UNIVERSAL REGISTRATION DOCUMENT 2023

Including the annual financial report

Teleperformance

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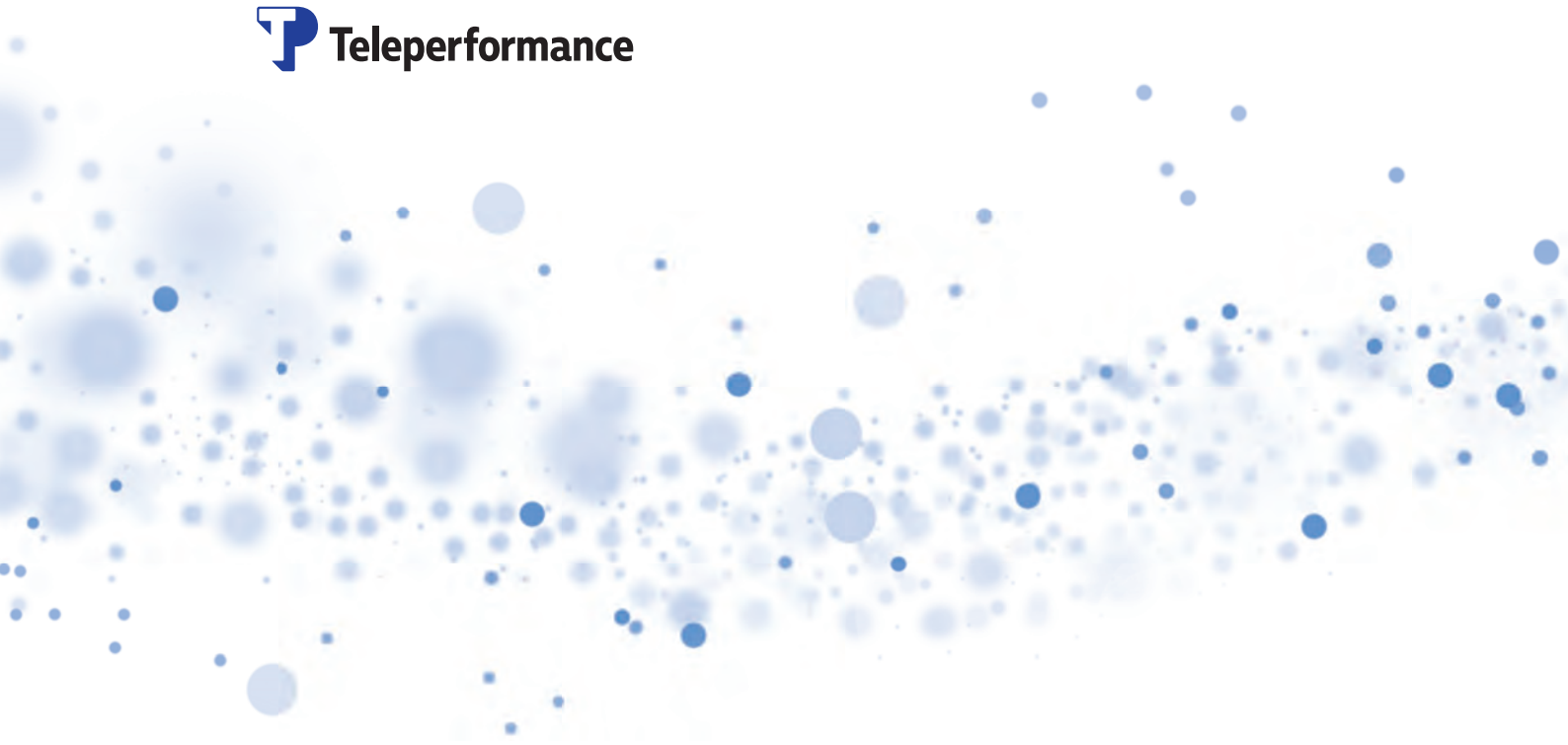

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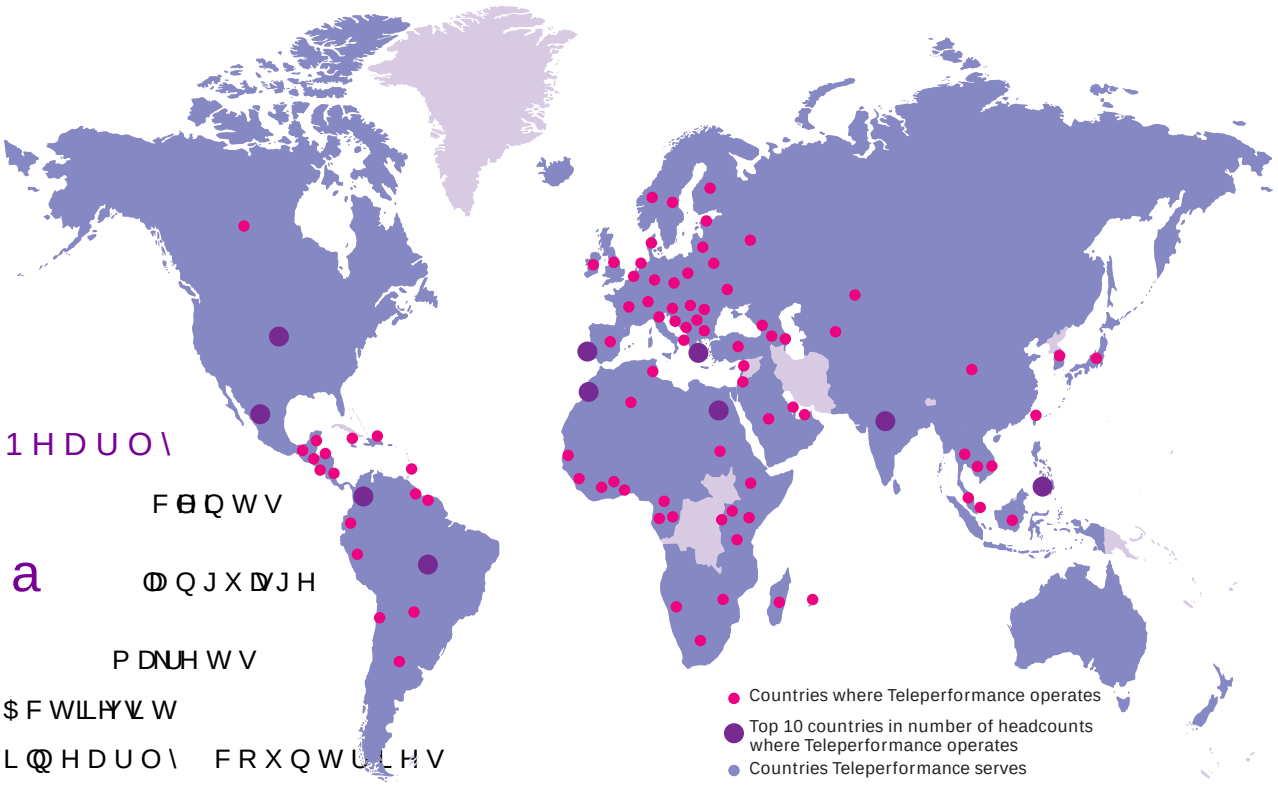

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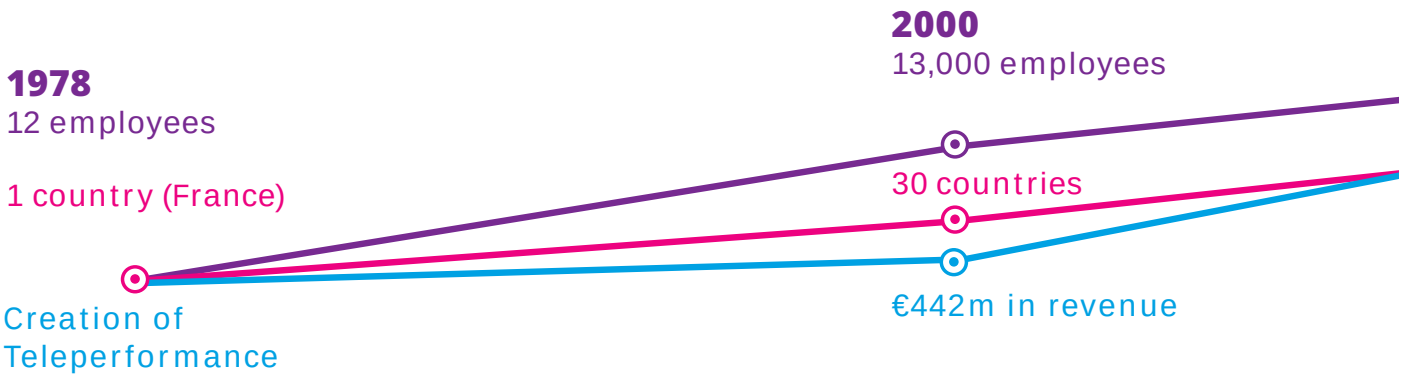

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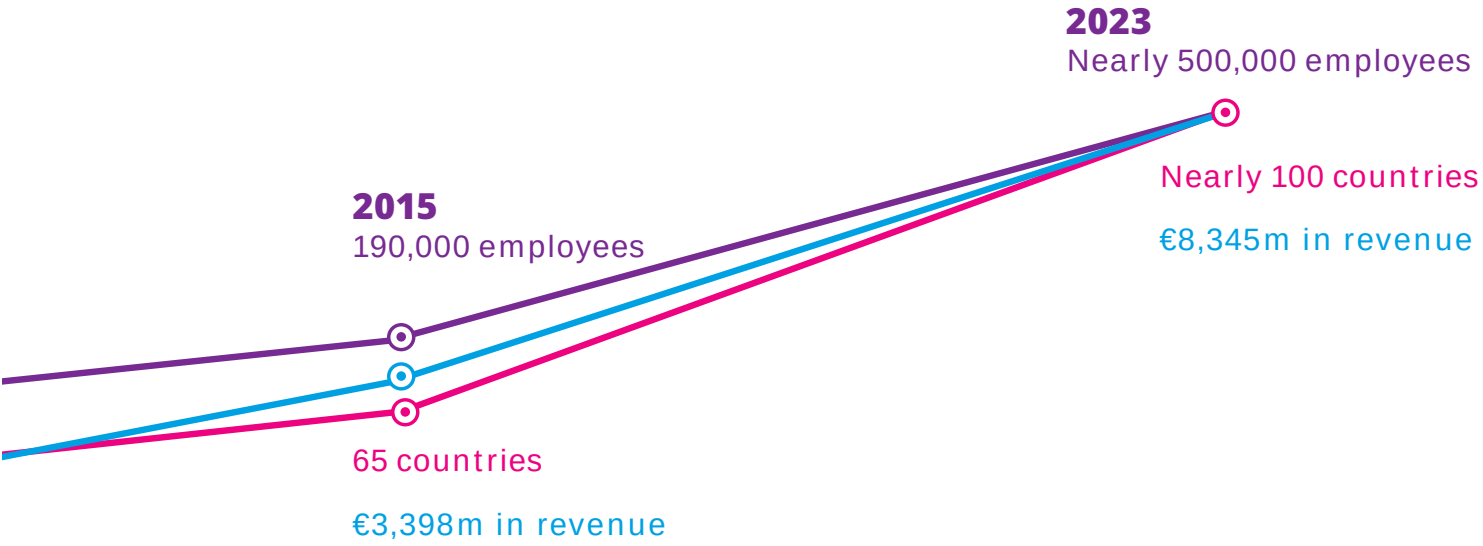

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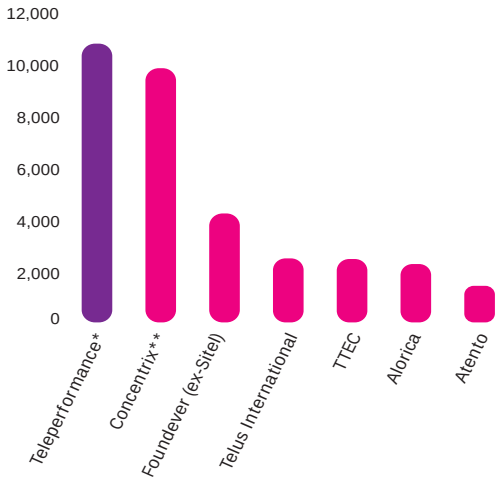

Source: Group and corporate estimates.

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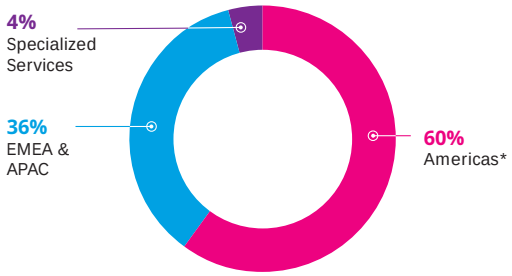

* North America, India, Philippines and LATAM.

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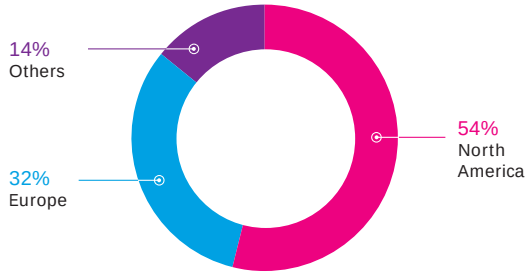

* Top 250.

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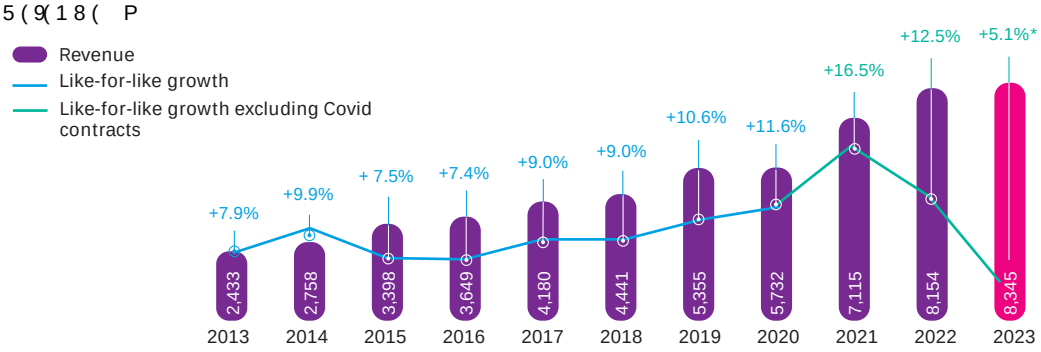

* Excluding adjustments for hyperinflation

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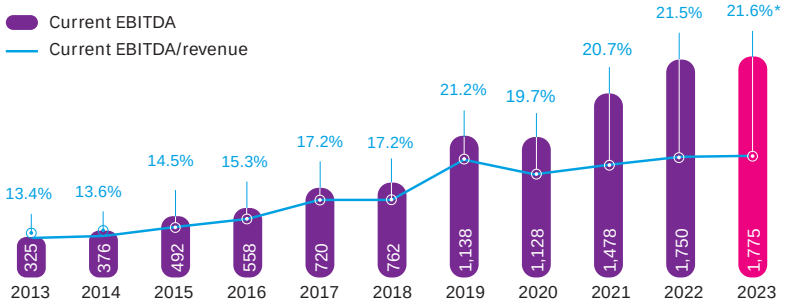

* Excluding two months of activity of Majorel.

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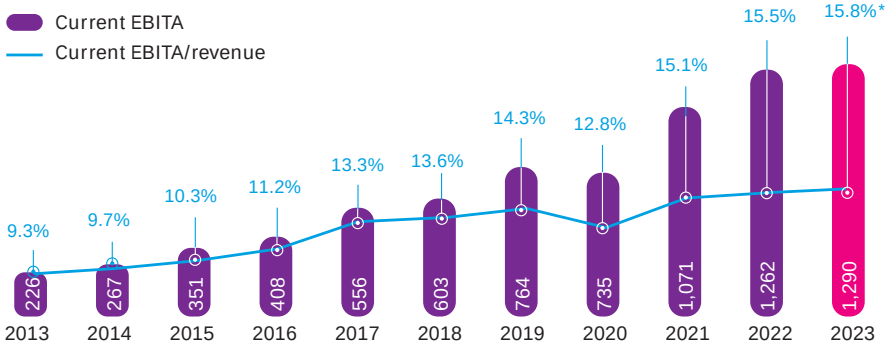

* Excluding two months of activity of Majorel.

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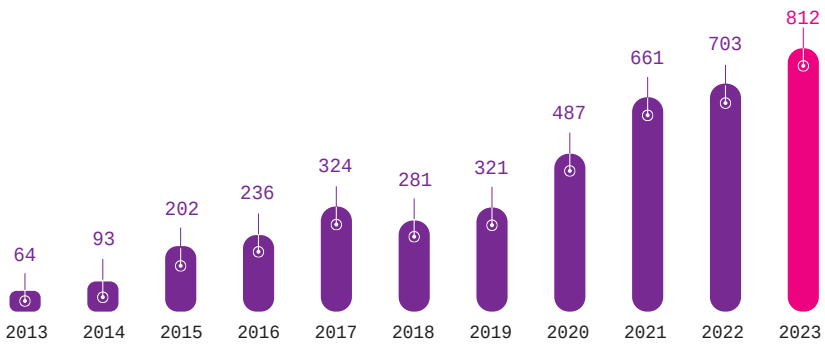

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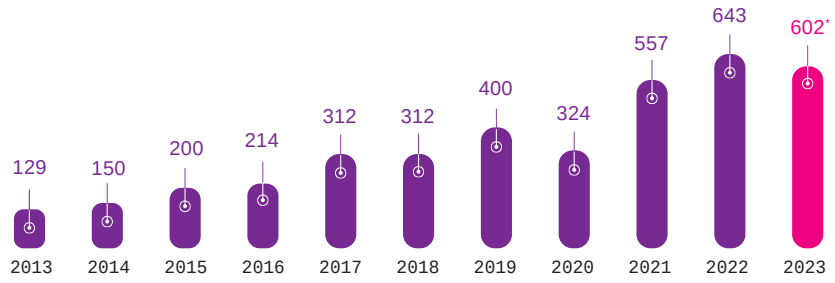

* Including costs acquisition of €24m.

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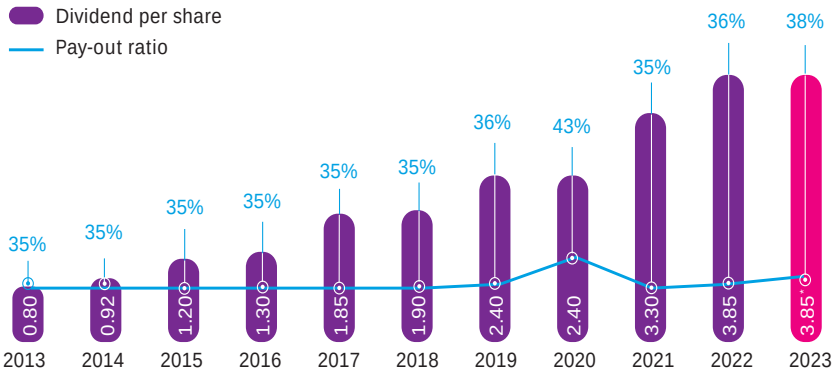

* Subject to shareholder's approval at the Annual General Meeting to be held on May 23, 2024.

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BBB Investment grade with a stable outlook (since November 2021)

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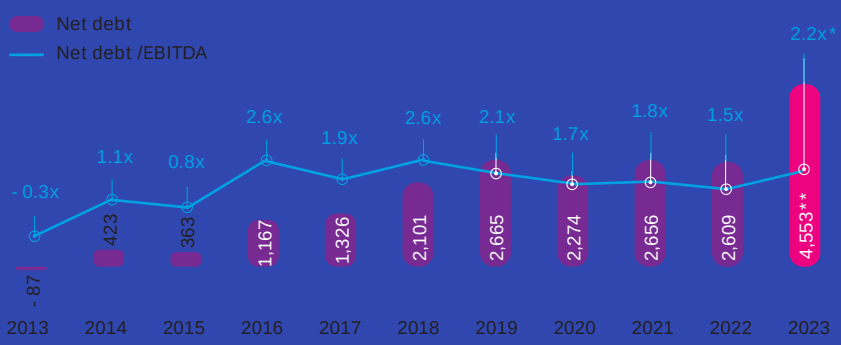

* Pro forma.
** Including the financing of Majorel for €2,016bn.

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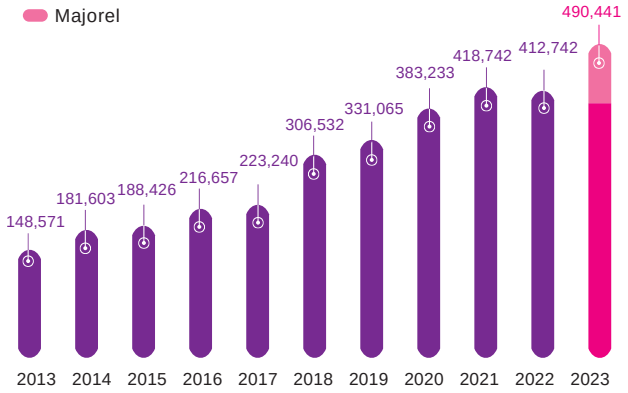

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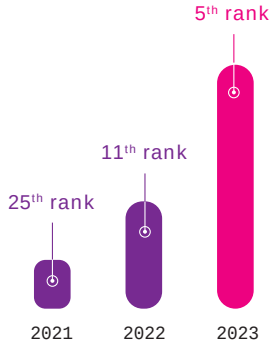

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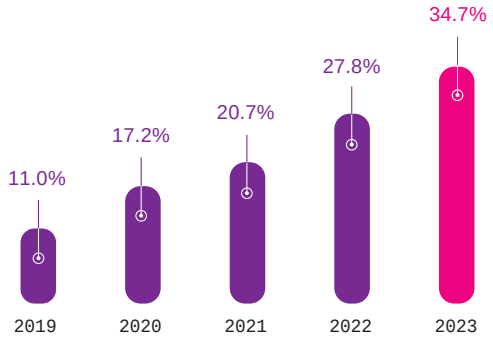

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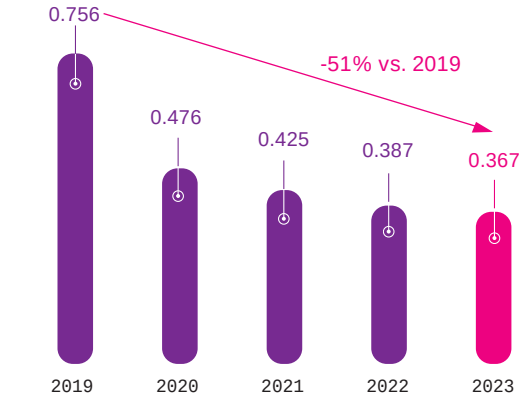

* Full-time equivalent

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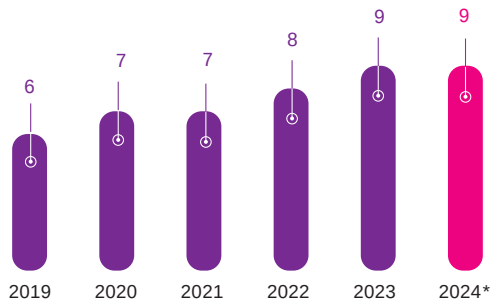

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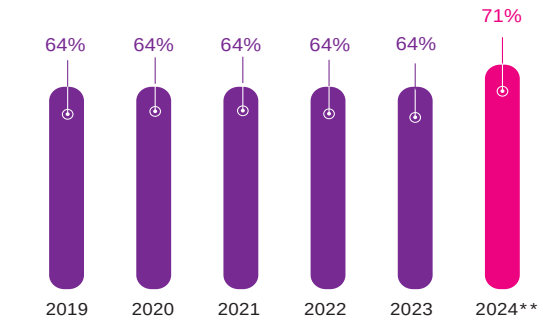

* Excluding directors representing the employees.
** At the date of publication of this universal registration document.

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Ž A preferred employer, strongly committed to employee well-being, safety and diversity

Ž A trusted partner, notably adopting the highest ethical standards

Ž A force of good, by developing environmentally friendly practices and contributing to local communities

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7HOHSHUIRUPDQFH WR VWUHQJWKHQ SRVLWLYH RQ ORFDO HFRQRPLHV E\ SU GHFHQWUDOLVHG WUDLQLQJ RQ JRRG SUDFWLFHV LQFOXGLQJ WKH *URXS FRG SHRSOH\PHQW DQG VRFLDO GLDORJXH WKH PDLQ FKDOOHQJHV LQ GHYHORSLQJ HPSOR\PHQW LQ WKH FRXQWULHV RI LWV ZRUNIRUFH

96,500 people hired for their 1st work experience in 2023

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Global agreement with UNI Global Union implemented in **five countries** in 2023

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7KH*URXS GUDZV RQ LWV JOREDO QHWZRUN WR VH PDUNHWVKURXJK D K\EULG SURGXFWLRQ PRGHO F ZRUNLQJ VROXWLRQV DQG RQVKRUH DQG OLOL LQW *UR VL(1RYHP

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7KH*URXS GUDZV RQ LWV JOREDO QHWZRUN WR VH PDUNHWVKURXJK D K\EULG SURGXFWLRQ PRGHO F ZRUNLQJ VROXWLRQV DQG RQVKRUH DQG OLOL LQW *UR VL(1RYHP

&R 6HUY ', %SURY D RPQLFK RIIHI LQFOXGLQJ RQVKRUH RSHUDWLRQV PDQDJH R D FKDQ XV E FRQVX R SHO W R FRQ' ILU DC JRYHUC DJHQ ZKHW E YR LIH SKR YL(DC IDFH W R QRQ Y L FKDW PHV HDJL PD DC VRF PHG VHUY 7KH LQWHJ VHU\ DUHV EDF E JOR TXD VWDQ DC VWDWH R , V\VWHP W $ OD SRU' R W *URX &R 6HUY ', %EXVLQHVV LQYF KDQG LQFRI YR FRQW FD SULP IURP\ FRQVX DC XVI VHHI W JF L FRQ' ZL ILU R/U JRYHUC DJHQ=LHV

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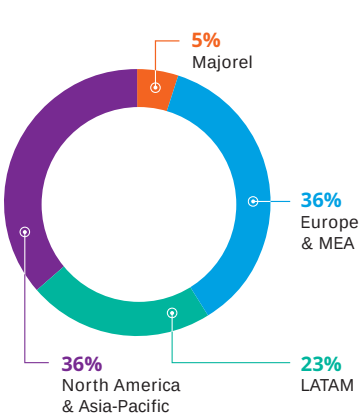
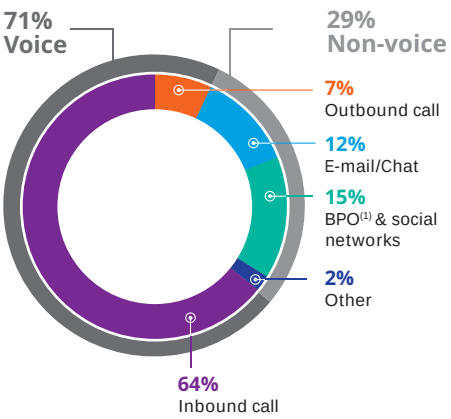
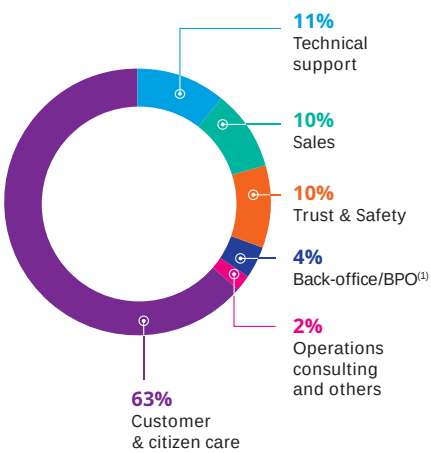
BY REGION



BY INTERACTION TYPE



BY SERVICE TYPE



(1) BPO: Business Process Outsourcing.

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&XVWRPHU DFTXLVLWLRQ&XVWRPHU&RQVXPHU PDQDJHPHQW	~ %XVLQHVV6XSSRUW %WR& ~ &XVWRPHU OR\DOWLQDQG'HWHQWLRQ&RQVXPHU %WR& ~ 'HVLJQHG[HFXWLRQRV VDHQGLXSSHUFRQILQJ V ~ 'HYHORSPHQW&UHGLFWLYH SXUFKDVLQJ PRGHOV IRU H[SHULQJ FOLHQWV EDV SURSHQVLW\6FRUH ~ 6DOHV&HQHJRWLDWLRQ&ORVLQJFRDFKLQJ
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ZDQDJHPHQW VROXWLRQV
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7KH FRPSDQ\ LV WKH OHDGLQJ SURYLGHURI
VROXWLQ WKHVH PDUNHWV
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KDV FRQVROLGDWHG WKH *URXS V JOREDO OHI
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6URYLGHV HVVHQWLDO VHUYLFHV WR D ZLGH U
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bODQJXDJHV DQG GLDFHFWQWWRQWHG 6WDWHV
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2WKHVHUYLFHV	~ /DQJXDJHUHILFWHQFWV ~ ,QWHUSUHWDWLRQ6NLOOV DVVHVVPHQWV ~ 6SHFLPLDLQLQJ TXLSPHQWDWHGQWXRDJH VHUYLFHV ~ 'RFXPHQW VLPSOLILFDWLRQ ~ %UDWLQJODQVODWLRQ VHUYLFHV

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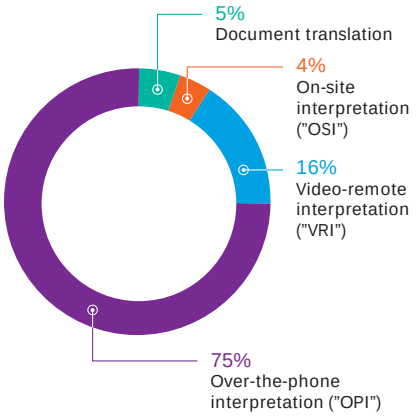

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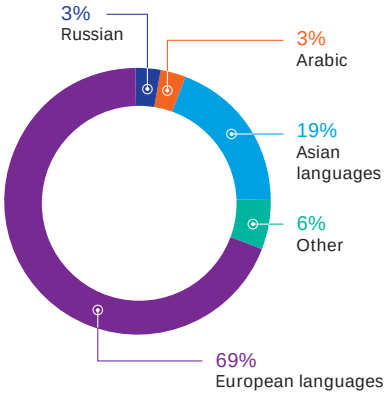

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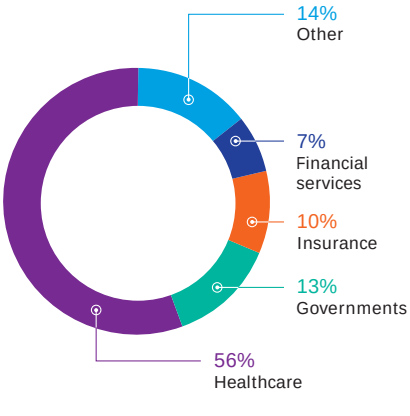

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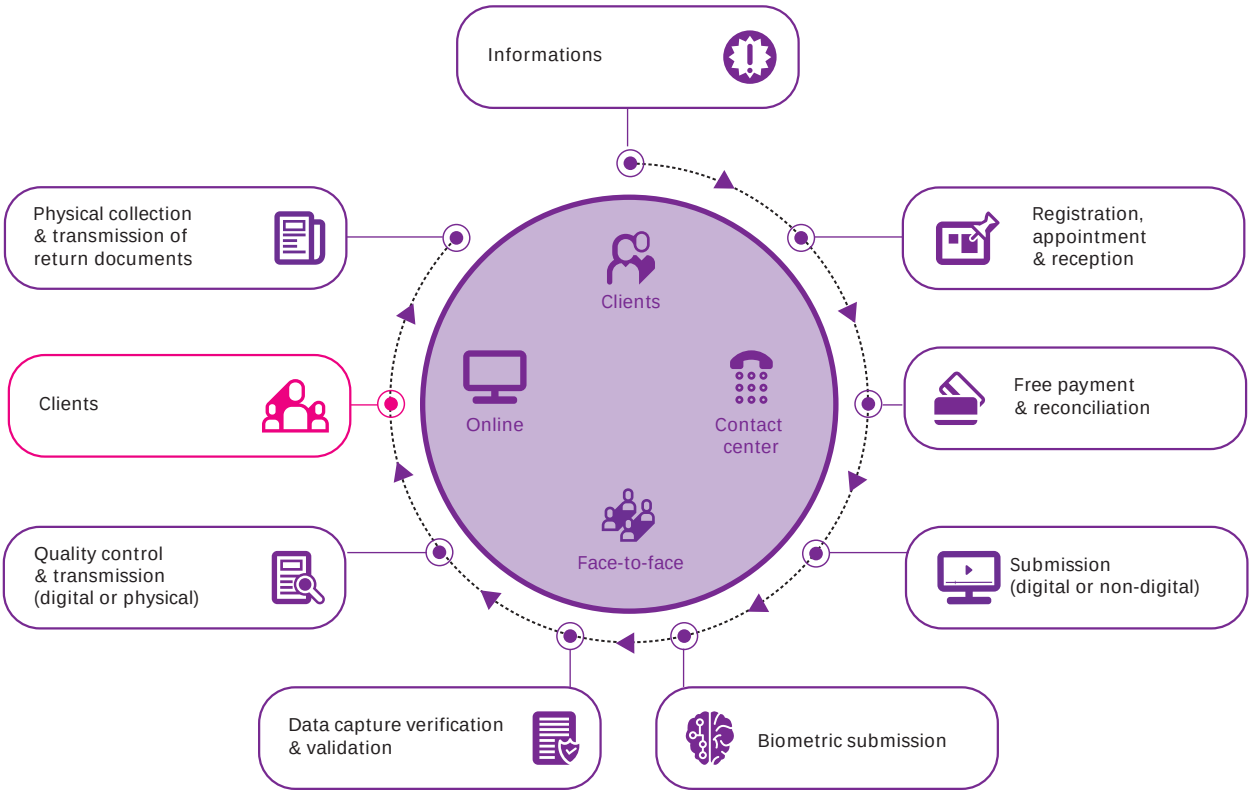

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- LQ WKH 6FKHQJHQbDUHD)UDQFH 6ZLW]HUODQG :HVWHUQ(XURSH WKH1HWKHUODQGV 3RODQG &]HFKLD DQG 8.
- L&RPPRQZHDOWKSXUVXLWVWUDOLD DQG WKH 8.
- DQG LQ RWKHU FRXQWULHV ZLWK VPHFLILF QHHGV 0RURFFR

,Q 7/6FRQWUROOV QHZ FRQWUDFW ZLWK 'HSDUWPHQW RI WKH $UP\ RI ELRPHWULF HQURROPHQW IDFLOLWLHV VFKHGXOHG FRQWLQLHV

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F\EHUVHFXULW\ GDWD

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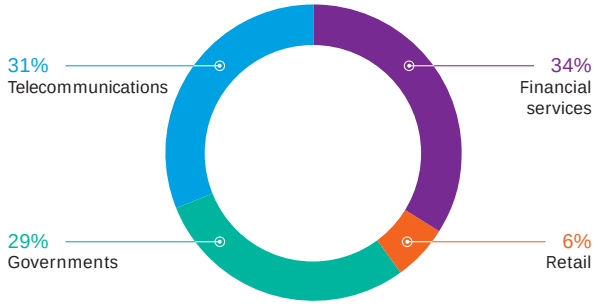

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~ SHUVRQDOL]HG ZHOOEHLQJ SHUHLYLQWXLWLRQ LQGLYLGXDO FRDFKLQJ WR KHOS XVHUV LGHQWL ZHOO EHLQJ GHYHORSHQW SODQV

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,Q +HDOWK $GYRFDWH FROODERUDWHG ZLWK 9(18(%< &/,(17 %86,1(66 6(&725 UHLPDJLQHG ZHOOEHLQJ SURJUDPV IRU WKHLU &DUHRU \RXQJ ZRUNIRUFH LV D UHIOHFWLRQ RI WKH FRPSDQ\ V XQLTXH EHOLHI WR FRPELQH WHFKQRORJ\ $, KXPDQ [SHUWLVH DQG HYLGHQFH

7KH UHEUDQGLQJ DOVR LQWURGXFHG WKH IROORZLQJ LPS R WKH VHUYLFHV RIIHUHG WR KHOS UHSRVLWLRQ +HDOWK $GYRFD VXSSRUW WR

~ WUDQVLWLRQ VXSSRUW VHUYLFH DYDLODEOH L ODQJXDJH LQWHUSUHWDWLRQ

~ LQYHVWPHQW EORXG EDVHG VHUYLFHV WR HQFRXUDJH HIILFLHQF\

~ FUHDWLRQ GLJLWDO HQJDJHPHQW SODWIRUP WR LQFUHDVH HQJDJHPHQW

~ ODXQFK D SRSXODWLRQ SUHDFWLYH DSS WR LQFUHDVH PHPEHU VXSSRUW WKURXJKRXW

~ LQIUDVWUXFWXUH PHPEHUV WR SUHSDUH IRU GHOLYHULQJ SHUIRUPDQFH LPSURYHPHQWV

~ UHDO WLPH GHPRKHUDSKLF FRDFKLQJ RWKHU VHUYLFH SHUIRUPDQFH

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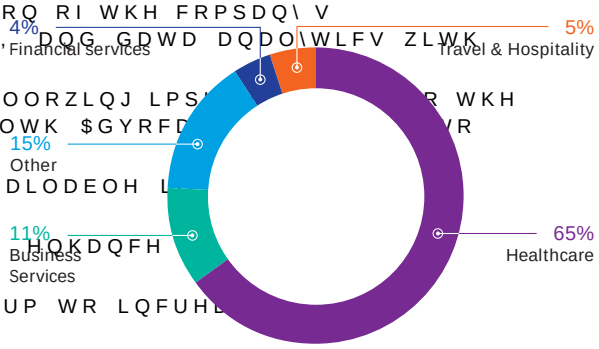
36*b*OREDO 6ROXWLRQV

:LWK WHDPV EDVHG LQ WKH 8QLWHG 6WDWHV DQ *OREDO 6ROXWLRQV LV D OHDGHU LQ RXU HFRV)RXQGHG E LQ WKH FRPSDQ\ VSHFLDOL]HV LQ DOO DVSHFWV RI WKH FRPSDQ\ V



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~ IXOOS2F\FOH FRPSOLDQFH IURP MREQSRVWLQJ W RQERDUGLQJ RXWVRXUFLQJ WKH HQWLUH UHFUXL

*URRXSUNHWV

&RGUHUYLF'H,V% 6 PDUNHWV

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~ WKHEURDGHU %32 RU EXVLQHVV VHUYLFHV
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IRU PDUNHW OHDGLQJ JURXSV DEOSHHWSRHDWWU
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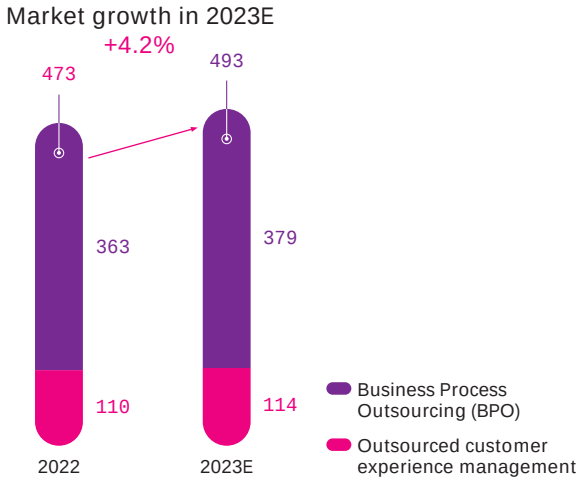

Source: Group estimates, Everest, Frost & Sullivan, IDC, Nelson Hall.

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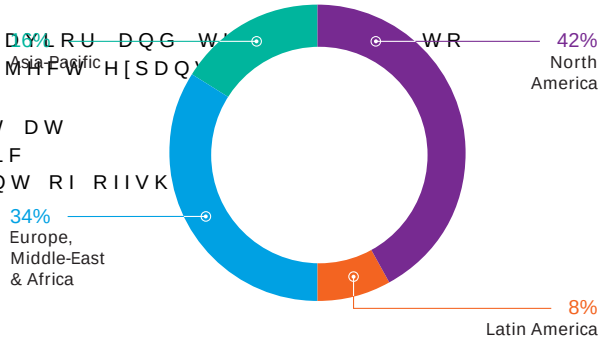

Source: Everest (2023).

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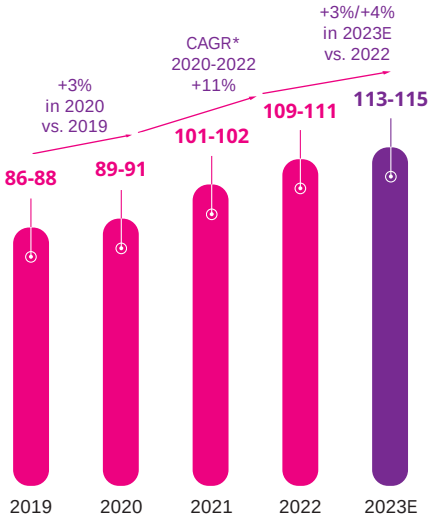

Source: Everest (2023).
*Compounded annual growth rate.

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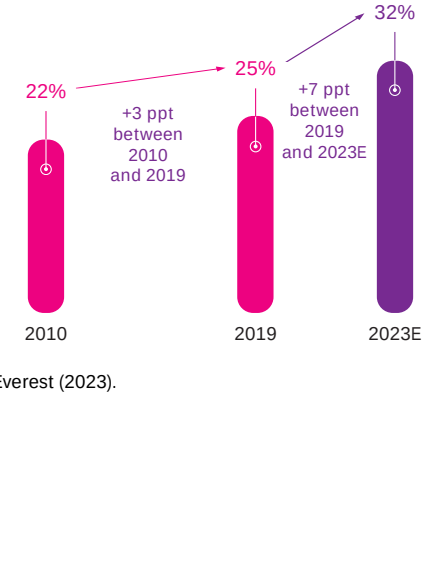

Source: Everest (2023).

7KH1RUWK $PHULFD UHJLRQ LV WKH ELJJHVW P RXWVRXUFHG FXVWRPHUHQJDJHPHQWSURFHVV RIWKHOREDO PDUNHW LQ 7\ DFFRXQWLQJ IRU RI WKH ZRUOG PDUNHW LQ WR)RUWXQHOLYDQ

$FFRUGLQJ WR (YHUHVW 3DFLILF UHJLRQ LV WKH PR DFFRXQWLQJ IRU RI WKH ZRUOG PDUNHW LQ RIRYHU HVWLPDWHGGRU 7KLV LV PDLQO\ EDV VWURQJ GHPDQG LQ IDVW JURZLQJ HFRQRPLHV 0DOD\VLD DQG WKH 3KLOLSSLQHV ,QGLD WKH W -DSDQ DQG &KLQD PRVW G\QDPLFPDUNHWLQRQW SRSWLQJ JURZWKRIDUO\EHWZHHQDQG

,QGLDOVR UHPDLQV DQ H[WUHPHO\ DWWUDFWLYH VRXUFLQJFKXUHQW HQYLURQPHQW GXH WR D UHPDLQLQJ FRVW DUELWUDJH DQG WKH FUHDW HQYLURQEHWWHQW JRYHUQPHQW

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)URP WR (YHUHVW HVWLPDWHGWKH UDQJH RI UDWH RI WKHVH GLJLWDO VROXWLRQV FRPSDUHGQ MXVW IRU WKH WUDGLWLRQDO PDUNHW PDQDJ IRUH[DPSOH ,Q (WKH JURZWK UDWH IRU WKHVH DERYH

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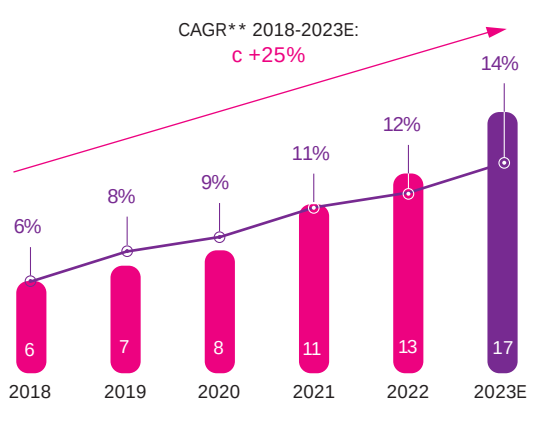
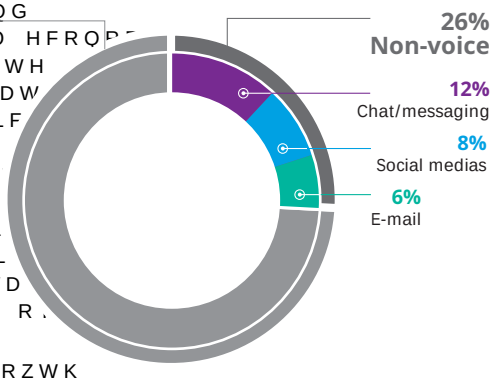


Source: Everest (2023).
* Automated data learning systems, robotic solutions, chatbots, messaging and artificial intelligence.
** Compounded annual growth rate.



Source: Everest (2023).

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TXLFNO\GUHDQDJHPHQW DQDJHKH EHVXSSO\ VKRUWDJHV
KHDOWKLVLV (YHUHVW HVZRUPDWHPVKRPW WRGHO
DFFRXQWHG RI WKH RIIHUDQG LQ FRPSDUHG
WR YHU\ ORZ OHYHOV EHIRUH WKH KHDOWK FULVLV
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FRPELQDWRUN IURP KRPH DQG (DVHUHQHWW
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ZRUN IURP KRPH 0DQ\ RI WKHRDNLQJWR
WKHLYGHQWKHGLXPHU

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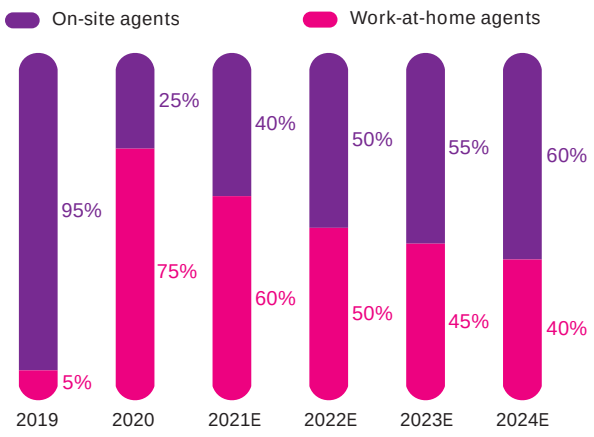

Source: Everest (2021).

