the Haut Conseil du Commissariat aux Comptes in France and
the Public Company Accounting Oversight Board in the United States of America

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

and


agree as follows:

Article I. PURPOSE

1. The PCAOB in the United States and the H3C in France each seek to improve the accuracy and reliability of audit reports so as to protect investors and to help promote public trust in the audit process and investor confidence in their respective capital markets. Given the global nature of capital markets, the PCAOB and the H3C recognize the need for cooperation in matters related to the oversight of Auditors.

2. The purpose of this Statement of Protocol (hereafter known as "Statement") is to facilitate cooperation between the Parties to the extent permitted by their respective national laws in the oversight, Inspections and Investigations of Auditors. The PCAOB and the H3C believe that it is in their common interest to cooperate in the oversight, including Inspections and Investigations, of Auditors to the extent that such cooperation is compatible with the Parties’ respective laws and/or regulations, their important interests and their reasonably available resources. An objective of cooperation, including joint Inspections, is to build mutual trust and to place reliance on the other Party’s supervisory system consistent with both Parties’ laws and/or regulations. For this purpose, the Parties shall periodically assess the degree to which one Party may rely in the future on the other Party’s oversight activities with regard to Auditors.

3. This Statement does not create any binding legal obligations or supersede domestic laws, such as, in the case of France, the French Code de commerce, the EU Regulation, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (the "GDPR") and the Act n°78-17 of 6 January 1978 relating to information technology, data files and civil liberties and, in the
case of the United States, the Sarbanes-Oxley Act. This Statement does not give rise to a legal right on the part of the PCAOB, the H3C or any other governmental or non-governmental entity or any private person to challenge, directly or indirectly, the degree or manner of cooperation by the PCAOB or the H3C.

4. This Statement does not prohibit the PCAOB or the H3C from taking measures with regard to the oversight of Auditors that are different from or in addition to the measures set forth in this Statement.

Article II. DEFINITIONS

For the purpose of this Statement,

“Party” or “Parties” means the PCAOB and/or the H3C.

“Auditor” means (a) a public accounting firm or a person associated with a public accounting firm, or (b) a statutory audit firm or a statutory auditor, that is subject to the regulatory jurisdiction of both Parties.

“Information” means public and non-public information and/or documents which include but are not limited to:

(1) audit working papers or other documents held by Auditors and reports on Inspections, including information on firm-wide quality control procedures and engagement reviews, provided that the audit working papers, documents and/or reports relate to matters subject to the regulatory jurisdiction of both Parties;

(2) reports, other documents, and/or statements made in the conduct of questioning or taking testimony in Investigations, provided that the reports, documents and/or statements related to matters subject to the regulatory jurisdiction of both Parties.

“Inspections” refers to reviews of Auditors to assess the degree of compliance of each Auditor with applicable laws, rules and professional standards in connection with its performance of audits, the issuance of audit reports and related matters, pursuant to the Code de commerce in France and the Sarbanes-Oxley Act in the United States.

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

Article III. COOPERATION AND THE EXCHANGE OF INFORMATION

A. Scope of cooperation

1. Cooperation may include the exchange of Information relating to Auditors. Any Information provided shall be used by the requesting Party as permitted or required by their respective authorizing statutes – which include the Sarbanes-Oxley Act in the United States and the Code de commerce in France – and any rules or regulations promulgated thereunder.
2. Cooperation may include one Party assisting the other Party in an Inspection or an Investigation, to the extent permitted by the Parties' respective national laws, by performing activities that may include but are not limited to:

(i) facilitating access to Information and/or, if requested,

(ii) reviewing audit work papers and other documents, interviewing firm personnel, reviewing a firm's quality control system, performing other testing of the audit, supervisory and quality control procedures of a firm on behalf of the other Party and/or providing assistance to a Party in connection with the questioning or testimony of individuals in an Investigation.

3. Cooperation in the context of a (joint) Inspection or an Investigation does not cover a request for assistance or Information to the extent that it involves a Party obtaining on behalf of the other Party Information to which the requesting Party is not entitled under its own laws or regulations.

To that respect, the H3C has informed the PCAOB that under French law, H3C investigators have no compelling powers.

4. The scope of cooperation may vary over time and with each Inspection or Investigation.

5. Cooperation in the context of a (joint) Inspection may include the exchange of each Party's respective inspection guides.

6. The Parties may at the request of either Party consult on issues related to the matters covered by this Statement, and otherwise exchange views and share experiences and knowledge gained in the discharge of their respective duties to the extent consistent with their respective laws and/or regulations.

B. Requests for and use of Information

1. Each Party may provide the other Party with Information upon request to the extent necessary to fulfill the oversight, Inspections and Investigations of Auditors by the requesting Party.¹

2. Requests shall be made in writing (including e-mail) and addressed to an appropriate contact person of the requested Party.

3. The requesting Party shall specify the following, to the extent appropriate:

(a) The Information requested;

(b) The purposes for which the Information will be used;

(c) The reasons why the Information is needed and, if applicable, the relevant provisions that may have been violated;

¹ The H3C has informed the PCAOB that according to the French Code de commerce, French Auditors are not permitted to transfer audit working papers or other documents directly to the PCAOB, but must transfer such information via the H3C. The PCAOB has informed the H3C that it would be willing to pass on requests from the H3C to an Auditor but that the H3C may make requests for information directly to any Auditor without sending the request to or through the PCAOB.
(d) An indication of the date by which the Information is needed; and

(e) To the best of the knowledge of the requesting Party, an indication of whether the Information requested might be subject to further use or transfer under paragraphs 6, 7 and 8 of Article IV.

4. In cases where Information requested may be maintained by, or available to, another authority within the country of the requested Party, the requested Party shall consider whether it can obtain and provide to the other Party the Information requested, to the extent possible in light of available resources and as permitted by the laws and/or regulations in their respective countries.

5. Without the loss of its status as confidential, Information received in the course of cooperation may be used by the Parties in their respective oversight, inspections and investigations only as required or permitted by their respective authorizing laws. This applies also to Information obtained under this Statement which is reflected in documents created by either Party. If any Party intends to use Information received in the course of cooperating for any other purpose than that stated in the original request under paragraph 3 (b) of Article III, Section B, it must obtain the prior written consent of the requested Party on a case by case basis. If the requested Party consents, it may subject it to conditions.

6. Subject to paragraph 8.7 of this Article below, the requested Party may refuse to act on a request where, for example, it concludes that:

(a) The request is not in accordance with this Statement;

(b) Acting on the request would contravene the laws, rules or regulations of the requested Party’s country, including, for example, those related to business confidentiality;

(c) Providing the requested assistance would be contrary to the public interest of the requested Party’s country;

(d) The provision of Information would adversely affect the sovereignty, security or public order of the requested Party’s country;

(e) The provision of Information would undermine the commercial interests of the audited persons or entities, including their industrial and intellectual property rights;

(f) Judicial proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the country of the requested Party;

(g) Sanctioning proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the country of the requested Party;

(h) Final judgement has already been passed in respect of the same actions and against the same persons before the authorities of the country of the requested Party; or

(i) Acting on the request would burden the requested Party disproportionately, for example, with respect to costs and human resources.

7. Each request for Information shall be assessed on a case by case basis by the requested Party to determine whether Information can be provided pursuant to this Statement and applicable law. If a Party denies a request in part or in full or withholds any requested Information (either on its own
initiative or at the request of an Auditor), the requested Party shall inform the requesting Party of the nature of the information being withheld and the reasons for its denial. In the event a Party or an Auditor under Inspection or Investigation refuses to provide requested Information, the Parties will consult to determine if there are alternative ways to meet the requirements of the requesting Party.

If a Party or an Auditor refuses to provide requested Information, the requesting Party may take action in accordance with its domestic laws or regulations, taking into account the nature of the Information being withheld and the reasons for its denial.

8. Any document or other material provided in response to a request under this Statement and any copies thereof shall be returned to the requested Party on request to the extent permitted by applicable laws, rules or regulations.

C. Joint Inspections

1. In order to assist the Parties in determining the degree to which one Party may rely in the future on the other Party’s Inspections of Auditors that fall within the regulatory jurisdiction of both Parties, the Parties may conduct joint Inspections pursuant to the framework set forth under the Adequacy Decision. In this context, the provisions of Article III (B) (4) to (8) and Article IV shall apply to Information obtained or observed throughout the Parties’ conduct of joint Inspections. Each Party may decline to carry out Inspections jointly and terminate this Statement at any time.

2. For each Inspection carried out jointly in France, the H3C shall, as a general rule, lead the administrative and organizational aspects of the Inspection. Before joint Inspections may begin each year, the Parties must agree on a specific approach to working together during the inspections.