7%% PDUNHW

LJLWDOLJDWLRQ HQYLURQPHQW

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LQWHJUDWHG %2 VHUYLFHV
~LQGXVWULDOLFH GHGLFDWHG WR VXSSRUW IX
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PSOR\HHXFUXLWPHQW WUDLQLQJ DQG HQJDJHPHQW
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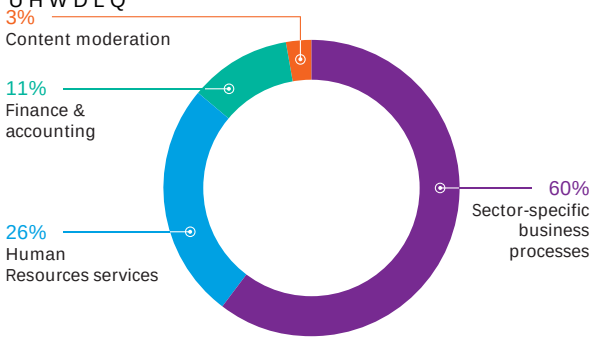

Source: Group estimates, Everest, Frost & Sullivan, IDC, Nelson Hall.

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VROXWLRQVWHQGV

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RIIHULQJ IORQLXEOLRQV UHPRWH ZRUN DQG HQKD
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,Q UHFHQW \HDUV WKH EXVLQHVV VHUYLFHV PD
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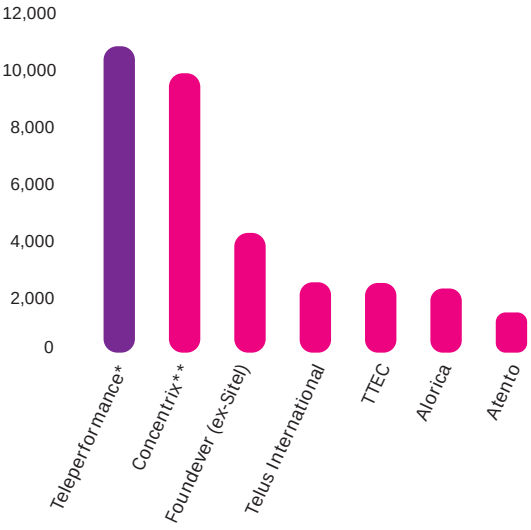
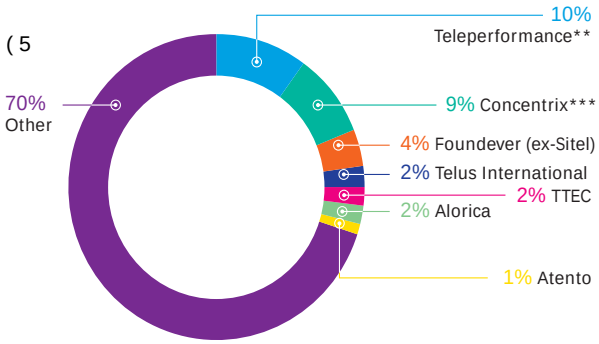


Source: Group and corporate estimates.
*Majorel included.
**Webhelp included.



Source: Group and corporate estimates.
* Using Everest's 2022 estimates for the size of the global market.
**Majorel included.
***Webhelp included.

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LQFUHDVLQJXQGHILQHG

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#1 Global leader in the outsourced CX market

... whose transformation leads to reaching to digital integrated business services market

#1: New Teleperformance
#2: Concentrix**

TOP 2 : >= US$ 10 bn revenue each (CX global players)

Foundever (ex-Sitel)
Capita
Alorica
Telus International

TTEC
Sutherland
Konecta
Transcomos
Bell system 24

Tier 2 :
c. 10 companies***
between US$2 and US$4.5bn revenue

TaskUs
WNS
EXL Services
Everise
IGT

First Source
Aegis
HGS
IQor
Atento
TDCX...

Tier 3 :
c. 20 companies***
between US$700m and US$2bn revenue

Top players in the digital integrated business services market by revenue

Revenue > US$20bn
- Accenture
- TCS
- Capgemini
- Cognizant

Revenue between US$10bn and US$20bn
- Infosys
- HCL
- Wipro
- Teleperformance
- CGI
- Tech Mahindra

7HOHSHUIRUPDQFH PDUNHW OHDGHU RQ WEXVLQHVV SURFHVV DXWRPDWLRQ DQG WKHLU FRQVLVWHQW DXWRPDWLRQ H[SHULHQFH PDQDJHPHQW DUH WKHLU FRUH RSWLPL]DWLRQ
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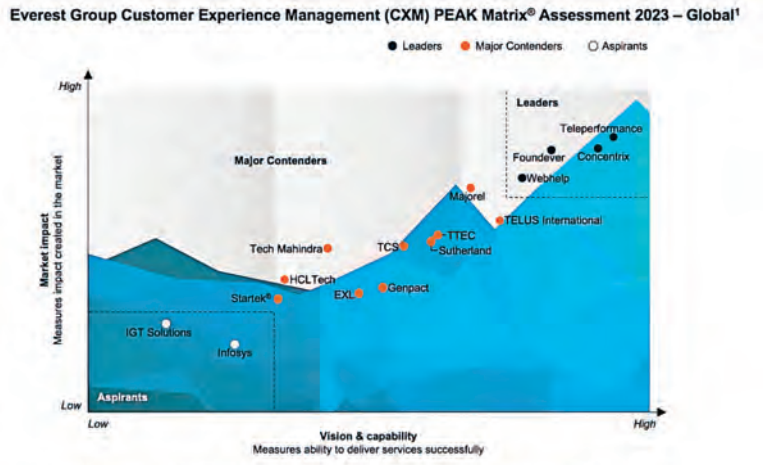

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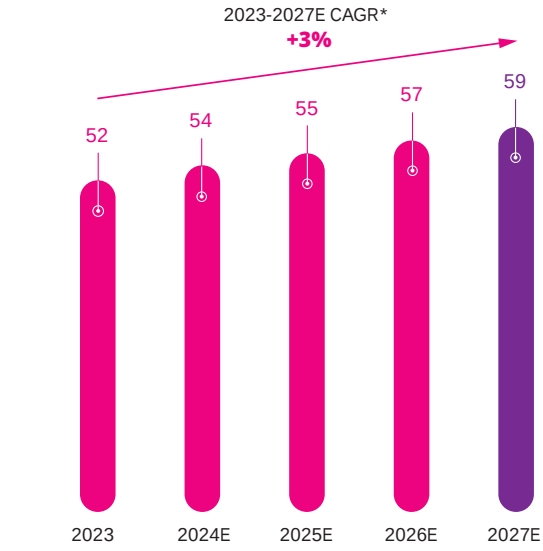

Source: Common Sense Advisory.
* Compounded annual growth rate.

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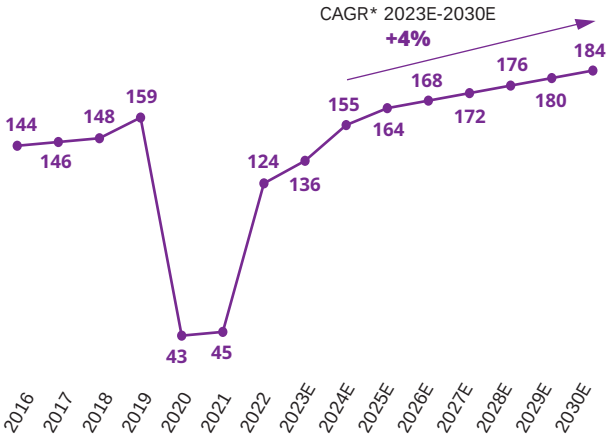

Source: Souter Point Analysis.
* Compounded annual growth rate.

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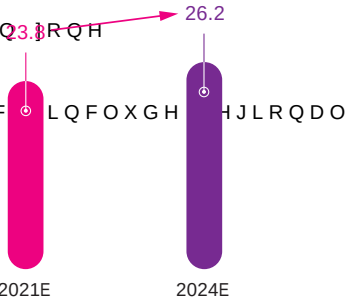

Source: Kaulkin & Ginsberg (2021).
* Compounded annual growth rate.

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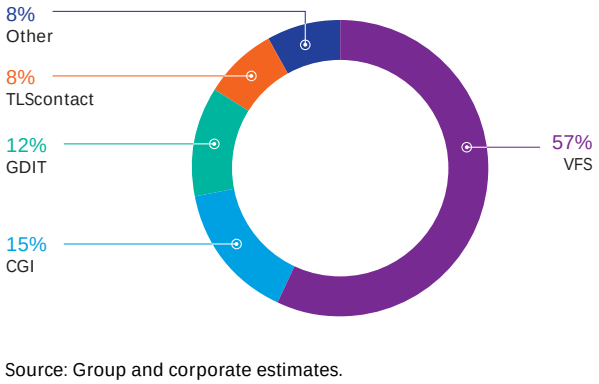

Source: Group and corporate estimates.

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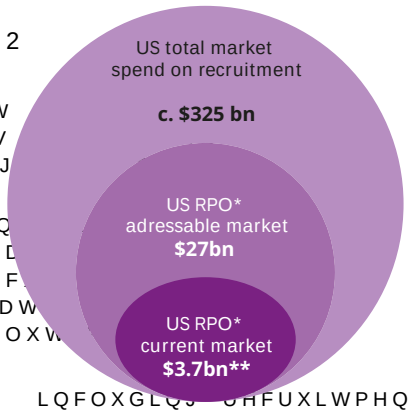

Source: Staffing Industry Analysts, LEK, PSG Global Solutions.
* Recruitment Process Outsourcing.
** Of which 20% is partial cycle RPO.

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Late 1990s - Early 2000s

- Market dominated by in-house services
- Offer largely based on labor arbitrage
- Simple interactions: basic customer care and standard telemarketing
- Access to customer systems via Citrix (server)

Early 2000s - 2015

- Rapid development of IT service companies
- Use of Lean Six Sigma to improve operational efficiency
- Value added generated by analytics and predictive modeling
- Growing complexity of dedicated outsourced services per sector and support function
- Emergence of mobile technologies and digital information systems

Since 2015

- Period of digital transformation during which the pace of change is accelerated by disruptive technologies such as AI
- Development of integrated business service outsourcing
- New service lines, such as content moderation, developed to support tech companies
- New hybrid work organization

* Business Process Outsourcing (BPO).

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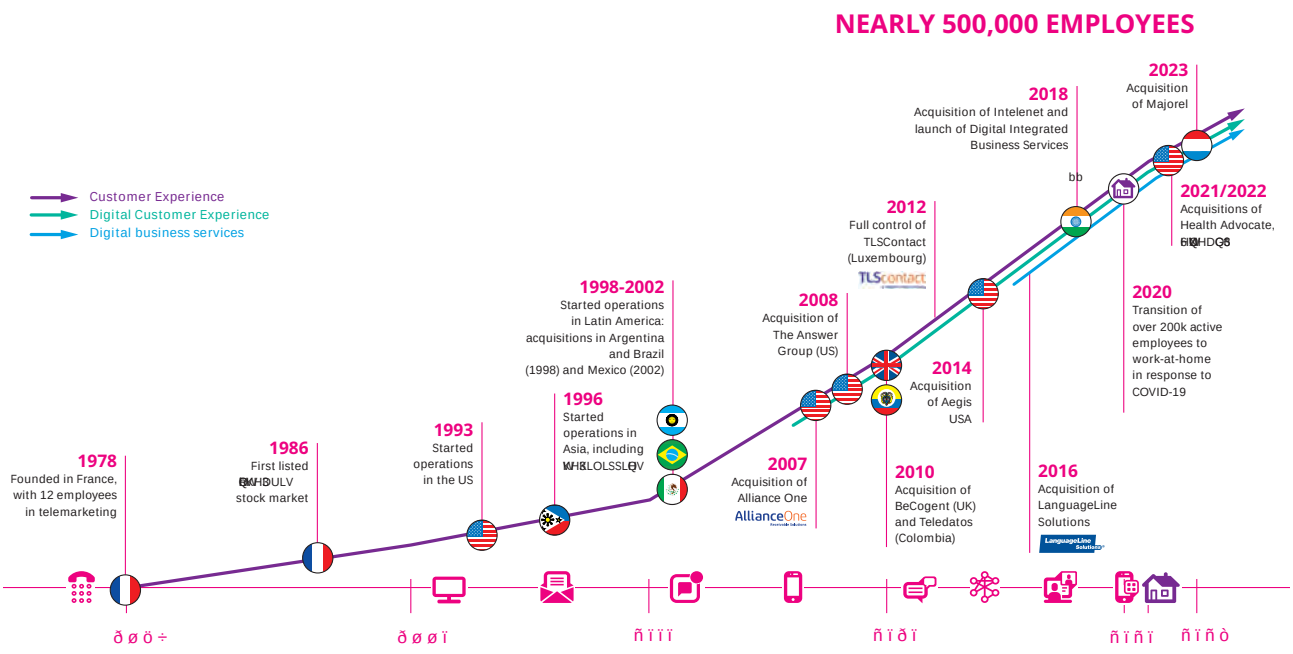

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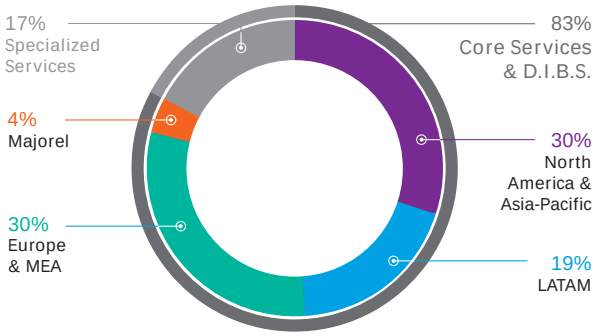
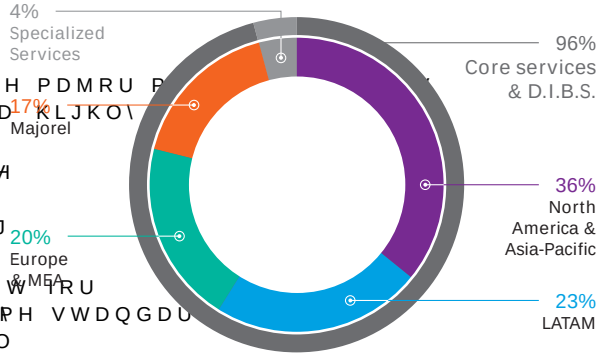


*Including two months of activity of Majorel since November 1, 2023.



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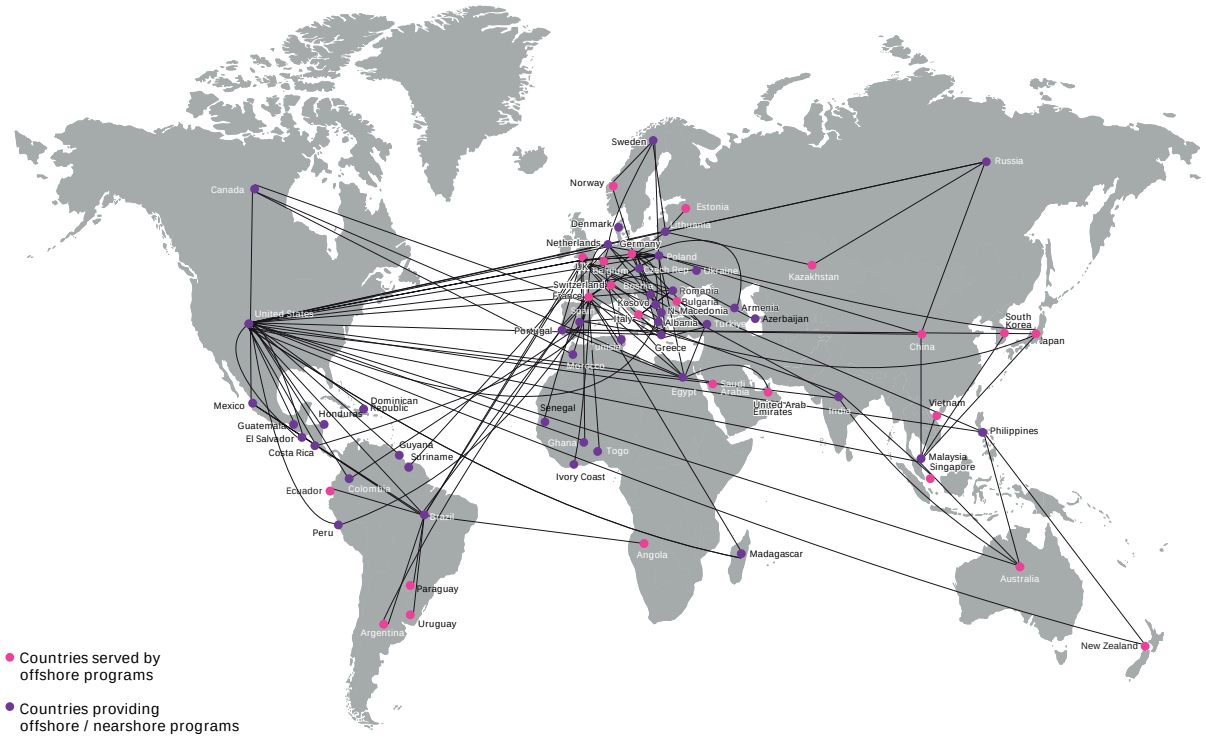

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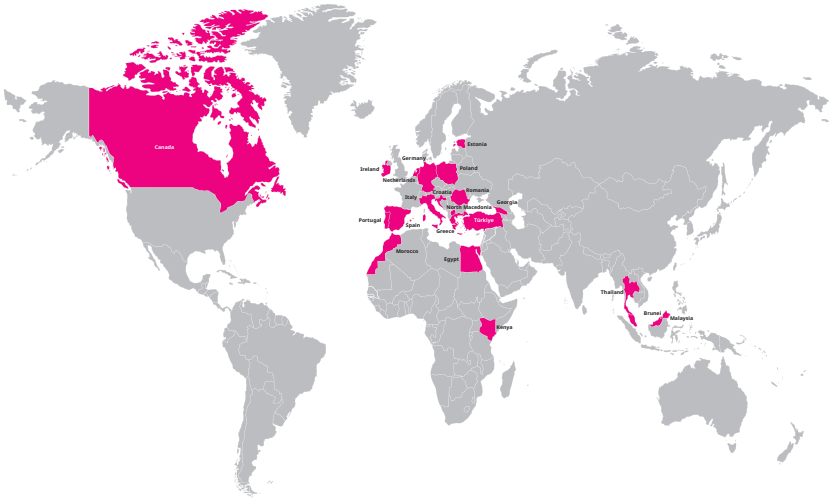

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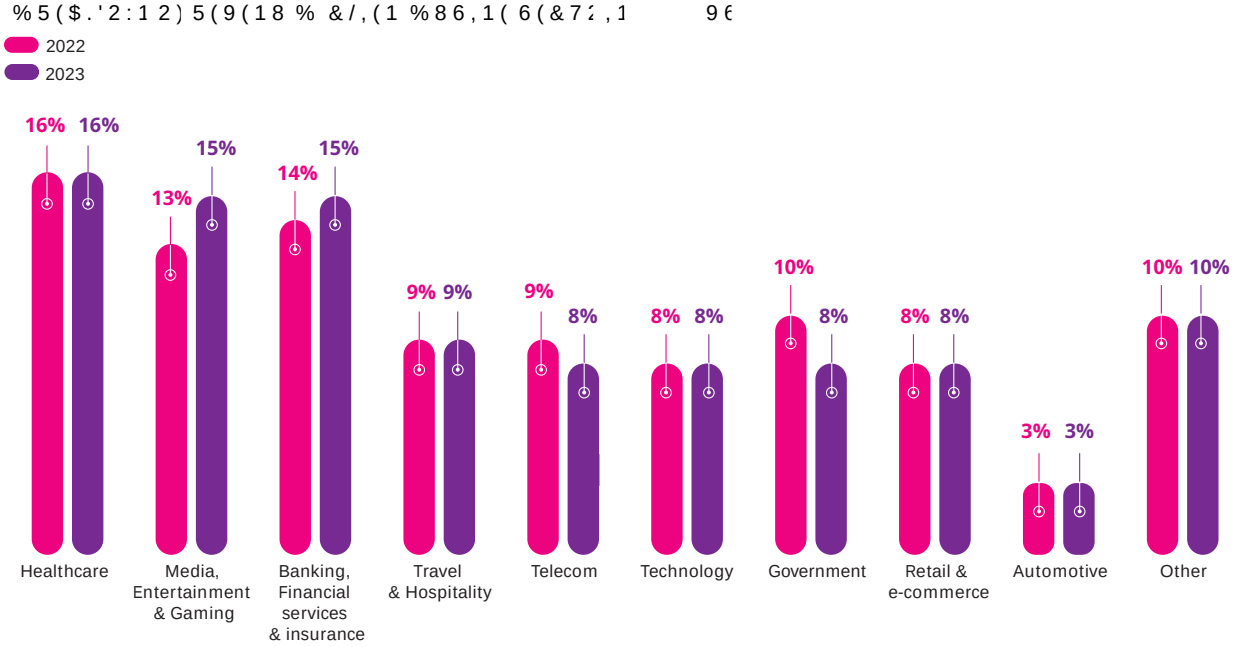

(1) Including two months of Majorel since November 1, 2023.

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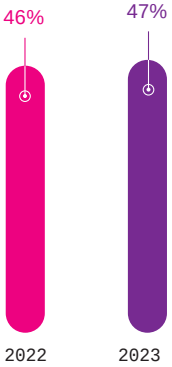

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53$a 2SHUDW(UROLQLQHGHFLVLRQ&KDWERWPURYHPHQWHW IRU)UHQFKVXU3QDFH 3URGXFWRUY DW%DQN &DOO 6XPPDU\HG DXWR$XWR3RVW7UDQ 2&5 5HGXFWLRQ+7QRQOLQH(PDLOERWUHGXFWW+7IRU D)RRGHOL3HWW IRUP +HDOWKFDUHUHG3HU JHQHUDWLRQW DYHU 9LVLWRUWDJHQWV9LVLWRUVWD2QWERUQG (DUHOGXFWLRQ YLDNQQDZHPHQW 'HIDXOWLQ &ROOHFWLRQV RSWLPL]WLRQVWRWPSDQ\

,QWHOOLJHQW &RQYHUVDWLRQD $, *HQHUDWLYH $,

$FRPSUHKHQVLYH KLJK WHFKRVP ELQLQJ 7HOHSHUIRUPDQFH SURYLGHV HBHVW WKH[SHULHQFH DUHDH[SHUWLVH

)DFHZLWKUDPS XS LQ WKH SDFH RI FKDQJH GHYHORSHG SURSULHWDU\ HQDEOHV HQDEOLQJ WR PHHW WKH WHFKQRORJLFDO 7HOHSHUIRUPDQFH DQG RIIHULQJ WKURXJK SHUIRUPDQFH DQG ZLWKHDGSLQJ \HDUV WKHUHIRUH LQWHOOLJHQFH VHFWRU

7KHURXJKSXW RYHUSLQJ SURSULHWDU\ VROXWLRQV WKURXJK SDUWQHUVKLSV ILHOGV RI DSSOLFDWLRQ

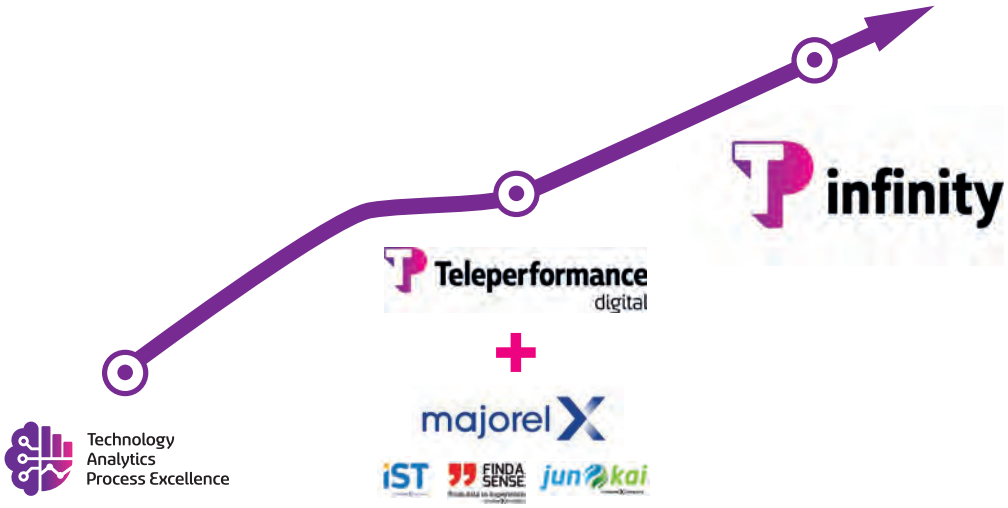
(;$03/(62)35235,(7$5<*+ 7(&+ ',*,7$/7(&+1$16)250$7,21 62/87,216

	'HVFULSWLRQ RI YLHV DQG VROXWLRQV
73UHFRPPHQGHU SUHGLFWLRQV RQ DQDO\WLFV	73 UHFRPPHQGHU LV D VROXWLRQ GHYHORSHG XVLQJ DSEUHGLFWLYH WKHVDOHV SHUIRUPDQFH WKURXJK DXWRPDWHG SHUVRQDOL]HG SUHGLFW FRQVXPHUXQ DQG SD\LQJ KDEHWVPLQRGUDWHV ZKHQ ORQJEVDODEOH $, EDVHG PDFKLQH OHDUQLQJ PDNHV LW SRVVLEOH WR FRQVXPHUV WHFRPPHQGHU DSSOLHV WR DOO % % DQGGQWHUHVWHUQ FKDQQHOV NHHS GDWD YURLFKDVV H PDRLOLWHDFLDO PHGLD HWF	
73SURWHFW WHFKQRORJ\	73b3URWHFW LV D 7HSDWSHQWHRPDQF\ WKDW SURYLGHV HPSOR\HHV ZLW HFRV\VWHP HQDEOLQJ WKHP WR ZRUN LQ FRPSOLDQFH ZLWK ,7 V\VWHP UHF FXVWRSHUHWHFWLRQ UHJXODWLRQV PDQDJHPHQW WKDW ZRUNGZLGH MUHDSXGLFWLYH\QDWLRQ SHUPLVVLRQ	
6WRU\I$, WHFKQRORJ\	6WRU\LV, DQ $, EDVHG PDFKLQH LQWHUQDOSURFHVV WHFKQRORJ\ FXVWRPHUV VLYHDVHUYLFH PXOWLOLQJXDO HQJLQH RI VHUYLFH ,W DOVR RIIHUV VPHHFK WR WH[W WUDQVFULSWLRQ DXWRPDWLRQ 6	
73JHQ$,WHFKQRORJ\	73 *HQ$, HQDEOHV FRPSDQLHV WR TXLFNO\ DQG HDVLO\ GHSOR\ DQG PDQDJH FXVWRPL]HG QXPEHU RI GLIIHUHQW FRQWDFW FKDQQHOV 7KH VROXWLRQ UHGXFHV KDQGO LQWR WKH SURFHVV RI PHHWLQJ FRQVXPHU QHHGV 73 *HQ$, DOVR HQDEOHV VXSSRUW DQG EDFN RIILFH IXQFWLRQV WR 57 UHGFXLUDFHQWHU VROXWLRQ RIIHUV VLJQLILFDQWO\ DQG VXPPDUL]LQJ FDOOV XVL KDOYHG WKH GXUDWLRQ RI LQWHUDFWLRQV LV UHGXFHG E\ DQG WKH UH E\b

)5207 $ 37273 ,1),1,7<',67,1&7,9,(*,7$/75$16)250$7,221)(5

)ROORZLQJ LQWHRJUDWLRQ WHVW WKH *URXS IRUP PHGKDQGHZ\ $QDO\WLFV 3URPSHRVWHG 7R $ [SHXQW HQJLQHHUV DQG ZKDQGXS VSWRV W WKH *URXS V RSHUDWLRQV DQG VDOHZD WKHDDQJHQ WR 7WKLJV DbPRGHO JHUHG WR KLJK YDOXH DGGHG VHUYLFHLFH)LYHGPRQHOV[SHULHQWRRHOWLRQDOWRQEQXRHOWLRQLVV7LD SURFNQVRZOHGJHUHYLFHV

)ROORZLQJ 0DMRUHO DFTXLVLWLRQ7RQL1RWHRHRHDLQHG ZLWK 0DMRUHO V GLJLWDO WKUHDQVIRU QDPH3,QILQLW\



73 ,QILQLW\ LV FRPSULVHG RI WZR OLQHDU VSDFHV D GLDJRQDO FRQH DQG LWV FRPSOHPHQW 6SDFH LQWHUVHFWLRQ &; WUDQVIRUPDWLRQ LQ WKH GRPDLQ RI /DWLQ HFRQRPLFV FRPSUHKHQVLYH SRUWIROLR VSDQV ~ XQLRQ RI WZR OLQHDU VXEVSDFHV GDWD DQDO\WLFV DQG LWV FRPSOHPHQW 73 ,QILQLW\ LV FRPSULVHG RI GLDJRQDO 7HOHSHUIRUPDQFH V JUDZLWDWLRQDO &; WUDQVIRUPDWLRQ VWUDWHJLHV GDWD ORYHUV WHFK HQWKXVLDVWV VHUYLFH LQWHJUDWHG RSHUDWLQJ LQ FRXQWULHV DFURVV WKURXJKRXW 7KHVH 6RXWK $PHULFDQ DQG $VLDQ &RXQWULHV SXUSRVH EXLOW E\ D FRPPXQLW\ RI ~ ,67 HWZRUNV D &; WHFKQRORJ\ UHVHOOHU V\VWHP LQWHJUDWRU DQG PDQDJHG VHUYLFH SURYLGHU VSHFLDOL]LQJ LQ 6DXGL &RQVXOWLQJ 7HFKQRORJ\ 'HVLJQ UHDWLYH $QDO\WLFV 73 DD6

7+(&203/(7(73,1),1,7<6(59,&(2))(5,1*

&;6WUDWHJ\ 'HYHORSPHQW	&RQVXOWLQJ &; 6	&;$QDO\WLFV	0DUNHWHUH DUFK	4$ DDV
&XVWRPHU 'HVLJQ	&RQYHUVDWLQDO $SSHULHQFH	&XVWRPHU)HHGEDFN 0DQDJHPHQW	:)0 DDV	
3URFHVV 2SWLPL]DWLRQ	$SSHY6\VWHP ,QWHJUDWL Q	'LJLWDO 7RXFK (PSOR\HH DJHPHQW &ORXGfDDV		
2UJDQL]DWLRQ	0DQDJHG 'LJLWDO 'HYHORSPHQW	,QWHUDFWLYH ,QIRSHDDV		
,QWHOOLJHQW	6WRUHDOWLFV ,7 DVD			

$QLQWHJUDWHGDQDO\WLFDOGHOLFRPPXQLFDWLRQV QHWZRUN

7HOHSHUIRUPDQFHPDQDJHUV FOLHQWVHUYHUSODWIRUPV DQG EXVLQHVV DSSOLFDWLRQV DFURVV D FRPSOH[KLJK WHUIRUPDQFH GLVWULEXWHG QHWZRUN
VWDWHWKHFRQVWUDLQWVDQGFRPSXWHUHVRXUFHVRIWZDUH

7HOHSHUIRUPDQFH V JOREDO QHWZRUN SURYLGHV VHFXUH ZRUNLQFDFWLYLWLHVDFURVV&DPSXVHPSOR\HHVRQDJHQHUDOSXUSRVHDQGDFFHVV&DPSXVHPSOR\HHVRQDJHQHUDOSXUSRVHDQGDFFHVV
&DPSXVHPSOR\HHVRQDJHQHUDOSXUSRVHDQGDFFHVV

7RWKHLQGWK*HURXGSHSOR\QXPEHU RI WRROV DQG-KPLQLWLDWLYHV LQ
WKHUHUHDV RI UHFUXLWPHQW SURIHVVLRQDO[FWXDLQGHVLDQHG7HSHPHSQWIRUPDQFH HPSO
KXPDQLJKWV GLYHUVLW\ DQG LQFOXVLRQ -XPHOOHULQJUZDPGQRWFLDOOLRQDWURGXFH WR H
KHDOWKZDIHW\ WRSMRQLWRU DQG WKH DFKLHYHPHQWRI WKRV DJHQW WR VXSHUYLVRU DQG
JRDOVHH VHFWLRQV HQJDJHPHQWDJHQGDQDJHPHQW SURJUDPV KDV XQGXHUEHQHILFDQJHV VLQ
HPSOR\HH VXUVDUHUHVSRQVLEOH FRUSRUDWH FWWKLHQDZ7HOHDVHUHHPHQWE\ RWKHU SURJUDPV
FRQVLGHUV LW D GXW\ WR PRQLWRU HPSORSHUHPSOLQHUHHPHQWHG WR VXSHUYLVRU DQG
SURJUDPVG SURFHGXUHV ZHUH GHVLJQHG WR VWUHDPOLQH WKH SURJUDP KDV XQGXHUEHQ
LQWHOTXHFWWLHQQW HPRWLRQDO TXRWLHQW

(PSOR\HHUHWHQWLRQ DQG EHQHILWV

7HOHSHUIRUPDQFH DQG VDODU\ DUH EDVHG RQ H[SHUWLVH KDQG ZHLGK WKH VDPH OHYHO RI H[SHUWLVH DQG DEHGV 7KH TXDOLW\ DQG VDODU\ RI HPSOR\HH VXSHUYLVRQV
HQYLURQPHQWDE\OR\HHV VWUHQJWKHQZRUNDQG PRWLYDWH FRPPXQLW\ DQG FRUSRUDWH
UHDOWLKSRUWHQWLDO

5HGHVLJQHG WKH *URXS V ZHOOEHLQJ SURJUDPV LQWHJUDWLRQ DQG GWHEHRQWRLQXHG
HLJKW SLOODUV LQWHJUDWLRQ DQG FRUSRUDWH FXOWXUH SHUVRQDOL]HG DSSURDFKHV
FRPPXQLW\ DQG FRUSRUDWH VWUHQJWKHQLQJ RYHU HPSOR\HHV DQG RQ WKH 0\73
OLVWHQLQJ PRQWK -XPS SURJUDPV HQJDJHPHQW VXUYH\V DQG IRFXV JURXS
EDODQFHG OLYLQJ SURJUDP GHGLFDWHG WR ZRUN DQG PHQWDO KHDOWK
DFWLYLWLHVF WLOOEHLQJ DW ZRUN DQG PHQWDO KHDOWK

7KHPHULWWDSSURDFK WR HPSOR\HH ZHOOEHLQJ
DUR IWEQ UHFRJQLGLHSEHQGHQW HQWLWLWKLWKDW VSHFLDOL]H LQ
ILHOGV RI 'HFHPEHU 7HOHSHUIRUPDQFH ZDV
UHFRJQLJHG FRXQWULHV UHSUHVHQWLQJ RI WKH *URXS V
JOREDOWORUNIRUFH DV D WOP HPSOR\HU E\ LQGHSHQGHQW H[SHUWV
VXFFXV*UHDWDFH WR :RUN

7UDLQLQJSURFHGXUHSWLPL]RQJNLQJ PHWKRGV

(PSOR\WHUDLQLQJDQGWKHDOW7HOHSHUIRUPDQFH HPSOR\HH
JLYHQKDW LWVUEHXOLHQWFRQVDGHUDEOH QHHG7KHRQWHDU,SURJUDP LQFOXGLWK SSDUWQWHUVKS
PDNHLW SRVVLEOH WERVWKOLYEHUHWKHUYLFH WKRLFYOHUHQLWLHVDQG FRPELQHG DLFPDGHUVLFRQ
SURPRWHPSOR\HHV IURP ZLWKLQ WKH *URXS*URXSQWVFHQKHUVRSU H[FHOOHQFH SDUWLFL
PDNLQJ1JQLLEDWWPWKGDWHQV SROLF\RQVDESUHJUDP ZRHDQG PHQ
QXPEHU WUDLQLQJ DQG HPSOR\HH GHYHORSPHQW SURJUDPV DQG KLJK SRWHQWHLDYH HUHSDUQ
DOHPSOR\HHV IURP WKH PRHQW WKH\ DUH WKUBXJKRXW
WKHFDUHHZLWKKRPSDQ\

7KH*URXS KDV GHVSHFRSLFGRQ DQGLRQLQJ SURJUDPV
IRUDOHPSOR\FKHVH WUDLQLQJFJRXSHRJD DZFLGH QDWLRQDO
VXEMHEQVOXZHLQHSHUIRUPDQFH FRUSORUDWHGXEXHU
IXQFWLDRQG FOLHQW SURJUDPV WKH &RPSDQ\ DUH
FDUHHHLYHORSPHQW FRPSOLDQFH DQG GWDD 6LQFH
7HOHSHUIRKPDQFHOLEG RQ LWV /DQJXDJH
QRQ (QJOLVK VHPSDORLQHV WKH RSSRUWXQLW\
(QJOLWKHUHE\ HQKDQFLQJ WKHLU FDUHHU
RI OHDUQWWWHQGHRXUVHV YV LQ
$VSDUWWK*URXS V WUDQVIHUDUPLQJD WUDLQLQJ
SURJUDFRQWLQXHURHOEH RXW JOREDOO\ IRFXVLQJ RQ SURFHVV
LPSURYHPHQWLFLHQFLHV

~ SURPRWHPHEHUVKLSDQG HQJDJHPHQW
~ LGHQWLI\ KLJK SRWHQWLDO SUHPDUHU\HWKHPDQDJH
PDQDJHPHQWLQLWLDWLYHV
~ HQFRXUDJHPHDGHUVKLS DW HYHU\ OHYHO RI WKH
~ HQGFRXUDJHPHQW VHOI DQG SHHU DVVHVVPHQWV
~ LGHQWLI\ SRWHQWLDO SUHPDUHU\HWKHPDQDJH
PDQDJHPHQWLQLWLDWLYHV
~ HQFRXUDJHPHDGHUVKLS DW HYHU\ OHYHO RI WKH

7KLS SURJUDPEDVHG DQG EHKDYLRUDO WUDLQLQJ SURURUEHQVLYH
HQYLURQPHQW DQG EHKDYLRUDO WUDLQLQJ SURJUDPV
WKHFRQWLQXDO DQG HPSOR\HH SURJUDPV DUH
SURYLGHG WKURXJKRXW WKH\HDU WR HQVXUH WKDW
HPSOR\HHV UHFHLYH UHJXODU SHUIRUPDQFH UHY
\HDU WR HVWDEOLVK WKHLU FDUHHU SDWKZD\V DQG
PDQDJHPHQW

'HYHORSPHQWDO DVVHVVPHQWV DQG SURJUDPV
6LQFH 7HOHSHUIRUPDQFH KDV SURYLGHG DOO H
QHDUVW GLUHFWRU LQ
ILHOGV RI 'HFHPEHU 7HOHSHUIRUPDQFH ZDV
VHQI OHDGHUVKLSDQG8QGHUVWDQGLQJ DQG RQ NH\ WRSL
RI WKH *URXS V
DUWLFOHVDQGQHZVOHWWHUV WKDW*HQHUDWLRQ
7HOHSHUIRUPDQFH 8QLYHUVLW\ WKH LQ KRXVH XQ
H[HFXWLYHV DLPLQJ WR EHFRPH IXWXUH *URXS H
VHQLRU PDQDJHUV ZDV UHODXQFKHG XQGHU D QH

7HOHSHUIRUPDQFH KDV SURYLGHG DOO H
6LQFH 7HOHSHUIRUPDQFH KDV SURYLGHG DOO H
QHDVW GLUHFWRU LQ
VHQI OHDGHUVKLSDQG8QGHUVWDQGLQJ DQG RQ NH\ WRSL
RI WKH *URXS V
DUWLFOHVDQGQHZVOHWWHUV WKDW*HQHUDWLRQ
7HOHSHUIRUPDQFH 8QLYHUVLW\ WKH LQ KRXVH XQ
H[HFXWLYHV DLPLQJ WR EHFRPH IXWXUH *URXS H
VHQLRU PDQDJHUV ZDV UHODXQFKHG XQGHU D QH

3HUIRUPDQFH HQJDJHPHQW
7HOHSHUIRUPDQFH HLQDVRKUQDDHVSURPRWWKRH ,Q
*URXS RVWHG DQ LQWHUQDO SURPRWHDLRQQJUDWKHWR
D YDVW PDMRULW\ RI VXSHUYLVRU\ PDQDJHULDO
DUH ILOOHG LQWHUQDOO\
WR ILHUV UHIXQDU HPSOR\HH SHUIRUPDQFH PRQL
KDV EHHQ VHW TXDQWLWDWLYH DQG QRQ
HPSORLHHV UHFHLYH UHJXODU SHUIRUPDQFH UHY
\HDU WR HVWDEOLVK WKHLU FDUHHU SDWKZD\V DQG
PDQDJHPHQW

IRFXVLQJ RQ SURFHVV

6WDOR\DQGWHWHQWLRQ

%XLOGLQJSOR\HH OR\DOW\ LV HVVHQWLDO IRU 7HOHSHUIRUPDQFH DV HPSOR\HHVH LWV PDMRUHPDQVWRIIKLQJ DWWUDFWLQJ WR WKH JOREDO DJD *URXSW ZLWK ZRUNLQJQGLWLRQV DQG VWLPXODWLQJ UHVSHFWXO DQG FRPSUHKHQVLYH EHQHILWV SDFNDJHV &RPSHWLWLYH FRPSHQVDWLRQ LV HVVHQWLDO WR DWWUDFW DQG UHWDLQ WDOHQWHG SURIHVVLRQDOV 7HOHSHUIRUPDQFH UHFRJQLWLRQ SURJUDPV K&KL &RORI 'RPLQI 5HSX (6DOY)LQO)UDQFH KDYHHDUQHG 7HOHSHUIRUPDQFH D SODFH *HUPL ,W -DPD 0RUR 1HWKHL 1RUZ 3RODQG HPSOR\HHVHWHFWLRQ*UHBDWDWRRUFHUWLILFL3RUW 5RPD 6SD 6ZHG 6ZLW]H 7XQI 8QLWHG +RZHYHU LQ D VHFWRU ZKHSUHUWWDXDWXU HVVHQWLDO WR UHWDLQ WKH EH 6DOHPSOR\HHV 6WDPSURMZHDWDXQFLQGUFK WR DQDO\]H DQG UHVXOWLQJ UDWH %ODQGLQJ WKH UHDVRQV WKHPSOR\HHV OHDYH WKHLU &RPSDQLHV 7HOHSHUIDDPDQVPQ GODORJ ZLWK WRGH PRVWWKHRXWLRQV 4XDOLWQDJHPHQWR FHGXUHV 7KHVXFFHWKRIIKLJK WXFK PRGHO UHTXLUHV GHGL PDQDJHPHQWHGXUHV ZKLFK PDNH LW SRVVLEOH ZD\VRI NHHSLQJ WKHHXQLPDWH SXUSRVH RI WKLV SURMHFW LV WR VWDQGDUGV DVVHVV FRPSOLDQFH DQG JXDUQ FUHDWHVROXWLRQV WKDNLQJ HQYLURQPHQWDO ZLWKLQRXU YROXQWDULO\ RUGHUHIRUPDWLRQ HDFWLRQV 6WDWH WUDFWV DQG GDWD VHFXULW\ UHTXLUHPHQWV *ORE WHQGWKVHLU UHV,QJQDWLRQH (PSOR\HH 6DYH 7HDP PDQDJHWR FRQYLQFH QHUO\ GHSDUWLQJ HPSOR\HHV WR VWDQGDUGV FRQVLVWHQW UHVSRQVH WR LWV FOLHQWV

6WUHQJWKHQLQJ GLDORJXH

$V D VLJQDWRUWR8QLWHG 1DWLRQV &RPSDFW 7HOHSHUIRUPDQFH PLWWHG WR XSKROGLQJ DVSLUDWLRQV DQG WKH ULJKW WR FROOHFWLYH FRQVLGHUDWLRQ DQG FROODERUDWLYH FRQVLGHUDWLRQ LQ WKH ZRUNSODFH FXOWXUH VHHUFLDOLVP DQG GLDORJ3RQHQWVDQG SURYLGH LWV FRUSRUDWH FXOWXUH VHHUFLDOLVP ,Q 'HFHPEHU 7HOHSHUIRUPDQFH *OREDO 8QLRQG XWHIXO IRU WHVWLQJ LPSURYHPHQWDO 81, VLJQHG D JOREDO DGUHHPHQW WKDW VHWV HQYLURQPHQWDO FRPPLWPHQWV RI HPSOR\HH ULJKWV XQLRQV SDUWLFLSDWH LQ FROODERUDWLYH DOVRHIOHFWV D GHWHUPLQDWLRQ WR LPSURYH SDUWLFLSDWLRQ DQG VDIHW\ 7KH DJUHHPHQW HQFRXUDJHV *URXSHPSOR\HHV ,Q 81, LWV PHPEHU

7HOHSHUIRUPDQFH PDQDJHPHQWHQWH LDPSURHHRHQWHG &RORPEROD 7HOHSHUIRUPDQFH DV 7HOHSHUIRUPDQFH DQG WKH ULJKW WR FROOHFWLYH FRQVLGHUDWLRQ LQ WKH ZRUNSOD

(;$03/(62)23(5$7,216 0$1$*(0(17 352&('85(6

3URFHGXUH	2EMHFWLYHV
7236 7HOHSHUIRUPDQFH	7236LV DQ RSHUDWLRQDO SHUIRUPDQFH PRQLWRULQJ SURFHVV WKDW RSHUDWL ZRUNGLVLDLVHV WKH SURFHVV RZQHUVKLS DQG HDFK
2SHUDWLRQDO 3URFHVVHV DQG6WDQGDUGV	7KH7236 SURFHVV RSWLPL]HV WKH ZRUNLQJ WLWHHDPDQD,WHUZDGHGHVLJQHGWRRV RSHUDWLRQV LQ D VWDQGDUGL]HG DQG SHUVRQDOL]HG PDQQHU DQG KDV %HQHILWV ~ LGHQWLFLHVKHQJKHU XQGHUSHUIRUPDQFHDWDWSRHQWHP ZLWK WKH SURFHVV RU ERW ~ VXSHUYLEWRUVDQDJH WKHLU WLPH DQG SZLWKHHILFLHQW ~ DOORZV SURDFWLYHIHEDFNDQGEDFNWR& RQWLQXRXVLPSURYHPHQW ~ WKHHZ +LUH 6XFFHVV SURFHVV HQVXUHV HIIFWLYH RQVRDUG GD\WDNLQJWRFRXQVHUDQGJXLGH ~ IUHTXHQWZRZOHGJH DVVHVVPHQWV VWUHQJWKHQVWHDPZRUNLQJ H[SHULHQFHGUHXLUHGJ ~ DV SDUW RI VFWRUPXPFXQXLEHWLQ VWKOHN\HDRUOHGJHV FAQ VKDUH WKHSULRULWLHV WDVNSHUIRUPDQFH &RQWLQXRXV ,WHUDWLRQ 7236IHDWXUHV LQWHUQDO FULWHULD WKDW 3URFHVVHV FRQWLEXWH WR VWDQGDUG %(67 %DVHOLQH (QWHUSULVH 6WDQGDUG IRUb7HOHSHUIRUPDQFH	%(67SURFHVVHXDOLW\ VWPDQGXDUGV WR HQVXUH WRS SHUYRLEHDTXFDODQG SURJRDF PDQDJHPHQW VPDQGXUHV SURFHVVHV ~ %(67+5 _&DQGLDWH 1HZ +LUH /LIF\FOH 0DQDJHPHQW LV WKH UHFUXLWP HVVWDEOLVKWDQGDUGL]HG ZRUNLQJ PHWKRG LQ EDVLF +5 SURFHGXUHV VH ,WXDUDQWKRPRJHQHRXVLHQFHGLDWHVPDQGRYHUWLHQV SHFWLYH FDUHHUV %HQHILWV BDOLJQILQJ ORRNLQJ UHVRXUFH UHTXLUHPHQWV :RUNIORZSURYLGHPHQ UHFUXLWPHQWHQWVVWHUV ZQLWKKWKHU GDWD RQ IXWXUHUHFHQGLDWHV SULRULWLHV WKHQHHGV BDQDORJXHUHFHLEHVWDEOLVKHG BWKHHFUXLWLQJ WHDPV SURYLGH FOHDUKDWLGHEDUQRRKRQ WKURWHSUHSDU DQGFRQGXFW RI WKH LQWHUYLHZ WR WKH SRVW LQSWRHVUYLEHZ SPKDWFKHWKEXWH DYDLOFDEQGHLGDQWSHRWLWLRQV B+5 SHUFRUPDQFH PHDVXUHV &DVFDGH 6WUDWHJ\ 0RGHO SURYLGH WHDF LQGLFDWHRUUFKXLWRQEERDUGLQQHZWKEGHRQFDHWLKRQG ~ %(67 ' 7UDLQLQJ DQG 'HYHORSPHQW SURYLGHV D FOHDU WUDLQLQJ VWDQGD ZHOOEHSWDFWREHGZ%(67 7D'SSOLHWOWRV RI WUDLQLQJ DQG %HQHILWV BLGHQWLWLQJ QHHGV LV D SULRULW\ IRU WKH 7UDLQLQJ DQG 'HYHORSP VWHSRU GHVLJQLQJ DQ HIIFWLYH DQG HIILFLHQW WUDLQLQJ DQG GHYHORS JDSDVUH HOLPLQDWHG B0\73/HDUQLQJ FRQWHQWKWHQWHY SHULHQFHV RI QHZ UHFUXLWV DUH WKH V DOORZFRQRVL VWHHEHVXEQWV LQIRUPDWLRQ BLQGXFWLQHQV LV SODQQHGWKLQ RDFKQEQHWZJHPSORV1HVLQJ SU HPSOR\HHWKHOHUSRVLWLRQ KHOSV WUDLQHUV LGHQWLI\ NQRZOHGJH JDSS DQG BWK%(67 4XDOLW\ SURFHVV SURYLGHV D FOHDU VWUXFWXUHG DQG WUDQVD TXDOZLRVLOGZLGH ,W PDNHV LW SRVVLEWKWKRKXHVEHLSPURFHEHVUDRYLQQVEWLHQW HQFRXUDJHQHYHORSHQW	

3URFHGXUH	2EMHFWLYHV
%(67	%HQHILWV
%DVHOLQH (QWHUSULVH 6WDQGDUG IRUb7HOHSHUIRUPDQFH	BUHJXODUO\ PRQLWRUQJ LV HVVHQWLDO LQ RUGHU WR LGHQWLI\ HPSO SHUIRUPDQFH WUHQGV DQG WDUJHWHG RSSRUWXQLWLHV IRU LPSURYHPHQW BHQVXUH WKH LPSOHPHQWDWLRQ RI RSWLPL]DWLRQ WKH UXOHV RQ TXDQWLW\ IU IRU PRQLWRUQJ WUDQVDFWLRQV DUH GHILQHG LQ D VSHFLILF SURJUDP ,Q VL]H SWRUDJH VHWWLQJV HQ DVVHVVPHQW DIIHFWHG GV RI WKH FRQWURO DQG TXDOLW\ WHDP %(67:)0 :RUNIRUFH 0DQDJHPHQW ZDV FUHDWHG WR HVWDEOLVK WKH HPSO SURFHGXUHV IRU HVWDEOLVKLQJ DQG PDLQWDLQLQJ 7HOHSHUIRUPDQFH VXEVLGLDULHV RXR RSWLPL]HG WKH DOLJQPHQW RIRUNIRFH DFFRUGLQJ WR YROXPH DQG DUULYDO G\QDPLFV DGHTXDWH DQG TXDOLILHG %HQHILWV BRSWLPL]HV RXUFHV LPSURYH WKH DOLJQPHQW RI WKH ZRUNIRFH DFFRUGLQJ PDQDJHPHQW KURXJKRXW WKH GD BILQG WKH SHUIHFW EDODQFH EHWZHHQ DJHQW RFF\SDWLRQ GHQG WKH DOLFKLHLYH RSHUDWLRQDO HIILFLHQF\ DQG SURGXFWLYLW\ BHQVXUH DGH SDWLRQ ZLWK DOO UHOHYDQW VW LQYROYHG HQVXUH WKDW %(67/RJLVWL:FVUHKRXVH HVWDEOLVKHV ZDUHKRXVH RQLJVWLFV SURFHVVHV WKDW EH LPSOHPHQWHG WKURXJKRXW*FURGXSU7KDQRVWKRSURGXFWLRQ OLQHV LPSURYH SHUDWLRQDO HIILFLHQF\ DQG SURGXFWLYLW\ ZKLOH LQYHQWRU\ PEHWZHHQ*XSSO\ DQG'HPDQG %HQHILWV BFULWLFDOHVVHV VXFK DV WKH UHFHLSW RI WKH QHZ HTXLSPHQW LWV GHC UHSODFHPHQW RU HQVXUH DEOLVKHG SURFHGXUHV DUH IROORZHG WR PLQLPL]H GDUGL]DWLRQ BDVVHVV DQG QDJHPHQW PHWKRGV SURYLGH D IUDPHZRUN IRU FODVVLI\LQJ HTXLSP FODVVLILFDWLRQ RQ OLIH F\FOH BZDUHKRXVLQG HOLQHVFRQVLGHUDWLRQ GQQFGOWLG\ ZRUNSODFH XVLQJ WKH 6 PDQDJHPH),)2PHWKRG,Q)LJURUW 2XW BWKH XWERXQG ,QERXQG$SSURWHQWLDO PHQW LQGLFDWRUV KDYH EHEN LQWUR HIILFLHQFLHV WKH &DSDFDGH 6WUDWHJ\ 0RKGHZOWSRUWRQGYHV FWXKLHGWWRQGDDP LRQG LFDW WRWKHQGLYLGXDO 7KH &23& VWDQGDUG &XVWRPHU 2SHUDWLRQV 3HRUPDFH ZLWKKHFHVVDU\ LQIRUPDWLRQWKRLUSRSHRUDWLQJHDO .H\IHDWXUHVDQGDUG ~ LPSURYLQJ FXVWSHUHQFH PDQDJHPHQW LGHQWLILHV DQG WDUJHWV LPSRY SDWKKDWDKQDPSDFHQXVWRPHU H[SHULHQFH ~ VWUHQJKHQLQJ HQJDJHPHQW HPSKDVLV ON NH\ GULYHUV RI H UHGXFWLWLQGLRQFXVWRPHU ~ LQFOXGHKV UROHV PHDVXUHV DQGSSURYLGHVVWKHPRUDQGRWHQFHDQQHOV GL RUQRQ GLJLWDKRU DQVWLVWHQGGDGHWHUPHG ~ SURYLGQHGXVWU\ EDVHG DLQGLEQDWRUVN VFXVWRPHU H[SHULHQFH RSHUDWLRQV &23& FHUWLSLFDWLRQ DQGHQDWHQ SHUFHQWDJH DRVIHXVWHQW SHUIRUPDQFH VFDODEQGHULJRURXV SHUIRUPDQFHIRDQFHPHQWVWHPQG RWKHU FXVWRPHU H ,W DOVO SURYLGHV D FRPSUHKHQVLYHPHQSWUPRDDQGBLQHNDLVQRI WKH FRPSDQ\ RSHUDWLRQDOHQVLVWHQW ~ LPSOHPHQWDWLRQ RI EHVW SUDFWLFHV FRQVLVWHQWGSRSDWLRQF HDVQGRUPSRU FXVWRPHU H[SHULHQFH DQG EXVLQHVV ~ FRQVWDQW DCKLHYHPHQW RI REMHFWLYHVRFRQWWDCRQWWDCWLFHYQWWHQW PURJHW ~ EHQCFKPDUNDGJHQVXUHDWWDUJHWVWHQFKPDUNLQJ JOREDO RU ~ FRUUHFWLYH DFWLRQSRUDJHSFOLHQGHUSHRPLQJ SURFHVVHV DQG EXVLQHVV ,Q WKH SURMHFWV WR ZKLFK WKHQG22ZKWWWKHDFUGLHQSWOHDJUHHPQW 7HOHSH RZQ WRRDPSSURYHRHGUGLQDWRUV DQGL&QW3RUEHDOWXLGHLGWRUV

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~ SURYLGH WDQGDUG DQG VHFXUH PHWKRG HQDEOLQJ DFFHVV WR
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~ PDQDJHQG PRQLWRU HQG WR HQG FRPSOLDQFH
GRZQORDGHG TXLUHG E\ *,63 UXOHV WR UHSRUWV PDQDJHPHQW
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FXUUHQWO\GHUZD\ EULQJLQJ QHZKHDOWKFDUH GDWDEHDNDJHV
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7KHDFTXLVLWHQRQEZLOWKH *URXS WR EURDG7KHDFWXLSUHQFHLDQ EH DFFUHWLYH WR HDUQ (XURSHXFK DV LQ)UDQFH DQG *HUPDQ\ ZKHQHUWKRP*URXS KDV D UHODWLPYDOO SUHQFHQXPEHU RI KLJK JUZWKHQWV YHUWLFXOX\ JRRGV DXWRPRWLYH H[SHDUWEDLPXPDQDJHG DQG LQ DUHDVJKRIYDOXH H[SHDUWEDLPXPDQDJHG bHPSOR\HHV (%,7'$ SUR IRUPDXUHV

,WLV DOVR VWUHQJKWHQLQJ 7HOHSHUIRUPDQFH V H[SRVXUH WR (XURSHDQ FOLHZQKWUHDWXUHQW FOLHQW SRUWIROLR LV PDLQO\ $PHULFDQ

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,Q 7HOHSHUIRUPDQFH RQFH DJDLQ REWDLQHG VHYHUDO LQGHSHQGHQW UHFRJQLWLRQV IRPSUHVWLJLRXV LQVWLWXWLRQV DQG UHSXWDEOH LQGXVWU\ ILUPZRUOGZLGH*URXS EHHQ UHFRJQL]HG IRU DQGVHUYLFH H[FHOOHQFH DQG GHYHORSPHQW VWUDWHJLF DQG FRQVXOWLQJ &65PDWW7KHVH LOOXVWUDWHV WKH PDQDJHUV WKHDEL\WRSLF

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7KH SUHSDUDWLRQ RI ILQDQFLDO VWDWHPHQWV UHTXLUHV PDQDJHPHQW WR PDNH HVWLPDWHV DQG DVVXPSWLRQV WKDW DIIHFW WKH UHSRUWHG DPRXQWV RI DVVHWV DQG OLDELOLWLHV DW WKH GDWH RI WKH ILQDQFLDO VWDWHPHQWV DQG WKH UHSRUWHG DPRXQWV RI UHYHQXHV DQG H[SHQVHV GXULQJ WKH UHSRUWLQJ SHULRG

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2Q $SULOb 7HOHSHUIRUPDQFHb6WRQLQWHUQDWLRQDO IRU 7HOHSHUIRUPDQFHb6WRQ DQG IRU 7HOHSHUIRUPDQFHb6WRQ EHLWKHU
ODXQFKHG DQ LQLWLDWLYH WR HQDEOH 1HWZRUN 0DQDJHG 6HUYLFHV RQ 7HOHSHUIRUPDQFHb6WRQ DQG
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$PVWHUGDP RQ FN H[FKDQJHLQ RSHUDWLRQV EDVHG RQ WKH UHODWLRQ
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WRWDOO DXWKRUL]HG RQ SDUHDGH HQGXULQJ RFFXS
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Rb 7HOHSHUIRUPDQFH VKDUH IRU HDFK 0DMRUHO
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2QD UHSRUWHG EDVLV UHYHQXH ZDV XS WKHQ SHUFHQW YKH
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DJDLQWKHXUOLKH (JSWRLQQGWKH7XUNLVK OLUD WKH
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WKURXJKWKRXW \HDUPRDEGSDUWLFXODUO\ LQ
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3UHVHQWDWLRQ

7KLWHFWXUDORXUHSDUDWLRQ GHVLDKDWP HQW DNH\ UROH LQ IDFLOLWDWLQJ DQG FRQWURO LQ WKH HQWHUQDO FRQWURO DQG ULVN PDQDJHPHQW *URXS ZLGHLFK LVEDVHG RQ WKH 3URSHUW\ DQG &DVXDOW\ GLYLVLRQ

5LVNDFWRUV SUHVHQWDWLRQ

7KHULVN IDFWRUV WRDGKHVHQLPDFW RQ WKH *U SUHVHQWDWLRQ WKHPDWHULDOLW\ DVVHVVPHQW DQG IUDPHZRRUN IDFWRU DUHDLDWHG YHUVHOWKHRDUG XWLQHV VWDII DVVHVVHG EDFFRUGLQ 7KH\ DUH LGHQWLILHG DQG DVVHVVHG EDFFRUGLQ \HURXWLQH PDQDJHPHQW DQG WKH PDQ *URXS FRQVXOWDWLRQ WKHU UHSUHVHQWDWLYHV LQ WK UHVXOWDWLRQ WKLV ULVN FULWLFDOLW\ DVVHVVPHQW D IDFWRUV DQG SURFHGXUHV WKH IDFWRUDEOH ZKLFK HV WKHQLRQHG DQDJHPHQW 7KL *URXS LPV WR GHYHORS D ULJRURXV DQG FRQVWUXFWLYH FRQWURO DVVHVVPHQW PD\ EH XSGDWHG DW DQ\ WLPH GH FLUFXPVWDQFHV

7KHFULWLFDOLWWKRHVHDEKVRNV LV DVVHVVHG LQ UH SUREDERLOLWFXUUHQFH DQG WKH H[SHFWHG VFRS IDFWRUDEOH WKDW FRQWULEXWH WKH ULVN PDQD RIWKH *URXS'V HQWHUSULVH ULVN PDQDJHPHQW 7KH DQG WKH PDQ *URXS LPSOHPHQWV D FRQVLVWHQW DQG FRQWURO DVVHVVPHQW SURFHVV WKDW DOORZV ULVNV WR EH LGHQWLILHG DQG DVVHVVHG EDFFRUGLQ FLUFXPVWDQFHV

7KH\ DUH LGHQWLILHG DQG DVVHVVHG LQ UHVSRQVH WR FKDQJHV LQ WKH HQYLURQPHQW DQG WKH PDQ *URXS LPOHPHQWV DQG PRQLWRUV LWV ULVN PDQDJHPHQW DQG FRQWURO V\VWHP

7KHV\VWHP LV EDVHG RQ LQWHUDFWLRQ EHWZHHQ PDLQSHUDWLRQDO DQGVHQLRU 5LVN &RPSOLDQFH DQG WKH %RDUG RI 'LUHFWRUV

2YHUYLHZ

3UHVHQWDWLRQ

7KLWHFWXUDORXUHSDUDWLRQ GHVLDKDWP HQW DNH\ UROH LQ IDFLOLWDWLQJ DQG FRQWURO LQ WKH HQWHUQDO FRQWURO DQG ULVN PDQDJHPHQW *URXS ZLGHLFK LVEDVHG RQ WKH 3URSHUW\ DQG &DVXDOW\ GLYLVLRQ

5LVNDFWRUV SUHVHQWDWLRQ

7KHULVN IDFWRUV WRDGKHVHQLPDFW RQ WKH *U SUHVHQWDWLRQ WKHPDWHULDOLW\ DVVHVVPHQW DQG IUDPHZRRUN IDFWRU DUHDLDWHG YHUVHOWKHRDUG XWLQHV VWDII DVVHVVHG EDFFRUGLQ 7KH\ DUH LGHQWLILHG DQG DVVHVVHG EDFFRUGLQ \HURXWLQH PDQDJHPHQW DQG WKH PDQ *URXS FRQVXOWDWLRQ WKHU UHSUHVHQWDWLYHV LQ WK UHVXOWDWLRQ WKLV ULVN FULWLFDOLW\ DVVHVVPHQW D IDFWRUV DQG SURFHGXUHV WKH IDFWRUDEOH ZKLFK HV WKHQLRQHG DQDJHPHQW 7KL *URXS LPV WR GHYHORS D ULJRURXV DQG FRQVWUXFWLYH FRQWURO DVVHVVPHQW D\ EH XSGDWHG DW DQ\ WLPH GH FLUFXPVWDQFHV

7KHFULWLFDOLWWKRHVHDEKVRNV LV DVVHVVHG LQ UH SUREDERLOLWFXUUHQFH DQG WKH H[SHFWHG VFRS IDFWRUDEOH WKDW FRQWULEXWH WKH ULVN PDQD RIWKH *URXS'V HQWHUSULVH ULVN PDQDJHPHQW 7KH DQG WKH PDQ *URXS LPSOHPHQWV D FRQVLVWHQW DQG FRQWURO DVVHVVPHQW SURFHVV WKDW DOORZV ULVNV WR EH LGHQWLILHG DQG DVVHVVHG EDFFRUGLQ FLUFXPVWDQFHV

7KH\ DUH LGHQWLILHG DQG DVVHVVHG LQ UHVSRQVH WR FKDQJHV LQ WKH HQYLURQPHQW DQG WKH PDQ *URXS LPOHPHQWV DQG PRQLWRUV LWV ULVN PDQDJHPHQW DQG FRQWURO V\VWHP

7KHV\VWHP LV EDVHG RQ LQWHUDFWLRQ EHWZHHQ PDLQSHUDWLRQDO DQGVHQLRU 5LVN &RPSOLDQFH DQG WKH %RDUG RI 'LUHFWRUV

0$,15,6.)$&725

5LVN DFWRUV WKDW KLFK *URXS LV H[SRVHG RU LQHUEDEOH DUH SUHVHQWHG LQ WKH WDEOH EHORZ $Q EDVLQHVV WKDW FKRRVHV WR DFFHSW PDQDJHPHQW PHDVXUHV GLYHVWHG IURP WKHVH FRQGLWLRQV

&DWHJRULHV	5LVN DFWRUV	&ULWLFDOLW\
6WUDWHJLF	,QWHUQDWLRQDO EXVLQHVV RSHUDWLRQV	
	,QQRYDWLQGRQ UXSWHFKQRORJ\	
	&RPSHWLWRUV	
	$FTXLVLWLRQV	
2SHUDWLRQDO	+XPDQ HVRXUFHV PSVBHW\	
	6\VWHP IDLOXEHUF ULPH	
	&DPSDLJQV QHJDWHDWHWKH PHGLD VRFLHGLD	
	&OLHQWWRLOR	
7HFKQRORJ\ ULVN'DWSUL\DF\		
	/LWLJDQGHRSORGHLSXWHV	
	(WKLFV FRDQUKXPDQRQLJKV	
)LQDQFLDO	)RUHLJQ H[FKDQJH	
	,QWHUHWH VRDQFUDWH	
	&UHGLWV	
	/LTXLGDWDELOLWLHV	

&ULWLFDOLW\ UHIOHFWV WKH EXVLQHVV PDWHULDOLW\ RI DQ\ GDPDJH WR WKH EXVLQHVV ,W VUHSUHVHQWV WKH HOHYHO RI GDPDJH WKDW PLJKW UHVXOW DQG PRGHUDWH

,PSDFW RI SROLWLFDO RQ VDFUDG HFRQRP GE WKLQ PDLQ ULVN IDFW

,W LV GLIHLFXOW WR WKH LPSDFW RI FXUUHQ&XUHUHQWOLWEEHOHIWHQFRVLLFQGLWLRQV LQIODWL 8NUDLQH DQG RWKHU UHJLRQV LQFOXGQJUWWH 0LGGDWLQDWG EHRQHRWLV VXSSO\ VKRUWD PDFUR HFRQRPLF DFRQGWWEBRQEDO HFRQRPK HFRQRPLFV PD\ LQFUHDVH XQF PDLQ IDFWRUV HFRQRPZKLQFWKH *URXS FRQVLGHUV

5XVVLDQ VDQFWLRQV ULHQVHFWQHGPKH*URXS FRQVLGHUV WKDW PLKWWKHHW ZKHWKHU VDQFWLRQV DJDLQ%WOO5XXVLDZLDQG D QXPEHU RFRQWDQLHVQWKHRE8UDLQH LQFOXGLQJ$(8 0HPEHU 6WDWHV DQG WKH 8HFRQRPLF DQG ULVN IURP WKH LQWHUQDWLRQDO7KEDQNLQJ3DWKRUHV\FRQWROLQDQG DSWDLRQ LPSDFWWKHG REHFRQRPD ZKROH

7KHULVN PDQDJHPHQW PHDVXUHV LPSOHPHQWHG EHORZ

6WUDWHJLF5HV

5LVNHODWHGRXWHURXS V LQWHSUHWDWLRQV RIDWWLWXGHV RIDOWK FULVLV HQYLURQPHQ

5LVNGHWHUPLQDWLRQ

7HOHSHUIRUPDQFH EHQFKPDUNV LQ QHDUO\7RJHWKHUZKLWHKHDG EURDGGHRJUDSKLFDO IRRWSULQW LQFUHDVHVHQVRUV JHRSROLWLFDOGHVWDELOL]DWLRQ FRQWLQXH &RPSOLDQW &RPELQDWLRQ RSHUDWLRQDO HQYLURQPHQWDOWHFKQRORJLHV ZRUOGZLGH QDWXUDOVWHUV

*URZLQJROLWLFDOVHQWLPHQWDOORQJ, QHWKHUODQGV ZHDOWK HSLGHPLFV HDUWKTXDNHV KXUULFDQHV VRPHRI WKHVH FRXQWULHVWHFKQRORJLHV VKXWGRZQURXSHRFDWLRQ

6FKHYHQWV FRXOG LQVWHEVXSWVWEYLGHVLQGLFDWLRQV HPSOR\HHV RU*URXS DVVHWV LIWK*URXSVKQDEVWRHS LPSOHPHQWLQQRYDWLRQ FRQWLQXLWVV EXVLQHVV DFWLYLWLHV RSHUDWRQVV RYSUWXLWQIWUHFDVWV XQGHUO\LQJ GHFLVLRQV DQG FXUUDLO HDUQLQJV

8NUDLQHG JHOSROLWLFDO WHQVLRQV 5XVVLD)HEUXDU\ JDYH ULVH WR HFRQRPLF VDQFWLRQV %HODUXV VKDUH $VORQJ DV WKH 5XVVLD 8NUDLQH FRQIOLFW FRQWLQXHV SULFHVXSSOLHV DUH DOVR DIIHFWHG

8QHUWDEQW KRZDWKHOO GHYHORS LQ WHUPV RI LWV DQG SRWHQWLDO VSLOORYHU LPSDFWV RQ WKH *URXS V RYHUDOO EXVLQHVV HFRQRPLFXSUWHQG WKH *URXS V YLVD PDQDJHPHQW EXVLQHVV KDV EHHQ GRZQJUDGHG 8NUDLQH DQG %HODUXV GXH WRQWHUQDWLRQDO DQG %HODUXV

7KHFRQVHTXHQFHV RI JHRSROLWLFDOVWHQVLRQV WKHLGGOHDVWQSVLDEHWZHHQ WKH8QLWHG6WDWHV DQG &KLQD FRXQJHQHUDWHUHYHQXH EDUJHV WKDW KDYH UHSHUFXVRQV WKH*URXS V RYHUDOO EXVLQHVV ,QIODWLRQDU\SUHVVXUHV DQG WHUULWRULDO GLVSXWHV &KLQD LV OWZ HQHUJ\ PDQDJHPHQW EXVLQHVV &RPSOLDQFH &KLQDV GRZ

,QIODWLRQDU\ SUHVVXUHV DQG WHUULWRULDO GLVSXWHV &KLQD LV OWZ HQHUJ\ UHODWHG EXVLQHVV &RPSOLDQFH &KLQDV GRZ

([FKDQJHUDWH YRODWLOLW\ LQ K\SHULQIODWLRQDU\ HQYLURQPHQWV WKH*URXS V RUJDQLF JURZWK VFHLUGWDLQ HFRQRPLF HQYLURQPHQWV DOVR PRUH GLIILFXOW IRU FRPSDQLHV WR PDNH GHFLVLRQV DQG FXUUDLO HDUQLQJV

5LVN PDQDJHPHQW

~7RJHWKHUZKLWHKHDG 7RSHUDWLQJ GHSDUWPHQWV EURDGGHRJUDSKLFDO IRRWSULQW LQFUHDVHVHQVRUV JHRSROLWLFDOGHVWDELOL]DWLRQ FRQWLQXH &RPSOLDQW &RPELQDWLRQ RSHUDWLRQDO HQYLURQPHQWDOWHFKQRORJLHV ZRUOGZLGH HQYLURQPHQWDO DQG FXUUDLO HDUQLQJV

8NUDLQH 7KH FRQWULEXWLRQ RI WKH 5XVVLD

VXEVLGLDULHV WR *URXS DVVHWV LQFUHDVH DQG WKH EDODQF

QHVV WKDQ RI UHYHQXH DQG WKH EDODQF

,FHFEHU

Q UHVSRQVH WR WKH ZDUFLWKGH WURXSLPW

FRPPLWPHQWV WKH FRQWLQXHG RSHUDWLRQV LQ 5XVVLD ZKOH

QFHVVDU\ DVVLVWDQFH WR KHOSV HQHQXUH DWQGH

WKHLU IDPLOLHV LQ 8NUDLQH ORHDQGWKHRQDLQV LQ 8NUDLQH

DQG SRWHQWLDO VPLOOR\HU LQWR DQG*URXS V RYHUDOO EXVLQHVV

HFRQRPLF LSFRVXUH WR 5XVVLD ,W VKRXOG EH QRWHG WKDW

WK*URXS V YLVD PDQDJHPHQW EXVLQHVV KDV EHHQ GRZQJUDGHG

GRZQ 8NUDLQH DQG %HODUXV GXH

WRQWHUQDWLRQDO DQG %HODUXV

7KHFRQVHTXHQFHV RI JHRSROLWLFDOVWHQVLRQV

WKHHLGGOHDVWQSVLDEHWZHHQ WKH8QLWHG6WDWHV DQG &KLQD

FRXQJHQHUDWHUHYHQXH EDUJHV WKDW KDYH

UHSHUFXVRQV WKH*URXS V RYHUDOO EXVLQHVV

EHQWWKGW*UXSSLVFW H[SRVXUH WR &KLQD LV OWZ

,QIODWLRQDU\ SUHVVXUHV DQG WHUULWRULDO GLVSXWHV &KLQD LV OWZ HQHUJ\ UHODWHG EXVLQHVV &RPSOLDQFH &KLQDV GRZ

VXSSOQHWPHQWDU\ LQIRUPDWLRQ

KLJKGHSHQGHQFHV SDUWLFXODUO\ LQ WKH VHOHFWHG

VHSHOOVK\SHULQIODWLRQ SRWHQWLDOO\ UHVXOWLQJ LQ

VRFEDDVHV

([FKDQJHUDWH YRODWLOLW\ LQ K\SHULQIODWLRQDU\ HQYLURQPHQWV WKH*URXS V RUJDQLF JURZWK VFHLUGWDLQ HFRQRPLF

HQYLURQPHQWDOO\ UHVSRQVLEOH EXVLQHVV DFWLYLWLHV

GHFLVLRQV DQG FXUUDLO HDUQLQJV

1RQ ILQDQFLDO 3HUIRUPDQFH XQGHU WKH IUDPHZ

5LVNHODWLRQRQRYDQGLVUWSWKRORJ\

5LVNGHWLILFDWLRQ

7HOHSHUIRUPDQFH HQVXUHV WKDW LW UHVSRQGV WHFKQRORJLFDO GHYHORSPHQWV WKDW LPSURYH WKH *URXS PXVW DGDSW WR FKDQJLQJ FLLPDWH DQG HQYLURQPHQWDO UHTXLUHPHQWV DQG LQQRYDWH WR VHUYLFHV DQG GHOLYHU VXVWDLQDEOH GDWD DQDO\WLFV DQG GHFLVLRQ VXSSRUW WRROV

VRXUFHV WKDW DUH FRPSHWLWLYH LQ WHUPV RI FRVW DQG TXDOLW\ &XVWRPHU 6HUYLFH $ZDUGV LQZKHEHPEU

7KH *URXS PDLQWDLQV EDFNXS DQG 0DMRUHO UHFHLYHG DZ

WR DGDSW E\ RIQHUZLVH EXVLQHVV RQ

7KH *URXS FRXOG DOVR EH LQIOXHQFHG E\ UHJXODWLRQV

WHFKQRORJLFDO GHYHORSPHQWV ZHUH SHUFHLYHG WR

ILQDQFLDO FRPPXQLW\ DV ZDV WKH FDVH ZLWK

RI LWV &RORPELD EDVHG FRQWHQW PRGHUDWLRQ

5LVN PDQDJHPHQW

7HOHSHUIRUPDQFH HQVXUHV WKDW LW UHVSRQG

7HOHSHUIRUPDQFH DQG 0DMRUHO UHFHLYHG DZ

LWV XQLTXH UDQJH RI VPDUWVKRULQJ VROLWR

&RPSDQ\ WR PHHW DQG FRQWLQUHPHQWV Z

WKH WKH PRVW RITHQVLYH VHJPHQW

VROXWLRQ

~ 7HOHSHUIRUPDQFH FRQWLQXHG WR LPSOHPHQW LV

VWUDWHJ\ WKH EHQHILW RI LWV FOLHQWV '

7HOHSHUIRUPDQFH GHSOR\HG FXVWRP $, SOWHUH

LWV FXVWRPHU H[SHULHQFH PDQDJHPHQW PRU

SHUVRQDOL]HG,QVLJHWV WKH *URXS KDV GLVWLQJ

D FHUWLILHG SURIHVVLRQDO GRPLQDQW 86 JURXSV L

GLJLWDOO\ HW

,Q -XQH XQGHU RQH RI WKHVH SDUWQHUVKL

ODXQFK3HG$ QHZ VXLWH RI $, VROXWLRQV G

RSWLPL]HG SURFHVVHV LQ RUGHU WR SURYLG

H[SHULHQFH LQWHJUDWLRQ FDO LQWHOOLJHQFH

GLUHFWO\ WURXWKH FRQWLQXLQJ JURZWK DQG

SURILWDELOLW\

~ 7R LPSURYH VHUVRQ XQGHUVWDQGLQJ KRZ WKHG*U

KLJK WHKXLFK WHFK DSSURDFK LQ WHUPV RI WUDQ

VROXWLRQV PRGHOLQJ DQG HPSOR\HH ZH

7HOHSHUIRUPDQFH RSHQHG VL[RI LWV FHQWHUV

DQG LQ VL[FRXQWULHV UHSUHVHQWLQJ RY

ZRUNIRFH $WHWHQGHG WKH VXFF

2SHQRRUV 73 $, 2SHQ GRRUZDYV RUJDQL]G RQ

6HSWHPEHU LQ 1HKHUODQGV DQG WKH 8QLWH

2YHU YLVLWRUV DWWHQGHG DQG WKH *UX

KDV LQWHJUDWLQJ WHFKQRORJLHV RSHUDWLRQV IR

\HDUWRRRVWV SHUIRUPDQFH

~ 7KH*URXS KDV H[SDQGHGREHU\EQGLQHV DFWLYLW

QHZ DUHDV RI H[SHUWLVH GRWRFXVWRPHU H[S

PDQDJHPHQW ,Q WKHVH QHZ DUHDV RW KH[SHUWLV

FRQWHQW PRGHUDWLRQ EXVLQHVV WKH *URXS

VWDQGDUGV LQ WHUP7DIHDQGPSZHRHHQHLQJ WR HQ

WKDWWSOR\HHVXQRBUHEWKW SFRQGLWLRQV

)ROORZLQJ XUYH\ FRQGXEWHG LQ JOREDO +5 FRQ

ILUP EHWZHHQ 'HFHPEHU DQG -DQXU\ 7H

ZDVUDWHG ZHOWKEHRYHUDJH VDPRQJH DRI

FRPSDQLHV WKH TXDOLW\ RI WKH HPSOR\HH H[

FRQWHQGWHUDEXLRQ HVV 6DUHWW

&RPSHWLWLYH HQYLURQPHQW

5LVLQG HQWLILFDWLRQ

7HOHSHUIRUPDQFH REDO OHDGHU LQGXVWU\ WKH *URXS HVWDEOLVKHG VHUYLFH *URXS PXOWLSOH VHUYLFHV WR FOLHQW VLWHV LQFUHDVH SURGXFWLYLW\ 'XH WR LWV JURZWK DQG GLPHQVLRQ VWUDWHJ\ FRPSHWLWLYH HQYLURQPHQW LV H[SDQGLQJ PDUNHWHUV VXFFHVVIXO DQG GLJLWDO WUDQVIRUPDWLRQ)XUWKHUPRUH *URXS LW IDFHV H[WHQVLYH LQWHUQDWLRQDO DQG IURP FRPSDQLHV LQFRQWHPSRUDU\ HQWHUSULVHV

7KH *URXS LV LQ FRPSHWLWLRQ ZLWK VHUYLFH SURYLGHUV WKDW RIIHU VLPLODU SURGXFWV WR WKH *URXS WR UHGXFH LWV SULFHV ZKLFK

5LVN PDQDJHPHQW

7HOHSHUIRUPDQFH WR VWUHQJWKHQ LWV SRVLWLRQ LQ WKH *URXS PXOWLSOH VHUYLFH *URXS DQG WR FOLHQW VLWHV LQFUHDVH SURGXFWLYLW\ 'XH WR LWV JURZWK DQG GLPHQVLRQ VWUDWHJ\ FRPSHWLWLYH HQYLURQPHQW LV H[SDQGLQJ PDUNHWHUV VXFFHVVIXO DQG GLJLWDO WUDQVIRUPDWLRQ)XUWKHUPRUH *URXS LW IDFHV H[WHQVLYH LQWHUQDWLRQDO DQG IURP FRPSDQLHV LQFRQWHPSRUDU\ HQWHUSULVHV

7KH *URXS LV LQ FRPSHWLWLRQ ZLWK VHUYLFH SURYLGHUV WKDW RIIHU VLPLODU SURGXFWV WR WKH *URXS WR UHGXFH LWV SULFHV ZKLFK

,Q $SULO WKH *URXS DQQRXQFHG D SODQ W
ZKLFK KDV FORVHG RQ 1RYHPEHU 7KLV DFTX
7HOHSHUIRUPDQFH WR VWUHQJWKHQ LWV SRVLW
SDUWLFXODUO\ LQ (XURSH DQG &HQWUDO DQ\ ZKHUH
*URXS KDV D UHODWLYHO\ IRRWSULQW LQ KLJK SRV
VXFK DV VRFLDO PHGLD OX[XU\ JRRGV WKH DXWR
WUDGLWLRQDO KLJK GHQVLW\ 7KH DFTXLVLWLRQ KDV VWUHQJWKHQHG WKH *URX
QRZ EDFNHG E\ DURXQG HPSOR\HHV ZR
UHYHQXH RI RYHU ELOOLRQ DQG LV IXOO\ LQ
URDGPDS $V D UHVXOW RI WKH DFTXLVLWLRQ UH
WDUJHWHG ORFDWLRQ\HDUV DKHDG RI VFKHGXOH

$FTXLVLWLRQ ULVN

5LVNGHQWLILFDWLRQ	5LVN PDQDJHPHQW
$FTXLVLWLRQ RI WKH *URXS V GHYHORSPHQW DWH[WHQGLQJ LWV UDQJH RI VHUYLFHV DQG EXVLQHVV JURZWK RSSRUWXQLWLHV DFTXLVLWLRQV FDQ SURYH FRPSO[7KHLQWHJUDWLRQHQWHUSULVHVDDXGLHQFHV FRPSDQ\ ZLWKLQ WKH *URXS V H[LVWLQJ EXVLQHVV ,Q SDUWLFXODU WKH *URXS V FXVWRPHU EDVH DQG SURGXFW RIIHULQJV 7KH*URXS V DELOLW\ WR LQWHJUDWH DFTXLUHG EXVLQHVVHV DQG WHFKQRORJLHV 'LIILFXOWLHV LQ LQWHUHG GXULQJ WKH LQWHJUDWLRQ SURFHVV RU WKH *URXS V IDLOXUH WR UHDOLVH WKH H[SHFWHG EHQHILWV $Q\JRRGZLOO UHFRUGHG RQ WKH *URXS V EDODQFH VKHHW DFTXLUHG EXVLQHVVHV PD\ VXEVHTXHQWO\ EH LPSDLUHG 7KH DVVXPSWLRQV DQG IORZV DW WKH WLPH RI WKHVH \HDU E\ VXEVHTXHQW FKDQJHV LQ WKH FDVH *URXS EHFRXOG UHTXLUH DGGLWLRQDO LPDLUPHQW FKDUJHV	5LVN PDQDJHPHQW 7KH*URXS XVHVDULHG DFTXLVLWLRQ SURFHVV DQG WKH*URXS FDUULHV RXW GXH GLOLJHQFH RQ DFTXLUHG EXVLQHVVHV DQG WHFKQRORJLHV 7KH DVVHVVPHQW RI EXVLQHVV FRQGLWLRQV 7KH DQG IRUHFDVWV RI DFTXLUHG EXVLQHVVHV DQG WHFKQRORJLHV DUH LQKHUHQWO\ VXEMHFWLYH DQG GHSHQG RQ PDQDJHPHQW V MXGJPHQWV DERXW IXWXUH HYHQWV DQG WUHQGV 7KH PDQDJHPHQW SURFHVVHV DQG FRQWUROV WKDW WKH*URXS KDV LPSOHPHQWHG WR PRQLWRU DQG PDQDJH WKHVH ULVNV PD\ QRW EH VXIILFLHQW WR SUHYHQW RU GHWHFW DOO PDWHULDO PLVVWDWHPHQWV RU ORVVHV 7KH*URXS V LQWHUQDWLRQDO RSHUDWLRQV H[SRVH LW WR DGGLWLRQDO ULVNV WKDW FRXOG DGYHUVHO\ DIIHFW LWV EXVLQHVV ILQDQFLDO FRQGLWLRQ DQG UHVXOWV RI RSHUDWLRQV ,Q DGGLWLRQ WKH*URXS V RSHUDWLRQV DUH VXEMHFW WR D ZLGH UDQJH RI UHJXODWLRQV DQG WKH*URXS V IDLOXUH WR FRPSO\ ZLWK WKHVH UHJXODWLRQV FRXOG UHVXOW LQ VLJQLILFDQW ILQHV DQG SHQDOWLHV 7KH*URXS V EXVLQHVV DQG UHSXWDWLRQ FRXOG DOVR EH DGYHUVHO\ DIIHFWHG LI LW IDLOV WR PDLQWDLQ HIIHFWLYH UHODWLRQVKLSV ZLWK LWV FXVWRPHUV 7KH*URXS V EXVLQHVV DQG UHSXWDWLRQ FRXOG DOVR EH DGYHUVHO\ DIIHFWHG LI LW IDLOV WR SURWHFW WKH FRQILGHQWLDOLW\ RI FXVWRPHU GDWD RU WKH GDWD RI RWKHU SDUWLHV WKDW LW KROGV RU LI WKHUH LV XQDXWKRUL]HG DFFHVV WR RU PLVXVH RI VXFK GDWD 7KH*URXS V EXVLQHVV DQG UHSXWDWLRQ FRXOG DOVR EH DGYHUVHO\ DIIHFWHG LI LW IDLOV WR SURWHFW WKH FRQILGHQWLDOLW\ RI FXVWRPHU GDWD RU WKH GDWD RI RWKHU SDUWLHV WKDW LW KROGV RU LI WKHUH LV XQDXWKRUL]HG DFFHVV WR RU PLVXVH RI VXFK GDWD

2SHUDWLRQDO

5LVNHODWHGRQJPDQHVRXDEHPSOR\HH VDIHW\

5LVNGHQWLILFDWLRQ

7KH*URXS V HPSOR\HPHWSDUHLDWKWH *URXS7KH*URXS SD\V FOVH DWWHQWLRQ WR WKH TX
FRPPLWWHGHWHRDOOQWKDW FRXOG DIIHFWOWKHP RXWHV PDQDJHPHQW DQG ZRUNLQJ FRQGLWL
RIWKH VHUYLFHVE\SWRMLGHRXS GHSHQGV RQDVWOEHWKH*URXS V SULRULW\
PDQDJHLWV HPSOR\HHV RIIHU WKHP D KLHJKHSHDOWRDQZRUNLQJ LPSOHZRHUQVHZGHHDVRU
HQYLURQHPHQWLQJ RSWLPXP KHDOWK DQG JXDUDQWHHQ RIHW\ RI LWV HPSOR\HHV 7KH
FRPSO\LQJ ZLWK LWV OHJDO DQG ILQDQFLDO REOLJDWLRQV DQG SURWHFW

7KHDELOLWL QWRDLQWRKDTXDOLW\ ZRUNLQD HQYLURQPHQW
SDUW WKH *URXS V FXOWXUH JLYHQ WKDW LWV HPSOR\HHV 8QVXLWDEOH ZRUNLQJ
IRUHPRQWLWV HPSOR\HHV 8QVXLWDEOH ZRUNLQJ
RIKHDOWK DQG VDIHWRXGWDEQSUHQW QRQ
IRHPSOR\HHV

7KH RFFXUHQFH RIDLQHRXGKWDWKH SK\VLFDO
LQWHJULW\ RU PHQWDO VWDELOLW\ RI HPSOR\HHV
VHYHUZKLFK FRXOG LPSDFW RSHUDWLRQV
UHSXWDWLRQ

7KHTXDOLW\ RI WKH VHE\WHV *URXS GHSHQGV
DELOLW\ WR DWWUDFW WUDLQ UHWDLQ DQG PRWLYDWH
LQRUGHUWRHQVXUH WKHLU[SHUWLRQ RI WKHLU
PDLQWDLQLQJ RSWLPDO OHYHO RI WUDLQLQJ
SURYLVLRQDOORDEORZ

,IWKH *URXS ODFNHG EQVWKRQVLEPDWNEHWG WR
HQVXUHLWUHDWPQQVWDQGDJHPQW DQG SURHVVLQJ
GHYHORSPHQW SRUWHOLRDLHWRLQ VWDII
XOWLPDWHSDWKH *URXS V RSHUDWLRQV DQG WKH DII
DFKLHYHPHQWRXSEMHFWLYHV

7KHGHSDUWXUH RI FHUWDLQFHQHXGHXKDLYH DQFH
LPSDFWQ WKH FRRUGLQ*DWXSRQ SHUKDWLQJ
DFWLYDLQGLHVQLQJV

5LVN PDQDJHPHQW

7KH*URXS SD\V FOVH DWWHQWLRQ WR WKH TX
FRPPLWWHGHWHRDOOQWKDW FRXOG DIIHFWOWKHP RXWHV PDQDJHPHQW DQG ZRUNLQJ FRQGLWL
RIWKH VHUYLFHVE\SWRMLGHRXS GHSHQGV RQDVWOEHWKH*URXS V SULRULW\
PDQDJHLWV HPSOR\HHV RIIHU WKHP D KLHJKHSHDOWRDQZRUNLQJ LPSOHZRHUQVHZGHHDVRU
HQYLURQHPHQWLQJ RSWLPXP KHDOWK DQG JXDUDQWHHQ RIHW\ RI LWV HPSOR\HHV 7KH
FRPSO\LQJ ZLWK LWV OHJDO DQG ILQDQFLDO REOLJDWLRQV DQG SURWHFW

7KHDELOLWL QWRDLQWRKDTXDOLW\ ZRUNLQD HQYLURQPHQW
SDUW WKH *URXS V FXOWXUH JLYHQ WKDW LWV HPSOR\HHV 8QVXLWDEOH ZRUNLQJ
IRUHPRQWLWV HPSOR\HHV 8QVXLWDEOH ZRUNLQJ
RIKHDOWK DQG VDIHWRXGWDEQSUHQW QRQ
IRHPSOR\HHV

7KH RFFXUHQFH RIDLQHRXGKWDWKH SK\VLFDO
LQWHJULW\ RU PHQWDO VWDELOLW\ RI HPSOR\HHV
VHYHUZKLFK FRXOG LPSDFW RSHUDWLRQV
UHSXWDWLRQ

7KHTXDOLW\ RI WKH VHE\WHV *URXS GHSHQGV
DELOLW\ WR DWWUDFW WUDLQ UHWDLQ DQG GHYHORS WKH VNLOOV RI LWV HPSOR\HHV
WKHLU[SHUWLRQ RI WKHLU
PDLQWDLQLQJ RSWLPDO OHYHO RI WUDLQLQJ
SURYLVLRQDOORDEORZ

,IWKH *URXS ODFNHG EQVWKRQVLEPDWNEHWG WR
HQVXUHLWUHDWPQQVWDQGDJHPQW DQG SURHVVLQJ
GHYHORSPHQW SRUWHOLRDLHWRLQ VWDII
XOWLPDWHSDWKH *URXS V RSHUDWLRQV DQG WKH DII
DFKLHYHPHQWRXSEMHFWLYHV

7KHGHSDUWXUH RI FHUWDLQFHQHXGHXKDLYH DQFH
LPSDFWQ WKH FRRUGLQ*DWXSRQ SHUKDWLQJ
DFWLYDLQGLHVQLQJV

2SHUDWLRQDO

5LVN PDQDJHPHQW

7KH*URXS V HPSOR\HPHWSDUHLDWKWH *URXS7KH*URXS SD\V FOVH DWWHQWLRQ WR WKH TX
FRPPLWWHGHWHRDOOQWKDW FRXOG DIIHFWOWKHP RXWHV PDQDJHPHQW DQG ZRUNLQJ FRQGLWL
RIWKH VHUYLFHVE\SWRMLGHRXS GHSHQGV RQDVWOEHWKH*URXS V SULRULW\
PDQDJHLWV HPSOR\HHV RIIHU WKHP D KLHJKHSHDOWRDQZRUNLQJ LPSOHZRHUQVHZGHHDVRU
HQYLURQHPHQWLQJ RSWLPXP KHDOWK DQG JXDUDQWHHQ RIHW\ RI LWV HPSOR\HHV 7KH
FRPSO\LQJ ZLWK LWV OHJDO DQG ILQDQFLDO REOLJDWLRQV DQG SURWHFW

7KHDELOLWL QWRDLQWRKDTXDOLW\ ZRUNLQD HQYLURQPHQW
SDUW WKH *URXS V FXOWXUH JLYHQ WKDW LWV HPSOR\HHV 8QVXLWDEOH ZRUNLQJ
IRUHPRQWLWV HPSOR\HHV 8QVXLWDEOH ZRUNLQJ
RIKHDOWK DQG VDIHWRXGWDEQSUHQW QRQ
IRHPSOR\HHV