3. Before an Inspection is carried out jointly, the Parties shall develop a work plan for the Inspection, including, the steps and procedures to be performed during the inspection, including the audit engagements to be reviewed, the number of inspectors involved in the joint Inspection and the allocation of work between the staff of each Party. While each Party is responsible for its own findings and conclusions that result from the Inspection, the Parties shall consult each other about their findings and conclusions during Inspection field work. The Parties shall also inform each other about possible findings that they provide to the inspected Auditor.

4. A requesting Party may remove copies of working papers or other documents held by an Auditor in the other Party’s jurisdiction to its own jurisdiction as necessary to comply with its Inspection documentation requirements, to support its Inspection findings or for the purposes of an Investigation. The requesting Party will identify for the other Party the working papers or other documents to be copied before such working papers or other documents are transferred through the other Party to its own jurisdiction. The arrangements established between the Parties with respect to the transfer of personal data in accordance with Article V must be observed.

Article IV. CONFIDENTIALITY

With respect to any non-public Information provided between the Parties, it is agreed that:

1. The requesting Party has established and will maintain such safeguards as are necessary and appropriate to protect the confidentiality of the Information, including storing the Information in a secure location when not in use.
2. The requesting Party has provided to the other Party a description of its applicable information systems and controls and a description of the laws and regulations of the government of the requesting Party that are relevant to information access.

3. The requesting Party will inform the other Party if the safeguards, information systems, controls, laws or regulations referenced in paragraphs 1 and 2 above change in a way that would weaken the protection for the Information provided by the other Party.

4. Except as set forth below, each Party shall keep confidential all non-public Information received in the course of cooperating. The obligation of confidentiality shall apply to all persons who are or have been employed by the Parties, involved in the governance of the Parties or otherwise associated with the Parties.

5. A Party may issue public Inspection reports as permitted or required by the law of that Party’s jurisdiction, including reports that identify the Auditor inspected and the Inspection results, but does not identify the names of the clients reviewed. A Party may also publicly announce sanctions imposed upon Auditors as permitted or required by the laws of that Party’s jurisdiction. Before issuing public inspection reports or publicly announcing any sanctions imposed on an Auditor that is located in the other Party’s jurisdiction and subject to the other Party’s authority, the Party shall give reasonable advance notice to the other Party.

6. The PCAOB may share with the U.S. Securities and Exchange Commission ("SEC") and the entities identified in section 105(b)(5)(B) of the Sarbanes-Oxley Act as set forth in Annex 1 non-public Information that the PCAOB has obtained from the H3C in the course of cooperating under this Statement. The Sarbanes-Oxley Act states that these entities shall maintain such Information as confidential and privileged.

7. The H3C may share with the Autorité des marchés financiers ("AMF") and the Autorité de contrôle prudentiel et de résolution ("ACPR"), non-public Information that the H3C has obtained from the PCAOB in the course of cooperating under this Statement, with respect to H3C inspections and Investigations in which the AMF and the ACPR is entitled to participate under the Code de commerce. The Code de commerce states that the Information is covered by professional secrecy under the conditions applicable to the sharing and receiving authorities.

8. The H3C may also share non-public Information that the H3C has obtained from the PCAOB in the course of cooperating under this Statement with those entities set forth in Section I of Annex 2, as required by its national laws or regulations, as long as the intended recipient is legally obligated to maintain such Information as confidential.

Article V. THE TRANSFER OF PERSONAL DATA

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

Article VI. ENTRY INTO EFFECT, EXPIRATION AND TERMINATION

1. This Statement comes into force from the date of signature. It will only have effect and remain in force during the period that the Adequacy Decision is also in force.
2. Every three years, and for the first time three years from the date of signature of this Agreement at the latest, the Parties commit to formally review together the operation of this Statement.

3. The Parties may consult and revise the terms of this Statement in the event of a change in the laws, regulations or practices affecting the operation of this Statement, or to address any issues that may be identified during the review noted in paragraph 2 above.

4. This Statement may be terminated by either Party at any time. After termination of this Statement, the Parties shall continue to maintain as confidential, consistent with Article IV, any information provided under this Statement.

5. This Statement shall be drawn up in English and in French, both texts being equally authoritative.

William D. Duhnke III  
Chairman  
Public Company Accounting Oversight Board  
Date: 4 April, 2021

Florence Peybernes  
Chair of the Board  
Haut Conseil du Commissariat aux Comptes  
Date: 7 April, 2021