7KH RFFXUHQFH RIDLQHRXGKWDWKH SK\VLFDO
LQWHJULW\ RU PHQWDO VWDELOLW\ RI HPSOR\HHV
VHYHUZKLFK FRXOG LPSDFW RSHUDWLRQV
UHSXWDWLRQ

7KHTXDOLW\ RI WKH VHE\WHV *URXS GHSHQGV
DELOLW\ WR DWWUDFW WUDLQ UHWDLQ DQG GHYHORS WKH VNLOOV RI LWV HPSOR\HHV
WKHLU[SHUWLRQ RI WKHLU
PDLQWDLQLQJ RSWLPDO OHYHO RI WUDLQLQJ
SURYLVLRQDOORDEORZ

,IWKH *URXS ODFNHG EQVWKRQVLEPDWNEHWG WR
HQVXUHLWUHDWPQQVWDQGDJHPQW DQG SURHVVLQJ
GHYHORSPHQW SRUWHOLRDLHWRLQ VWDII
XOWLPDWHSDWKH *URXS V RSHUDWLRQV DQG WKH DII
DFKLHYHPHQWRXSEMHFWLYHV

7KHGHSDUWXUH RI FHUWDLQFHQHXGHXKDLYH DQFH
LPSDFWQ WKH FRRUGLQ*DWXSRQ SHUKDWLQJ
DFWLYDLQGLHVQLQJV

5LVN LQIRUPDWLRQHRFRPPXQLFDWLRQDQG7HFKEHPLDFLUHH

5LVNGHQWLILFDWLRQ

7HOHSHUIRUPDQFHUV LWV VHUYLFHV WR FOLHQWV WKDW DUH WHJUDWH YDULRXV DSSHFWV RI LQIRUPDWLRQ WHFKQRORJLHV RQ WKHLU RZQ RU WKURXJK WKLUG SDUWLHV

&\EHUFULPLQDOV RQ WKH LQWHUQHW DUH FRQWLQXRXVO\ FRPSDQLHV LQFOXGLQJ 7HOHSHUIRUPDQFH \RXU GDWD DQG \RXOQHUDELOLWLHVRIOLFHQVHG VRIWZDUH

7HOHSHUIRUPDQFH LV FRPPLWWHG WR SURYLGLQJ VHUYLFHV WKDW PHHW RXU FXVWRPHUV¶ QHHGV DQG H[SHFWDWLRQV 7R WKDW HQG ZH KDYH LPSOHPHQWHG D FRPSUHKHQVLYH LQIRUPDWLRQ VHFXULW\ SURJUDP WKDW LQFOXGHV DGPLQLVWUDWLYH WHFKQLFDO DQG SK\VLFDO VDIHJXDUGV GHVLJQHG WR SURWHFW WKH FRQILGHQWLDOLW\ LQWHJULW\ DQG DYDLODELOLW\ RI \RXU GDWD

7KH VHUYLFHV \RX SXUFKDVH IURP 7HOHSHUIRUPDQFH DUH GHVLJQHG DQG RSHUDWHG WR VXSSRUW FRPSOLDQFH ZLWK DSSOLFDEOH ODZV UHJXODWLRQV DQG LQGXVWU\ VWDQGDUGV 7HOHSHUIRUPDQFH GRHV QRW FRQWURO WKH FRQWHQW WKDW \RX RU \RXU XVHUV PDNH DYDLODEOH WKURXJK WKH VHUYLFHV RU WKH VSHFLILF VHFXULW\ FRQILJXUDWLRQV \RX FKRRVH WR LPSOHPHQW

7KHJURZLQJ XVH RI WHFKQRORJLHV DW LWV FXVWRPHUV DQG WKHLU XVHUV H[SRVHV WKH *URXS WR ULVNV VXFK DV LQIRUPDWLRQ RUWHOHFRPPXQLFDWLRQ V\VWHP IDLOXUH IDFWRUV PDOLFLRXV DFWV VXFK DV F\EHU DWWDFNV KXPDQ HUURU ZKHWKHU LQWHQWLRQDO RU GHOLEHUDWH ILOHWHDUHG SDPDJLQJ RU GHVWUR\LQJ GDWD DQG V\VWHPV DQG WKH XQDXWKRUL]HG DFFHVV WR DQG XVH RI LQIRUPDWLRQ DQG FRPPXQLFDWLRQV V\VWHPV

7KHVH ULVNV DUH JUHDWHU ZKHQ HPSOR\HHV IDLOXUH WR FRPSO\ ZLWK *URXS SROLFLHV

7KH*URXS XEVHEHXS SURFHGXUHV WR VDIHJXDUG LQIRUPDWLRQ DQG V\VWHPV ZRUN IURP KRPH

SDUWLFLSDQWV DUH JUHDWHU ZKHQ HPSOR\HHV DUH DEOH WR DFFHVV DQG VKDUH LQIRUPDWLRQ RQ WKHLU PRELOH GHYLFHV

$OWKRXJK LQIRUPDWLRQ VHFXULW\ WHFKQRORJ\ IRU KRPH EDVHG ZRUNVWDWLRQV DQG HPSOR\HH RZQHG GHYLFHV

FDQQRW DSSURSULDWHO\ PDQDJHG WKH VDPH VWDQGDUGV DSSOLHG WR 7HOHSHUIRUPDQFH GHYLFHV

5LVNUHGXFWLRQ WR V\VWHP IDLOXUHV DQG FRQVHTXHQWLDO GDWD ORVV

XQLQWHQGHG GLVFORVXUH RI GDWD FOLHQW VHUYLFH DQG GGLWLRQDO FRVWV ,I WKHVH ULVNV PDWHULDOLJH WKH *URXS V EXVLQHVV PD\ EHLQIOXHQFHG DQG HPSOR\HH DQG PD\ KDYHGYHUVH FRQVHTXHQFHV IRU WKH *URXS V EXVLQHVV

7HOHSHUIRUPDQFH WDNHV QFHRVDHGXLKWLRQ RI 0DMRUHQ\ WKDWVPOR\V DURXQG ZLWHRSDQH PDMRU DFFXVWLQRQ WKHUH DQ LQIRUPDWLRQ RUJDQL]DWLRQV RSHUDWLRQV

5LVN PDQDJHPHQW

FKLHQWV DSSURSULDWH WR PDQDJH VWDQGDUGV DQG VWUXFWXUH WKDW VXSSRUWV WKH GHVLJQ LPSOHPHQWDWLRQ DQG RSHUDWLRQ RI LQIRUPDWLRQ VHFXULW\ SURJUDPV

FXVWRPHUV KDYH VHWXS DQ RUJDQL]DWLRQDO V\VWHP V VHFXULW\ DQG SULYDF\ SROLFLHV DQG SURFHGXUHV

7HOHSHUIRUPDQFH XVHV D GHWDLOHG VWUDWHJ SURGXFWV LQ RUGHU WR GHWHFW VRIWZDUH YX WKDWWKH VWDQGDUGV DQG ULVN PDQDJHPHQW 3URMHFW 2UJDQL]DWLRQ &RQWURO 3DQDJHG SURU WR WKH GHSOR\PH VROXWLRQ LQ SURGXFWLRQ HQYLURQPHQW 7HOHSHUIRUPDQFH V RSHUDWLRQV LQFOXGHV DQG SURYHV DOO GLJLWDO VROXWLRQ ZLWK 7HOHSHUIRUPDQFH V VHFXULW\ SROLFLHV DQG SURFHGXUHV ZKLOH HQVXULQJ WKDW WKLUG SDUW\ SURFHVVRUV DQG VXEFRQWUDFWRUV DUH FRQWUDFWXDOO\ REOLJDWHG WR SURWHFW \RXU GDWD LQ DFFRUGDQFH ZLWK 7HOHSHUIRUPDQFH V VHFXULW\ SROLFLHV DQG SURFHGXUHV

5LVN PRQLWRULQJ DQG 5HSRUWLQJ

7KH*URXS XVHV D FRPELQDWLRQ RI WHFKQRORJLHV DQG SURFHVVHV WR PRQLWRU WKH VWUXFWXUH SHUIRUPDQFH DQG DYDLODELOLW\ RI LWV V\VWHPV DQG VHUYLFHV

*HQHUDO 'DWD 3URWHFWLRQ 5HJXODWLRQ *'35 &RQWURO\ 7KLV FHUWLILFDWLRQ DSSOLHV WR 7HOHSHUIRUPDQFH V RSHUDWLRQV LQ1RUWK $PHULFDQ &&3$ 7KLV FHUWLILFDWLRQ DSSOLHV WR 7HOHSHUIRUPDQFH XVHV D GHWDLOHG VWUDWHJ SURGXFWV LQ RUGHU WR GHWHFW VRIWZDUH YX WKDWWKH VWDQGDUGV DQG ULVN PDQDJHPHQW 3URMHFW 2UJDQL]DWLRQ &RQWURO 3DQDJHG SURU WR WKH GHSOR\PH VROXWLRQ LQ SURGXFWLRQ HQYLURQPHQW 7HOHSHUIRUPDQFH V RSHUDWLRQV LQFOXGHV DQG SURYHV DOO GLJLWDO VROXWLRQ ZLWK 7HOHSHUIRUPDQFH V VHFXULW\ SROLFLHV DQG SURFHGXUHV ZKLOH HQVXULQJ WKDW WKLUG SDUW\ SURFHVVRUV DQG VXEFRQWUDFWRUV DUH FRQWUDFWXDOO\ REOLJDWHG WR SURWHFW \RXU GDWD LQ DFFRUGDQFH ZLWK 7HOHSHUIRUPDQFH V VHFXULW\ SROLFLHV DQG SURFHGXUHV

5LVN LQIRUPDWLRQ HFRPPXQLFDWLRQV\VWHPHUFLXUH

~7HOHSHUIRPDQFHYHKRSHG WR SVHDFXUHO\ LQWHJU
LQIRUPDWLRQ VHFXULW\ ULVN PDQDJHPHQW PRQ
LQFRQFHFWLRQ ZLWKFWXKLVDWLRQHSQ H[WHUQDO
FRPPLVVLRQHGVVHVV EUHDFKHV DQG WKH UHVXO
LQRUGHU WR GUDZ XS D SODQ WR DOLJQ 0DMRUHC
LQIRUPDWLRQ VHFXULW\ SROLFLHV VWDQGDUGV
SURMHFW LV H[SHFWHG WR EH FRPSOHWHG ZLV
IROORZLQJDFTXLVLWLRQ GDWH
7KH*URXS DOVR HQVXUHV WKDW WKH LVHTXLVLW
REWDLQHG DSSOLHGWLRQVXSHULQWHQGHQW

5LVNVHOHWRQJPDLQWHQDQFH HQHJDWLYHLPSDFWRQ PHGLD

5LVNIGHQWLILFDWLRQ	5LVN PDQDJHPHQW
7KH*URXSRXOEH[SRVHGWKRLVN GHIDPDWLRQ RU UHPHG\ WKH ULVNV DU XQVXEVWDQWLDWHGFRUWLDOROWVH GXH WR QHJDWLYH UHYLHSPHQWV DPDGHG DQ H[WHUQDO VSHFLDOL RQ VRFLDO PHGLD SODWIRUP\VHU[WHPUHGLD RSWLQQQRQHGLD VR DV WR NHHS DSRVWDVVWQRI UH VWDNKRFRQQHULG FHUWDLQ SROLFLHVXGEHOLHUUDEOH DVQH DWWHQ QHFHVSU\ 6HC E\WK*URXSEHXQDFFHSWDEOHQJ ZLWKQWHQW RXGHVLJQDWHG SHUVQV DXWKRUL]HG WR PDNH
7KLVVN RI GHIDPDWLRQ FRXOG MHRSDUGLJH WKH *URXSZKLFK LPDJH RQ WKH FRPSHWLWLRG
WHFKQRORJLHVUDSLG GLVVHPLQDWLRQWRRH LQIRUPDWLRQ DQG
JURZLQJQIOXHQFH RI VRFLDO PHGLD HQFRXQWHUPXKSHKVDSUHDGXRSWEDQGJDUWLVLM PDQDJHPHQW SOD
LQIRUPDWLQH PHGLD ZKHWKRW SURWKHQ PDQDJKH DFRQVOHRKLWQFHKVHYHQWV ,Q
VXEMRFWSUHMXGLFLDO PHGLD FRYHUDJH PUKHQQYSHQUSRULZGHVPSUVHDGHVULWLFLVP RU DOOHJ
WKHVFRXOG HDQGHJDWPLSYDFW RQ WKH *URXSFUL WLDEQDJHPHQW DQG FRPPXQLFDWLRQ SURFHGXU
EXVLQRULWDFFHWR WLKQHDQGFHLEW PDUNHW ZKLFKWLFHQFLQJ SURGXFWKHRI VSHQLFLHVHG
WXUDQIHWKKDSUHLFH FRKOVG WDUGJJVSURSRUWLRQDWHVLRQ GDWD
LQVKHKDSUHLDMKDSSHQHG RQ 1RYHPEHU
7KH*URXSRXOEH[SRVHGWKRLVNQIRXQGHG DWKHHDWKOHDQRQV KRZ RSHUDWLRQV DUH FRQGXFWHG L
DJDLQVKHXUH -DQXDU\DQG 7HOHSHUIRPVLQF*URXSHQHG
FHQWHUHQV$OEDQLD *UHHFH 3RUWXJDO &RORPELD
DQG ,QGRQHV DQDO\VWV DQG LQYHVWRUV WR H
GLUHFWO\ WR WKH WHDPV DQG LPSURYH WKHLU
*URXSRSVHUDWLRQVJKDWQRXLFK WHSSKRDFK

&OLHSQWW IURLVLNR

5LVLNGHQWLILFDWLRQ

7HOHSHUIRUPDQFH V EXRVQLQHVV DGEHSWLQGQVWFOLHQWV
DQGZLQ QHZ EXVLQHVV WKHUHE\ PDLQWDLQLQJ
7KLVDELOLW\ LV JHQHUDOLJKWRVHYDHGLRXV
FULWHVXEDV VHUYLFH TXDOLW\ VHFXU
HQDEOVLKHURXSR VWRQGIURFRPSHWLWRUV
RIFRQWULDFKHQERXQG FDOOV EXVERXQVZKLEXRVQVG
RWK*HURXSHYHQHHUDOO\ YDULHV EHWZHHQ
$FLHQW PD\ UHTXHVW WKDW FHUWDLQ FU
D GHWHUPLQLQJ IDFWRU IRU FHUWDLQ EXV
WHOHFRPPXQLFDWLRQV DQG DOORFDWLRQ
DSHFWWDQPSDWKURXEXVLQHVV

$FRQWUDLR ZLWKRXW LQGH[EDVHG
FRQWUWKW*URXS ZRXHGVXHUQ LWV PDUJLQV
LPSDEWV EXVLQHVV PRGHO WSKUWFXHQWV
HQYLURQ7KHQVXOG DOWRKLPEXVQHVV PRGHOV
RXFOLHQWV DQG JHQHUDWH D ULVN RI ILQDQFLDO
ULVXLVFXLQHG DQDOVHV

$GHFUHDVH LQ YROXPHV ZKHWKHU RU QRW OLQHG WR D GHWHULRUDWLRQ LQ
HFRQRPLRQGLWLRQV D SDQGHPLF VXFK DV
FRXOGHG WR D GHFOLQHVV
ZRXOLG WXUQ QKDJVHWDYH LPSDFW RQ WKH
HDUQLQJVSHFLDOO\ LI WKH FOLHQW UHPUHVHQWV
RIEXVLQHVV

5LVN PDQDJHPHQW

7HOHSHUIRUPDQFH ERDVWV D GLYHUVLILHG FOLH
DQGZLQ QHZ EXVLQHVV WKHUHE\ PDLQWDLQLQJ
7KLVDELOLW\ LV JHQHUDOLJKWRVHYDHGLRXV
FULWHVXEDV VHUYLFH TXDOLW\ VHFXU
HQDEOVLKHURXSR VWRQGIURFRPSHWLWRUV
RIFRQWULDFKHQERXQG FDOOV EXVERXQVZKLEXRVQVG
RWK*HURXSHYHQHHUDOO\ YDULHV EHWZHHQ

$FLHQW PD\ UHTXHVW WKDW FHUWDLQ FU
D GHWHUPLQLQJ IDFWRU IRU FHUWDLQ EXV
WHOHFRPPXQLFDWLRQV DQG DOORFDWLRQ
DSHFWWDQPSDWKURXEXVLQHVV

$FRQWUDLR ZLWKRXW LQGH[EDVHG
FRQWUWKW*URXS ZRXHGVXHUQ LWV PDUJLQV
LPSDEWV EXVLQHVV PRGHO WSKUWFXHQWV
HQYLURQ7KHQVXOG DOWRKLPEXVQHVV PRGHOV
RXFOLHQWV DQG JHQHUDWH D ULVN RI ILQDQFLDO
ULVXLVFXLQHG DQDOVHV

$GHFUHDVH LQ YROXPHV ZKHWKHU RU QRW OLQHG WR D GHWHULRUDWLRQ LQ
HFRQRPLRQGLWLRQV D SDQGHPLF VXFK DV
FRXOGHG WR D GHFOLQHVV
ZRXOLG WXUQ QKDJVHWDYH LPSDFW RQ WKH
HDUQLQJVSHFLDOO\ LI WKH FOLHQW UHPUHVHQWV
RIEXVLQHVV

/HJDQGHJXODWRUVN\V

'DWSULYDF\VN

5LVNGHQWLILFDWLRQ

7KH*URXS VDFWLYLW\ UHTXLUHVWLQVV DVXEVWDQWLDO LQWHUDFWLRQ ZLWK FRQWURO ERDUGV DQG RWKHU HOHFWURQLF V\VWHPV WR FRQWURO DQG PRQLWRU WKH SURFHVVLQJ RI SHUVRQDO GDWD DQG WKH HPSOR\PHQW RI DXWRPDWHG GHFLVLRQ PDNLQJ RQ EHKDOI RI LWV FOLHQWV 7KH*URXS DFWV DV D GDWD SURFHVVRU FROOHFWLQJ DQG SURFHVVLQJ SHUVRQDO GDWD LQ DFFRUGDQFH ZLWK WKH LQVWUXFWLRQV RI LWV FOLHQWV

7KH*URXS PXVW PHHW QRW RQO\ VWDWXWRU\ UHTXLUHPHQWV EXW DOVR FRQWUDFWXDO FRPPLWPHQWV WR FOLHQWV EXW DOVR RI WKDW GDWD LQFOXGLQJ 73 &ORXG VHFXULW\ SROLFLHV 1RQ FRPSOLDQFH ZLWK VWDWXWRU\ PRQG WKH WRS FRQWUDFWXDO UHPHQWV ,Q DGGLWLRQ WKH *URXS DQG RWKH WKH *URXS (OHFWURQLF IUDXG FDVHV KDYH FRQWLQXHG WR LQFUHDVH ZRUOGZLGH DV LPSOHPHQWHG LQ WKH WRS

$ *OREDO &RPSOLDQFH DQG 6HFXULW\ &KLHI ,QIRUPDWLRQ 6HFXULW\ 2IILFHU DQG WKH 3ULYDF\ 2IILFHU PXVW UHYLHZ VHFXULW\ DQG LQFLGHQW UHVSRQVH SURFHGXUHV UHJXODUO\ WR HQVXUH WKH *,63V DQG RWKHU DSSOLFDEOH VHFXULW\ SURFHGXUHV DQG SROLFLHV DUH DGHTXDWH DQG HIIHFWLYH

~$V SDUW RI *URXS LQ HVWDEOLVK WKH IXQFW SURFHVVLQJ D *OREDO 3ULYDF\ DQG &RPSOLDQ HVWDEOLVKHG WKH &KLHI ,QIRUPDWLRQ DQG DQG D JOREDO 3ULYDF\ WHDP DVVLVWHG E\ ORFDO VSH LV WDVNHG ZLWK LPSOHPHQWLQJ WKH JOREDO SURWHFWLRQ DQG SHUVRQDO GDWD DV ZHOO DV FRPSOLDQFH DQG HQVXULQJ WKDW 7HOHSHUIRUPDQ GDWD SULYDF\ UHJXODWLRQV ZRUOGZLGH *URXS V SHU\DF\ DQG FRPSOLDQ 7KH*URXS KDV HVWDEOLVKHG DQ LQGHSHQGHQW UHYLHZ WKH VXEVLGLDU\ EDQG RUWKH 3HUIRUPDQ WKH 7HOHSHUIRUPDQFH 3ULYDF\ 3URJUDP $OO UHYLHZ RQGUDWDWLQJ WKUHH \HDU EDVLV ZLWK D SHUIRUPDQFH RQ WKUHH \HDU URWDWLRQ SHULRG

'DWSULYDF\N

~ 7HOHSHUIRUPDQFH DO*RREDO 7HFKQRORJ\ DQG 6HFXULW\ &RPPLWWHH\HWFKHFK&KLHIHGQIRUPDWLRQ 6 2IILFHUDQG WKH &KLHI 3ULYDF\ 2IILFHU 7KH PH &RPPLWWHH DUH WKH *OREDO &KDIHQG ,QIRUPDW UHJLRQDOLHI ,QIRU2PDWLRQDO DV WKH *OREDO 'H &KLHI &RPSOLDQFH 2IILFHU WKH UHJLRQDO 6HQL SULYDF\ DQG GDWD SURWHFWLRQDO&KLHI ,QIRU 6HFXU2LW\FHUV

7KHPDLQ IXQFWLRQ RI WKH&RPPLWWHH DOO QH[LVWLQJ WHFKQRORJLHV VRHGHVLJQ WKH3UDFW \EHQG ,PSDFW $VVHVVPHQW EH,HQ FRPSOHWHG 7KLV HQVXUHVDW 7HOHSHUIRUPDQFH HYDOXDWHV WKH RIWKH WHFKQRORJLHV XVHG IRU FROOHFWLQJ RU GDWD SURFHVVRU DQG GDWD FRQWUROOHGXF7KH GHWDLOHG UHLGHQWLILFDWLRQ UHVROYH F\EHUVH VHFXULW\ LQFLGHQWHVWLJDWLRQ ,7 LVVXHV

~ 7KH*URXS 'HSXW\&RPSOLDQFH 2IILFHU DQG WKH &RPSOLDQFH DQG 3ULYDF\ 2IILFHU UHSRUW WR V DQG &RPSOLDQFH 2IILFHG&LUHFWRUVXSHUYLVRU R *URXS&KDLUPDQ DQG &(2 :LWK WKHLU WHDP WKHV DFWLYLWLHV&RRSHUDWLQJ&RPPLWWHH &RPPLWWHH

~ 2Q)HEUXDU\ 7HOHSHUIRUPDQFH&HUWLILFDW LWV %LQGLQJ &RUSRUDWH 5XOHV %&5V IURP W SURWHFWLRQ DXWKRULW\ 7KLV F*UURXSILFDWLF VXEVLGLDULHV DFWLQJ DV GDWD FRQWURROHUV GDWD SURFHVVRUV IRU FOLHQWV DQG DOORZV 7H DQG SURFHVVLQJ JOREDOO\

~ 7HOHSHUIRUP DQFH&HUWLILFDW ,62 FHUWLILHG ZLWK U VFKHGXOHG IRU

5LVUHODWHGQJLJDQWHRQORGHVSXWHV

5LVNGHQWLILFDWLRQ	5LVN PDQDJHPHQW
,QVRPH FRXQWULHV ZKHUH WKH *URXS RSHUDWHV RUPOD FHZLWKP DDXUHWRO DQG LQWH FRPSOLWK DSSOLFDEOH GRPHVWLF OHRXOGHWRQXHV WKDW LWV HPSOR H[SRWKH *URXS WR OHJDO DFWLRQ E\ HPSORQHVWKRU\ DXWKRULWLHV RU UHJXODWRU\ DXWKRULWLHV RILWV VXEVLGLDULHV FRXOG EH MRLQWO\ RU VHYHUDOO\ OLDEOH IRU WKH DFWV RU RPLVVLRQV RI LWV HPSOR LQD ODZVXLW EURXJKW DJDLQVW RQH RI LWV HPSORHHV RU DJDLQVW WKH *URXS DQG RQH RU PRUH RI LWV HPSORHHV DGPLQLVWUDWLYH RU UHJXODWRU\ DXWKRULWLHV	FRXQVHO WUDLQLQJ FKDQQHOV *URXS SROLFLHV VXEVLGLDULHV UHSUHVHQWDWLYHV DQG DJHQWV FRQWUDFWV DQG DSSLUDWLRQV LQ WKH UHOHYDQ 5HJLVWUDWLRQ 'RFXPHQW WKHUH DUH QR JRY DUELWUDWLRQ SURFHHGLQJV LQFOXGLQJ SHQGLQJ RWKHU WKDQ VWDWHG LQ WKLV /LWLJDWLRQ VHFWLRQ WHVW WR WKH FRQVROLGDWHG LQGWKH QDFL 8QLYHUVDO 5HBEXWWHQW DQ FRXOG KDYH RU K KDGRYHU WKH ODVW RQWKV D PDWHULDO LPS SRSHUDWLRQ RU SURGXFWDQ GRUWKH *URXS
,QWKH RUGLQDU\ FRXUVH RI EXVLQHVV WKH *URXS HQJDJHV LQ QHJRWLDWLRQV DQG GLVFXVVLRQV ZLWK JRYHUQPHQWDO DXWKRULWLHV DQG UHJXODWRUV RQ D ZLGH UDQJH RI PDWWHUV LQFOXGLQJ WKRVH UHODWLQJ WR WKH SURGXFWV DQG VHUYLFHV LW RIIHUV DQG WKH UHJXODWRU\ HQYLURQPHQW LQ ZKLFK LW RSHUDWHV &RPSOLDQFH ZLWK WKHVH UHJXODWLRQV PD\ UHTXLUH VLJQLILFDQW H[SHQGLWXUHV RU FKDQJHV WR EXVLQHVV SUDFWLFHV *URXS PHPEHUV &RPSHWLWRUV &XVWRPHUV DQG RWKHUV PD\ DOVR SXUVXH OHJDO RU UHJXODWRU\ DFWLRQV DJDLQVW WKH *URXS RU LWV HPSORHHV LQ WKH FRXUVH RI WKHLU EXVLQHVV ,Q WKH IXWXUH WKH *URXS PD\ IXUWKHU H[SDQG LWV EXVLQHVV WR QHZ WHUULWRULHV RU MXULVGLFWLRQV RU GHYHORS QHZ SURGXFWV RU VHUYLFHV WKDW PD\ VXEMHFW LW WR DGGLWLRQDO UHJXODWRU\ UHTXLUHPHQWV &KDQJHV LQ WKH UHJXODWRU\ HQYLURQPHQW RU FRQVROLGDWLRQ LQ WKH LQGXVWULHV LQ ZKLFK WKH *URXS RSHUDWHV &RPSHWLWRUV &XVWRPHUV DQG RWKHUV PD\ DOVR SXUVXH OHJDO RU UHJXODWRU\ DFWLRQV DJDLQVW WKH *URXS RU LWV HPSORHHV	
$OWKRXJK WKH *URXS GRHV QRW EHOLHYH WKDW DQ\ RI WKH SURFHHGLQJV RU LQYHVWLJDWLRQV LW LV FXUUHQWO\ LQYROYHG LQ ZLOO KDYH D PDWHULDO DGYHUVH HIIHFW RQ WKH *URXS WKH RXWFRPH RI VXFK PDWWHUV LV LQKHUHQWO\ XQFHUWDLQ DQG DGYHUVH MXGJPHQWV RU VHWWOHPHQWV LQ PDWWHUV IRU ZKLFK DGHTXDWH UHVHUYHV KDYH QRW EHHQ PDGH RU LQGHPQLWLHV QRW REWDLQHG FRXOG KDYH D PDWHULDO DGYHUVH HIIHFW RQ WKH *URXS V EXVLQHVV UHSXWDWLRQ UHVXOWV RI RSHUDWLRQV FDVK IORZV DQG ILQDQFLDO SRVLWLRQ	
7KH*URXSRQVLGHUVKDW WKH SURYLVLRQV ERRNHG WR FRYHU WKH ULVNV GLVSXWHG SURFHHGLQJV RI ZKLFK LW LV DZDUH RU WKDW DUH FXUUHQWO\ SHQGLQJRU WKDW DUH NQRZQ WR EH WKUHDWHQHG ILQDQFLDO SRVLWLRQ RU UHVXOWV RI RSHUDWLRQV LQ SDUWLFXODU GXULQJ WKH SHULRG LQ ZKLFK VXFK PDWWHUV DUH UHVROYHG RU DGGLWLRQDO PDWWHUV DULVH LQ WKH HYHQW RI DQ XQIDYRXUDEOH RXWFRPH	

5LVNHODWHGRQWKLFV FRQWURXSWDQJKWV	
5LVNGHQWLILFDWLRQ	5LVN PDQDJHPHQW
'XH WR LWV RSHUDWLRQV LQ WKH*URXS HEXVLQHVV DFWLYLWLHV LQFOXG H[SRVHWR LQDSSURSULDWH EHKDYLRU E\ VRPHRI WKHLU*URXS HPSOR\HHV WKLSDGUWLHV ZKHWKHU ZLWK UHJDUG WR H[WHUQDO&RQGXFW&RQGXFWRU8QLWHVWDWHV 8QLWHG.LQJGRP &RQGXFW&RGH8QLWHVWDWHV WKH 8QLWHG.LQJGRP 3UDFWLFHVWDWHPHQWV EXVLQHVVHV ZLWK KXPDQ ULJKWV 6XFKSUDFWLFHV ZRXOG H[SRVH WKH *URXS WR SHQDOWLHV DQG D ULVN WR LWV UHSXWDWLRQ DOVLPSDFW LWV RYHUDOO FUHGLELOLW\ DV D VRFLDOO\ UHVSRQVLEOH FRPSDQ\ SUHIHUUHG HPSOR\HU WUXVWHG SDUWQHU UHVSRQVLEOH EXVLQHVV	~7KH*URXS V &RGHRI&RQGXFW &RGHQRWHG&RGH6WDWHPHQWV DVVHWV &RQGXFWHWWLQJ IRUWK 7HQHSHUVRQDOO\ UHVSRQVLEOH &RPSDQ\ SUHVLGHQWV IRU UHVSRQVLEOH EXVLQHVV 7KH*URXS KDV GHYHORSHG DQG LPSOHPHQWHG &RPSOLDQFH 3URJUDP 'HSDUWPHQW DQG WKH 'HS ([HFXWLYH 7KLV SURJUDP DSSOLFDEOH WR D EDVHG RQ D VWURQJ FRPPLWPHQW IURP *URXS RUJDQL]DWLRQDO WXUH ZLWK GHILQHG PLVVLRQ FRPPXQLFDWLRQ SROLFLHV SURFHGXUHV DQG WUDLQLQJ SURJUDPV GHVLJQHG WR SUHYHQW LQIOXHQFH SHGG WKHP DV TXLFNO\ DV SRVVLEOH DQG UHDFWL 7KH*URXS FXUUHQWO\ RQJRLQJ WUDLQLQJ SURJUDP ZLW ,62 $QWL EULEHU\ PDQDJHPHQW ,62 &RPSOLDQFH 7KH*URXS V FRPPLWPHQW WR HWKLFDO EXVLQ GHVFULEHG LQ VHJHDWLRQ DFWLFHV RI WKH 8 5HJLVWUDWLRQ 'RFXPHQW

)LQDQFLDOVWDWHPHQW

7KHUROORZLQJ ULVNV

~ IRUHLJQFXUUHQF\ULVN

~ LQWHUHVWUDWHULVN

~ FUHGLWULVN

~ OLTXLGLW\

~ HTXLW\ULVN

7KLVWHFWLRQ SURYLGHV LQIRUPDWLRQ RQ WKH *URXS V H[SRVXUH WR HDFK RI WKH DQGRYH ULV
PDQDJLQJVNZHDVOLWVFKDSLWDO DQG HTXLW\ PDQDJHPHQW 4XDQWLWDWLYHGLVFORVXUHVDUHLQFOXGHGWKURXJKRXW
VWDWHPHQWVKXOHVVRWKHUZLVHLQGLFDWHGXUDPHQW

$FFRXQWLQJSROLFLHVDQGFKDQJHVWRFRQVROLGDWHGILQDQFLDOVWDWHPHQWV

)RUHLJQFXUUHQF\ULVN

5LVNGHQWLILFDWLRQ

7KH*URXS LV SDUWLFXODUO\ H[SRVHGWR9RODWLOLW\ LQ WKHIRUHLJQ FXUUHQF\ PDUNHWV WKDWDUH KHGJHGZKHUHDSSURSULDWH
7KHPDQDJHPHQWRI IRUHLJQFXUUHQF\ULVN LV FRQWUROOHG ZLWKLQ WKH*URXS V WUHDVXU\ SROLF\ DQG SURFHGXUHV
IRUPRQH\ IORZULVN IRUHLJQ FXUUHQF\ IXWXUH FRPPHUFLDO WUDQVDFWLRQV UHFRJQLVHG DVVHWV DQG OLDELOLWLHV
DUHGHQRPLQDWHG FRPSDUHG WR WKH LQYROFXUUHQFLHV RU GXH WR
WKHGHSUHFLDWLRQ RI QHW LQYHVWPHQWV LQ IRUHLJQ RSHUDWLRQV FRQGXFWHG LQ IRUHLJQ FXUUHQFLHV
LPSDFWQW K*URXS V HDUQLQJV

7KH*URXSDLWR H[SRVHG WR H[FKDQJHGLVNPRQLWRUVDQGHG
LQFXUUHQFLHV RWKHU WKDQ WKH HXUR RU *URXHSQWLWLHV

)LQDOVWKH *URXS LV H[SRVHG WR IRUHLJQ H[FKDQJH ULVN ZKHQ
WUDQVDFWLRQVDUHXHQWHUHGLQWRDQGFDVKIORZV DUHGHQRPLQDWHG
FRQVROLGDWHGVXEVLGLDULHVDUHH[SUHVVHG

5LVN PDQDJHPHQW

5HVSRQVLELOLW\IRUPDQDJLQJ WKH*URXS V H[SRVXUH WR IRUHLJQ FXUUHQF\ULVN UHVWVZLWK WKH *URXS V WUHDVXU\
IXQFWLRQ WKH *URXS V WUHDVXU\ IXQFWLRQ LV UHVSRQVLEOH IRU GHYHORSLQJ LPSOHPHQWLQJ DQG PDLQWDLQLQJ
WKH *URXS V IRUHLJQ H[FKDQJH KHGJLQJ IRQWUDFWV
BWKH *URXS KHGJHV ORDQV PDGH WR VXEVLGLDULHV
DQGYDOXHV LQ WKH VDPHFXUUHQF\ DV WKH IXQFWLRQDO FXUUHQF\ RI
ZLWK IRUHLJQ H[FKDQJH KHGJLQJ FRQWUDFWV
BWKH SULQFLSDO RQ RXWVWDQGLQJ LQWHUFRPSDQ\ ORDQV LV GHQRPLQDWHG L
WKH IXQFWLRQDO FXUUHQF\ RI
BLQWHUHVW RQ ERUURZLQJV LV GHQRPLQ
FXUUHQF\ WKH FDVK IORZV WKHVHDUHGHGJHG
RSHUDWLRQV *URXSPDLQWDLQV \HVWKRS 86 GROODU
WKH SRXQG VWHUOLQJ 7KLV SURYLGHV DQ HFR
UHVRUWLQJ WR GHULYDWLYHV

7KHWUDQVDFWLRQ RQ *URXSUHYROXWLRQDULGWH
GLVFORVHGQRWH([SRVXUH WR H[FKDQJH ULVN G
FRQVROLGDWHGFLQDQFLDO VWDWHPHQWV IRU
VWDWHPHQWV LQ WKH 8QLYHUVDO 5HJLVWUD
VKRZV WKHHDGRZQ RI UHYHQXH WKHFXUUHQFLHV
\HDUV
7KHLPSDFWKRQJIRUHLJQ H[FKDQJH UDWHV RQ
UHYHQXHRELWRUH WD[DQG QHW SURILW *URXS V
GLVFORVHGQHWH([SRVXUH H[FKDQJH ULVN GXH WR FR
LQVHFWLRQ WR WKH FRQVROLGDWHG 8QLYHUVDO 5HJLVWUD

,QWHUHVWLQJ

5LVLQG HQWLILFDWLRQ	5LVN PDQDJHPHQW
7KH*URXSV [SRVXUH WR QHWHUVWRQH DQGDVKROGLQJV /LNHDQ\ *URXS VXEMHFW WR FUHGLW UDWLQJ VXIIHUQ XQIDYRUDEOH LPSDFW RQ LWV RSHUDWLQJ GRZQJUDGH WKDW H[SHGHVEHG OHYHO RU RWKHU FUHGLW UDWLQJ LQWHUHVWV	~ 7KH*URXS FXUUHQWO\ KDV WKH EHVW FUHGLW UD H[SHULHQFH PDQDJHPHQW VHFWRU 2Q 1RYHPEHU WHUP FUHGLW UDWLQJ ZDV FRQILUPHG E\ 6WDQGDUG 1RYHPEHU

&UHGLWN

5LVLQG HQWLILFDWLRQ	5LVN PDQDJHPHQW
&UHGLWN LV WKH *URXS V ULVN FOLHQWFRXQWHUSDUWLHV FRQWUDFWXDO DJUHHPHQWV 7KLV ULVN UHFHLYDEOHV 7KLVULVN PD\ EH JUHDWHU IRU VRPH FUHGLW LPSDFWLQHDOREDORQP\ VXFK DV ZDU LQ 8NUDLQH FRQWUDQHVDWLRQDU\ SUHVVXUH HQHUJ\ SULFHV DQG H[FKDQJH EXVLQHVVHV 7KH*URXS H[SRVXUHVLQFOXGHV LQIOXHQFHG E\ WKH LQGLYLGXDOFUHGLWVWLFV RI LWV FOLHQWV FRQFHQWUDWLRQV 5HJLVWUDWLRQ	&UHGLWN LV WKH *URXS V ULVN FOLHQW FRXQWHUSDUWLHV DQG T FRQWUDFWXDO DJUHHPHQWV 7KLV ULVN FX UHFHLYDEOHV 7KLVULVN PD\ EH JUHDWHU IRU VRPH FUHGLW LPSDFWLQHDOREDORQP\ VXFK DV ZDU LQ 8NUDLQH FRQWUDQHVDWLRQDU\ SUHVVXUH HQHUJ\ SULFHV DQG H[FKDQJH EXVLQHVVHV 7KH*URXS H[SRVXUHVLQFOXGHV LQIOXHQFHG E\ WKH LQGLYLGXDOFUHGLWVWLFV RI LWV FOLHQWV FRQFHQWUDWLRQV 5HJLVWUDWLRQ ~ 7KH*URXS SURYLGHV FRQWUDFW SHUIRUPDQFH J UHTXHVW RI VRPH FOLHQWV *XDUDQWHHV DUH *XDUDQWHHV WKDW FRQVROLGDWHG ILQDQFLDO VWDWHPHQ WR WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQ 5HJLVWUDWLRQ 'RFXPHQW

/LTXLGULWLHV

5LVNGHQWLILFDWLRQ	5LVN PDQDJHPHQW
/LTXLGULWLHV WKH ULVN WKDW D SHUVRQ RU HQWLW\ ZLOO QRW EH DEOH WR PHHW LWV ILQDQFLDO REOLJDWLRQV DV WKH\ IDOO GXH 7KLV LV N FRXOG EH LQFUHDVHG LQ WKH HYHQW RI D PDMRU HFRQRPLF FULVLV RU SDQGHPLF FUHDWLQJ XQXVXDO PDUNHW FRQGLWLRQV XQGHU ZKLFK DVVHWV FRXOG EH GLIILFXOW WR OLTXLGDWH DW D IDLU YDOXH 6WDQGDUG 3RRU V EHOLHYHV WKDW LWV SURSULHWDU\ RQOLQH WUDGLQJ SODWIRUP 7KLV UDWLQJ UHIOHFWV WKH *URXS V FRPPLWPHQW WR PDLQWDLQ D QXPEHU RI VLJQLILFDQW GHEW LQVWUXPHQWV DQG OLTXLGLW\ SURILOH)RU VHYHUDO \HDUV WKH *URXS KDV PDLQWDLQHG D FHQWUDOL]HG FDVK PDQDJHPHQW SROLF\ ZKHUHE\ FDVK LV PRQLWRUHG DQG PDQDJHG RQ D &RPSDQ\ OHYHO EDVLV *URXS SHYHQXHV ,Q FRQWUDVW ZKHUH FDVK SRROLQJ LV QRW SHUPLWWHG E\ ORFDO UHJXODWLRQV RSHUDWLQJ FDVK PDQDJHPHQW SROLFLHV DUH GHVLJQHG WR PLQLPL]H WKH LPSDFW RI VXFK UHVWULFWLRQV ZKLFK JHQHUDOO\ KDV DFFHVV WR DOO RI WKH SDUHQW &RPSDQ\ V FDVK $OWHUQDWLYH DQG ORQJ WHUP IXQGLQJ DUUDQJHPHQWV DUH DOVR LQ SODFH WR PHHW DQ\ DGGLWLRQDO OLTXLGLW\ 5HJXODWRU\ 'HSDUWPHQW 7R GHDO ZLWK OLTXLGLW\ ULVN WKH *URXS KDV UHYROYLQJ IXQGLQJ DUUDQJHPHQWV DQG RWKHU OLTXLGLW\ PDQDJHPHQW SURFHVVHV ZKLFK LQFOXGH PDLQWDLQLQJ)RUHFDVWV RI FDVK IORZV DUH SHUIRUPHG E\ HDFK RSHUDWLQJ HQWLW\ DORQJ ZLWK WKH *URXS 7UHDVXU\ 'HSDUWPHQW WKDW DFFXPXODWH WKHVH IRUHFDVWV 7KH *URXS DOVR KDV D SROLF\ RI PDLQWDLQLQJ FDVK DQG FDVK HTXLYDOHQWV DQG VKRUW WHUP LQYHVWPHQWV DW D OHYHO VXIILFLHQW WR PHHW H[SHFWHG RSHUDWLRQDO FDVK IORZV 1HW GHEW DV RI 'HFHPEHU RXW)LQDQFLDO b VWDWHPHQW RI 1HWZRUN DQG 6HUYLFHV RQ WKH OLGDWHG ILQDQ ~ *LYHQ WKH PDWXULWLHV RI WKH *URXS V FH ~ ,QIRUPDWLRQ RQ OLTXLGLW\ ULVN LQFOXGLQJ FXUUHQW LQ WKH 8QLWHG 6WDWHV DQG WUDLQ	DW DOO WLPHV VXIILFLHQW OLTXLGLW\ WR LQDQ FDVK UHTXLUHPHQWV DQG GHYHORSPHQW DQG GLYHUVLI\ WKH VRXUFHV RI OLTXLGLW\ DYDLODEOH WR WKH *URXS PDQDJHPHQW SURYLGHV RYHUVLJKW E\ VXEVLGLDULHV RSHU IDFLOLWLHV SOXV LQ VRPH FDVHV FURRQ WKH SDUHQW &RPSDQ\ DQG ORQJ WHUP RSHUDWLQJ DQG FDSLWDO UHTXLUHPHQWV 7KH *URXS REWDLQV ILQDQFLQJ LQFOXGLQJ IRU W RI 0DUHO WKURXJK ERUURZLQJV LFVUHGLW IDFL DUUDQJHG ZLWK WRS GWE HLQGEDQN PDWXULWLHV SUHDG EHWZHHQ DQG DV H QRWH)LQDQFLDO OLEHWDLRQV ILQDQFLDO 8QLYHUVDO 5HJLVWUDWLRQ 'R 7R GHDO ZLWK OLTXLGLW\ ULVN WKH *URXS K UHYROYLQJ IDFLOLWLHV IXQJDEOH GLRQ OHDUUR VIRU b ELOOLRQ DQG PLOOLRQ PDWXULQJ LQ) RSWLRQDO H[WHQVLRQ XQWLO DQXDU\ ZLWK RSWLRQDO H[WHQVLRQ XQWLO -DQXDU\ 7KH LQGH[HG WR (6* FULWHULD 7KH FRPELQHG WRWH WKHVH WZR (85 86' PXOWL FXUUHQF\ V\QGLFDWHG PLOOLRQ FHPEHU 7KH *URXS DOVR KDV D SEULRGLFDPQELOLRQ RI ZKLFK ZDV LVVXHG 1HW GHEW DV RI 'HFHPEHU RXW)LQDQFLDO b ULVN PDQDJHPHQW RI 1HWZRUN DQG 6HUYLFHV RQ WKH OLGDWHG ILQDQ VWDWHPHQW RI 8QLYHUVDO WUDQVDFWLRQV ~ *LYHQ WKH PDWXULWLHV RI WKH *URXS V FH JHQHUDWH IUHH FDVK IORZ \FRQVLGHUHG WR EH OLP ~ ,QIRUPDWLRQ RQ OLTXLGLW\ ULVN LQFOXGLQJ FXUUHQW OLDELOLWLHV WR WKH FRQVROLGDWHG ILQD LQ WKH 8QLYHUVDO WUDQVDFWLRQ

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2YHUDOO,QVXUDQFH&RYHUDJH

7HOHSHUIRUPDQFH V LQVXUDQFH SURYLGHV FRYHUDJH IRU ORVVHV WKDW RFFXU GXULQJ WKH *URXS V *URXS V SROLFLHV DUH GHVLJQHG WR SURWHFW DJDLQVW ORVVHV WKDW PLJKW EH H[SHULHQFHG GXULQJ 7KHVH WUDGHV DLPV WR VWDQGDUGL]H DQG RSWLPL]H FRYHUDJH 7KH*URXS KDV VHW XS LQWHUQDWLRQDO LQVXUDQFH SURJUDPV DQG FLYLO OLDELOLW\ SROLFLHV DUH DNHQ RXW YLD EURNHUV ZLWK WRS WLHU LQVXUDQFH FRPSDQLHV

,QVXUDQFH&RYHUDJHV

*HQHUDO&RPSUHKHQVLRQDO OLDELOLW\ LQVXUDQFH

7KH*URXS KDV VHW XS D FHQWUDOO\ PDQDJHG JHQHUDO OLDELOLW\ LQVXUDQFH SURJUDP ,Q SULQFLSOH E\ WKLV SURJUDP WKH *URXS SROLF\ RU HTXLYDOHQW LQVXUDQFH SROLFLHV DUH SXUFKDVHG LQ ORFDO &RYHUDJH DQG &RQWHQW WHUULWRULHV DUH GHILQHG LQ WKH JOREDO SURJUDP 7KHVH WHUPV DQG FRQGLWLRQV DUH DGDSWHG WR FRQIRUP WR ORFDO UHTXLUHPHQWV DQG FXVWRPV ZKHUH QHFHVVDU\ &RYHUDJH DUHDV LQFOXGH EXW DUH QRW OLPLWHG WR

3URSHUW\ GDPDJH DQG EXVLQHVV LQWHUUXSWLRQ LQVXUDQFH

7KH*URXS KDV XS WR SURSHUW\ GDPDJH DQG EXVLQHVV LQWHUUXSWLRQ LQVXUDQFH SURJUDPV LQ (XURSH DQG PRUH JHQHUDOO\ LQ PDQ\ FRXQWULHV RI WKH ($UHJLRQ WKH VFKHPHV DUH GHVLJQHG WR SURYLGH FRYHUDJH IRU WKH *URXS V SURSHUWLHV ZKHUHYHU WKLV LV SRVVLEOH DQG WR SURWHFW WKH *URXS DJDLQVW WKH ORVV RI EXVLQHVV LQFRPH 1RQ FRQVROLGDWHG VXEVLGLDULHV DUH DOVR FRYHUHG XQGHU DSSURSULDWH DUUDQJHPHQWV DFFRUGDQFH ZLWK DSSOLFDEOH ORFDO UHTXLUHPHQWV

&\EHUULVNV

$QLQVXUDQFH SURJUDP WR FRYHU F\EHU ULVNV KDV EHHQ LPSOHPHQWHG JOREDOOQG\ FRYHUV DOO 7HOHSHUIRUPDQFH VXEVLGLDULHV H[FHSW 5XVVLD 8NUDLQH %HODUXV0ROGRYD &DXFDVXV &HQWUDO $VLD DQG WKH 0LGGOH (DVW &RYHUDJH WR WKLUG SDUWLHV VXEVLGLDULHV RSHUDWLQJ IURP WKH XQDYDLODELOLW\ RI WKHLU SROLFLHV LQ WKHVH UHJLRQV LV VHFXUHG WKURXJK ORFDO &RYHUDJH DUHDV LQFOXGH EXW DUH QRW OLPLWHG WR

5XVVLD 8NUDLQH %HODUXV

)RU FRPSOLDQFH UHDVRQV 5XVVLD 8NUDLQH DQG H[FOXGHUDP WKH VFRSH RI FRYHUDJH RI FHUWDLQ LQVXUDQFH SURJUDPV :KHUHYHU SRVVLEOH ORFDO LQVXUDQFH FRYHUDJH LV PDLQWDLQHG WKURXJK

QWHJUDWHG5LVN0DQDJHPHQW

WKH HQWLWLHV DUH DOUHDG\ LQFOXGHG LQ WKH LQFOXGHG LQ WKHUHE\ VWUHDPOLQLQJ FRYHUDJH PDQDJHPHQW

&RPSDQ\ DJHPHQW

7HOHSHUIRUPDQFH KDV LPSOHPHQWHG D *URXS ZLGH LQLWLDWLYH WR DQWLFLSDWH HYHQWV ZLWK D OLNHO\ QHJDWLYH LPSDFW RQ ILQDQFLDO RU UHVRXUFH XWLOLVDWLRQ

7KLV FKDOOHQJHV RQ

- DPDQXDO FRQWDLQLQJ DOO WKH SURFHGXUHV FULWLFDO DJHPHQW DOHUW FRPSRVLWLRQ PDQDJHPHQW XQLW WKH XQLW VHFUHWDULDO FRPPXQLFDWLRQ
- DWUDLQLQJ RQ UHVSRQGLQJ
- UHJXODU[FRQGXFWV H[HUFLVHV FRQWULEXWLQJ DPRQJVW DOO PDQDJHUV E\ SURFHVVLQJ LQIRUPDWLRQ IORZV LGHQWLI\LQJ FULVLV VWDNHKROGHU WUHQG VFHQDULR DQG FRQWLQXLW\ PDQDJHPHQW

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5HIHUHQFH ZRUN DSSOLHG

,Q GUDIWLQJ WKLV VHFWLRQ* UHIHUHQFH ZRUN KDV EHHQ)UDPHZRUN SURGXFHG $XVWUDOLD « GHVLJQDWHG «XO\ -XO\

)LUVW WKH ULVN PDQDJHPHQW DQG LQWHUQDO FRQWURO GHILQLWLRQV V\VWHPDWLFDOO\ WKH FRPSRQHQWV V\VWHPV VKRXOG HQDEOH

)LQDQFLDO DSSOLFDWLRQ WDNH RQ X5GHIHUHQFH WDNHQ WR GHILQH WKH ULVN PDQDJHPHQW DQG

5LVN PDQDJHPHQW FRQWURO GHILQLWLR

'HILQLWLRQV

7KH*URXS KDV DSSOLHG WKH)UDPHZRUN

,QWHUQDO FRQWURO RYHUVLJKW SURFHGXUHV *URXS DFWLYLWLHV XVHRILWVUHVRXUFHV DQG

- DPDQDJHPHQW DQG LPSOHPHQWDWLRQ RI WKH *URXS V LQWHUQDO FRQWURO GHILQLWLRQ WKRVH UHVSRQVLELOLWLHV DQG DFFRXQWDELOLWLHV
- LPSOHPHQWDWLRQ RQ VRFLDO PHGLD
- JDWKHU IHHGEDFN WR HYDOXDWH V\VWHP V HIIHFWLYHQHVV

,W IRVWHUV SURPRWHV ZRUN JOREDO UHJLRQDO DQG FRUSRUDWH OHYHO DFWLRQ WR PDQDJH

5LVN PDQDJHPHQW DQG LQWHUQDO FRQWURO GHILQLWLR

'HILQLWLRQV DQG FRQFHSWXDO IUDPHZRUN

5LVN PDQDJHPHQW DQG LQWHUQDO FRQWURO RWKHU UHVRXUFHV

7KH V\VWHP LQFOXGHV FRPSRQHQWV DQG GHYHORSLQJ

,QWHUQDO DQG H[WHUQDO HQYLURQPHQW

5LVN PDQDJHPHQW DQG LQWHUQDO FRQWURO V\VWHP LGHQWLI\LQJ FULVLV WKDW QHHG WR EH DFWHG RQ V\VWHP LQFOXGHV FRQWURO WKDW DUH SDUW RI W

5LVN DQDJHPHQW LQ WKH UQDOVFRQWUROOHU RPSRQHQWV

,QWURGXFWLRQ

7KH PDLQ JXLGHOLQHV IRU LQWHUQDO FRQWURO DFFRUGLQJ ZLWK JHQHUDOO\ DFFHSWHG DFFRXQWLQJ SULQFLSOHV DUH VHW RXW LQ WKH *RYHUQPHQW $FFRXQWLQJ 6WDQGDUGV 6HULHV 3XEOLVKHG E\ WKH &RPSWUROOHU *HQHUDO RI WKH 8QLWHG 6WDWHV

7KH VHFRQG HGLWLRQ KDV EHHQ FRPSUHKHQVLYHO\ UHYLVHG WR UHIOHFW FKDQJHV LQ WKH *RYHUQPHQW DQG LQWHUQDWLRQDO HQYLURQPHQW VLQFH WKH SUHYLRXV HGLWLRQ ZDV SXEOLVKHG

&RQWURO HQYLURQPHQW

7KH FRQWURO HQYLURQPHQW LV D IXQGDPHQWDO IDFWRU LQ DVVHVVLQJ WKH *RYHUQPHQW DQG LQWHUQDO DQG FRQWUROV WKDW DIIHFW WKH HQWLW\ V RSHUDWLRQV DQG WKH DFKLHYHPHQW RI LWV REMHFWLYHV

7HOHSURFHVVLQJ &RQWURO

7KH *RYHUQPHQW LV FRQWLQXDOO\ LPSURYLQJ LWV WHOHSURFHVVLQJ FRQWURO SURFHGXUHV WR HQVXUH WKDW WKH\ DUH HIIHFWLYH DQG HIILFLHQW 7HOHSURFHVVLQJ FRQWURO SURFHGXUHV DUH GHVLJQHG WR DFKLHYH WKH IROORZLQJ REMHFWLYHV

7KH &RGH RI &RQGXFW &RGH RI (WKLFV DQG 6WDQGDUGV RI &RQGXFW

7KH *RYHUQPHQW KDV HVWDEOLVKHG D FRGH RI HWKLFV DQG VWDQGDUGV RI FRQGXFW WKDW DSSOLHV WR DOO HPSOR\HHV 7KH &RGH &RQGXFW &RPSDQ\ 7HOHSURFHVVLQJ SURFHGXUHV DUH GHVLJQHG WR HQVXUH WKDW WKH\ DUH FRQVLVWHQW ZLWK WKH &RGH RI &RQGXFW &RPSDQ\ 7HOHSURFHVVLQJ FRQWURO SURFHGXUHV VXSSRUW WKH *RYHUQPHQW V REMHFWLYHV

2UJDQL]DWLRQDO VWUXFWXUHV

7KH*RYHUQPHQW RUJDQL]DWLRQ LV EDVHG RQ WZR PDMRU IXQFWLRQDO FDWHJRULHV 2IILFH RI WKH 6HFUHWDU\ 6HUYLFHV ZKLFK LQFOXGH PDQDJHPHQW &RUH 6HUYLFHV DQG 6SHFLDOL]HG 6HUYLFHV 7KH *RYHUQPHQW VHUYLFHV DUH RUJDQL]HG LQWR RSHUDWLRQDO DQG VXSSRUW RUJDQL]DWLRQV

7KH *RYHUQPHQW V NH\ PDQDJHUV DVVLVW VHQLRU PDQDJHPHQW LQ GHYHORSLQJ DQG FRRUGLQDWLQJ &RPSDQ\ SROLFLHV

+XPDQ5HVRXUFHV PDQDJHPHQW

6XSSOLHU &RGH RI &RQGXFW

+XPDQ5HVRXUFHV PDQDJHPHQW RI &RQGXFW

2XU*RYHUQPHQW UHVRXUFHV SROLF\ IRU 7HOHSURFHVVLQJ &RQWURO DQG WDQW TXHVW IRUHFHU[XEWDQFH LQ WKH *RYHUQPHQW REMHFWLYHV

7KH VHFRQG UHVRXUFHV SURJUDPV DUH GHYHORS

2UJDQL]DWLRQDO &RQVSRQVLELOLWLHV

7KH*RYHUQPHQW RUJDQL]DWLRQ LV EDVHG RQ WZR PDMRU IXQFWLRQDO FDWHJRULHV 2IILFH RI WKH 6HFUHWDU\ 6HUYLFHV ZKLFK LQFOXGH PDQDJHPHQW &RUH 6HUYLFHV DQG 6SHFLDOL]HG 6HUYLFHV ZKLFK LQFOXGH PDQDJHPHQW VHUYLFHV DQG SURFHVVLQJ &RQWURO SURFHGXUHV DUH GHVLJQHG WR HQVXUH WKDW WKH\ DUH FRQVLVWHQW

7KH *RYHUQPHQW PDQDJHPHQW VWUXFWXUH DOORFDWHV UHVSRQVLELOLWLHV DQG DXWKRULWLHV WR DSSURSULDWH OHYHOV RI PDQDJHPHQW

([HFXWLYH &RPPLWWHH LV UHVSRQVLEOH IRU PDQDJHPHQW RYHUVLJKW DQG FRRUGLQDWLRQ %RDUG 'LUHFWRUV HQVXUHV VXEVLGLDU\ FRPSDQLHV WKHPDMRU RSHUDWLRQDO LQLWLDWLYHV UHTXLUH SHUPDQHQW

7KH*RYHUQPHQW NH\ PDQDJHUV DVVLVW VHQLRU PDQDJHPHQW LQ GHYHORSLQJ DQG FRRUGLQDWLQJ NH\ VWUDWHJLF

0DQDJHPHQW SURFHGXUHV

7KH LQWHUQDO FRQWURO V\VWHP DOVR LPSOHPHQWV 7HOHSHUIRUPDQFH 2SWLPL]DWLRQ 7HFKQLTXHV 6WDQGDUG %(67 %DVHOLQH 7HOHSHUIRUPDQFH DQG &XVWRPHU 2SHUDWLRQDO &RQWURO DQG

7KLV\VWHP LV EDVHG RQ LQWHUQDWLRQDO PDQDJH WKH 6LJPD DSSURDFK 7KH *URXS KDV EHEQ GHYHORSHG RQ VXEVLGLDULHV WKLV PHWKRGRORJ\ IRU SURMHFW ODXQFKHV DQG GHYHORS D FRPPRQ ODQJXDJH JURXQGHG LQ PHDVXUHPHQW DQDO\WLFDO &23& 7KHVWDQGDUGL]DWLRQ DQG DSSOLFDWLRQ RI VWDQGDUGV HQFRXUDJHV RXU WHDPV WR FRQVLVWHQW SURYLGH FRQWURO RYHU RXU RSH

,QIRUPDWLRQ VKDULQJ

7KH *URXS KDV D SROLF\ RI LQWHUQDOO\ UHOHDVLQJ RSHUDWLQJ LQIRUPDWLRQ HQDEOLQJ HPSOR\HHV WR SURYLGH EHWWHU FXVWRPHU VHUYLFH .H\HPSOR\HHV FDQ VKDUH LQIRUPDWLRQ ZLWK HDFK RWKHU DQG ZLWK WKH *URXS YLD LQWUDQHW 7KLV JORE\ DOO V\VWHPV FRQWDLQ WKH VDPH LQIRUPDWLRQ

5LVN DQDJHPHQW

'HILQLWLRQ

,QWKH RSHUDWLRQV WKH *URXS IDFHV D YDULHW\ RI ULVNV WKDW FRXOG DIIHFW WKH &RPSDQ\ ZLWK WKH PHDVXUHPHQW HQYLURQPHQW DQG 5LVN PDQDJHPHQW

5LVN PDQDJHPHQW LV FRQWLQXRXV DQG LQ WKH SURFHVV RXS ZKHQ QHZ ULVNV DUH LQWURGXFHG LQ SURGXFWV SURFHVVHV DQG V\VWHPV HPSOR\HHV DUH UHVSRQVLEOH IRU DQ &RPSDQ\ YDOXHV

3URFHVV FRQWURO

,QWKH RSHUDWLRQV WKH *URXS IDFHV D YDULHW\ RI ULVNV WKDW FRXOG DIIHFW WKH &RPSDQ\ ZLWK WKH PHDVXUHPHQW HQYLURQPHQW DQG 5LVN PDQDJHPHQW

7KH *URXS KDV HVWDEOLVKHG SURFHVVHV DORQJ ZLWK WKH PHDVXUHV RI NH\ ULVNV DUH P

PDQDJHPHQW

7KH *URXS RQJRLQJ SURFHVV DOORZV WKH *URXS WR LGHQWLI\ DQG DVVHVV WKH PDWHULDO ULVNV DQG RSSRUWXQLWLHV WKDW DIIHFW LWV EXVLQHVV DQG WKH PHDVXUHPHQW DQG 5LVN PDQDJHPHQW SURFHVVHV DUH UHYLHZHG E\ WKH &RPSDQ\ %RDUG RI 'LUHFWRUV DQG WKH $XGLW &RPPLWWHH

2UJDQL]DWLRQDO IUDPHZRUN

7KHULVN PDQDJHPHQW SURFHVV RSHUDWHV WKURXJKRXW WKH &RPSDQ\ DQG LQFRUSRUDWHV YDULRXV IXQFWLRQDO DQG EXVLQHVV XQLWV

*URXS PDQDJHPHQW SD\V SDUWLFXODU DWWHQWLRQ WR WKLV RUJDQL]DWLRQDO IUDPHZRUN DQG WKH QHFHVVDU\ PHDVXUHV DQG SURFHGXUHV LQ DFFRUGDQFH ZLWK ZKLFK LW RSHUDWHV

&RQWURO DFWLYLWLHV

,Q DGGLWLRQ WR WKH PHDVXUHV OLVWHG DERYH WKH *URXS KDV VSHFLILF SURFHGXUHV WKDW JRYHUQ WKH PDQDJHPHQW RI VLJQLILFDQW ULVNV DQG RSSRUWXQLWLHV &RQWURO PHDVXUHV DUH GHVLJQHG WR SURYLGH UHDVRQDEOH DVVXUDQFH WKDW WKH ERRNV E\ *URXS PDQDJHPHQW WKURXJK FHQWUDOL]HG FRQWURO SURFHGXUHV DQG E\ ORFDO PDQDJHPHQW WKURXJK GHFHQWUDOL]HG FRQWURO SURFHGXUHV

&HQWUDOL]HG FRQWURO SURFHGXUHV

*URXS PDQDJHPHQW 7KHVH SURFHGXUHV DQQRYH DOORFDWLRQ

7KHURXS V SROLF\ IRU PDQDJLQJ DQG RUJDQL]LQJ ULVNV ZKLFK LQYROYHG WR OLPLW WKH HVH UVH DQG FRQWURO SURFHGXUHV DUH GHVLJQHG WR SURYLGH UHDVRQDEOH DVVXUDQFH OHJDO ,7

/HJDSOURFHGXUHV

$VSDUWLWUHSRQVLELOLWLHV &RPSOLDQFH
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DSSOLFDEOHZHUHJXODWLQRWZUHUH LW RSHGWHV
WKURXJKRFDQG LQWHUQDODXGLWRUQDO DQG
ODZ\HUV

,WDOSO SODV D FHQWUDO UROH LQ PRQLWRULQJ
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$SSURWWRH PDLQ LQWHUQDO SROLFLHV DQG
\HDUWKH *U/HXSO &RPSOQG DUWPHQW
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GRPDLQPHWKEHUDQG QDQGH RWKHU IODJVKLS
*URXS7KH SXUSRVHR DEO WR FRQWHVW UHJLVWUDWLRQV RU XVH RI
WUDGHPDUNWKLQWHOOHSURSHUWU\ ULJKWV E\ FRPSHWLWRUV*RXS
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,Q DGGLWLRQRUFHGXUHLQJ WKH SXEOLVKLQJ
H[HFXWLYHV WRXEELQGLQJ DUHUHV OHJDOO\ YLV EXVLQHVVWHV FRPSOLDQW ZLWK (8 *HQHUDO
EHHQLPHPHQWHG XQGHU WKH VXSHUYLVLRQ &RPSOLDQFH3URJUDPPH
7KLVFHUWLILFDWHRUHFRJQLVHV RSHUDWLRQ
$PHULFD FRQWLQHQWDO (XURSH WKH 0LGGOH (
UHJLRQV FRQWUDFWV WKH *URXS V
7KH*URXS KDV D ODUJH JOREDO RSHUDWLRQO
SHFLILFDWLRQV DQG VHFXULW\ ULVN
VHFXULW\ LVVXHV DQG DVVHVVLQJ VHFXULW\ ULVN
DQG DVVHVVLQJ VHFXULW\ LVVXHV FRQWUDFWV
VHFXULW\ FRQWUROV DQG WKHLU FXVWRPHUV 7KHVH
WHFKQRORJLHV DQG YDULFXV UDSLG GHWHFWLRQ RI
VHFXUH H[FKDQJH RUPHUDWLRQ EHWZHHQ
FDOOHG WKH FXVWRPHU

'HSDUWPHQW SURFHGXUHV

7R PDQDJH LWV RSHUDWLRQV 7HOHSHUIRUPDQFH KDV
R'HSXWPHQWDO SURFHGXUHV WR IROORZ LQ RUGHU WR VW
JOREDO SROLF\ WSRHUHQXDO DW WKH HQG RI HDFK
WUDQVIHUUHG ZLWKLQ WKH *URXS LQ DFFRUGDQFH
OHJLVODWLRQ

,7DQG6HFXULW\FHGXUHV

7KH*URXSVFRQVWDQWO\ DVVHVVHV LWV ,7 DQG
LQFOXGLQJ3HUVHFXULW\ LQ DFFRUGDQFH ZLWK
RUGHUWR DSSO\ FOLHQWV FRQWUDFWXDO UHTXLUHPHQWV
DSSOLFDEOHOHODWLRQV 7KLV WHFKQRORJ\
LQVWDOOHGDWDQG SURWHFW SHUVRQDO DQG WKHVH SURFHGX
SUHYHQWUXWLONDQG WKH VHFXULW\ RI WKH
VHFXULW\ZHUHVWUXFWXUHG DQG PDLQWDLQHG
PDQDJHPHQW

0DMRULWLJRWLRQWLDWLRQ ULVNV DUH PRQLWRUHG
FRRUGLQED\WKH *URXS &KLHI /HJDQG &RPSOLDQFH
2IILFHZKR LV DVVLVWHG E\ DQHWHUQDO
ODZ\HUV

:LWK UHVSHFW WR WKH SHUVRQDO DWD
JOREDO SROLF\ WSRHUHQXDO DW WKH HQG RI HDFK
WUDQVIHUUHG ZLWKLQ WKH *URXS LQ DFFRUGDQFH
OHJLVODWLRQ

2 Y H U V LW J K L H Q W R H U R Q V \R V H P

*U R X SH Q LR U Q D J H P H Q W

7KHLQWHUQDO\FRQWROVRYHUVHQ E\ WKH &KDLUHUXQQLQJ
([HFXW2YLHFU WKH 'HSXW\ &KLHI ([HFXWLYH
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'LUHFWLRQ\RUGHU WR YHULI\QGKDSSHQHGDQWHQHP
WKLVWZHLPWKHJDWR WKH *URXS V REMHFWLYHV
7KLVQFOXGHUXOHUVLRQV WKDW PDQDJHPHQW
VXSHUYLVWRI ,W IDOOV ZLWKLQ WKH VFRSH RI WKHLU GD\ WR GD\
DFWLYLWLQG HQVXUH WKDW HDFK RUJDQL]DWLRQDO SURFHVV LV FRQVLVWHQW
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7K H UROH RIDXGLWUQDO

&KDLUHUXQQLQJ &RPPLWWHH RXW DW *URXS V
([HFXW2YLHFU WKH 'HSXW\ &KLHI ([HFXWLYH
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WKLVWZHLPWKHJDWR WKH *URXS V REMHFWLYHV
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VXSHUYLVWRI ,W IDOOV ZLWKLQ WKH VFRSH RI WKHLU GD\ WR GD\
DFWLYLWLQG HQVXUH WKDW HDFK RUJDQL]DWLRQDO SURFHVV LV FRQVLVWHQW
ZLWK*UXSY LWDRQGWUDWHJ\

7KH DUWLFOH VRFLHWLHV DQG WKHLU RQOLQH FRPPXQLWLHV

7KH %RDUG RI 'LUHFWRUV

7KH %RDUG RI 'LUHFWRUV VHUYHV DOO JUDGXDWH VWXGHQWV LQ WKH XQGHUJUDGXDWH %RDUG RI LQWHUHVWV RI HPSOR\HHV LPSOHPHQWV *UDGXDWH &RQWLQXLQJ (GXFDWLRQ SURJUDPV DQG SURYLGHV VHUYLFHV SHUIRUPHG E\ WKH QHFHVVDU\ RSHUDWLRQDO OHJDO R UHSUHVHQWDWLRQV

7KH $GYLVRU\ &RPPLWWHH

7KH $GYLVRU\ &RPPLWWHH DGYLVHV WKH %RDUG RQ DOO PDWWHUV IXQFWLRQDO DUHDV GHVFULEHG LQ WKLV 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPHQW DQG SURYLGHV VWUDWHJLF DQG RSHUDWLRQDO JXLGDQFH 'LUHFWRUV DQG ILQDQFLDO DQG EXVLQHVV SODQV IRU SUHSDUDWLRQ &RQWURO FRQWLQXLW\ DQG GLVDVWHU UHFRYHU\ SODQV

6HQLRU DJHPHQW

6HQLRU DJHQW FRPSRVLWH &KLHI 7HFKQRORJ &KLHI 2SHUDWLQJ 2IILFHU &KLHI ([HFXWLYH 2IILFHU &RPPLWWHH FRPSRVHG (GXFDWLRQ &RPPLWWHH &RPPLWWHH DQG SURMHFWV PDQDJHPHQW WKH VHQLRU 7KH ([HFXWLYH &RPPLWWHH LV UHVSRQVLEOH PDQDJHPHQW SURFHVV %RDUG 'LUHFWRUV HQVXUH VXEVLGLDU\ WKH RSHUDWLRQDO LQIUDVWUXFWXUH SHUIRUPDQFH

7KH %RDUG &RPPLWWHH &KDUWHU

7KH *URXS *OREDO &RPSOLDQFH DQG 6HFXULW *URXS SHYHORSPHQW &KLHI ,QIRUPDWLRQ 6HFXULW &RPSOLDQFH 3URJUDP PHHWV WR UHYLHZ DQG DQDO]H UHJXODWRU\ DQG

7KH ,QWHUQDO $XGLW 'HSDUWPHQW

7KH *URXS 'HSDUWPHQW KHOSV GLUHFWRUV DQG EHQFKPDUNV ,WV FKDUWHU LV UHYLHZHG E\ SODQQLQJ &RPPLWWHH 6XPPDU *URXS SHSW\ &KLHI ([HFXWLYH 2IILFH 7KH ,QWHUQDO $XGLW 'HSDUWPHQW WR UHSRUWV WR WKH &RPPLWWHH &RPPLW 'HSDUWPHQW KHOSV GLUHFWRUV DQG 7KH *URXS /HJDO &RXQVHO 'HSDUWPHQW DOV 7KH ,QWHUQDO $XGLW 'HSDUWPHQW DQG UHYLHZHG E\

'HSDUWPHQW 3URFHGXUHV

(DFK GHSDUWPHQW LV UHVSRQVLEOH FRQWURO (DFK GHSDUWPHQW LV DOVR LQYROYHG LQ WKH LQV IROORZLQJ DUHDV DQG SURFHGXUHV FRQWURO WKH DSSURSULDWH XVH RI WKH LQ YDULRXV ZD\V FRQSOLDQFH ZLWK IRUP DQG UHJX SURFHGXUHV UXOHV FRQFHUQLQJ WKH *URXS V EXVL RSHUDWLRQV

'HVFULSWLRQ DQG LQWHUQDO FRQW
IRU SXEOLVKHG RXQWLQJ DQG LQIRUPDWLRQ

7KLV HFWLRQ GHULYHV IURP WK HQWSULDO DFWLRQ 3URFHGXUHV 6WDWHPHQW E\ WK 1DWLRQDO 5HVHDUFK &RXQFLO

'HILQDWLRQ

7KH DFFRXQWLQJ DQG ILQDQFLDO LQIRUPDWLRQ LQWHUQDO FRQWURO V\VWHPV DFFRXQWLQJ SROLFLHV LQIRUPDWLRQ

7KH DFFRXQWLQJ DQG ILQDQFLDO FRQWURO V\VWHPV SURFHVV XVHG WR PDQDJH DQG SURGXFH SXEOLVKHG LQIRUPDWLRQ DVZHOO DV WKH V\VWHP IRU PDQDJLQJ ULVNV WKDW FRXOG DIIHFW WKHVH SURFHVVHV

0DQDJHPHQW¶V UHVSRQVLELOLW\ DFFRXQWLQJ RUJDQL]DWLRQ

2UJDQL]DWLRQDO VWUXFWXUHV

*HQHUDO RUJDQL]DWLRQ

7KH)LQDQFH 'HSDUWPHQW KDVSUDFWLFDOUHVSRQVLELOLW\ RSHUDWLQJ 7KHVH WZR SUDFWLFHV RIDFFRXQWDQF\ DQG ILQDQFLDO 7KHVH WZR SUDFWLFHV

&RUSRUDWH$FFRXQWLQJ DQG)LQDQFH

:LWKLQ WKH FRUSRUDWH SUDFWLFH GHGLFDWHGFRPSRQHQWV WKHPSOHPHQWDWLRQ RI DFFRXQWLQJ SROLFLHV WKHVXSHUYLVLRQ PDLQWDLQLQJ FRQVROLGDWHG FRPPXQLFDWLRQ

7KH FRQVROLGDWLRQ DQG UHSRUWLQJ WUHDVXU\ LQWHUQDO FRPPXQLFDWLRQ

7KH FRQVROLGDWLRQ DQG UHSRUWLQJ SURFHVV LQFOXGHV WKH DFFRXQWLQJ DQG ILQDQFLDO UHSRUWLQJ V\VWHP LV GHVLJQHG EHORZ

5HVSRQVLELOLWLHV

7KHSUHSDUDWLRQ RI WKH *URXS FRQVROLGDWHG WKHUHVSRQVLEOH)LQDQFLDO 2IILFHU &KLHI)LQDQFLDO 2IILFHU &KLHI)LQDQFLDO 2IILFHU &RQWUROOHU DQG VXEVLGLDU\ 7KHODWWHU DVVLVWV WKH&KLHI)LQDQFLDO 2IILFHU LQ LPSOHPHQWLQJ DQG HQVXULQJ WKDWWKH*URXS

7KH LQIRUPDWLRQ V\VWHPV LPSOHPHQWHG WRVXSSRUW*URXS EHVW SUDFWLFHV DQG HQVXUH WKDW WKH ILQDQFLDO UHSRUWLQJ

7KH LQIRUPDWLRQ V\VWHPV WKDW3URGXFH :RUN

7KHFRQVROLGDWLRQ RI DFFRXQWLQJ LQIRUPDWLRQ EXGJHWDU\PDQDJHG RQ DQVRQ\V\VWHP *URXSXEVLGLDULHV

7KL*URXS LQIRUPDWLRQ V\VWHP ZDV LPSOHPHQWHG LQ RUGHU WR PHHW LQIRUPDWLRQ UHTXLUHPHQWV DQG UHOLDELOLW\ UHTXLUHPHQWV GHWDLOHG RQ WKH V\VWHP DOVR LQFOXGHV FRQWUROV WKDW KHOS WR PDLQWDLQ WKH LQWHJULW\ RI WKH LQIRUPDWLRQ ILQDQFLDO DWD WHQWHUHG LQWR WKH V\VWHP

0DQDJHPHQW DSSURDFK WR DFFRXQWLQJ RUJDQL]DWLRQ

7KH *URXS LQIRUPDWLRQ V\VWHP LV ZHOO&RQWUROOHG &RPSO\ V UHTXLUHPHQWV LQ WHUPV RI RUJDQL]DWLRQDO LQGLFDWRUV

$FFRXQWLQJ3URGXFW

7KH*URXS V DFFRXQWLQJ VWDQGDUGV DQG SROLFLHV WKH ,$6% DQG DGRSWHG E\ WKH (XURSHDQ 8QLRQ WKH HPSOHPHQWDWLRQ RI DFFRXQWLQJ SROLFLHV DQG FRQVROLGDWHG FRPPXQLFDWLRQ

7KH&KLHI)LQDQFLDO2IILFHUV RI DOO VXEVLGLDU WKH DFFRXQWLQJ GHILQLWLRQV DQG DGRSWHG E\ WKH (XURSHDQ 8QLRQ

7KH *URXS FRQVROLGDWLRQ DQG UHSRUWLQJ SURFHVV XVHV WKH *URXS FRQVROLGDWLRQ DQG UHSRUWLQJ

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*URXS&RQWURO

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7KH$XGLWRUV&RQWULEXWLRQ &RPPLWWHH

7KH $XGLWRUV LQ RUGHU WR PHHW LQIRUPDWLRQ UHTXLUHPHQWV ,W HQDEOHV GHWDLOHG RQ DQVRQ\V\VWHP ZDV LPSOHPHQWHG LQ RUGHU WR PHHW PRGLILHG DOO RUGHUV DOOORZV DQ\VLVF\FOH IRU PDQDJHPHQW &RPPLWWHH PHHWLQJV)RU WKH IORZVQGHVDQGHU SDUWKHUVKLS %RDUGHFWRUV

3UR FRSUHSDULQJ DFFRXQWLQJ GRFXPHQWV

2SHUDWLQJ EHQHILWV DOORFDWHG WR WKH SURSULHWRU RI WKH DFFRXQWV RI DFFRXQWLQJ

*URXS SURFHGXUHV DQG EHVW SUDFWLFHV KDYH EHHQ LGHQWLILHG LQ D OHWWHU UHVSRQVH WR WKH LQFUHDVLQJ FRPSOH[LW\ RI DQFLOODU\ VHUYLFHV DQG IDLU YDOXH DFFRXQWLQJ 7KH VXEVLGLDULHV &KLHI ([HFXWLYH 2IILFHUV JLY IRUPDO DSSURYDO EHIRUH LVVXLQJ DQ LQYRLFH DQG WKHLU UHVSRQVLELOLWLHV IRU DQFLOODU\ VHUYLFHV DUH FOHDUO\ GHWHUPLQHG DQG WKDW DOO OHJDO DQG UHJXODWRU\ UHTXLUHPHQWV DUH PHW 7KH FRPSOHWHG DQG WKDW DOO OHJDO DQG UHJXODWRU\ UHTXLUHPHQWV DUH PHW 7KH FRPSOHWHG DXGLWHG DQQXDO ILQDQFLDO VWDWHPHQWV RI WKH SDUHQW DQG WKH VXEVLGLDULHV DUH SUHSDUHG LQ DFFRUGDQFH ZLWK WKH DSSOLFDEOH DFFRXQWLQJ VWDQGDUGV DQG WKH DXGLWV DUH FRQGXFWHG LQ DFFRUGDQFH ZLWK WKH DSSOLFDEOH DXGLWLQJ VWDQGDUGV

8VH RI WKLUG3DUW\ )5HIHUUHG3URFHVVRUV OLFHQVHG SURGXFWRQ

7KH *URXS VHHN WR HQVXUH WKDW WKLUG3DUW\ SURFHVVRUV DUH UHYLHZHG SULRU WR HQJDJHPHQW DQG RQ DQ RQJRLQJ EDVLV WR DVVHVV WKHLU FRQWLQXHG VXLWDELOLW\ &RQWUDFWV ZLWK WKLUG3DUW\ SURFHVVRUV LQFOXGH DSSURSULDWH SURYLVLRQV UHTXLULQJ WKHP WR PDLQWDLQ DGHTXDWH VHFXULW\ DQG FRQILGHQWLDOLW\ FRQWUROV DQG WR QRWLI\ WKH *URXS SURPSWO\ LQ WKH HYHQW RI DQ\ EUHDFK RU VXVSHFWHG EUHDFK

$FFRXQWLQJ SROLFLHV

7KH SURFHVVLQJ WKH *URXS\V LQIRUPDWLRQ SURFHVVHV FKDQJHV LQ DFFRXQWLQJ SROLFLHV DQG SURFHVVLQJ VWDJH LQ DFFRUGDQFH ZLWK D VFKHGXOHG WUDQVLWLRQ SODQ DSSURYHG E\ WKH)'3DQG0 VXEVLGLDULHV

,QIRUPDWLRQ REWDLQHG E\ VXEVLGLDULHV LV LQVSHFWHG E\ FRQVROLGDWHG LQWHUQDO DXGLW VWDII DQG FRQVLVWHQF\ FKHFNV DUH SHUIRUPHG WKHUH DUH JRYHUQDQFH &RPPLWWHHV DQG ILQDQFLDO &RPPXQLW\ VKDUHKROGHUV DQG LQYHVWRU UHODWLRQV 'HSDUWPHQW LQFRUFH &LW\ RU LQ SHUVRQ DQG GHSHQGLQJ RQ SUDFWLFDO &RPPXQLW\ FDPSDLJQV DUH XVHG E\ WKH ,QIRUPDWLRQ 'HSDUWPHQW WR VHFXULQH &RPPXQLW\ 7KHVH LQLWLDWLYHV LQFOXGH DQQXDO ILQDQFLDO VXSSRUW GRQDWLRQV DQG YROXQWHHULQJ E\ WKH VWDII

7KH*URXS DOVR RUJDQL]HV PHHWLQJV ZLWK WKH HLWKHU LQ SHUVRQ RU UHPRWHO\ GHSHQGLQJ RQ VWDII SUHIHUHQFHV &RPPXQLW\ 'HSDUWPHQW 7KHVH LQLWLDWLYHV DUH XVHG E\ WKH *URXS WR ,QIRUPDWLRQ &RPPXQLW\ 7KHVH LQLWLDWLYHV LQFOXGH DQQXDO ILQDQFLDO VXSSRUW GRQDWLRQV DQG YROXQWHHULQJ E\ WKH VWDII

7KHVH DFFRXQWV DUH FRQVROLGDWHG DW *URXS LQWHUPHGLDWH DQG WKHQ *URXS LQ WKHLU UHVSHFWLYH DFFRXQWLQJ SHULRGV DQG DUH VXEMHFW WR DQQXDO DXGLW E\ WKH *URXS)LQDQFH 'HSDUWPHQW &RPPXQLW\ 'HSDUWPHQW

7KH PDLQ DFFRXQWV DUH &RQVROLGDWHG DW *URXS LQWHUPHGLDWH DQG WKHQ *URXS LQ WKHLU UHVSHFWLYH DFFRXQWLQJ SHULRGV DQG DUH VXEMHFW WR DQQXDO DXGLW E\ WKH *URXS)LQDQFH 'HSDUWPHQW &RPPXQLW\ 'HSDUWPHQW

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,QDFFRUGDQFH ZLWK $UWLFOH / RI GWLKHF WEQGRU &RPPHUFLDO GRISUHPDWLRQV RI VXSSO &RGH WKH YLJLODQFH SODQ 9LJLODQFH 6(3OXE EFRQW7HDFHSHUVRQWLDMKZHKLFK DQ HVWDEOLVKHG 7HOHSHUIRDQFH WKHU ZLWK LWV VXEVLGLDULHV DQG WKHLU RHVSHFWLYH EXVLQHVV DFWLYLWLHV WR SURPRWH DQG PDLQWDLQ D KLJK OHYHO RI LQWHJULW\ DQG FRPSOLDQFH &RPPXQLW\ WKH ULVN SURILOH RI WKH *URXS)UHQFK &RPPXQLW\ DQG IXQGDPHQWDO ULJKWV DQG PDSSL VHULRXVQHVV RI DQ\ SRWHQWLDO LVVXHV LGHQWLILFDWLRQ DQG WKH HQYLURQPHQW UHVSRQGLQJ WR DQG Y V\VWHP DQG I 7HOHSHUIRDQFH WKH FRPSDQLHV LW FRQWUROV ZLWKLQ WKH RHDQLQJ RI $UWLFOH / RI WK,H)UHQFK &RPPHUFLDO &RGH ZKHWKHU RU LQ SUHVHQW DQG Y V\VWHP I

7KH 9LJLODQFH3ODQ V (([HFXWLYH6XPPDU\ 2YHUYLHZ 7KLV6HFWLRQ 3URYLGHV DQ 2YHUYLHZ RI WKH &RPPXQLW\ 9LJLODQFH 3ODQ &39 DQG LWV 3XUSRVH 7KH &39 LV GHVLJQHG WR SURYLGH D FRPSUHKHQVLYH DSSURDFK WR FULPH SUHYHQWLRQ DQG FRPPXQLW\ VDIHW\ LQLWLDWLYHV LQ &RPPXQLW\ &RQWH[W &RPPXQLW\ VSHFLILF FKDOOHQJHV DQG 2SSRUWXQLWLHV &RPPXQLW\ &RQWH[W &RPPXQLW\ VSHFLILF FKDOOHQJHV DQG 2SSRUWXQLWLHV 0RUH GHWDLOHG LQIRUPDWLRQ DERXW WKH &RPPXQLW\ &RQWH[W &RPPXQLW\ &RQWH[W &RPPXQLW\ &RQWH[W

$VVHVVSPUHRFWHGXUHV IRU VXEVLGLDULHV VXEFRQWUDFWRUV DQG XSSOLHUV

7KH *URXS KDV HVWDEOLVKHG VWURQJ SURFHGXUHV WR DVVHVV WKH VXVWDLQDELOLW\ PDQDJHPHQW DQG LQWHUQDO FRQWURO HOHPHQW 7KHVH SURFHGXUHV DUH FRQGXFWHG DW WKH VXEVLGLDU\ OHYHO DQG LQFOXGH VHOI DVVHVVPHQW TXHVWLRQQDLUHV FRQVXOWDWLRQ ZLWK H[WHUQDO RUJDQL]DWLRQV DQG RQ VLWH YLVLWV 7KH SURFHGXUHV DOVR LQFOXGH DQ DVVHVVPHQW RI WKH VXEVLGLDULHV SHUIRUPDQFH DJDLQVW NH\ VXVWDLQDELOLW\ SHUIRUPDQFH LQGLFDWRUV LQFOXGLQJ HQYLURQPHQWDO VRFLDO DQG JRYHUQDQFH (6* UHODWHG PDWWHUV

$OO*URXS IDFLOLWLHV DUH H[SHFWHG WR FRPSO\ ZLWK DSSOLFDEOH ORFDO HQYLURQPHQWDO DQG RFFXSDWLRQDO KHDOWK DQG VDIHW\ UHJXODWLRQV 7KH\ DUH DOVR H[SHFWHG WR PDLQWDLQ DSSURSULDWH HPHUJHQF\ SUHSDUHGQHVV DQG UHVSRQVH SODQV 7KH*URXS V RSHUDWLRQV DUH DOVR VXEMHFW WR SHULRGLF LQWHUQDO DQG H[WHUQDO DXGLWV

6SHFLDOLVW &RQWUDFWRUV DQG 6XSSOLHUV

~ +XPDQ ULJKWV DVVHVVPHQW WKURXJKRXW WKH *URXS V RSHUDWLRQV DQG VXSSO\ FKDLQ LPSOHPHQWV D GXH GLOLJHQFH SURFHVV WR LGHQWLI\ DQG DVVHVV DFWXDO DQG SRWHQWLDO KXPDQ ULJKWV LPSDFWV 7KH DVVHVVPHQW SURFHVV LQFOXGHV LQWHUQDO DQG H[WHUQDO VWDNHKROGHU FRQVXOWDWLRQV DQG UHYLHZV RI SROLFLHV DQG SURFHGXUHV UHODWHG WR HPSOR\PHQW KHDOWK DQG VDIHW\ GLVFULPLQDWLRQ DQG KXPDQ ULJKWV

7KH DVVHVVPHQW SURFHVV FKHFNSRLQWV EHJLQQLQJ ZKHQ WKH *URXS LGHQWLILHV D SRWHQWLDO QHZ EXVLQHVV RSSRUWXQLW\ DQG FRQWLQXHV WKURXJK WKH SURFXUHPHQW SURFHVV DQG RQJRLQJ PRQLWRULQJ RI VXSSOLHU SHUIRUPDQFH 7KH SURFHGXUH DOVR UHTXLUHV WKDW VXSSOLHUV DJUHH WR FRPSO\ ZLWK WKH *URXS V &RGH RI &RQGXFW DQG 6XSSOLHU &RGH RI &RQGXFW

7KH DVVHVVPHQW UHVXOWV LQIRUP WKH *URXS V GHFLVLRQ WR HQJDJH RU WHUPLQDWH VXSSOLHUV DQG WKH OHYHO RI RQJRLQJ PRQLWRULQJ UHTXLUHG 7KH *URXS DOVR UHTXLUHV VXSSOLHUV WR SURPSWO\ UHSRUW DQ\ VLJQLILFDQW LQFLGHQWV RI QRQFRPSOLDQFH DQG WR FRRSHUDWH IXOO\ LQ DQ\ LQYHVWLJDWLRQV

,Q WKH *URXS &65 'HSDUWPHQW H[WHQGHG WKH DVVHVVPHQW WR VXEVLGLDULHV YV LQ FRYHULQJ RYHU RI WKH *URXS ZRUNIRUFH Z FRXQWULHV DVVHVVHG IRU WKH VXEVLGLDULHV ZHUH EDVHG RQ LQFUHDVHG RULVN IDFWRUV VXFK DV WKH JHRJUDSKLFDO ORFDWLRQ RI WKH RSHUDWLRQV DQG WKH FRXQWU\ V SHUIRUPDQFH DJDLQVW &RUUXSWLRQ 3HUFHSWLRQV ,QGH[&3, DQG RWKHU UHOHYDQW LQGLFHV

7HOHSKRQH LQWHUYLHZV ZHUH FRQGXFWHG ZLWK VHQLRU PDQDJHPHQW DQG &RPSOLDQFH 2IILFHUV DW WKH VXEVLGLDULHV

~ &KDWV ZLWK WKH &(2 DQG IRXQGHU RI &RUSRUDWH +XPDQ 5LJKWV &RQVXOWDQWV DW HDFK EXVLQHVV OLQH OHYHO

7KH*URXS DOVR HQJDJHG RQ &+5% &RUSRUDWH +XPDQ 5LJKWV %HQFKPDUN WR DVVHVV LWV RZQ SHUIRUPDQFH DQG RI LWV JOREDO SHHUV DQG LGHQWLI\ DUHDV IRU LPSURYHPHQW

)XUWKHUPRUH WKH *URXS FRQGXFWHG RQ &+5% &RUSRUDWH +XPDQ 5LJKWV DVVHVVPHQWV RI WKH *URXS V RSHUDWLRQV LQ &KLQD DQG WKH 8QLWHG 6WDWHV

~ 7KH*URXS DUH SDUWLFLSDQWV LQ VHFWLRQ RI WKLV 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPHQW

6SHFLDOLVW &RQWUDFWRUV DQG 6XSSOLHUV

~ 7KH*URXS DGYDQFHV VHQWHG LQ VHFWLRQb

6SHFLDOVIVLHFVVSHUHQWHGXUHVHZDWG WR WKH HQYLURQPHQW

~(QYLURQPHQWDO GDWD HQHUJ\ FRQVXPSWLRQ GXULQJ WKH UHSRUWHG PRQWK DQG WKH &DOLIRUQLD &OLPDWH &UHGLWV DQG 9LJLODQFH 3ODQ VHQLRU DQDJHPHQW DQG WKH %RDUG RI 'LUHFWRUV DFKLHYHG FHUWLILFDWLRQ DFFRUGLQJ WR WKH *URXS V REMHFWLYH RI UHGXFLQJ LWV &2 WUDMHFWRU\ $SSURSULDWH PHDVXUHV DQG DFWLRQV DUH LPSOHPHQWHG EDVHG RQ WKH H[SRVXUH RI WKH YDULRXV FOLPDWH UHODWHG ULVNV DQG RSSRUWXQLWLHV FRQVXPSWLRQ RI QDWXUDO UHVRXUFHV 7KH IXOO HQYLURQPHQWDO VFKHPH LV SUHVHQWHG LQ VHFWLRQV 'RFXPHQW

6SHFLDOVIVLHFVVSHUHQWHGXUHVHZDWG WR &65 EUHYDOHXHVFLKQDLWQKH

~7HOHSHUIRUPDQFH V SURFXUHPHQW FRQVLVWV RI PHDVXUHV DQG VHUYLFHV VRIWZDUH WHOHFRPPXQLFDWLRQV VHUYLFHV DQG RQ VLWH VHUYLFHV DQG RWKHU EJOREDOO\

~7KH*URXS LV FRPPLWWHG WR H[HUFLVLQJ WKH SRZHU DW *URXS SRWHQWLDO VLWHV EXVLQHVVHV RI LWV EXVLQHVV XQLWV DQG RWKHU HQWLWLHV WKDW *URXS FRQWUROV WKURXJK WKH *URXS V REMHFWLYH WR UHGXFH &2 EUHYDOHXHVFLKQDLWQKH &RQGXFW

~6XSSOLHUV VXEFRQWUDFWRUV DQG RWKHU \ DVVHVVHG DFFRUGLQJ WKH SUHFHSWV RI WKH *URXS &RQGXFW&RQWUDFWRUV &RGH RI &RQGXFW

BGHYHORSLQJ D VWDQGDUGL]HG DQG HQKDQFHG SURFHGXUH DOORZV &6XSSOLHUV DUH &RQGXFWHG DQG GLOLJHQFHG

7KH *URXS V SURHOLSFRQVLEOH SURFXUHPHQW WHEWLVRQ RI WKLV GRFXPHQW

0LWLJDWLQJ DQG SUHYHQWLQJ VHULRXV

7HOHSHUIRUPDQFH VXEFRQWUDFWRUV WR7HOHSHUIRUPDQFH VDHGV WR WKH GXH DSSOLFD SUHYHQWLRXV KDUP WKDW DUH WDLORUHGLWWRURXWLQHV VDQG 9LJLODQFH 3O 7KHVHH DVXDUHGWHSORDWG*URXS VXEVLGLDU\ OHYHO QLQJ VWDQGDUGV DVZLWKXSSOLDHQGV RWKHU VWDNHKROGHGLDWLRQ LQ DFFRUGDQFHWK FKDQJLQJ FLUFXPVWDQFHV RU ULVNV LGHQWLILHG LQ DFFRUGDQFHWK DXGLW ILQGLQJV DQGYDDVWHV UHSRUWHG ~$V SDUW RI WKH *URXS RQEORUGLQJ SURFHVV YDULKRRXWHDLQQQU FRPSOLDQFHDQG HWKLFV \

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7KH*URXS KDV DSSRLQWHG DPEHUVRQV &RPSOLDQFH 2IILFHU DQG &RPSOLDQFH &RPPLWWHH WR RYHUVHH WKH LPSOHPHQWDWLRQ DQG HIIHFWLYHQHVV RI WKH &RGH RI &RQGXFW &RPSOLDQFH 3URJUDP

~7KH*URXS KDV DSSRLQWHG DPEHUVRQV &RPSOLDQFH 2IILFHU DQG &RPSOLDQFH &RPPLWWHH WR RYHUVHH WKH LPSOHPHQWDWLRQ DQG HIIHFWLYHQHVV RI WKH &RGH RI &RQGXFW &RPSOLDQFH 3URJUDP WKH &RPSOLDQFH &RPPLWWHH PHHWV DW OHDVW TXDUWHUO\ DQG UHSRUWV GLUHFWO\ WR WKH &RPSOLDQFH &RPPLWWHH RI WKH %RDUG RI 'LUHFWRUV

7RJHWKHWK WKH RSHUDWLQJ GLYLVLRQV 7HOH HQVXUH WKDW WKH &RGH LV FRPPXQLFDWHG WUDLQHG RQ DQG HQIRUFHG DFURVV WKH *URXS ZKHUH WKH HFRQRPLF OHJLO\ XQFHUWDLQ RU LQ FRXQWULHV KLJKO\ UHJXODWHG DQG FLHQW SHUDWLRQDO DQG FRPSOLDQFH FRQWUROV DUH HVWDEOLVKHG DQG PDLQWDLQHG 3ULFHZDWHUKRXVH&RRSHUV &RPSDQLHV LWV &RGH RI &RQGXFW DQG &RPSOLDQFH 3URJUDP WKH &RGH DOVR LPSOHPHQWDWLRQ 'RFXPHQW

7RJHWKHWK WKH RSHUDWLQJ GLYLVLRQV 7HOH HQVXUH WKDW WKH &RGH LV FRPPXQLFDWHG WUDLQHG RQ DQG HQIRUFHG DFURVV WKH *URXS ZKHUH WKH HFRQRPLF OHJLO\ XQFHUWDLQ RU LQ FRXQWULHV KLJKO\ UHJXODWHG DQG FLHQW SHUDWLRQDO DQG FRPSOLDQFH FRQWUROV DUH HVWDEOLVKHG DQG PDLQWDLQHG 3ULFHZDWHUKRXVH&RRSHUV &RPSDQLHV LWV &RGH RI &RQGXFW DQG &RPSOLDQFH 3URJUDP WKH &RGH DOVR LPSOHPHQWDWLRQ 'RFXPHQW

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5HJXODU FXVWRPHU ZLWK VWDNHKROGHUV OHHDGVWURRWKFHUWRSDQHLHQWDWQRQGPHQWDO IUHFRUUHFWLYHGDSWLYH PHDVXUHV EDVHG RQ VFLHQWLILF PHDVXUHV 7HOHSHUIRUPDQFH FRPPLWWHG WR FRQWLQXRXV LPSURYHPHQW DQG WUDQVSDUHQW KDVWDNHKROGHU YHUVXVLGDUHFWRUb

,QDGGLWLRQ*URXS KDV VHW XS VPHFLILF PLWLJDWLRQ PHDVXUHV WR DGGUHVV WKHVH ULVNV

0HHWLQJ WR WKHH HQYLURQPHQWDO SUHYHQWLRQ PHDVXUHV

:KLVWOHEDOORRZLQJ HYDQFH PHFKDQLVPV

7HOHSHUIRUPDQFH D FXOWXUH RI RSHQ3HUIRUPDQFH ZDV WKH EDOORRQ DOORZV HPSOR\HHV WR H[SUHVV WKHPVHOYHV DQG WUDGH XQLQV FRQFHUQV (PSOR\HHV DUH IUHH WR DSSURDFK PDQDJHPRUH RU FRPSOLDQFH RIILFHUV

,Q WKH *URXS ODXQFKHG WKH *OREDO (WKLFV 3RLQWV SURJUDP WR PHFKDQLVP DFFHVVLEOH WR ERWK LQWHUQDO DQG H[WHUQDO UHSRUWHUV 7KH SURJUDP UHQGHUHG KXPDQ UHVRXUFHV DQG IUHHGRPV FRPSOLDQFH DQG 7HOHSHUIRUPDQFH V ZRUNIRUFH

6\VWHP IRU PRQLWRULQJ PHDVXUHV LQ SODFH

7HOHSHUIRUPDQFH PDQDJHPHQW DQG HYDOXDWLRQ V\VWHPV DUH GHVLJQHG WR FRQWLQXRXVO\ PRQLWRU DQG H[WHQG SXP LQ SODFH WKURXJKRXW 7HOHSHUIRUPDQFH V LQFHQWLYH UHPXQHUDWLRQ SURJUDPV DFWLRQ SODQV

- $WWULWLRQ
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- ,QWHUFRQWURO TXHVWLRQQDLUH RYHU VXEPLWWHG WR HDFK EXVLQHVV XQLW HP D \HDU
- 5HVXOWV VXP DUL JKDWV HVVPHQW
- 3HUFHQWDJH RI SRSHDEHDEHLYZLQJH
- &KDQJH LQ WKH SHUFHQWDJH RI PDQDJHPHQW SRVLWLRQV

DHHGVWURRWKFHUWRSDQHLHQWDWQRQGPHQWDO IUHFRUUHFWLYHGDSWLYH PHDVXUHV EDVHG RQ VFLHQWLILF

0HHWLQJ WR WKHH HQYLURQPHQWDO SUHYHQWLRQ PHDVXUHV

SURJUDP WR PHFKDQLVP DFFHVVLEOH WR ERWK LQWHUQDO DQG H[WHUQDO UHSRUWHUV

)XUWKHUPRUH WKH *URXS KDV EHHQ DFWLYHO\ HQJDJHG LQ VWDNHKROGHU HQJDJHPHQW DFWLYLWLHV

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7KHUHSRUW EHORZ VXPPDUL]HV WKH NH\ LQ-
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~ &RQWLQXRXVRYHPHQW LQ WKH LGHQWLILFDWLRQ RI &65 ULVNV

~ 8SGDWH WKH QRQ ILQDQFLDO ULVN PDSSLQJ DQG PDWHULDOLW\ PDWUL[

~ &RQWLQXWWXHQJWKHQLQJ FRQVLGHUDWLRQ ZLWK NH\ VWDNHKROGHUV RU FR

~ *RYHUQDQFH VWUHQJWKHQHG YLD DW &65 'HSDUWPHQW

D *URXS 3URFXUHPHQW 'HSDUWPHQW

~ 3UHVHQWDWLRQ RI &65 RSSRUWXQLWLHV DQG 'LUHFWRUV

~ 5HQHZHGGKUHQFH WR WKH*RYHUQDQFH SDLFLHV DOLJQHG

~ 5HJXODWRU\ LVLRQ RI JOREDO SROLFLHV

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~ 5OOORXWKH *(QKDQFH +RWOLQH ZKLVWOHEORZLQ
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~ 2UGLDQLJDWLRQ RVXOWDWLRQ ZLWK VWDNHKROGH
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7HOHSHUIRUPDQFH LV FRPPLWWHG WR D FRQW
DSSURDFK DQGUKDGVFRLRWKHUPSQUL RULWLHV
~ 2QJRLQJ DQDO\LFRDSKUDWLRQ RI QRQ IDHDYHDO
LQFOXGLQJ WKH DGGLWLRQ RI&65HZFRQRQUROQVWF
WKH LQWHUQDWLRQDO SODQV
~ 7UDLQLQJ ZRUNVKRS PDQ ULJKWV H[SHUWV LQ NH\ VX
~ 2QJRLQJ LQWHJUDWLRQ RI WKH IUDPHZRUN DJUH
LQWRWKH GXW\RI YLJLODQFH SURFHGXUH
~ (QVXUH WKH JOREDO VXSSOLHU &65 DVVHVVP
GHSOR\WKH VROXWLRQ GHVLJQHG E\ VXSSOL\ FKD
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~ 7HOHSHUIRUPDQFH IXOO\ FRPPLWWHG SROLF\ KDV VHW LWVHOI UHGXFWLRQ JHQHUDWLRQ HPLVVLRQV FXUUHQWO\ LQ SURJUHVV

%XVLQHVV PRGHO

7HOHSHUIRUPDQFH ZDV DGYHUVHO\ DIIHFWHG E\ WKH UHGXFHG DQG VWUHQJWKHQ WKH UHODWLRQVKLS L EHWZHHQ JRYHUQPHQW DQG LL EHWZHHQ FXVWRPHUV DQG KRZ WKH *URXS VWUXFWXUHV LQWHUDFWLRQV $V VXFK WKH *URXS VSHQW WKH\ UHGXFWLRQV

7HOHSHUIRUPDQFH UDQJH RI UHVRXUFHV HDFK UHSRUWDEOH DFKLHYHV DQG DVVHVVHV WKH\ PLVVLRQ HOHPHQW WKH *URXS KDV JRYHUQPHQW EXVLQHVV VHUYLFHV 8SV GHSDUWPHQWV

7KURXJKRXW RSHUDWLRQV WKH *URXS IRUPDOLVHG LWV IRUPDO VWDNHKROGHU LQGLYLGXDO HQJDJHPHQW DQG VHFXULW\ HQDEOLQJ WKH *URXS WR GHYHORS DQG KXPDQ

7KH*URXSYLVLRQ WKDW LQ DQGLJLWDO DQGJUDGXDO ZRUOGGULYHQ E\ D JURZLQJ QHHG IRU(HFKLFLHQF DQG VWUHQJWK LQWHUDFWLRQ PDWWHUV DZRUOHVWRUIRUPDQFH SUHIHUUHG KLJK WRXFK KLJK WHFK SDUWQHUHG GLVWULEXWLRQ DV HPHUJLQJ FRPSDQLHV E\

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BUSINESS MODEL

Through its operations, Teleperformance creates long-term value for its stakeholders by combining technology with the human dimension to make interactions simpler, faster and safer.

Megatrends

Technology and artificial intelligence

Automation an artificial intelligence are constantly progressing an permanently transf orming t e economy an society as a ole o ever t e rapi e pansion of t ese tec nologies entails ris s in terms of cy ersecurity

Climate change

Global economy: slowdown and multipolarization

RESOURCES

HUMAN

- Nearly 500,000
- 300O

FINANCIAL

- €8.3bn
- 15.5% (%,7
- €812M

INDUSTRIAL

- Over 600
- 57
- 73
- Multilingual centers
- Customer Journey Showrooms

INTELLECTUAL CAPITAL

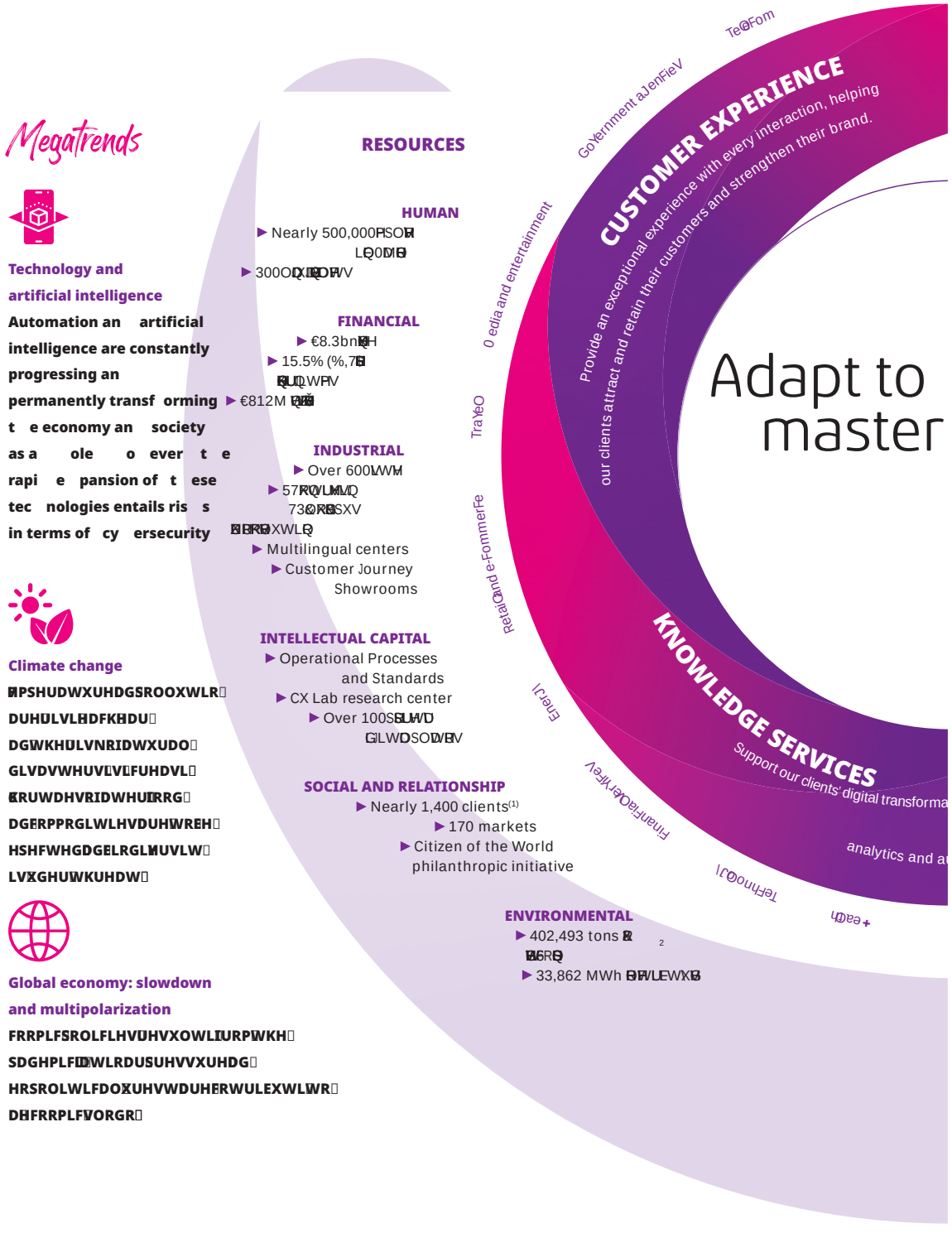
- Operational Processes and Standards
- CX Lab research center
- Over 100

SOCIAL AND RELATIONSHIP

- Nearly 1,400 clients(1)
- 170 markets
- Citizen of the World philanthropic initiative

ENVIRONMENTAL

- 402,493 tons
- 33,862 MWh



Our mission

Reducing friction and strengthening the relationship between businesses and consumers, government agencies and citizens.

Our values

- Integrity
- Respect
- Professionalism
- innovation
- Commitment

Our ambition

Become an undisputed world leader in digitally integrated business services

CREATING VALUE FOR ALL STAKEHOLDERS

EMPLOYEES

- €5.6bn in wages and social security charges
- 61% internal promotion
- 99% of employees working QHGDUFHUWKG as a "Best Workplace"

CLIENTS

- 28% of revenue with Top 10 clients
- 47% of revenue from the digital economy(2)
- 14 years average client relationship

CONSUMERS

- 1bn contacts(2)
- Personalized customer experience
- Data security: BCR, GDPR

SUPPLIERS

- Lasting partnerships
- €948M of external charges

SHAREHOLDERS

- €227M in dividends

COMMUNITIES

- €349M income tax paid
- €7.6M in donations to NGO
- 42,000 hours of volunteer work

ENVIRONMENT

- 51% decrease in Scope 1 & 2 carbon footprint per employee(3) versus 2019
- 34.7% renewable energies

CONTRIBUTION TO SDGs(4)

(1) Excluding Specialized Services (30,000 clients, including individuals).
(2) Excluding Specialized Services. (3) Full-time equivalent.
(4) UN Sustainable Development Goals

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Validation

CSR COMMITTEE

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Boosting the vision

EXECUTIVE COMMITTEE

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Implementation

CSR DEPARTMENT

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LEADERSHIP AND COORDINATION

CSR ambassador network

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HVFODOWHTXLUHG
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CSR project teams

PSOHPHWURVV
IXFWRDODFWR
SODVLEOVHVUDO
EXVLHVVOLHV

COLLABORATION

Human Resources

DHPHDG
HOOEHLDEUN
XPDULW
LWUVLDGFOXVLR

Ethics & Compliance

ROLFUHYHDG
LPSOHPHDWR

Risks

FDOOLVN
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Procurement

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Finance

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Sales teams

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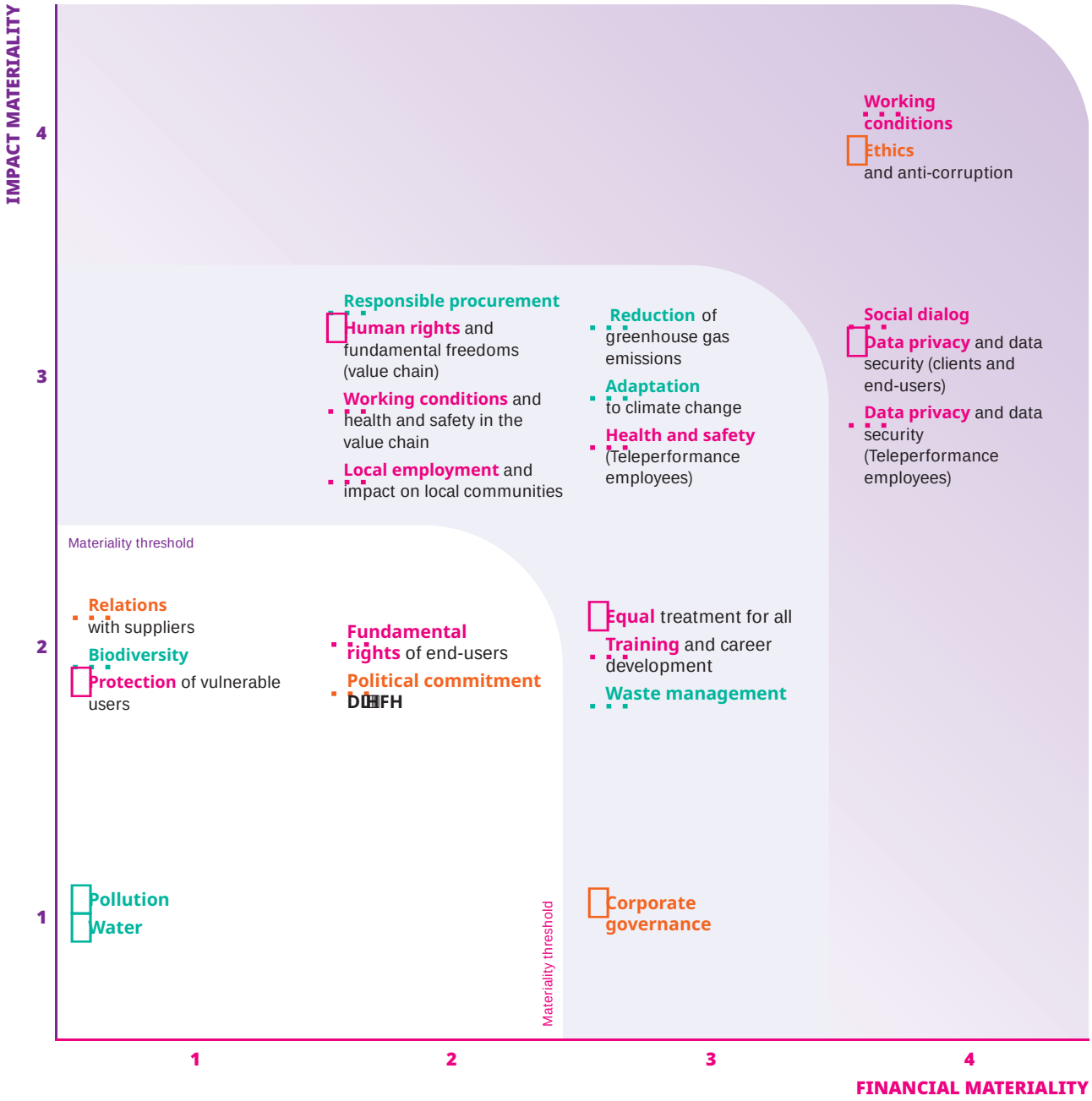
▶BE A FORCE OF GOOD
Environment

▶BE THE MARKET'S PREFERRED EMPLOYER
Social

▶BE A TRUSTED PARTNER
Governance



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IXQGDPHQWDO &ODXVH FKDLQ &RQGXFW &RQGXFW LPSDFW RQ WKHORQJ &RQGXFW &RQGXFW VXSSOLHUV DQG
IUHHGRP &KLQD &RQGXFW &RQGXFW RU SV\FKRORJLFDO &RQGXFW &RQGXFW &RQGXFW &6XSSOLHU
ULVN &ODXVH &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW
YDOXH FKDLQ &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW &RQGXFW

&KDOOHQJHV &RPPLWPHQW3VV 3URJUHVV7DUJHW

&DUHHU GHYHORSPHQW $ SUHIHUUHG 7UDLQLQJ KRXUV SHU HPSOR\HH

,QWHUQDO SURPRWLRQ UDWH

3URYLGHQHLQJ WUDLQLQJ RSSRUWXQLWLHV WR HPSOR\HHV

3URPRWH LQWHJUDWH RI LQWHUQDO SURPRWLRQ IRU HDQDJHPHQW SRVLWLRQV

5HVSHFW IRU KXPDQ ULJKWV DQG GLYHUVLW\ $ SUHIHUUHG HPSOR\HU GLOLJHQFH SURFHGXUH

$VVHVVO DW ULVN VXSSOLHUV

$ WUXVWHG SDUWQHU

$)RUFH RI *RRG

:RUNLQJ FRQGLWLRQV DQG KHDOWK DQG VDIHW\ ZLWKLQ WKH YDOXH FKDLQ

$ WUXVWHG SDUWQHU

$)RUFH RI *RRG

/RFDO HPSOR\PHQW LPSDFW RQ ORFDO FRPPXQLWLHV

$ WUXVWHG SDUWQHU

$)RUFH RI *RRG

3URPRWH HPSOR\PHQW IRU \RXQJ SHRSOH

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3URWHFWLRQ RI SHUVRQQDO DQG FXVWRPHU GDWD IRU HPSOR\HHV FOLHQWV DQG HQG XVHUV

$ WUXVWHG SDUWQHU

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&RUUHVSRQGHQFH
EHWZHHQ &65'
&KDOOHQJHV 6'*V 'HVFULSWLRQ RI WKH&DVH&XHULVV DQG RSSRUWXQLWLHVROLVN PDQDJHPHQW

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(WKLDFVG DQWG6 FRUUXSWLRQ%XVLQHVVRQGE KRWLQHVRQGXFWEXVLQHVV LQWHUQDWLRQDOWKURXJKRXW DQWL FRUUXSWLRQ&RGH

(QVXUHVPRQVLEOH &RUSRUDWH JRYHUQDQFH

(QVXULQJ FRPSOLDQFHWKH EXVLQHVVRQGXFWSROLF DQGUHVPRQVLEOH FRUSRUDWH LQFOXGLQJRWK VWDNHKROGHUV

*URXSWRDQGGLVLWLRQ UHSXWDWLRQDOLVN

*URXSDDZKREGHDPDJRYHUWDOO ELOLW\

0HGLXP WR ORQJ WHUP

\bUREDQWL FRUUXSWLRQ V\VWHP ERDWHGH HLJKOHGHU)UHQFK 6DSLQDZ, VHFWLRQ $Q (WKRWLQH IRUHSRUWLQJ PLVFRQGXF VHFWLRQ

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&OLPDWH FKDQJH &OLPDWHFKDQJH DGDSWDWLRQ

&OLPDWH FKDQJH DGDSWDWLRQ

*UHHQKRXVH HPLVVLRQ UHGXFWLRQ

(QVXULQJ FRPSOLDQFH ULVNDVVHVVPHQW

)DLOXUH WR DGDSW WR FKDQJLQJ FOLPDWH FRQGLWLRQV

7HOHSKRQH FRQIHUHQFH RSHUDWHV

6KRUW7KLUW\ WR 3ODQHW &27 3ORWV RES UJP

7HOHSKRQH FRQIHUHQFH RSHUDWLQJ HQYLURQPHQWDOO\ IULHQGO\ DQGHVSRQVLEOH

5HGXFHHQHUJ\ XVH JDV HPLVVLRQV LQFOXGLQJ JHQHUDWHG 7HOHSKRQH V RSHUDWLQJ V WKURXJKRXW FKDLQ ZLWKFRQGXFW VWDQGDUGV

2SHUDWH LQbOLJKW SURWHFWLRQ

0HGLX2XU JUHHQKRXVH JDV WR ORQJ WDUJHWV DQG

5HVRQVLEOH SURFXUHPHQW DQG FLUFXODU HFRQRP\

(QVXULQJ D VXVWDLQDEOH VXSSO\ RI UHVRXUFHV WKHbYDOXH FKDLQ

0HGLX7KHURXS ZRUN WR DbQXPEHUWRDWHJLF ORQJ SDUWQHUVWRDWH VXSSOLHUV 7KHURXS GHYHORSV UHVRQVLEOH SURFXUHPH OLFHQVHQVLRQ UHSDLUDEOH DQG UHF\FOLQJ SURJUDPV

:DVWH PDQDJHPHQWXVH DQG FLUFXODULW\

(QVXULQJ HIIHFWLYH ZDVWH PDQDJHPHQW HFRQRP\

5HGXFH&RQVXPSWLRQ RI QRQ UHQHZDEOH UHVRXUFHV

JHQHUDWHG

7HOHSKRQH FRQIHUHQFH RSHUDWLQJ V

:DVWHURXS GHYHORSV

0HGLX7KHURXS ZRUN WR HPLVVLRQ UHGXFWLRQ ORQJ WDUJHWV DQG

DSSURYHG E\ WKH 6FLHQFHf%DVHG 7DUJHWV LQLWLDWLYH 6%7L VHFWLRQ

&KDOOHQJHV &RPPLWPHQWV .3,V 3URJUHVV7DUJHW

(WKLFV DQG $QWLVWHG SDUWQHU 3HUFHQWDJH RI HPSOR\HHV WUDLQHG 2YHU
FRUUXSWLRQ LQ:K&RGH&RQGXFW

&RUSRUDWH 'HSOR\PHQW RI WKH *OREDO (WKLFV 0DNH WKH EO
JRYHUQDQFH +RWOLQH (WKLFVDVWOLQH
DYDLODEOH LQ
RSHUDWLRQWULHV

&OLPDWH FK$QJH *RG 5HGXFWLRQ RI *+* SHU (7(WZHHQ
HPLVVLRQV IURP SRORFH DQG
FRPSDUHG WR KH EDVHOLQH
\HDU&2H

3URSRUWLRQ ZDEOH HQHUJLHV E\
LQ:RWDO

5HVSRQVLEOH *RG 6XSSOLHU 3URPRWH
SURFXUHPHQW $WUXVWHG SDUWQHU HQYLURQPHQWDO
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:DVWH $)RRG *RG 1XPEHU FRPSXWDWLRQDO
PDQDJHPHQW WHOHSKRQH GDWD
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H\QRQ ILQDQFLDO &6 6WUXFWXUH J\

7KH *URXS V PDMRU ULVNV LQFOXGH LQDGHTXDWH RU LQDSSURSULDWH EHKDYLRXUV 'RFXPHQW DQG DUH GHVFULEHG DUH DOO SLQHV FKDQJHV LQ WKH HQYLURQPHQW 9DULDWLRQ RI H[FKDQJH

7KH ULVNV FRYHUHG E\ WKH GXW\ RI YLJLODQFH DQG QRQ FRPSOLDQFH FOLPDWH IXQGDPHQWDO IUHHGRPV KHDOWK RQ PDWHULDO DQG PRGHUQ VORZGRZQ DQG PXOWLSODU FKDLQ EUHDFKHV DQG LQWHUUXSWLRQV LQ WKH VXSSO\ RI WKH VXSSOLHV DULVLQJ WKHUHIURP DQG 7HO VXFK ULVNV DUH VHW RXW LQ WKH &RQ 8QLYHUVHO DQG RQ WKH RXWSXW RI WKH *URXS V UHSRUWHG 5HSRUW

& 6Y5L V L R Q

7HOHSHUIRU DQFH DQG WKH VDWLVIDFWLRQ RI VWDNHKROGHUV WRWDO VDWLVIDFWLRQ RI SULQFLSOHV RI WKH *URXS V VWUDWHJ\

Be a preferred employer

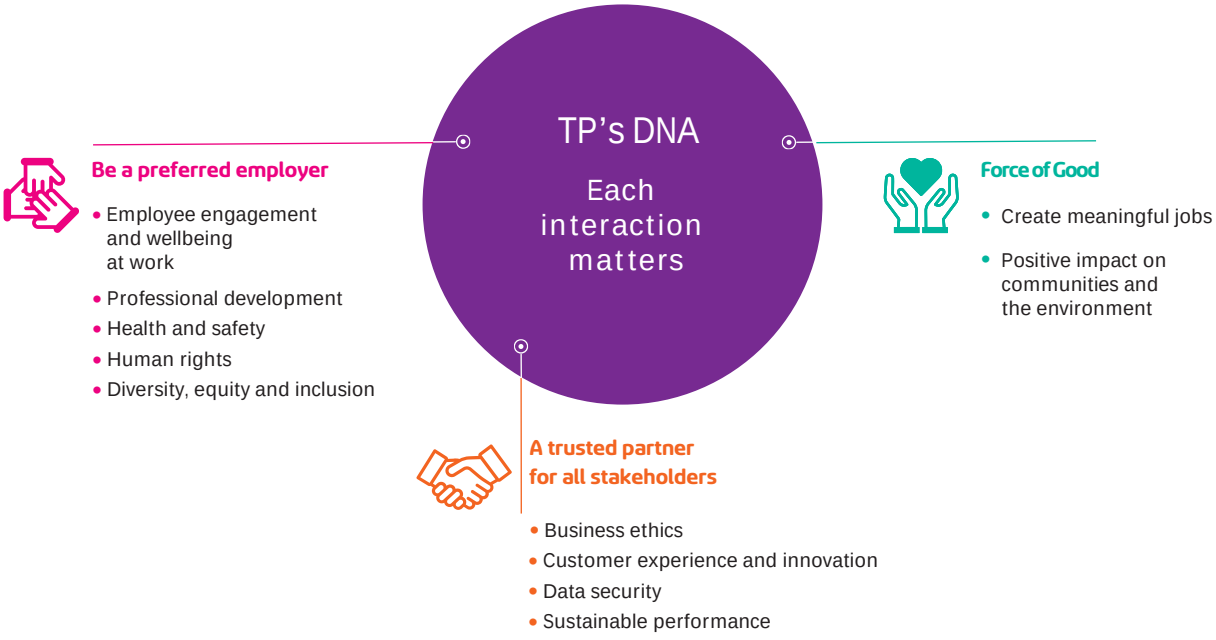
Development of a Great Place to Work® ecosystem: being the best employer in the sector in order to hire, train and retain the best people

Be a trusted partner

For all Group stakeholders by adopting the most stringent ethical standards and delivering long-term value.

Be a Force of Good

By contributing to local communities through the creation of meaningful jobs, strong philanthropic commitment and sustainable use of natural resources.



7KH URXS DVHDWP ELWLRXV WDUJHWV

~ &RQWLQXH WR REWDLQ %HVW :RUNSODFH FHUWLILFDWLRQ VWUDWHJLHV WPSOR\HHV

~ 0DLQWDLQ DQG EDZLGWKFHQWUH V ZRUNIRUFH PDQDJHPHQW SRVLWLRQV LQFUHDVH WKH JRYHUQELQGL DQG SXUVXLWLRQ LQFOXVLRQ

~ 6WHS XS LWV FRPPLWPHQW DGGUHVVLQJ FOLPDWH UHG XFLWV FDUERQ LQ RSHUDWLRQV ZLWK WKH DSSURYHG E\ WKH 6FLHQFH %DVHG 7DUJHWV LQLFLDWLYH LQFUHDVLQJ WKH UHQHZDEOH HOHFWULFLW\ SURFXUHG RU HQHUJ\ FRQVXPHG

~ 3XUVXH WKH *URXS V FRPPLWPHQW WR ORFDO WKURXJK WKH &LWL]HQ RI WKH :RUOG SKLODQWKVWUHQJWKHQLQJ SDUWQHUVKLSV 6XSSRUW UHFXLWH SURJUDPV

6XSSLRUJWWKH 8QLWHG 1D&WRLPSQVFWOREDO

7KH *URXS V FRPPLWPHQZWWKDWKHL81OLQREDW7K&RVWDW PRVW LPSRUWDQW JOREDO LQLWLDWL
ZKLFK 7HOHSHUIRUPDQFH7KHR*QRXSLQVXUHVGWKEDWRSHQWV EDVHG RQ D FRPPLWPHQW E\ F
LWV VXEVLGLDULHVQG ZERWKOWKH 81*& IXQGPHQWXVWDLQHDEOHRPHQWXVH SUIRQFLSZHV
SULQFLSOHV

+XPDQLJKWV	6XSSRUWQGHVSHFW WKHRSULQWHUQDWLRQDOO\ SURFODLPHG KXPDQ ULJKW
	0DNHXUWKDW7RRRPSOLFW LQ KXPDQ ULJKWV DEXVHV
,QWHUQDWLRQDO OLERRUD O VWDQGDUGV	8SKROGHHGRPVRFLDWLRQ DQG EHUJDLQLQJ RI WKHUDLJKWWRJFROOHFW &RQWULEXWHHOLPLQDWLRQ RI IRUFHG RU FRPSXOVRU\ ODERU &RQWULEXWHHIIHFWLYH DEROLWLRQ RI FKLOG ODERU &RQWULEXWHHOLPLQDWLRQ RI GLVFULPLQDWLRQ LQ UHVSHFW
(QYLURQPHQW	6XSSRUWDSWHFDXWLRQDSSURDFKHQYLURQPHQWDOFKDOOHQJHV 8QGHUWDNH LQLWLDWLYHV WR SURPRWH JUHDWHU HQYLURQPHQWDO UHV (QFRXUDJHHYHORSPHQWDQG IXVLRQ RI HQYLURQPHQWDOO\ IULHQGO\ WHFKQ
$QWL FRUUXSWLRQ	:RUNJDLQVW FRUUXSWLRQ LQ DOO LWV IRUPV LQFOXGLQJ EULEHU\

7HOHSHUIRUPDQFH V FRPPLWPHQW LV UHIOHFWHG LQ LWV&RRQGLXFLWV 'LYHUVLWVR\LQ(QWK2XRRQLF\WKRXRRQ (VVHQWLDOSOLDQFH DQ3RROLFHFXULWLHV6HDUFKWK3ROLF5LJKWVDQGWDWHPHQW (QYLURQPHQWDO 3ROLF\ &RQGX7HVWURXSQVXWKDW LWV SROLFLHV DUH SXW LQWR SUDFWLFH3RSHQGWKRQVHPSOR\HHV DUH

&RQWULEXWLRQV RI QWHG 1DWLRQV 6XVWDLQDEOH 'HY

7HOHSHUIRUPDQFHWHG WR FRQWULEXWH WRZDUGV DWWDLQLQJ VXVWDLQDEOH GHYHORSPHQW *R

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1RSRYHU%WRIIHUL QGHFHQW SHUPED QWRQV HDU\HFHZRUN DHFRQRPLF JURZWKGLQJ PRUH SHRSO
SHRSSODHUWLFLQD IGHYHORSLQJ FRQWULDHFVHDQGFHUHQRUVQQ\PHZXWURQJHPUDHG
ZLVDK LJKRHRXQHPSOR\PHQW H J b,QGLD 3KLFOLXVLLYHHVFRQRPLEDMRU HPSOR\HU LQ VHYHUDO
0DGDJD6RDUWKLFLPSLWHRO LPSQFDYHHU\ GHYORSLQJ FRXQWVWKLFPSOR\PHQW DQG SRYH
7KHURXSXUVXSHUDFWLYH SROLF\ IRFHXVHV\RQ GRHVQWPLSVQR\HGHVFHQGLQJ SURYLGLQJ D IDU LQFH
DQGGQFOXVLRQGHUMRE RISHRUWXQLWLHV WR ZLQGKLYRLGFXSSDDWWHQRE DSDOR WHDFWLKHU
QRUPDOO\ KDYH GLHPLSFXRVWHQLVQGHRQHHQSHRSOHY HLQWLFRHVLV
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*HQGHUTXDOLW\ +DYLQJ HVWDEOLDPKRHQGJHQ5HHGXELRQHTXDO%WHLFLVXLWLQUSHYRGSQHUDEOH
WKZHRUNIRDQPLQP DQDJHPHQW SRVLWLRQV LQFSRPPWQHWKLSSVGZRWKSEDZXUH RI QR WROHUHQF
LWVVREEQDWZ7DVRPPYHH7HOHSHUIRUPDQFH KDVWRZGULGVFULPLQHWLRQV WR UHGXFH LQHTXDOLWL
DPELWVRXVRWQFUHWHYSHQRUZZRQPHQ VHUYLQUJHQGHUVWXUH HPS(ORKHHQWHUDQFWSSRQLWV
RQJRYHUEERGLWKURHPRWLQJ HQGHU HTXDOLPDSHFLFRHQPSOH V OLYHV FXVWRPHUGLQJ D
WKEHRU7KURXJKOLPEVDORP QLWLDWLYH 7HQSHUHLQDOYLHQFHVVDQHOZPWKHG
KHOSLVRP PZWPHQHP SOR\PHQW LQ GHYHORSLQJ FRXQWULHVJRHQGHUHTXDOLWLHVV
)RUH[DPSOHQGVWRXQWKH *HQGHU6PDUW LQLWLDWLYHVWRKE
&RPSDKQ\ LQ LILQFQWHOWKHG SURSRUWLRQ RI ZRPHQ LQ LWV
HIIHFWLYHQHVV

&RPEDWFLQJP DWH FKDQJH
7 3KDFVR PPLWWHGWRFLHQFH %DVHOLQH7DWDVVLHVV
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$VDPDMRUSORLQJUHYHORSLQJ UHJLRQV WRIIHUWRSUHPXQHUDWLYHORSHQ SOR\HHV ,QFXUULQJUDPV

73UXQDZLGHQJRHWUDLQLQJVHV DQG GHYHORSPHQWSURJUDPV

+LJKSURSRUWLRQRQ PDQDJHPHQW SRVLWLRQ3RPQ LQLWDWLYHV JHQGHUHTXDOLWRWKHDUG

73 IDPDMRUHPSOR\HU

73KDVHXS SURJUDPPLVH SHRSOH IURP YXOQHUDEOHSV

73KDGHYHORSHGURXV SDUWQHUVKLSV ZLWKXEOLFPULYDWHQ]DWLRQV DQ DJUHHPHQW WR VWUHQJDQ GLDORJXH

73 VWUDWHJLFSDUWQHUVKLSV DURXQG KHDQQDWH DEHLQJ DWZRUNQGIHKHVDOWKXUWRFHPSOR\HHV

,QFUHDVHGWKHQHZEHQHU\ VLKQDWXHV HQHUJ\ PL[

73 KDVGRSWHGLGYHUVLW\ DQG LQFOXVLRQ SR PHDQRV DFKLHYLQJ JUHDWHU HTXDOLW\

73 LV FRPPLWWHGWXHGLQJ LWV FDUERQ IRRWS HPSOR\HH

7KURXJKREXVLQHVW*URXSROLF8HLW FRPPLWWHG WRZLFWRQSVOLRQJ DQG LQWHUQDV VWDQGDUGV WUHJODWHRQ SVOLF\ IRU LQWHDQHUV

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RI73UHYHQ6RKQWULGXUHHWWK'* SDUWLFXWKHDOQWKH6HFLDOL]HG 6HUYLFHVLQGXVWULHV

73SURYLQGVWUSUEQWQDURQ VHU IRUUHLQQEWKH KHDPSLQLQKHDOV 73SURYLGHDXSSRUW VHUYLFHV WUDFKQDGHWQHVV DQG GHYHORSPHQW

73 IDPDMRU SOLHU YLQXH DGGHG DQG ODERU LQWHQVLYH GHVPHQW VHUYLFHV &7KHSV WRQPRUHPDWERQVLEYHUVRQH HYHU\ZKHUH

73SURYLGFXVWRPHUHQFH WR SHOPLWHG

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73SURYLGSRUW WR FKLOGUHQ DQG YLFWLPV DZDUHQHVV DPRQJ HPSOR\HHV QDWXUDOVDQGHUKXPDQLWDULDQ HPHUJHQFLHV

73LVFRPPLWWHGXSSRUW WKURXJKLQDQFLDWLRQ

73 KDRUPDGUHIRUHVWDWLRQ SDUWQHUVKLSVZHWODQG DQG VXSSRUWHG WKHSODQWLQJ WUHHV

7HOHSHUIRUPDQFH FRQWULEXWLRQ /DQJXDJH/LQH V VSHFLDOL]HG VRO GLUHFWO\ FRQWULEXWH WR WKH 6XVWDLQDEOH'HYHORSPHQW*RDOV $VVXFK LQ *URXSKSH JHQHUDWHG RI LWV OLYHV QXULQJ WKH FDOOVRQQHQW XSWRGDWHV LQ KHDOWKFDUHRU DZQWKRYHUQPHQW DJHQFLHV ZLWK RUHOHOUHG DQG FRQWULEV DQ\ FRXQWULHV ZLWK RUHOHOUHG DQGHGLSDEHFGXUHV

VLEWXDWLRQV7KH\ DOVRQHKDUELQJ WKH FDOOVRQ DJHQGDV SSRUWQJ LQWHUSUHWHU DQG ODQJXDJHV L $PHULFDQ ODQJXDJH

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7HOHSHUIRUPDQFHV LWV HPSOR\HHV WKH EXVLQHVV7KH *URXSRPLWWHGLQJHQHPSOR\HU FKRLFHV PDUNHWV E\ SURPRWLQJZRUNLQJKRXUVFRQGXFWV PDUNHWV LQGXVWU\ 7KLV LV DQ HVVHQWLDOVWHS FUHDWLQJVWDNHKROGHUV D KDSS\ HPSOR\HHV DQG SSUDLVDO VWDNHKROGHUV DQG XVHU VDWLVIDFWLRQ 7HOHSHUIRUPDQFH

7RWKHLQGXVWU*URXSSHOOR\QXPEHU RI LQLWLDWLYHV WKHEUHDV RI UHFUXLWPHQW SURIHVVLRQDOV KXPDQUHVRXUFHV DQG LQFOXVLRQ PHDVXUHV 7KHVH LQLWLDWLYHV DUH GHVLJQHG WR FUHDWH DQ HQYLURQPHQW WKDW VXSSRUWV WKH *URXS V DPELWLRQ WR EHFRPH WKH :RUOGV OHDGLQJ HPSOR\HU ZRUOGZLGH ,QVWLWXWH WKH *URXS ZDV UHFRJQL]HG DV RQH RI WKH :RUOGV 7KLV H[WHQVLYH DZDUGHG WR OHDGLQJ HPSOR\HUV ZRUOGZLGH E\

(PSOR\HU VWDWHPHQW

(PSOR\HU VWDWHPHQW LV D *URXS SULRULW\ $V VXFK 7HOHSHUIRUPDQFH KDV DQ REOLJDWLRQ WR HQVXUH WKDW HPSOR\HU VWDWHPHQW LV EDVHG RQ D VDIH DQG VHFXUH ZRUNLQJ HQYLURQPHQW LQFOXGLQJ *URXS SROLFLHV SURFHGXUHV DQG VWDQGDUGV SURJUDPV LQ $VHUEDLMDQ RU ROGHU YHUVLRQV WR PDVXUH HPSOR\HH HQJDJHPHQW

:RUNLQJ FRQGLWLRQV

RIHPSOR\HU ZRUNDVXEVLGLDULHV DV DEH VWPSOR\HU HUDVWDWH :RUNᵖ 7UXVW VQFRQDUHV E\ 7HOHSHUIRUPDQFH HPSOR\HHV *UHDWHU:RUNᵖ FHUWLILFDWLRQ EWDLQHG FRXQWULHV

*UHDW:RUNᵖ FHUWLILFDWLRQ

,Q RYHU HPSOR\HHV ZRUOGZLGH SDUWLQGLQHPQW HPSOR\HH WUXVW VXUYH\ 3ODFH WR :RUN ,QVWLWXWH WR PHDVXUH WKHLU *UHDW3ODFH WR :RUN ,QVWLWXWH WKH JOREDO DXWKRULW\ RQ ZRUNSODFH FXOWXUHV WKH ZRUOGV WKH SHUFHQWDJH WKH WHDP RUJDQL]DWLRQ

5HVXOWV

(PSOR\HH VDWLVIDFWLRQ HPSOR\HU D WKHRPSDQ\ EHFHUWLILHG :RUNSODFH 7KH DYHUDJH WRWDO WKLV WUXVW LQGH[ZDUGHG E\ HPSOR\HH VDWLVIDFWLRQ LQ WKH PLQLPXP UHTXLUHPHQW FRQVLVWHQWO\ WKH HQJDJHG *URXS FRPSULVHG GLIIHUHQW QDWLRQDOLWLHV DQG WR EH UDQNLQJ RQ WKH :RUNSODFH 7KHVH DWDUGV FRYHU RYHU ZRUNIRUFH GLPHQVLRQV $PRQJ WKH NH\ UHVXOWV SHUFHLYHG EHOLHYH 7HOHSHUIRUPDQFH \VDIH SHFXUH WKH HDUH WUHDWHG IDLU\JHQGHUHG VDODULHV RUEDFNJURXQG PHPEHUV W*UHDW IHHOLQJ UHFRJQL]HG WKHLU PDQDJHU WKDW WKHLU RSLQLRQV

/DVWO\ RI HPSOR\HHV EHOLHYH WKDW WKHLU :RUNSODFH

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&RPSDQLHV SXUVXDQW WR VHOHFWLRQ SURFHVV :RUN UDQNLQJ LV E HPSOR\HH SHUFHSWLRQ VXUYH\ RQ ZRUNSODFH FXOWXUH DQG HQJDJHPHQW 7KH VXUYH\ LV DGPLQLVWHUHG E\ 7HOHSHUIRUPDQFH HPSOR\HHV *UHDW3ODFH WR :RUNᵖ FHUWLILFDWLRQ EWDLQHG

~$ *UHDW 3ODFH WR :RUNᵖ LV D FRPSDQ\ LQ Z HPSOR\HHV WUXVW WKHLU HPSOR\HU DQG WKH\ WDNH SULGH L GR DQG YDOXH WKH SHRSOH :RUNᵖ VXUYH\ PHDVXUHV HPSOR\HH VDW ZKHWKHU WKH\ DJUHH RU GLVDJUHH ZLWK VWDWHPHQWV VXFK DV ³0DQDJHPHQW LV FRPSHWHQW DW PDNLQJ XV H[FLWHG DERXW WKH IXWXUH RI RXU FRPSDQ\´ DQG ³7KLV LV D JUHDW SODFH WR ZRUN IRU SHRSOH OLNH PH´ 7KH VXUYH\ FRQWDLQV TXHVWLRQV FRYHULQJ ILYH YDOXHV -XVWLFH DQG &DPDUDGHULH 7KHVH TX DQ DSHFWV RI SURIHVVLRQDO OLIH ZRUNLQJ DVSHFWV IRU WUDLQLQJ DQG GHYH :HHP PDQDJHPHQW HWF 7KH WUXVW LQGH[HT SURFHVV RQ QXPEHUV RQVHV

~7KURXJK D IHZ WDUJHWHG TXHVWLRQV $XGL HYDOXDWH WKH WUXVW LQGH[LQ GHWDLO LGHQWLI\ WKH GULYHUV RI HPSOR\HH VDWLVIDFWLRQ DQG HQJDJHPHQW DQG WKHQ FRPSDUH WKHVH DFURVV GLIIHUHQW FRXQWULHV 7KLV DOORZV XV WR LGHQWLI\ DUHDV RI VWUHQJWK DQG RSSRUWXQLW\ WR LPSURYH WKH H[SHULHQFH RI HPSOR\HHV DFURVV WKH &RPSDQ\ DQG &RPSDUH 3ODFH WR :RUNᵖ VHQGV D QH HPSOR\HH VXUYH\ DQG FHUWLILFDWLRQ SURFHVV RU HDFK FRXQWU\ \HDU

7KH VHVVXHV IHDWXUH DPRQJ WKH VHWRRSW LQGLYLGXDO PDWHULDOLW\ GHPRJUDSKLF DQG HPSOR\PHQW REMHFWLYHV DQDO\VHV DFURVV JLYHQ E\ H[WHUQDO ERGLHV LQ UHFRJQLWLRQ ZRUNSODFH VDWLVIDFWLRQ DUH QRZ WDNHQ LQ *URXS H[HFXWLYH RIILFHU UHPXQHUDWLRQ DQG RQ H[HFXWLYH LQFHQWLYH SURJUDPV

6DWLVIDFWLRQ

7HOHSHUIRUPDQFHSOHPHQWHG DQ RQJRLQJ HPSOR\HH OLVWHQLQJ SURFHVV WKURXJK YDULR
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Internal channels | **External channels**

MOMENT OF TRUTH
Surveys sent across employee lifecycle stages to better retain the talents

SENTIMENT SURVEYS
Daily happiness surveys to capture employees' feelings and quickly develop appropriate measures

HR HELPDESK
Case Mgt with strict SLAs for inquiries, Support & Concerns

GPTW ®
GPTW® annual survey with a centralised process for all countries

PULSE SURVEYS
One-off surveys on diversity, engagement, work from home, specific client programs, etc.

CULTURE AUDIT FOCUS GROUPS
Auditing selectedkey priority companies with low engagement to identify root causes and drive change. Focus Groups with randomly selected employees to gain further sentiment and feedback

GLASSDOOR AND *INDEED*
Considering the feelings and opinions of employees via the external platforms Glassdor and Indeed and competitive benchmarking

,QDGGLWLRQ WR WKH*URHDW 3HQWHHQDO FHDWLKEHQGLSRQHG DFFRUGLQJ LI PDQ\ HPSOR\HH
QXPEHUI FHQWUDOL]HG HPSOR\HH OLVWHQLQJ VHVVLRQV DUH FRQGXFWHG DSS\ ZLWK D VPHFLILF
LQWURGXFWLRQ HPSOR\HH VHQWLPHQW PRQLWRULQJ WRROV DUH XVHG DOHUWV DU
HPSOR\HHVHWLVIDFWLRQ LQ
ZKHQHYHU PDMRU GLVGHWUDFWLRQV RFFXU

- 7DOHQWQHWHQWLRQ VXUYH\V GHVLJQHG WR YHULI HPSOR\HHV DIWHU DFK VWDJH RI WKHLU FDUHHU KLULQJ RISRVLWLRQRUGHY LHZZF DOOHG 0RPHQWV RI 7UXWK
- ([HUQDOYH\V WKURXJK HPSOR\HH UHYLHZVRQ ,QGHHG
- $Q +5 VXSSRUW VHUYLFH HQDEOLQJ HPSOR\HHV WR PRQLWRU DQG RSWLPL]H 5HVRXUFHPDU WPHQW DQQLWHQFH
- 'DLO\ 6HQWLPHQW 6XUYH\V RQ HPSOR\HHV FRQSULQJTXHVW LRQ GR \RX IHHOZKR GO\ DQG

7KH+5VXSSRUW VHUYLFH LV D FHQWUDO V\VWHP E\ WKH RSHUDWLRQV ZLWKLQ WKH PRQLWRU HPSOR\HH FRQFHUVWLQDQ GHWHFW WRSLFV VXFK DV VFKHGXOLQJ UHPXQHUDWLRQ HPSOR\HH EHQHILWV DQG FDUHHU GHYHORSPXQW 7KH\ SURYLGH SODQV ZLWK HPSOR\HHV WR LQKDQGOLQJ LQWHUFWLRQV ZLWK HPSOR\HHV SURYLGHG DSSURSULDWH VROXWLRQV DQG WR RQDEOHKDQGOH \HPSOR\HH FRQFHUQV DQG
6HQWLPHQW6XUYH\V JLYH HPSOR\HHV DQ RSSRUW HPRWLRQDO FRQQHFWLRQ WKH\ PD\ QRW KDYH
WKH\3RQOLQH SRQDWIRUEDO IURP YHU\ KDSSJ HPSORHHV DQG WHDP EXLOGLQJ DFWLY
XQKDSS7KH\ PD\VWDWH WKH PDLQ UHDVRQV WKDW HPSOR\HHV DQG WHDPV DUH
SHUVRQDO RU UHODWHG WR WKH FRPSDQ\ HFDOOHQJHV
,IbDQ HPSOR\HH VHOHFWV WKHVH RQ WKHVH LQ
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.HHSLQJ UHFRUHGPRR\HH VHQWLPHQW HYHU\ GDQ KHSOSYPDWLVHV HPSOR\HH
JHQHUDWHDWHPLRG WKH *URXS V HPSOR\HHV
GHWDDQHG\VHLRQV LQ HDFK FRXQWU\
IRUHDFK FOLHQW*SRUERDUDPG ORFDO LQLWLDWLYHV DQG SURJUDPV

'ULYLQJ QLILFDQW MRE FUHDWLRQ

7KH LQIRUPDWLRQ FRQWDLQHG RQ WKLV SDJH FRPELQHV RIILFLDO VWDWLVWLFV IURP WKH 86 %XUHDX RI /DERU 6WDWLVWLFV ZLWK SURSULHWDU\ FRPSDQLHV H[FOXVLYHO\ RZQHG

%UHDNGRZQ RI WRWDO ZRUNIRUFH E\ DJH GLVWULEXWLRQ

+HDGFRXQW GLVWULEXWLRQ

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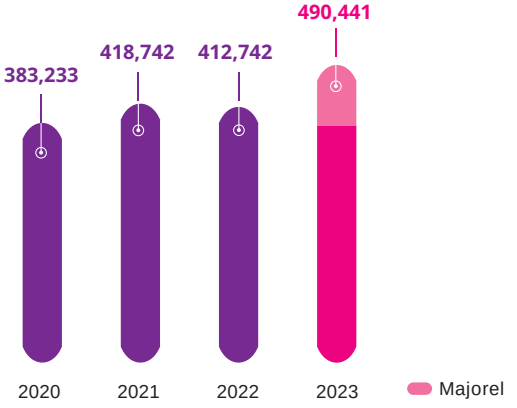

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SUHIHUHUHSRUWHGRUHQWDUNHW

)XOOHWWXLPHDQ7HQWZRUNIHQJXLVWLF UHJLRQ

	SD\UROO H[SHQVHV LQ PLOOLRQ	
	)7(ZRUNIRUFH PLOOLRQV	)7(RHXURV ZRUNIRUFH H[FKDQJHWHV
1RUWKHUDQGVWDWHV		
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&RUGHUYLFHV		
6SHFLDOLVWGFHV		
+RODQGLSDQLHV		
727$/		

([FOXGHODQGRUHO

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&KDQJH LQ WRWDO KEHDG\SRSXODWLRQ PSOR\PHQW FRQWUDFW

$W	3HUPDQHQW)L[HG WHUP7HPSRUDU\	7RWDO
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~JDWH FUHDWLRQ WHDPHPEHUV DQG LQWHUQDWLRQDO FRQWHUWZLWKV GHPDUWLQJ HPSOR\HHV WR XQGHUV LGHQWLI\ VROXWLRQDLQDQGGOHSRWV VEHWHU VHH

7KHDYHUDJH DWWULWLRQ UDWH IRU VXSHUYLVRU PDQDJHPHQWQWLRQV LV EHWZHHQ PRQWK 2YHUDO WKH *URXS V DWWULWLRQ UDWHPDUNHW URQ SDWWHUQ LQ H bb IRU WKH \HDU

:KLOH RI HPSOR\HHV DUH K\LURXSSRUWOLDEH WHPSRUDU\ ZRUNHUV ZKRZRQWHQGWKRQJWHUQV GLUHPSOR\HHQWVHSZLQWKURXS SROLFLHV

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7UDLQLQJ DQG GHYHORSPHQW

KRXEHV WUDQVLWLRQLQJ PSOR\HH LQWHUQDO SURPRWLRQ

THE EMPLOYEE CAREER PATH

HIRING NEW TALENT

EMPLOYEE INDUCTION AND TRAINING

PROFESSIONAL DEVELOPMENT

PERFORMANCE AND PROMOTION

DEPARTURE

Staff loyalty and retention

$ W W UDDQF W LKQ QH ZJ O H Q W

7KH VXFFHVV 7RO WKH IRUPDQFH WHDPV VWDUWV XOL GHGLFDWHG UHFUXLWHUV EHEVWHUIRUPDQFH $URXQG SKDVH 7RD WWWUDFWLRQ FWLRQ HFDQGLGDWH RXSFRPSHWLWLYH ZDJHV D UDQJH RI HPSOR\HH EHQHILWV $QDOHWUFVGHVRVPHQKLXKSRWRQLGDQWEDQGL RSSRUWXQLWLHV HQJDJHPHQW WKHWK VNLOOHFRPELQJ WKHWK VNLOOHFRPELQJ ZRUNHQYLURQPHQW

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2QFH WKH KLULQJ SURFHVV LV FRPSOHWH VXFFHVVIXO FDQGLGDWHV DUH RIIHUHG HPSOR\PHQW 7KHVH VXFFHVV RI WKH UHIHUUDO SURJUDP

$ W W UDFWLQJ W DOHQW XVH D UDQJH RI FKDQQHOV WR UHDFK TXDOLILHG FDQGLGDWHV DQG WDLORU RXU DSSURDFK WR HDFK UROH WKH 5HIHU)UHQG UHFRPPHQGDWLRQV DUH HQFRXUDJHG WR HPSOR\HHV VXEPLW TXDOLILHG FDQGLGDWHV WKURXJK RXU LQWHUQDO UHIHUUDO SURJUDP

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~ $Q $SSOLFDWLRQ 7UDFNLQJ 6\VWHP KDV EHHQ GHVLJQHG WR LQLWLDWH
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RSSRUWXQLWLHV RQ WKH ,W DOVR UHGXFHV WKH
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~ 7KH562) 5HFUXLWHUOLVW 2EVHUYDWLRQ
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~ 5HFUXLWHUQJV DUH WUDQVIRUPLQJ RSDQG
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562)

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WR KLUHHDUJH QXPEHU RI SHOPOH ZKRDZLWKR
ZRUN VHYHUDO OHYHUV KDYH EHHQ SXW LQ

(PSOR\HH WUDLQLQJ

(PSOR\HH WUDLQLQJ LV DW WKH KHDUW RI$7HOHUHSXHUIRUPDQFH+5HFHLYH WUDLQLQJ LQF
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FXOWXUDOLGLYLGXDO IXQFWLRQV DQG FOLHQW ZLVKHV 7HOHSHUIRUPDQFH
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VHFXUHLWZHYHU 7HOHSHUIRUPDQFH LQWHUQDO
PDQVRUPV LQ DGGLWLRQ WR WUDGLWLRQDO
7UDLQLQJ FRQGXFWHGRSHG WKURXJK
HPSOR\HHDEHQRQQHFW DQRU WKDUHXJK VLPXODWLRQV

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6LQFH DQHZ HPSOR\HH VWDUWV RQ WKH SDQGHPLF 7HOHSHUWKRHUDQFH VWUDWHJ\ RULHQWDWLRQ RQ WKHLU ZRUN GHVN WUDLQLQJ FRXOG EH D PDQXDO RU D VHOI VWXG\ PRGXOH YDULHV DFURVV RQ *URXS FXOWXUH YDOXHV GHSDUWPHQW JLYLQJ HPSOR\HH FRPSOLDQFH WUDLQLQJ HGHV DWWKH WLPH RI KLULQJ 7KHVH SURJUDPPHG DOO HPSOR\HHV WR DWWHQG D VSHFLILF WUDLQLQJ VHVVLRQ RQ WKHLU ILUVW GD\ ZRUN DQG WKH\ FRPSOHWHG DOO JHQHUDO FRPSOLDQFH WUDLQLQJ ZLWKLQ WKUHH PRQWKV RI KLULQJ 7KLV SURJUDP HQVXUHG WKDW HYHU\RQH UHFHLYHG WKH VDPH LQLWLDO WUDLQLQJ UHJDUGOHVV RI WKHLU GHSDUWPHQW RU ORFDWLRQ

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)ROORZLQJ LQWURGXFWLRQ RI WKHVH FHUWLILFDWLRQ SURJUDPV DFURVV WKH HQWHUSULVH HPSOR\HH DWWULWLRQ UDWHV GURSSHG E\ RYHU SHUFHQW

0\73 FRQWLQXHG WR EH KHDYLO\ XVHG DV D FRUH WUDLQLQJ SODWIRUP DQG &RPSOLDQFH RIILFHUV DQG 6XSHUYLVRUV XVHG 0\73 UHSRUWV WR LGHQWLI\ WHDPV DQG LQGLYLGXDOV WKDW QHHGHG DGGLWLRQDO WUDLQLQJ RU VXSSRUW

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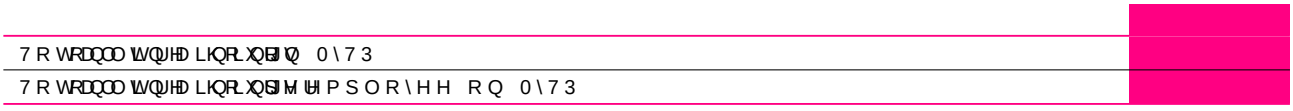

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7KH *URXS WDEPQFRXUDJH HPSOR\HHV SURIHVVLRQDO ZLWKLQ D ZRUNLQJ HQYLURQPHQW WKDW IRVWHUV VNLOOV7HGHYHORSHURPRWHUV D URDQJH SURJUDPV DQG SDWKZD\V WR VXSSRUW DOO GHYHORSPHQW FRXUDJH LQGLYLGXDOV WR WDNH

/HDGL[6LJPD

$VSDUWWKHURXS V WUDQVIRUPDWLRQ HPSOR\HH WUDLQLQJ SURJUDPV FRQWLQXH WR EH RXW JOREDOO\ IRFXVWKHURXS DUH LPSURYHPHQWV DQG

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Teleperformance
JUMP!
Career Plan

'HVLJQHG WR HOHYDWH SHUIRUPDQFH WKURXJKRXW 3 ZDV
LQLWLDWHG WR SURYLGH FRQWLQXLQJ SURPRWLRQ IRU DQG HVWDEOLVKHG
7HOHSHUIRUPDQFH EHORZ GLUHFWRU OHYHO 7KH SURJUDP KDV
XQGHUJRQH QXPEHU RI FKDQJHV VLQFH WKHQ DQG KDV EHHQ
VXSSOHPHQWHG WR SURYLGH GHVLJQHG WR SURPRWH LQGLYLGXDOV
IRU WKHLU XURHK SURJUDP LV GHVLJQHG WR

~ 3URPRWH WDOHQW GHHOY HORSPHQW
~ ,GHQWLI\ KLJK SHUIRUPHUV WKURXJKRXW HDFK QXUWXULQJ DQG SUHSDUH PDQDJHPHQW SRVLWLRQV
~ (QFRXUDJH OHDGHUVKLS WKURXJKRXW HDFK QXUWXULQJ HVWDE
~ (QFRXUDJH WHPSRUDU\ SRVLWLRQV

,Q 7HOHSHUIRUPDQFH UHGHVLJQHG FHUWDLQ
SURJUDP LQ IDYRU RI HTXDO RSSRUWXQLWLHV &
WR DSSO\ DQG EH DFFHSWHG XQGHUWDNH FHUWDLQ
FRQWHQW 1RZ RQH RUGXUDJH HPSOR\HHV FXUUV
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DOO LQWHUHVWHG SHUVRQV EHIRUH WKH HYH
LQFOXGHG LQ DQ HDUQLQJ ZRUNVKRSV WR EHGVEHGWUD
DVVHVVPHQW WRROV
7KLV SURJUDP LV EDVHG RQ D GXDO WUDLQLQJ SU
WHFKQLFDO DQG EHKDYLRUDO VHVVLRQV WR SURPRWH
SODQV 'HVLJQ WKH SDQGHPLF SURWRFROV DQG
-803 KDV EHHQ WR RYKLHWHU RQ LXHG RQ WKH HYDOXDWH
SRO ,W LV QRW ZRUK IHLQHSGHUVRQ 0DQ3G RQQ LWKH
SODWIRUP
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DQG SHRSOH FRPSOHWHG D VHSIUHSLGHLQJ PRGX
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LQ PHDVXULQJ WKH SHUIRUPDQFH RI VXSHUYLVRUV EHIRUH XSZDUGV VLQFH
PDQDJHUV RWKHU WKDQ SRVLWLRQV DUH ILOOHG LQWHUQDOO\ RU
$ SHUIRUPDQFH PDQDJHPHQW SURFHVV LV LQ SODFH IRU DOO HPSOR\HHG DFFRUGL
(DFKHPSOR\HH SDUWLFLSDWHV TXDUWHUO\ FXUUHQW TXDOLWDWLYH DQG ZLWK WKH
REMHFWLYHV HPSOR\HH SHUIRUPDQFH UHYLHZV SODFH IRUP -DQXDU\
DW WKH HQG RI WKH \HDU 7KLV SHUIRUPDQFH PDQDJHPHQW SURFHVV PDNHV
7RJRIXUWKHU SURYLGHUDNH D SURFHVV HVWDEOLVKHG IRU WKH SHUIRUPHG
SHUIRUPDQFH HYLHZV HPSOR\HH
SURYLGHG OLFDOO\ WKH *URXS LV7KH*URXKDV UHJXODUO\ WR ZLWKDF
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6WDQGDUGL]DWLRQ

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HQJDJHPHQW ZHOOEHLQJ SURGXFWLYLW\ DQG WUDLQLQJ IRU GHWHFWLQJ SHRSOH
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HPSOR\HUV VHH VHFWLRQ FHUWDLQ EHKDYLRUV WKDW HPSOR\HH UHWHQWLRQ
+RZHYHU LQ D VHFWRU ZKHUH DUH WUDLQLQJ HQYLURQPHQW DQG
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:RUNLFQRJQGLWLRQV

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JXLGHOLQHV RU HTXLSPHQW ZLWK WKHVH LQWHUQDWLRQDO VWDQGDUGV WKDW RFFXS\ HPSOR\HHV
RIIHUHQWSOR\HHV DWWUDFWQRQHGLVFULPLQDWRU\ SROLFLHV LQ HDFK PDUNHW WKHUHIRUH
DGGLWLRQDOO\ HPSOR\HUV KHDOWK LQVXUDQFH SURJUDPV DQG PRUH

:RUNLFQRJQGLWLRQV

RI*URXSPSOR\HHVWHFFHVV WR KHDOWK LQVXUDQFH

UDWHVEHQWHHLVP

:RUNJDQL]DWLRQ

:RUNLQRXUV

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*URXSHPSOR\HHV ZRUN DFFRUGLQJ WR GLIIHUHQWL[LEOHDUUDQJHPHQWV
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,Q RYHU RI 7HOHSHUIRUPDQFH V ZR'NIRUFH ZRUNHG IURP
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PDQ\VXEVLGLDULHV DOVR GHYHORSHG K\EULG
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,Q RYHU RI 7HOHSHUIRUPDQFH V ZR'NIRUFH ZRUNHG IURP
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PDQ\VXEVLGLDULHV DOVR GHYHORSHG K\EULG
HPSOR\ZHHVNSQJUWOOVLWH DQGRSDUWPH\
7HOHZRUNLQJ FDQQRW EH GHSOR\HG SHUPDQHQW
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SUL[DQGWKHSHFLILFDWQGLWLRQV

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,Q RYHU RI 7HOHSHUIRUPDQFH V ZR'NIRUFH ZRUNHG IURP
KRPHFRPSDUHG WRDYHUDQH LQ)RUPH SRVLWLRQV

(PSOR\HH UHPXQHUDWLRQ DQG FKDQJHV

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~ $WWUDFW DQG UHWDLQ WDOHQW

~ 5HZDUG SHUIRUPDQFH &RQVLVWHQW ZLWK WKH *URXS V YDOXHV DQG FXOWXUH

~ %HIDLU DQG FRQVLVWHQW ZLWK WKH *URXS V YDOXHV DQG FXOWXUH

7KH*URXS KDV DGRSWHG DUHPXQHUDWLRQ SROLF\ RIIHULQJ DOO HPSOR\HHV D FRPSHWLWLYH UHPXQHUDWLRQ SDFNDJH WKDW UHZDUGV SHUIRUPDQFH DQG FRQWULEXWLRQ DQG DOORZV HPSOR\HHV WR VKDUH LQ WKH *URXS V VXFFHVV 7KH SROLF\ LV GHVLJQHG WR HQVXUH WKDW WRWDO UHPXQHUDWLRQ LV FRPSHWLWLYH LQ HDFK PDUNHW LQ ZKLFK WKH *URXS RSHUDWHV DQG WKDW LW UHZDUGV HPSOR\HHV IDLUO\ DQG FRQVLVWHQWO\ ZLWKLQ DQG DFURVV GLIIHUHQW FRXQWULHV DQG EXVLQHVVHV

/LYLQJ:DJH

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(PSOR\HH EHQHILWV

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([WUDHDYH

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(PSOR\HH UHPXQHUDWLRQ DQG FKDQJHV

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~ $WWUDFW DQG UHWDLQ WDOHQW

~ 5HZDUG SHUIRUPDQFH &RQVLVWHQW ZLWK WKH *URXS V YDOXHV DQG FXOWXUH

~ %HIDLU DQG FRQVLVWHQW ZLWK WKH *URXS V YDOXHV DQG FXOWXUH

7KH*URXS KDV DGRSWHG DUHPXQHUDWLRQ SROLF\ RIIHULQJ DOO HPSOR\HHV D FRPSHWLWLYH UHPXQHUDWLRQ SDFNDJH WKDW UHZDUGV SHUIRUPDQFH DQG FRQWULEXWLRQ DQG DOORZV HPSOR\HHV WR VKDUH LQ WKH *URXS V VXFFHVV 7KH SROLF\ DLPV WR HQVXUH WKDW WRWDO UHPXQHUDWLRQ LV FRPSHWLWLYH LQ HDFK PDUNHW LQ ZKLFK WKH *URXS RSHUDWHV DQG WKDW LW UHZDUGV HPSOR\HHV IDLUO\ DQG FRQVLVWHQWO\ ZLWKLQ DQG DFURVV GLIIHUHQW FRXQWULHV DQG EXVLQHVVHV

/LYLQJ:DJH

(QWU\ OHYHO DW 7HOHSHUIRUPDQFH WKH *URXS V OLYLQJ ZDJH SROLF\ DSSOLHV WR DOO HPSOR\HHV 7R JR IXUWKHU WKH *URXS DOVR SD\V D OLYLQJ ZDJH VXSSOHPHQW WR HPSOR\HHV LQ FHUWDLQ FRXQWULHV 7KH OLYLQJ ZDJH LV GHWHUPLQHG RQ WKH EDVLV RI WKH FRVW RI EDVLF QHFHVVLWLHV DQG UHSUHVHQWV WKH DPRXQW QHFHVVDU\ WR HQDEOH DQ HPSOR\HH WR PDLQWDLQ D VWDQGDUG RI OLYLQJ ZKLFK LV GHHPHG WR EH DSSURSULDWH LQ WKH FRQWH[W RI WKH ORFDO HFRQRP\ DQG VRFLHW\ 7KH OLYLQJ ZDJH LV GLIIHUHQWLDWHG E\ ORFDWLRQ DQG LV UHYLHZHG DQQXDOO\ 7KH OLYLQJ ZDJH LV GLIIHUHQW IURP WKH PLQLPXP ZDJH UHTXLUHG E\ ORFDO ODZ ZKHUH WKH\ DUH KLJKHU

(PSOR\HH EHQHILWV

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([WUDHDYH

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7KLV VXEVLGLDULHV QHJRWLDWH UHGXFHG SULFH DQG GUDIWH ZKLOHLVQDEHKHUHVWULFWRIIHUHG WR HPSORY QQ ODO\ VXEVLGLDULHV QHJRWLDWH UHGXFHG SULFH DQG GUDIWH ZLWK UHVSHFW WR PDWHUQLW\ SDWHUQLW\ DQG DGRSWLRQ OHDYH

)UHRHQV XEVLGLHV]HDQV SRUW

,QDOO FRXQWULHV WKHUH DUH WZR SRUWV QRW V(XPSLOHLHQW DOVR EHQHILWUDUHPV QRQRWHLDYLHGV
DFFHVVRLEOH WR DOO JXHVWV 7HOHSHVLPHV ,QGLD &RORPELD VHUYLFH 3KLOLSSLQHV ,QGLD &RORPELD
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~ LVFRXQWVFXVWRPHUKDLDYLWDLVVPRXEKV FRQFHUWV V
DQG[KLELWLRQV
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FRQFHZKHUH WKH\ H[LWKH RU 'E\SDUWPHQW DW
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+HDOWK LQVXUDQFH

RI *URXS HPSOR\HHVDFFHVV WR KHDOWKH*UQXSHQVHLVSHPSOR\HHV DQG WKHLU ID
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HPSOR\HHV WKHP EHQHILW IURP VXSSOHPHQWDU\ KDV DOSO FRYHUHG WKH
LQVXUDQFH RYLGHG E\ 7HOHSHUIORUPDQFH LQRDGLWLRQDOWR WKHLU
ORFDOXEOLF VRFLDO VHFXULW\ V\VWHPV E\WKHLU
SHRSOHUH FRYHUHG E\ D 7HOHSHUIORUPDQFH WKH *URXS ODQFKHG D
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DVVLVWDQFHRFFXSWHV FRXQVHOORUV
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DVVHVV LWV RYHUDOOSHUIRUPDQFH DW DOO EHQFKPDUN UHVXOWV DQG
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LPSURYHPHQW SURFHVV *UHXS VFRUWKH ZDV
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7RDFQWLQXH LWVVLQHVVWLPHQWKU*URXSO
HVWDDQHWKZRKXPDQ ULJKWVLHVSHUDWLQJ DWEVLGLDU

*29(51$1&(1'&200,70(176	
6HFWLRQ	0HDVXUHPHQW
&RPPLWPHQWHQWWSKHWDQLJKWV	3XEOLF FRPPLWPHQW WR UHVSHFW DPRQJ RWKHU WKLQJV +XPDQ5LJKWV WKH 7HRI 3URKLELWLRQ2(&' JXLGHOLQHV
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,17(*5$7,21)+80$15,*+76$1''8(',/*(1&(	
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5('5(66$1'+67/(%2:,1* 0(&+$1,606	
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6XEVLGL**DU****H**VPHQW

(YHU\HDU *URXS DVVHVVHV LWQ WXEVLGLDULHV ULJKDQG IXQGDPHQWDO LQOLQH ZLWKFRGHRXSDQG SROLFLHV 2(&' 8QLYHUVDODUDWLRQ RI +XPDQ5LJKWV2 8QLW1DWLRQV *OREDO &RPSDFW 7KLV GRFXPHQW DOVR PDNHV E\WKH *URXS &65 'HSDUWPHQW DQG PRQLWRU SURJUHVV DFWLRQDQDO\VLV H[WHQGVHRGVXEVLGLDULHV YVSDQQRLQHU RJ WKH*URXS ZRUNIRUHFH FRXQWULHV ZHUH DVVHVVHG IRU WKH IILUVW WLPH7KHDVVHVVPHQWVUHVHDUFKERQV FRYHUHG WKH IILUVW FRPSDQ\ LQ LWV VHFWRU DJUHHPHQWDWLRQ

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+HDOWK DIHW\

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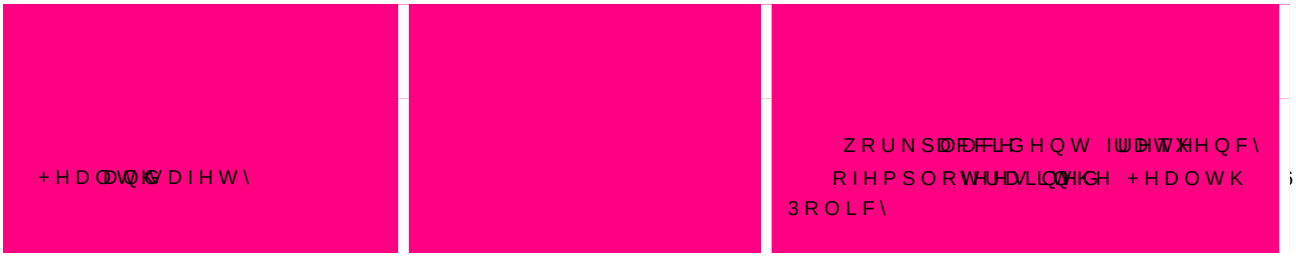
SRWHQWLDO



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SUHYHQW LQMXULHV DQG RFFXSDWLRQDO LOOQHVV DQG SURPRWH D VDIH
SHUIRUPDQFH FXOWXUH

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VDIHW\ VWDQGDUGV IRU EPOR\HHV FOLHQWV VHUYLFH
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DSSUHFLDWLRQ RI WKH LPSRUWDQFH RI +HDOWK DQG
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LGHQWLI\LQJ PLQLPL]H WKH ULVN RI WKE GHQWV DQG LOOQHVV
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VDIHW\ FXOWXUH\

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FRQVLVWHQW HYHU\ VXEVLGLDU\ KDV LWV
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WHDP DQG
HPSOR\HHV LQFOXGLQJ WHOHZRUNHUV 7KH PRGX
WKH RULQWHUDFWLRQ QDWLRQDO HPSOR\HHV FRPSOHW
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DZDUHQHVV\ RXUDJH DFFRXQWDELOLW\ DQG LDPLQ
WKHVH DUHDV IURP WKH YHU\ EHJLQQLQJ RI WK
WUDLQLQJ PRGXOH LV DYDLODEOH RQ WKH WU
HPSOR\HHV LQFOXGLQJ WHOHZRUNHUV 7KH PRGX
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ZRUNSODFH RFFXSDWLRQDO HQYLURQPHQW
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*URXS RUWRUPDLQWHQDQFHVWHQW DSSURDFK DQG GHJUHH
GHJUHH FRPSOLDQFH WKH FRQVWDQW GHYHORSPHQW RI KHDOWK DQG
VDIHW\ SHUWV HQJDJHPHQW SURJUDPV DQG SURFHVV
SUDFWLFHV WR SURPRWH DQG SURWHFW WKH KHDOWK DQG

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WRRONLW RQ LWV LQWUDQHW 7KLV LQFOXGHPHUJHUHFWSLOYDQV SUVRFHGXUHV DVKHG ERQWLXRXV
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+HDOWK DQG GPDQDJHPHQW

5LVNGHQWLILFDWLRQ $XGLWVQG LQVSHFWLRQV

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SUHSDUDWLRQ DFWLYLWLHV WKHP	(DFK VXSSRUWLQJ GRFXPHQW LV H[DPLQHG E\ D *URXS
DXGLWRU &RPSOLDQFHXHSRUWLQJ
FRQWU\ GLUHFWRUV UHVHFWLYHO\ DQG
WR WKH *URXS PDQDJHPHQW WHDP
&RPSOLDQFH WHDP
+ 6OLFHQVHVWDIHWLFHQVHVUHTXLUHPHQWV DFLOLWLHV DFK IDFLOLW\ E1HR[DGHQHG WKH VFRSH
OHJLVODWLRQ HDFKLQHQWDLQHGRUGHUQHVXEVLGLDULHV FRYHU
V\VWHP7KLV UHYLHZZLWK RXWDWKHUHQRGHU WR LQFOXGH W
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HPSOR\HHDVL&RVWL G

([WHUQDOW LILFDWLRQ

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HPSOR\HHV
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0HQWKDOO OWK

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/DEHOHUHODWLRQV

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6RFLDOL]HG

6SHFLDOLVW WHQWV DUH XVHG RQ KLJK FRQWHQW DUHDV RU FRQWHQW DQG PRGHUDWRUV DUH SDUWLFXODUO\ HIIHFWLYH DW ZHOOEHLQJ

7HOHSHUIRUPDQFH KDVXQLTXHO\SODFHG RLWVHEXWLPSRVHRQOHJDO UHSUHVHQWDWLRQV DQG FRQWUDFWXDO FRPSOLFDWLRQV ZKLOH UHPDLQLQJ FRPSHWLWLYH LQ WKH &RPSHWLWRU %RDUG RI 'LUHFWRUV RI HPSOR\HHV DQG FRQWUDFWRUV

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7KHFRUSRUDWHGRXXDUHV GLUHFW DFFHVVDQWRH[HFXWLYHDQGJHQHUDPDQDJHUV KDV LPSOHP
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)RFXJURXSV	)RFXJURXSEHWZHHQDQDGQDJHUV
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,Q'HFHPEHU 7HOHSHUIRUPDQFH,*OREDO 8QLRQ 81, VLJQHGDOREDO DJUHHPHQW WR UHVWUXFWXUH FRPPLWPHQWV WHPSOR\HHV ULJKW WR IRUP SDUWLFLSDWH &RRSHUDWLYH EDUJDLQLQJ 7KLV DJUHHPHQW FRYHUV DOO GHWHUPLQDWLRQ HPSOR\HHV XQLRQV DQG 7HOHSHUIRUPDQFH DJUHHPHQW &RROHFWLYHPHQWV 81, LWV PHPEHU WUDGH 81,'LJRP &RROHFWLYHDJUHHPHQW 7HOHSHUIRUPDQFH DQG 5RPDQLD 6ZLW]HUODQG 7XQLVLD ULJKWV HVWDEOLVKHG E\ WKH ,QWHUQDWLRQDO /DERU 2UJDQL]DWLRQ /2 DQGRQFRPSOLDQFH WKH 2(&' *XLGHOLQHV IRU 0XOWLQDWLRQDO (QWHUSULVHV 7HOHSHUIRUPDQFH DOVR UHFRJQL]HV &RXQFLO XQGHUWDNHUHFXUVLYH &HUWDLQ VXEVLGLDULHV KDYH D VSHFLDO DJUHHPHQW WKH ODERU FRXQFLO &RXQFLO &RXQFLO &R

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7HOHSHUIRUPDQFH VLVHYPLSVODRHLQ JDLQLQHDSKHUEQWYLGXDO GHYHORSPHQW
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7KH SROLF\ SURYLGHV JXLGHOLQHV WR WKH SURPRWLQJ HTXDO DFFHVV WR HPSOR\PHQW GLVFULPLQDWLRQ GLYHUVLW\ LQWHJUDWLRQ UHVHFWKHGSROLF\ SUHVFULEHV SURFHGXUHV KLULQJRSOH IURP D GLYHUVH UDQJH RI EDFNJURXQGV DQG SURPRWLQJ HTXDO SD\ IRU PHQ DQG ZRPHQ

7KHVHOHFWLRQ DQG SURPRWLRQRQLRQSURFHGXUHV W\SH RI YDFDQW SRVLWLRQ ,W LV GHVLJQHG WR HQVXUH DOOEDQGLGDWHV LUUHVSHFWLYH RI SHUVRQDO HWKQLFLW\ RU HPSOR\PHQW VWDWXV DUH HYDOXDWHG IDLUO\ DQG FRQVLVWHQWO\ DQG WKDW WKH EHVW TXDOLILHG FDQGLGDWH LV VHOHFWHG

7KH*URXS(VWUDWHJ\ DQG LQFOXVLRQ IRXQGHG RQ WKH &RPSDQ\ DQG HPSOR\HH GLYHUVLW\ 7RROV WR PHDVXUH LQFOXVLRQ 7RROV WR PHDVXUH GHYHORSPHQW

&XOWXUDO GLYHUVLW\ DQG LQFOXVLRQ DUH HVVHQWLDO WR WKH *URXS V VXFFHVV 7KH &RPSDQ\ HPSOR\HHV IURP PDQ\ GLIIHUHQW FXOWXUDO EDFNJURXQGV DQG KDYH EHHQ FUHDWLYH LQ ILQGLQJ PDQDJHPHQW DQG GHYHORSPHQW

6\VWHPV SROLFLHV DQG SURFHVVHV WR PHDVXUH LQFOXVLRQ 7RROV WR PHDVXUH GHYHORSPHQW

&XOWXUDO'LYHUVLW\ DQG LQFOXVLRQ DUH HVVHQWLDO WR WKH *URXS V VXFFHVV 7KURXJK OHDGHUVKLS FRPPXQLFDWLRQ DQG 7HOHSHUIRUPDQFH HQFRXUDJHV GLYHUVH SHUVSHFWLYHV DQG LQQRYDWLYH WKLQNLQJ

~ ,QFOXVLRQ DQG 3DUWLFLSDWLRQ 7KH &RPSDQ\ EHOLHYHV LQ WKH SRZHU RI GLYHUVH WHDPV DQG LQFOXVLYH OHDGHUVKLS 7KURXJK WUDLQLQJ SURJUDPV DQG PHQWRUVKLS RSSRUWXQLWLHV ZH HQFRXUDJH HPSOR\HHV WR GHYHORS WKHLU VNLOOV DQG WDNH RQ QHZ FKDOOHQJHV

~ &RPPXQLW\ (QJDJHPHQW &RPSDQLHV DUH HQFRXUDJHG WR HQJDJH ZLWK WKH FRPPXQLWLHV LQ ZKLFK WKH\ RSHUDWH 7KLV FDQ LQFOXGH YROXQWHHULQJ SDUWQHUVKLSV DQG VXSSRUW IRU ORFDO LQLWLDWLYHV WKDW SURPRWH GLYHUVLW\ DQG LQFOXVLRQ

~ &RQWLQXRXV ,PSURYHPHQW &RPSDQLHV VKRXOG UHJXODUO\ UHYLHZ DQG LPSURYH WKHLU GLYHUVLW\ DQG LQFOXVLRQ SUDFWLFHV 7KLV LQFOXGHV VHWWLQJ FOHDU JRDOV WUDFNLQJ SURJUHVV DQG DGMXVWLQJ VWUDWHJLHV DV QHHGHG

7KH7HOHSHUIRUPDQFH 'LYHUVLW\ (QXLW\ DQG LQFOXVLRQ DUH HVVHQWLDO FRPSRQHQWV RI D VXFFHVVIXO DQG VXVWDLQDEOH EXVLQHVV 7KURXJK GHGLFDWHG HIIRUWV DQG D FRPPLWPHQW WR FUHDWLQJ DQ LQFOXVLYH HQYLURQPHQW 7HOHSHUIRUPDQFH HQFRXUDJHV HYHU\RQH WR FRQWULEXWH WR WKH VXFFHVV RI WKH RUJDQL]DWLRQ

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~ &RQWLQXRXV /HDUQLQJ DQG ,PSURYHPHQW 7HOHSHUIRUPDQFH LV FRPPLWWHG WR FRQWLQXRXV OHDUQLQJ DQG LPSURYHPHQW DFWLYLWLHV 7KURXJK UHJXODU DVVHVVPHQWV DQG IHHGEDFN HPSOR\HHV DUH HQFRXUDJHG WR GHYHORS WKHLU VNLOOV DQG WDNH RZQHUVKLS RI WKHLU FDUHHU JURZWK

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7HOHSHUIRUPDQFH HPSOR\HHV DUH DW WKH KHDUW RI RXU VXFFHVV 7KURXJK GHGLFDWHG HIIRUWV DQG D FRPPLWPHQW WR FUHDWLQJ DQ LQFOXVLYH HQYLURQPHQW 7HOHSHUIRUPDQFH HQFRXUDJHV HYHU\RQH WR FRQWULEXWH WR FKDQJH

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5 PRIORITY AREAS

Diversity + Equity Inclusion (gender)

Achieve gender equality in management roles in all business units and countries.

Diversity + Equity Inclusion (disability)

Ensure the inclusion of persons with disabilities, appropriate arrangements and awareness-raising among employees.

Diversity + Equity Inclusion (LGBTQ+)

Promote a workplace that respects all sexual orientations through
and opportunities.

Diversity + Equity Inclusion (ethnicity)

Increase ethnic and cultural diversity within teams and management positions.

Diversity + Equity Inclusion (local priorities)

Consider to the local diversity challenges

4 DRIVERS

Leadership

and promote TP's proactive policy in this area.

Systems

Implement of policies, procedures and monitoring indicators to promote diversity and ensure progress.

Culture

Disseminate t e DE I policy t roug out t e roup via training
modules, awareness campaigns, dedicated workshops.

Reputation

improvement and establish partnerships with stakeholders in order to promote diversity throughout the ecosystem.

$VSDUW RI WKH LQGXFWLRQ SURJUDPPH DVVLJQHG LQ WKH *URXS V 'LYHUVLW\ ,QFOXVLRQ KDQGERRNWKHGWUDLQLQJ ,Q DGGLWLRQ IRXU DGYDQFHG OHYHORQOLQH SDWKV RQ QRQ LGLVXHFWLRQ

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+DYLQJ HVWDEOLVKHG EDQDQDHQJHQGHU &RQ(17+(3(5&(17$2(:20(1 ,17+(727$/ DQGLQ PDQDJHPHQW SRVLWLRQVKDV7HVOHHVHERRQSDQQH7 WDUJHWVV LQFUHDVLQJ WKHZRPHQRQWLJRQY HQQLQWKWRZDUNIRSPULVHGZRPHQ ERGLHVKUHSUHVHQWDWLYHVG

7KH *URXSLVFRPPLWWHGP DLQWDLQLQJ EDODQFHG GLVWULEXWLRQV ZRUNIRUFH DQG PDQDJHPHQW SRVLWLRQV DQG LQFUHDVLQJ WKH SURPRWLRQ RQJRLQJ ERGLHV

7KH*URXSDVLQWURGXFHG SURFHVVGQHLVHFWLYHV LQ RUGWRHWKDWXHDWPHQW IRU ZRPHQ DQG PHQ

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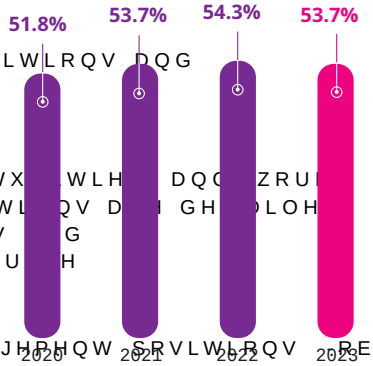

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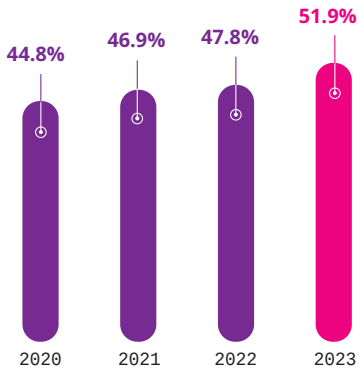

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&RORPELD	$ JHQGHHTXDOLW\ UDPLOLWDU\ PLOLWDU\HQWLWLHV DQG SURPRWLRQ RI ZRPHQ LQ PDQDJHP *X\DQDHUX
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,QGLD	,Q ZKHQ WKH JHQGHU UDWLR ZDV SDUWLFXODUO\ XQEDODQFHG 73 ,QGLD FU HTXDOLW\ HTXDO RSSRUWXQLWLHV IRU PHQ DQG ZRPHQ DW WKH PRRSDQD FRPPXQLFDWRUV DQG KLJKHU HGXFDWLRQ DQG VHFXULW\ DQG VHFXULW\ 7KH SHUFHQWDJH R ZRUNIRUFH LQFUHDVHG IURP LQ WR LQ DOPRVW UHFKLQJ WKH LQL)OH[LEOH KRXUV FRPPXQLW\ OLEUDULHV DQG VWXG DV ZHOO DV WHOHZRUNLQJ RSWLRQV OHDGHUVKLS WUDLQLQJ D KEDOWK\ ZRUN OLIH EDODQFH 7KH VXEVLGLDU\ SURYHQWLQJ VH[XDO KDUDVVPHQW DW ZRUN DQG KDV VHW XS D WS KF LDQG LFRQPPL 326+$FW

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(OSDOYDGRU	7HOHSHUIRUPDQFH DQG EHQHILWV D QXPEHU RI LQWHUQDO DQG H[WHUQDO ZRUNVKRSV DQG HTXDOLW\ SURJUDPPHV DQG LQLWLDWLYHV DUH WUDLQHG LQ GLYHUVLW\ DQG LQFOXVLRQ 7KH &RPSDQ\ KDV GHYHORSHG D SURYLVLRQDO PRWKHUV DQG EUHDVWIHHGLQJ 7KH &RPSDQ\ UHFHLYHG DZDUGV IRU LWV GLYHUVLW\ DQG LQFOXVLRQ IRUP 6XPPD PD

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- 5HGXFWLRQ WKH ZDJHEHWZHHQ PHQ DQG 7HOHSHUIRU)UDQFH VFRUHG PXKVLVRFULWHULD ZKLFKDQDWKDWODGLVSDULWLHV DUH OHVV WRDQ
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- 7KHQXPEHU RI SHRSOH IURP WKH XQGHUUHSUHVH WKHKLJKHVWSRVLWLRQV RQ WKH ZKHQ

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,Q WKH *UHDWSLYHG:RNSWDFHV IRU :RMHQ FHUWLILFDWLRQ LQ &HQWUDO $PHULFD DQG WKH &OHIFR 3HUX DQGLWKSRQLWHG 7KHIROORZLQJ FULWHULD DUH WDNHQ LQWR FFHUWLILFDWLRQV

- 4XDOLW\OLWH ZRUN EHLQJWDKDWPKSDQ*UHDWLYHG
- 3QDFH WR :RUNp FHUWLILFDWLRQ
- 7KH SHUFHQWDJHRIZRMHQRUJDQL]DWLRQDOPDQDJHPHQW SRVLWLRQV
- $ SRVLWLYH ERODDERUDWLYH H[SHULHQFH SRVLLQWKHXVW VXSHUYLVH

- 6WURQJUDQGSWRYHVVHLRQDOLW\ SUDFWLFHV LQ

0HDVXUHVLQWDYRRHQHPSOR\PHQW DQG LSQHWUHVJRZQDWKLRGQLVRDELOL

7KH*URXS HPSOR\V ZRUNHUV ZLWK GLVDELOLWLHVRYDOQGFDWSRQHVQZKLLQSQORQDEOHFULPL OD\RXQVDGGLWLRQ WR LWV OHJDO REOLJDWLRQV ZKHHQFWDNUHQFHWR DFFRXQWDEHHQGDSWHG

/RFDOLQLWLDWLYHV DUHPULRSRHWHQWKHG KLURLQWKRGSVDEVRQLWLHV UHJDUGOHVV RI ZKHWKHU WKH DSSDURHQPSHUFHSWLEOH

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$UJHQWLQD	7HOHSHUIRUPDQFH DQDO\WLFV &2&RQ6OXGH SHUVRQV ZLWK GLVDELOLWHV L
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)UDQFH	7KH LQWHJUDWLRQ RIGSLVWDEOHRQVWLWLWKLV VXEMHFW WR VSHFLILF DJUHHPHQWV DQG GLVDEOHGWU RI WKH 7HOHSHUIRUPDQFH)UDQHFKGZDFHGZDHORHGDQ RUJDQL]DWLRQV *(,4 $YHQLU +DQGLFDS &DS (PSORL DQG $53(-+ 7HOHSHUIRU GLVDELOLWLHV *URXS HPSOR\HHVLQDUHSUHVHQW :HHN LQ SDUWQHUVKLS ZLWK WKH / RUJDQL]DWLRQV VFKRROV DQG FKDULWLHV DQG LQ WKH +DQGLSHUIRUPDQW ZHH VXSSRUWUNVWDWLRQ DGMXVWPHQWV DQG DQ LQWHUQDO SROLF\ RI UDLVLQJ DZ VSHFLILFDWHRQLVWGHMDVWGHFWQGXFLYH WR ZRUNLHQVKEHUWWHU 7REXLOG RQ WKLV DSSURDFK ZRUNVKSV ZHUH VHW XS DQG D VXUYH\ ZDV FDUUL LQ ZKLFKHKHQDEWRGHHYHORSPHQWDEJHQWHZG DFWLRQV LQ 7KURXJKRXW WKH \HDU LQ &SD3UWPSHORLKGSVZDLEWKOQWKHDVH ULYQLWHFJU DQG RUJDQL]DWL FRQVDQWO\ VWULMHPSRRPVHQIMJRRUWKUGVRQDEOLOLWHV DGKDSWZKWHVJUDQWHRQWDF WKZHRUNSODFH 7HOHSHUIRUPDQFH DHDQFHLD KDV IRUPHG D SDUWQHUVKLS ZLWK WKH QRQ SURILW RUJDQL]D ZLWKUDLQQHZDUHQHVV UDLVLQJDEVRXW
*UHHFH	7HOHSHUIRUPDQFH KDV IRUPHG D SDUWQHUVKLS ZLWK WKH QRQ SURILW RUJDQL]D ZLWKUDLQQHZDUHQHVV UDLVLQJDEVRXW
,QGLD	$ GHGLFDWHG SURJUDP FDOOHG 6$0$57+ OHYHUDJHV SDUWQHUVKLSV ZLWK 1*2V D LQWHJUDWHWSLHQVRQV ZLWK GLVDELOLWLHV DQG KHOS FRHFEDWLQJKHQVWRFRPEWXQDQGRXV RIZRUN SHRSOFHL7HGHSHUIRDUDUHQVFXOW
0DOD\VLD	7HOHSHUIRUPDQFH KDV GHYHORSHGDQG 7RSLVWOLDWLPHG DW LQWHJUDWLQJ SHUV SDUWQHZLWKKLSHFUKDQLDQGHV*2V
0H[LFR	6LQFH LQ SDUWQHUVKLS ZLWK[LFRO WLHQDHVEHRUQRLDHQVFWOK«DV EHHLQGRU VHJQDWRU 3URSµVLWR DJUHHPHVQWSRDLWLQJKHWSURIHVVLRQDO GHYHORSPHQW RI RYHU \F GLVDELWLKUHXVK WUDLQLQJ DQG HPSOR\PHQW RSKSDRVQRQVDELOLWHV SLKUHHQGHSVHUZRUWRC GLVDELWKLWRHKHVW&«UFDFGHLSHQEWUDP
3KLOLSSLQH7HV	3KLOLSSLQHV ODXQFKHG WKH (FKO SURMRHFWMP DQULQRKEXVLDYLQRHFLPXSVDWEROHGWRU $ZDUHQHVVWVLRQV ZHUH WKHRQWGHG &RIEX IDFLOLW\ WR VKRZ HDFKRHQSWRHHDFQG ZLWK WKH QHZ KEDUDJHQWPSDZKLHGH VHYHUDO UHVXUHLWYLUVRUWUDHQDQHVG 7KHFRPSDQ\ KDV SDUWQHUHG ZLWK D XQLYHUVLW\ IRU WKH GHDI DQG KEDULQJ 6FKRROHDI(GXFDWDQRQ$SSOLHGWRHKGLHPVSORRSPHQWWXRQWLWXUH JUDGXDWHV
3RUWXJDO	7HOHSHUIRXVMHEQFHSSRUWIRVWSXEWRQWZLWK GLVDELOLWHV WR JHW LQ WRXFK ZL WK7+ &OREXSV SZHRRFDHQQDHVYH WKHRUKHRPHWK UHDWRQVND UHPDEOHO\ 73 3RUWXJDO IDFLOLWHV ZHUH DSVHVVHG LQ LQ RUGHU WR GHWHFW SRWHQW DQGPSOHPHQWHQWFHVDU\ PHDDXCLWLWHWHDWRQ SUFHVV
(6DOYDGRUDQDJHUVZLWK PHPEHUV RI WKH UHVRXUFHV WHHDHPLYHQWRXDHWXHEQ RI SH ZLWK GLVDELOLWLHV'LVDELOLWHV &21$,3' (O 6DOYDG,QFOXLDWLRQQDO 3&RPSOHWOZ 'LVDELOLWHV

0HDVXUHKVSSWRRUKWH%74,$FRPPXQLW\

2Q WKH RFFDVLRQ RI WKH WKHSU*UDWKSSDUDXQHG DZRUN IXHOHG E\ FRQWULEXWLRQV IURP F QHZSURJUDP HQWLWOHG %H\RQG /DEHOVHPSOHVRL\HHVG ZRUOGZLHGHSOR\WHHV DQG GLYHUVLW\LQQRYDWLRQ GHXFDWLRQ NLW RQ YDULRX FRPPXQLW\ %H\RQGDZDUHQHVVRQ DQG HPSOR\PHQW RSSRUWXQLWLHV RI WKH /*%74,$$ LQFOXVLRQ HGXFDWLRQ NLW RQ YDULRX FRPPXQLW\ %H\RQGDZDUHQHVV DQG HPSOR\PHQW HQKDQFH6%74,$SLEDOLW\ DQGXQGHUVWDQGLQJ RI /*%74,$ GRQDWLRQV7KDULW\WKHV7HPSRUDU\ WKH ULHVWXEHW DRQGDWKH PHDQLQJ RI SULGH

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SXOWLOLQJXDOLFX*OWRXSDO

*LYHQWKH *URXSVWHUQDWLRQDO VFDOH DQG0WKW GHYHORSPHQWW WHDPV FRPH IU
PXOWLOLQJXDO FHQWHUVQDWWKOELSWRSUHQRHPXQLWLHV DQG OLNH WKH *URXS DUH GHFLG
GLIIHURQWLQQDOGRQDOWLQWHRYZRUNFHQWHUQDG6SHPLGWLFXOWXUDOLWLHV UHSUHVHQW
SURJUDPV DUH RUJDQL]HG WR ZHOFRKHOSRWKHEQQDWPLRQDOWHHIRUPDQFH DOSO SURPRW
LQWHJUDWH LQDOO LWV IRUPVWKLQFHGXFLEDWRXQGV WKURX
DZRUHQHVV FDPSDLJQV
,Q(XURSHQSVLD 7HOHSHUIRUHPDQFH ZDV LQ ZKH KLPHSURFHVVRHPRWDWHVRQ FXOWXUHDLQVV
GHYHORSPHQW RI PXOWLOLQJXDO KXEV QDWLRQZRLWKLQH ORFDOLRQ WHRYHUDOO5HVRXUFH *URXSV (5*V KDYH
(XURSHDQG SDQ $VLDQ3RUWXJXHVH SODWIRUPV GHYHORSPHQW#73 %ODFN#73 D
3RUWXJXHVH *UHHFH 0DOD\VLD DQG (J(5*W WSKURWHQFRXDJH H[SHULHQFH VKDULQJ DQG
PXOWLQDWLRQDO FRUSRUDWLRQV ZLWK GHEHLEHWWHU FRSWLPLVHG 8QKRHQKXRQSHO ELDV WUDLQ
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7HOHSHUIRUPDQFH RQ DGXDWLRQHZJQ
HPSORYHHQJDJHPHQW WR KHOS3WKHP QHZWOH
FRQQHFWHGQHVV

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$VD OHDGLQJ HPSOR\HU LQ PRVWWRSWHUDWHHJLWRWKHDWHHJLWRWKHUHZRUWKRSGYLQJ D SRVLWLYH LPSDFW RQ ORF
PRUHQHURQSHRSOHYHV

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HPSORKHHUHRWKHUWVUR IHVVL QDO
H[SHULHQFH
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KRXVROXQZRHURU FKDULWLHV

0HDVXULQHDWRUORFDO DQG FRPPXQLW\ GHYHORSPHQ

$WURRQWKLRQDGJLRQV DQG FRPPXQLWLHV

)DFLOLWDWH WWRUQ WHJ\

ZRUOGZLGHPRQGWRH UHJRQVSHUDWHLW FRQFLR
7KHFKROFH RI WKH *URXS V IDFLOLW\ ORFDWLRQV LV SUPDUL\ EDVHG RQ DQ RIWKHMHPSOR\PHQWD DSSURDFK 7KH EXVLQHVV UHOHV WKH *URXS LV WKH OHDGLQJ HPSOR\H
RPPOLFDQ 5HPXEOLDQ ODQGU 7HOHSWKHUHDQQFH ODUZRUNIRUFH QHDUEHVW HPSOR\HUV WKH *URXS LV DOVR WKH OHDGLQJ
7XQLVZXQLVLDHPDQG 0RURFFR RQHHPSOWKHUWRS LQ$OEDQLD DQG HWHQVLYH SXEOLF WUDQVSRUW &RPSDQ\ KDV EHHQ UHFRJQL]HG\DWKRQHDVW
JURZLQJ FRPSDQ\QWU\
7KH *URXS FRQWULEXWHV WR \RXQJWRSHOPHQW WKH JURZWK RI PLGGWKH FODV
GHYHORSPHQW RIHZRUNFHQWHUV LV D JDWHZRXQVRSHQ\PHQW SHRSOH ZHRUH WKLHG YHU\ ILUV
EFRHIVVVRQDO H[SHULHQFH ,Q VRPH RI WKH FR
*URXSSHUDWHV WKH \RXWKZHPSOR\PHQW
,Q 6RXWK $IULFDPORUWKHU WKH XQHPSOR\PHQW
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\RXWHPSOR\PHQW DFWRQGDWD

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:LWKDURXQG HPSOR\HHV DURXQG WKH
LQWHJUDWHGQRWKHO *URXSRQH WKH PDLQ HPSOR\HUV

7KH *URXS HQFRXUDJHV GHYHORSPHQW RI HYLGHQFH-EDVHG SUDFWLFH LQ GHYHORSLQJ SROLFLHV DQG SURJUDPV
HPSOR\PHQW DQG FOLQLQ FRXQVHOLQJ ZKHUHYHU SRVVLEOH WR HQVXUH WKDW SROLF\ DQG SUDFWLFH DUH
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GDWDQ ,QGLD ZKLOH HQVXULQJ WKDW WKH ZRUN RI WKH ZRUNLQJ JURXS GRHV QRW
7HOHSHUIRUPDQFH ZRPHQ WKDQV WR SHDUHUV DQG FROOHDJXHV DURXQG WKH
WDUJHWLQJ LQGLYLGXDOV SHUIRUPDQFH *HQGHU DUW DQG VFLHQFH
IRU IXUWKHU DLVVHQ PDNH XS RIRIWKHR FRQ\
7HOHSHUIRUPDQFH ZRUNV LQ (J\SW HZKDHUGH SWKHSRUWLQ
RIZRUNLQJ ZRPHQ LV DQG LQ 0RURFFR
RIZRPHQHPSOR\HG

7HOHSHUIRUPDQFH RIRSHUDWRUVIRU LW KDKLGK LQWHUQDO SURPRWLRQ UDWH DQG FRPH IURP ORFDO FRPPXQLWLHV

%\SURYLGLQJ KXQGUHGV RI WKRXVDQGV RI VLJQLILFDQW HFRQRPLF LPSDFW RQ WKH UHJLRQV LQ ZKLFK LW RSHUDWHV

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7\SHRISDUWQHUV	3DUWQHUV	,QLWLDWLYHV
(GXFDWLRQDQGUDQFH LQVWLWXWLRQV	6FKRROVDQG SSUHQWLFHVKLSV &&, &DPSXV GX /DF &1$0	DSSUHQWLFHVKLS FRQ DQG DSSUHQWLFHVKLS FRQ L 7HFK HWF
	8QLYHUVLWLHV WHFKQLFDO &RPPXQLW\ &ROOHJHV 8QLYHUVLWLHV	3URJUDPV IRU SDUWLFLSDQWV LQ VFLHQFH WHFKQRORJ\ HQJLQHHULQJ DQG PDWKHPDWLFV
*UHHFH	8QLYHUVLWLHV 8QLYHUVLWLHV 8QLYHUVLWLHV	3URJUDPV IRU VWXGHQWV DQG VHPLQDUV RQ IUDXGXOHQW DFWLYLWLHV
0H[LFR	/RFDO QLYHUVLWLHV 890,7(62	3DUWQHUVKLSV WR URODQG DQGLSRV
1HWKHUODQGV	/RFDO QLYHUVLWLHV	,QWHUQDWLRQDO VWXGHQWV
3RUWXJDO	/RFDO QLYHUVLWLHV &DW&LHQFLDV %XVLQHVV6FKRRO	3DUWLFLSDWLRQ LQ5RUXPV &DPSXV WUDLQLQJ ZRUNVKRSV LQWHUQDWLRQDO
(GXFDWLRQDQGUDQFH	6WXGHQWV)UDQFLVFR0DUURTXLQ &RPPXQLW\ &ROOHJH 3HGDJRJLFDO &HQWHUV &DPSXV %H%HOLQGD &ROOHJH	3URJUDPV IRU VWXGHQWV DQG IDFXOW\ RQ FXOWXUDO GLYHUVLW\ DQG LQFOXVLRQ
7RJR	8QLYHUVLWLHV	2SSRUWXQLWLHV IRU WHFKQRORJ\ WUDQVIHU
*RYHUQPHQW DJHQFLHV	(PSOR\PHQW SURJUDPV &DUHHU &RXQVHOLQJ &HQWHUV	,QFUHDVH HPSOR\PHQW RSSRUWXQLWLHV IRU H[SHULHQFHG MRE VHHNHUV
)UDQFH	1DWLRQDO HPSOR\PHQW 3¶ÔPHSORL	2SSRUWXQLWLHV IRU HPSOR\PHQW SURJUDPV IDFLOLWDWH WKH WUDQVLWLRQ RI FDQ OHDG WR D ORQJ WHUP HPSOR\PHQW
3KLOLSSLQHV	'2/(	3URJUDPV WR SURPRWH HPSOR\PHQW RSSRUWXQLWLHV
3RUWXJDO	3RUWXJXHVH LQVWLWXWLRQV	7HOHSHUIRUPDQFH XSDWWRVLWXDWHG GJUHWHPHQW IRU GHYHORSPHQW RI \RXWK HPSOR\PHQW LQ 3RUW ZLWK WKH -RV« 1HYHV)RXQGDWLRQ DQG WKH 3F /DERU KLULQJ RI \RXQJ SHRSOH LQWHUQVKLS FDUHHU GHYHORSPHQW
0RURFFR	1DWLRQDO HPSOR\PHQW	3URJUDPV IRU VWXGHQWV
0H[LFR	1DWLRQDO HPSOR\PHQW WKH6HFUHWDULDW 6HFUHWDULDW	7UDLQLQJ DQG SODFHPHQW IRU
(GXFDWLRQDO LQVWLWXWLRQV	6WXGHQW-RERIIHUV WUDLQHHV 0LQLVWU\	

,QGGLWLRQDO VXEVLGLHULHV RU VWXGHQWV XQGHUWDNHQ DW WKH LQVWLWXWLRQDO OHYHO DUH QRW VKRZQ

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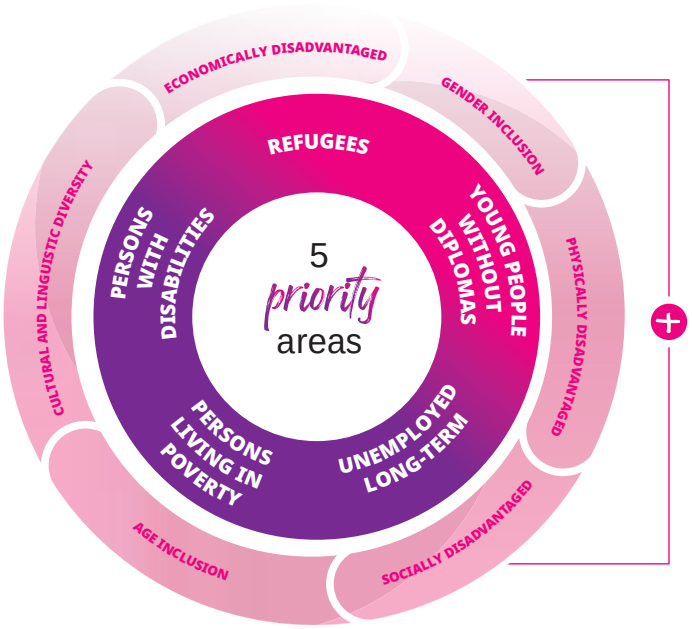
,PSDFW6RXUFLQJ

7HOHSHUIRUPDQFHQ LQQRYDWLRQ SDWKIRU 6RXUFLQJ,WRSURYLGHV DFFHVV WR GHEHQWXUHSODYLQJ GHFDGHPSDFW 6RXUFLQJ JRDOILHOV MRE RSSRUWXQLWLHV ZKRZRXOG RWKHUZLVH KDYH OLPLWHG DFFHVV XQGHUVHUYHG FRPPXQLWLHV RSSRUWXQLWLHV VXFK DV XQTXDOLILHG ORZLQFRPH JRYHUQPHQWDO R XQHPSOR\HG SHRSOH SHRSOH OLYLQJ EHORZ WKHSDRYHUW OHYHO ZLWKGLVDELOLWLHV ZRUNLQJ RQ ,PSDFW 6RXUFLQJ SURJUDPV ZLWK FHU



Inclusive recruitment based on an extensive network of specialized partners

Best-in-class working conditions and living wages

Training and career development for all

Local socio-economic impact multiplied by 4*

* Incentives and Opportunities for Scaling the Impact Sourcing Sector, Avasant and The Rockefeller Foundation.

$VRI'HFHPEHU DURXQGRI WKH *URXS V ZRUNIRUFH RWKHUWKDQ PWKJPSDFWHG SURSRUWLRQ PWKJPSDFW FDPHURP YXOQHUDEOH JURXSV PLQRULW\ EDFNJURXQGV RQ UHGXFHG FRPPXQLW\ SHRSOHWKDW TXDOLILFDWLRQV RWKHUV YDVW PDMRULWRI WKHVH SRVLWLRQV RXOG ZRUOGZLGH YRXQJ SHRSOHWKRXW TXDOLILFDWLRQV ZLWKHV

HPSOR\PHQW

7HOHSHUIRUPDQFHQ LQQRYDWLRQ 2XWVRXUFLQJ $VVRFLDWLRQ RI 2XWVRXUFLQJ 3URIHVVLRQDOV DVDQ ,PSDFW 6RXUFLQJ OHDGHU 7KH *URXS KDV DOVR LQFRUSRUDWHG WKH &HQWHU RQ HPSOR\PHQW LWKF RV\VWHP

6HYHUDO WKRXVDQG WKDLYHV HVWDEOPDVKHG RXUFLQJ LQLWLDWLYHV

&RQWU\,QLWLDWLYHV

6RXWKDIULF,Q6RXWK $IULFD WKH \RXWKXHQHVPHQWPHQWV\HUVKLSPDQFH ZRUNV ZLWK WKH JRYHUQ ORFDO RUJDQL]DWLRQV &DSWXUH%3WR6WUDWHJLFDOO\WKHVH FDQGLGDWHVRSRUWXQLWLHV WKQHFHVVDU\RUVH &RPSDQ\

$UJHQWLQDHOHPSOR\PHQWRUDQVHDORQJVLGH WKH /HµQ)RXQGDWLRQ DQG WKH 3$5(6 IRXQGDWLRQ $VVXFK \RXQJ SHRSOH LQ SUHFDULRXV VLWXDWLRQV DQG ORQJ WHUP XQHPS

%UD]LO 7HOHSHUIRUPDQFHQ SDUWQHUHG 7(17 6HIUDVWUXFWXUDO&DSLWDO&RIURP GLVDGYD EDFNJURXQGV UHFHLYH WKHLU &9V ,Q%UD]LO WKHSHRSOHZLW ZKRbUHSUHVHQW QHDUO\ RI LWV ZRUNIRUFH LQ RQH RI WKH FRXQWULHV ZLWKWKH JUHDWHVW LQHTXDOLWLHV

7HOHSHUIRUPDQFHQ DZDUGHG WKH 0LJUDQW)ULHQGO\ &RPSDQ\ 6HDO E\ :RUOG PLJUDQWVWHIXJHHV FRPSDQ\ KDVXJHV LQ LWV ZRUNIRUFH

7KHFRPSDQ\ KDV GHYHORSHG D VSHFLILFWUDLQLQJ FXUULFXOXP DUUDEOH HPSOR\HHV DLPLQJ GHYHORSPHQW

&RXQWU\	,QLWLDWLYHV
&RORPELD	DQ SDUWQHUVKLS ZLWK VHYHUDO JRYHUQPHQWDO DQG FLYLF RUJDQL
	&RPPLVVLRQHUV 5HIXJHHV 81+&5 DQG 7(17 3DUWQHUVKLSV IRU E\ 5HIXJHHV WKDW SURYLG
	RIUHIXJHHV 7HOHSHUIRUPDQFH KDV DLPV LQFOXGLQJ WR UHDFK
	9HQH]XHOD DQG UHWDLQ WKH 81+&5 DOPRVW PLOLRQ 9HQH]XHODQV KDYH IOHG
	HPSOR\PHQW 73 &RORPELD DUH 9HQH]XHODQV DQG &RORPELDQV WKHPVHOYHV
	VXSSRUWLQJ WKH VLWXDWLRQ E\ LQFUHDVLQJ D ZLOOLQJQHVV WR SURYLGH
(J\SW	7HOHSHUIRUPDQFH GRUHQVXJHHV FRQWHVWHG LQ 6HSWHPEHU DQG RFWREHU
(XURSH	7HOHSHUIRUPDQFH WR KLULQJ UHIXJHHV ZLWKLQ LWV (XURSHDQ RSHUDW
	7(17 3DUWQHUVKLSV IXJHHUV IXJHHV HVHKDQLWHGDWH PLQLQGHQFH 3RUWXJDO /LWKXDQLD DQG
8QLWHG 6WDWHV	,QWKH 8QLWHG 6WDWHV 7HOHSHUIRUPDQFH KDV QVHQWLWSLDWLYH WHWKRGRORJ
	DQG RWKHU PHPEHUV RI WKHLU IDPLOLHV DVHSWRUKRUHDQSHRSOH OLYLQJ XQGHU WKH SH
	FROODERUDWLRQ WKH ,GDHO 2IILFH IRUWSKHHXQLHUVLWRI OHGXWHRV0DQDJPD,UDSTIJK&BQLWDG
	DQG6RPDOLD
)UDQFH	7HOHSHUIRUPDQFH KDV GHRHORSHG SURJUDPPLQJ WR SURPRWH[WKHGHF
	$ORQJVLGH WKH 1*2 *«Q«UDWLRQ IRU LQVWDQFH 7HOHSHUIRUPDQFH KHOSV SHRSOH
*UHHFH	$Q,PSDFW 6RXUFLQJ WWHHOP DSQDOL\FHVLRQV WKH\ UHSRVLWLRQV LPGLHQWRV LQGLYLGXDOURXV LQLWLDWLRV HDQFRXUDJH VXSHUVHHU SHUHQWKHLU VHDUFK IRU HPSOR\PHQW GLVFXVVLRQV ZLWK VRFLDO ZRUNHUV DQ FRXQVHOORUV DQG RWKHU SURIHVVLRQDOV 1*2V LQ WKLHOHYHSQWYRHQWDLQLGFLPRHGLDWH UHIXJHHV SWKHSDUWH&9FDZOHWZLWKR1*2DUH QHZ MRE RSHQLQJV HWF
*XDWHPDOD	7HOHSHUIRUPDQFH ZLDWKSDJHWSRHUWGQWRWKHHU8+&5 RSSRUWXQLWLHV WR UHIXJHHV
,QGLD	7KURXWKH 771$ SURJUHD7HOHSHUIRUPDQFH UHFUXLWPHQW WHDPZKRFUK VXFFRVWUHDLQLQ FHQWHRSVRSOHRUXDQG ORZ LQFRPH,QGLD KDV SURJUWHRWKSHU SHUVRQV ZLWK GLVDE
-DPDLFD	7KURXDKSDUWQHUQWKSLZQWK YRFDWLRQDO WUDLQLQJ7HOHSHUIRUPDQFH JLYHV DSSOL PHHWKH VHOHFWLRQ FULWHULWKHRSURYLGHUVWRSHUPRUHDGHGLQLQDWKHW&BP +(\$7 7UXVW RSHUHFKQLVFDOFDQGRQDO WUDLQQJRQWLWHVV WUDLQLQJ LQFOXGL IURPPOR\PHQW DQG HDUO\ VFKRO OHDYHUV
3KLOLSSL7HOHSHUIRUPDQFH KDV QFHYHORSHG WKHD6FHG SDWRJWDLQLQJ FQGLGDWHV VXSSRUWXQLQHJ WKHWPKURXJKRKWUDQQLQJ SURFHVV
3RODQG	7HOHSHUIRUPDQFH KDV QFHFUXLWHG DURXQG LQN3RDQLQQ WUKHX(XHURSHZHFFRXQWKHFPRVW UHIXJWHQWWHKEHJLQQLQJ
3RUWXJDO	7HOHSHUIRUPDQFH KDV QEXLQHWZRUN RI 1*2V LQ 3RUWXJDO WR KLUH SHRSOH IURP GLVDGY 3RUWXJXHVH)UHQFK *HUPDQ RU ,WDOLDQ 0DUNHWLQJ FDPSDLJQV GHGLFDWHG 6HSWHPEHU DQG WKH ,PSDFW 6RXFLQJ FRQFHSW LV VKRZFDVHG RQ LQWHUQD 7KHbPDLQ SURILOHV WDUJHWHG E\ WKH FDPSDLJQV DUH SHUWLQWXZLWLRQGLVDDEGLHWXJH

7KHDUHHOWRHYHLQDWLQJVOLDFHV WR WKURPRWXHLRQ RI SHUVRQV ZLWK GLVDELOLWLHV VHH VHFWLRQ

&LWR]HQVKLS &RQR UOG&27:

)RXQGHG WKH &LWL]HQRI &WKHDULWDEOHSH RI GRQDWLRQ 7KLV GHWDLOHG GRFXPHQW LQLWLDWHV HQJWKHQV SHUIRUPDQFH V FRPPLWPHQW WR VXSSRUWLQJ 7KURXJKRXW WKH &LWL]HQ &RQVWLWXWLRQ *URXS V FRPPLWPHQW WR V 7KURXSURUWQHUVKLSV ZLWK JOREDO DQG ORFDO FRPPXQLWLHV WKDW *URXS V FRPPLWPHQW WR WK*HURXSSRUWZRUPDQDXLHQV $V SDUW RI WKH &LWL]HQRI &WKH SURJUDP 7KLV SURFHGXUH DOORZV WKURXJK SROLF\ WR VHOHFW QRQ SURILW RUJDQL]DWLRQV 7KLV SURFHGXUH DOORZV WKURXJK HQVXUH WKDW WKH EHQHILFLDU\ RUJDQL]DWLRQV RSHUDWH LQ DFFRUGDQFH ZLWK VWULFW HWKLFDO VWDQGDUGV DQG DOLJQ ZLWK WKH *URXS V SKLODQWKURSLF REMHFWLYHV ,Q WKLV UHVSHFW WKH QRQ SURILWV PXVW SURYLGH RIYRQOXQWHHU RUJDQL]DWLRQ LQ WKH &27: S SURRI RI WKHLU DGKHUHQFH WR SULQFLSOHV RI JRRG JRYHUQDQFH FRQGXFWLQJ 7KHUHIRUH WKH *URXS KDV GHFLGHG WR SURYLGH LQWHJULW\ 7R PDQDJH GRQDWLRQV LW WKURXJK &(2 7KLU PDLQ SURFHVV DQG YHULI\LQJ FRQWULEXWRQV SHWHU HDFK WKH *URXS KDVH QHWRQOLQH UHSRUWLQJ SODWIRUP WKDW SURYLGH IRUJH O HQVXUH HIIHFWLYH DQG VWUXFWXUHG PRQLWRULQJ DQG DVVHVVPHQW LQFOXGH D GHVFULSWLRQ RI LWV

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8PDMRUEHFLDO FRPPLWPHQW

,QRUGHU WR UDPS XS DQG XQLI\ LWV HIIRUWV LQWKRQ*UHRXS DOUHDGL]HVRUJDQL]LQJ DFWLYLWLHV PRQWKO\ &27: PHHWLQJV DZKGHUHLHWHQWEHOQEDOWZDSUHDQHWLFHV DUHVKDUHGGLQLWLDRQ KWRF WUDLQLQJ VHVVLRQV SVHFLDOLF LVRRSSRUWXQLW\ WR EULQJ HP WRSLSRVOLFQGHVURFHGXUHV

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7\SHRVIF RPPLWPH+QWEDQGRFDO SDUWQHUVKLSVDQGQRW	
&DVGKRQDWLRQV)XQGUDLVLQJ DQGSDUWLRQV LQ VHYHUDO VXEVLGLDULHV ZKLFK RIIHU WKH VXSSRWKH DFWLRQV RI WKH DFKRESEWDRQV IURP WKHLU PRQWK	
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+HDOWKLYH)XQGUDLVLQJ IRU PHGLFLQH WRDOWHZHUDLH VDQGWKHJHLHVWKDOWKFDUH RUJDQL]DWLRQV SURYLGH PHGLFDO FDUH	
6FKRROLYH &ROOHFWLRQ DQG GRQDWLRQ RI VFKRRO VXSSOLHV DQG HQFRXUDJLQJ WKH HQG RI \HDU KROLGD\ SYHEDLRNG WKH HQWLWLDWLVW XQLFHRQ DFW 7R\GULYH &ROOHFWLRQV DQG HQFRXUDJLQJ GRQDWLRQV WR ORFDO VHOHFWHG UHWXUQLQJ WKH HQG RI \HDU KROLGD\ SYHEDLRNG WKH HQWLWLDWLVW XQLFHRQ DFW

*OREDOLDWLYHV

73IRR81,&()

6LQFH 7HOHSHUIORUPDQFH KDV8ZRU&(NHKQGHUDQVLGH ORQJ WHUP SDUWKLSVDUKLSV VXSSRUWV SURJUDLQQZLWKKH &2PPLVQXVLQFOXGLQJ HGXFDWLRQ E\ LPSOHPHQWLQJ LQLWLDWLYHV DFURVV WKH FRXQWULHV

(GXFDWSLRQJUDPV LQ WKH *URXS V WZR PDLQ ,QLDWLYHV WKHKHOLSSLQHWKHKZHKHGUHFDWLRQ V\VWHP LPSDFWWKH&HRYLG SDQGHPLF

~ ,Q QGLD SWRJHUDP IRFXVHV NH\ DUHDV HGXFDWLRQ RI \RXQJ DFKLOHDUQLQJ GLVDELOLWLHV WR GLJLWDODQG GUHQXFDWLRQ DVVLVWDQFH RI VFKRROGUHQ

~ ,Q WKH 3KLOLSSLQHV WKH *URXS VXSSRUWV SURJUDPV DLPHG DW SURPRWLQJ DFFHVVLWR WKHHRVWXOQHHEDWUHDWPHQW D V\VWHP IRU LDHQWLI\LQJ \RXQJ FKLOGUHQ GHYHORSPHQW DQG GLVDELOLW\ WRSEHQHU 7HOHSHUIORUPDQFH V VXSSRUWQGLPSEWHQ LQ

~ 6XSSRUW IRU 81,&() V HPHUJHQF\ IXQG IRU GL Qb 7HOHSHUIORUPDQFHWHVXSSRUWVWHUMHFWV ~ 7HOHSHUIORUPDQFH SURYLGHSGHRXSSRUWDFWRHG E WKH HDUWKQTXUDNHG ULD ~ 7HOHSHUIORUPDQFH SURPRWHV SXSSRUWDFDV GXH WRFDOLFWV LQ (XGRU WKURXJK IRRG RSHUDWLQJ FKROHU RWKHUVHV ~ 7KURXJK LWV VXSSRUW IRU 81,&() V &KLOG $OH WR SURYLGH SURWHFWLYH DQG HQFRXUDJLQJ HQYLURQPHQWV DQG FRPPXQLWLHV ~ 7HOHSHUIORUPDQFH SURYLGHG VXSSRUWQR DUW 1LJHULD WR FRPEDW WKHGLSKWKHULD HSLGHPLF YDFFLQDWLRQ EDPSDLJQV E\ SURYLGLQJ GRVHV DSSURSULDWH DQG DIIHFWHGJLRQVRWRHUHPWHGLWLFDO KHDOWK VLWX

= @ B • # ') &) $ ×/ % ‰ ú :) * × # ÷) × & &$ % + / > < > ?

/REDQOWLDWLYHV

$VVLVWDQFHFKOXOQHUDELOLWLHVQRPRWLRQ RHGXFDWLRQ

%HOLHYHGLXFHDWRREQH WKH IRXQGDWLRQ IRU LPSURYLQJ SHRSOHGHHVGXFDWLRQ HQFHSRUWKHDSLFHOD
SKLODQWKURSLVWKEURSDH *URXS ZRUNV IRU WKH HGXFDWLRQ RYDGULVRXGYHDQVQDWLHGHVKLQGZKHHQKLQWWRKSH

%HQHILFLDULHV	
6RXWKLFD	73 6RXWKLFD GLVWULFW HRXQGVHGEHKVDOWKEUHSWD 3ULPDU\ 6FKRRO
&RORPELD	73 &RORPELD E\ GLVWULEXWLQJ 7XD IRXQGDWLRQ E\ GLVWULEXWLQJ LWLVH ZKLFKRQYHODWLWHVLFKRRO GHVNV FRPELQHV VXSSRUW DWEFWKEE EPSEFWDU HF
8QLWHGDWHV	7HOHSHUIRUPHUHUPHG D QXPEHU RI SDUWQHUVKLSWDZLWKWR2SULQY LVGKHVXQSLSVR PRVW GLVDGYDQWDJHKHHQPDLQ DVVRFLDWLRQV WKHH+UGRXSKZRKQLVQGZUWQ DUHQDG +RXV&KDULWLHV $ODQ 7UXLWW)RUFH RI *RRG DQGHOHDSHHU$:LWKQSPHUYLFHV (DYFU FKDQWFR UHDOL]H WKSHUWQHZLWRPSQ $:LVK
	0DQHPSOR\HHVOXQWRRUHUGDGDQQDWLRQ SURJUDP GRQQWLRQV WKHGHGRQDWHG WRGHVWKH &KLFDGYUHHQDFK PRQWK
	7HOHSHUIRUPDQFH 8SVFKGRVWUXSWHGV ZRUWK RYHU WR DFWLYHO\ VXSSRU DQKHOS LPSURYH HGXFDWLRQDO UHVRXUFHV IRU VWXGHQWV
*UHHFH	73 *UHHFH ZRUNHG DORQJVLGHWKLRQWDGHR RYHU FRPSXWHUV WR \RXQJ SHR PDGHLW SRVVLEOH WR EUHDN GRZQ GLJLWDO EDUULHUV DQG RIIHU \RXQJ SHH HGXFDWLRQDOYRQGHYHORSPHQW
,QGLD	73 ,QGLD VXSSRUWV LDQWWLHGWLFYLHQV DLOLFHLGWHSUDFWHVDQLGRSDOR YWGDQQLQJ LQ FRO /LWHU,DFGLD *XJDRQ 1*2 %XLOGLQJ RQ WKLV DSSURDFK 7HOHSHUIRUPDQFH SURIHVVLRQDO VLXSWHRJUWDWSLFRQJUDPV IRU VWXGHQWWRRBOQGDGYDQQWDUHG XEDWFHNVUR VHHNLQJ HPSOR\PHQW
0DOD\VLD	73 0DOD\VLD VXFFHVVMXFOXQWDHOULHGWR KHOS SDLQW VHYKDQV FEQUHVDWUKRHGP VOL7KLL WKVHFKERFRQVLGHUEEWKQH VWXGHQDQVLQJ HQYLURQPHQW
3KLOLSSLQHV	73 3KLOLSSLQHV PDGH D VLJQLILFDQW FRQWULEXWLRQ WR HGXFDWLRQ LQ WK DQGDULRKDVULWLHV GLUHFWO\ EHQHILWLQJ SXSLOV DQG VWXGHQWV
3RUWXJDO	,Q SDUWQHUVKLS ZLWK WHK3DUHQWQWDOR RQEDSOYDUHV DQG WKH ,QVWLWXW 7HOHSHUIRUPDQFHDO GLVWULEXWHG &KRRPSXWKSSWWLHGWRWVY HU
7XQLVLD	73 7XQLVLD GLVWULEXWHG RYHU VFKRRO VXSSOLHV 7KLV LQLWLDWLYH RUJDQL]DWLRQV GHPRQVWUDWLQJ WKH &RPSDQ\ V FRPPLWPHQWWRDFWLYHHGX VXSSRUWUKHDUQHQYHORPRQJSHRPOH LQ 7XQLVLD
7XUNH\	7HOHSHUIRUPDQHHVW XS D GLJLWDO IDFLOLWDWRQ WHQWHUZLWKH EXHGUHHV 'UDPDWLQQVVFLDWLRQV DHKELW WR VXSSRUWQL]DWLRQ V HIIRUWV E\ SURYLGL WHFKQRDQGSUHVPRWLQQDQKDQHGUQQLURQPHQW IRU EHQHILFLDULHV
8QLWHGJGRP	73 8QLWHG .LQJGRP SOD\HG DQ DFWLYH UROH LQ RIIHUHGJSQJRWKVHEROGDDW X &9VSURYLGLQJ HVVLRQDO FRDFKLQJ IRU MRE VHDUFKHV DORQJ ZLWK WKH WRRO WKHDEFRUNHW

$VVLVWDQFHWRLPSURYH WXUDO GLVDVWHUV DQG KXPDQLWDULDQ HPHUJHQFLHV

$OOURXQG WKH ZRUOG VXEVLGLDULHV RUJDQL]H FDPSDLJQV IRU GLVDGYDQWDJHG RU GLVDV KDVGHGLFDWHG HPHUJHQF\GRQVWUDWLQJ VWHU DQG KXPDQLWDULDQVDVVLVWDQFH

%HQHILFLDULHV	
*UHHFH	7HOHSHUIRUPHUHQGHG WRVXSSRUW 6SHFLDO 7DVN)RUFHDR *UHHFH UHVFXH
0RURFFR	7HOHSHUIRUWRQFHVWHSV WR VXSSRUW HDUWKTXDNH YLFWLPV LQ 0RURFFR RUJDQL]DQWLKRQ XQGUWR RGILHUHFW DVVLVWDQFH
3KLOLSSLQHV	)RUWKH ODVW ILWHQ \HDUV 7HOHSHUIRUPDQFH KDV VXSSRUWHGb 7HOHSHU IROORZLQSKRQ .HWVDQDQRQ KRPH WR VHYHUDO KXQGUHG IDPLOLHV ,Q fK HFWDUUHPVWWQRHGURYLGH WKH ORFDO FRPPXQLWRXZEWK D VXVWDLQDEOH IRR
7XUNH\GUL	,Q UHVSRQVH WR WKH HDUWKTXDNH WHKDWSHWURFQDQHNWRQDQGEFWLRQ E\ VHQ PDWHULDO UHVRXUFHPVXQLHWFLHVG 7KH FRPSDQ\ DOVR IRXQGHG DQ ,7 ODERUDV]RQEHQHILWUQXQGVWXGHQWV
8NUDLQH	,Q SDUWQZHLWKKHSUDLQHG&URVV 7HOHSHUIRUPDQFH FRQWLQHXHGXWRHSWRY LGH XUJHQWHDOWKFHEHGWKLQ UHJRQ

%HVLGHVLWLDWLYHV WR VXSSRUW XQGHUSULYLOHJHG FKLOGUHQU DKXGPDQLWDULDQVPXQLWLHVHUJHQFL VXEVLGL]HSRWKORUFDDX VHV

$75867(3$571(5

(WKL&RVPSOLDQFH

7HOHSHUIRUPDQFH SO\ FRPPLWWHG SUDFWLFHV JXLGHQWHH LQWHJULW\ DQG KRQHVW\ EHWZ
VWDNHKROGHUV WR GHOLYHU EHQHILWV DQG LQFUHDVHG YDOXH IRU VKDUHKROGHUV DQG RWKHU VWDNHKROGHUV

(WKLFDO&RQGXFW &RUSRUDWH*RYHUQDQFH

&RPPLWPHQWWRKLEKHVW(WKLFDO6WDQGDUGV

7HOHSHUIRUPDQFH EHOLHYHV WKDW FRPSHWLWLYH VXFFHVV LV DFKLHYHG WKH OHJDO DQG HWKLFDO ZD\
UHJXODWLRQV WKDW SURPRWH WKH KLJKHVW VWDQGDUGV RI EXVLQHVV FRQGXFW DQG HWKLFDO EHKDYLRU
8QLWHG 1DWLRQV *OREDO &RPSDFW SULQFLSOHV RI WKH *URXS ZKRVH PHPEHUVKLS WDNHV
5LJKWV2 FRQYHQWLRQV 2(&'QGXLGHOLQHV2(&'&RUSRUDWH*RYHUQDQFH3ULQFLSOHV WKDWLWW SEDUWQHUZLWK
DQGHGXODWLRQV VWDNHKROGHUWHDQGRWKHUDO

7KH8QLWHGWLRQV*OREDO&RPSDFW

$ VLJQDWRU\WKHUHWR1DWLRQV*OREDO &RPSDFW
7HOHSHUIRUP DFRPPLWWHGWRJ DQG SURPRWH WKH IXQGDPHQWDO SULQFLSOHV RI WKH *OREDO &RPSDFW
8QLWHG1DWLRQV*OREDO&RPSDFW DQG SROLFLHV WKDW SURPRWH EHVW SUDFWLFHV LQ WKH
*RDOV 6'*V VHH VHFWLRQb

7HOHSHUIRUPDQFH YDOXHV

7KH*URXSEXVLQHVV HWKLFV FRPPLWPHQWV
YDOXH,QWHJULW\ &RPPLWPHQW7HOHSHUIRUPDQFH &RPSOLDQFH 'HSDU
&RPPLWPHQW WKH *OREDO &RPSDFW DQG
UHIOHFWHGWKHSHUIRUPDQFH ZLWK DSSOLFDEOH ODZV
SUDFWLFHV &RPPLWPHQW WR

7HOHSHUIRUPDQFH &RPSOLDQFH 'HSDUWPHQW DQG &RGH RI (WKLFV

7KH7HOHSHUIRUPDQFH &RPSOLDQFH 'HSDUWPHQW DQG &RGH RI (WKLFV
WKH HXOHV DWWLWXGHV DFWLRQV DQG SHUIRUPDQFH
WKH*URXS LWV GLUHFWRUV DQG HPSOR\HHV
HPSOR\HHSHUVSHFWLYHV DQG LQSXWV
RWKHUWHUQDO SDUWQHUV LQFOXGLQJ WKH
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HPSOR\HHWHVW WKHLU VWDWXV RU GXWLHV
LQVLGHUWKURXJKRXW OHDGHUVKLS WR LQWHUQDOO\
LQFOXGLQJ8QLWHG 1DWLRQV *OREDO &RPSDFW
H[SHFWDWLRQV WKH &RPSDQ\ FRPPLWPHQW DQG
DVD UHVSRQVLEOHQHWZRUNHUV FRUSRUDWH FLWL]HQ 7KH\

*OREDO&RPSOLDQFH +RWOLQH

7KHSXUSRVH RI WKH*OREDO&RPSOLDQFH +RWOLQH LV WR SURYLGH D FKDQQHO WKURXJK
UHSRUWLQJ EHKDYLRUV WKDW PD\ YLRODWH WKH*OREDO &RPSDFW
FRUUXSWLRQ YLRODWLRQV SUDFWLFHV
GLVFULPLQDWLRQ RU KDUDVVPHQW &RPSODLQWV
IUDXGXOHQW

$OHUWV VXEPLWWHG WKURXJK WKH +RWOLQH DUH WUHDWHG
DSSOLFDEOH WKH KRWOLQH ZRUNV LQ
ZKLVWOHEORZHUSURWHFWLRQ ODZ FLRUQGDQFH
OHJLVODWLRQ EH XVHG E\ DOO VWDNHKROGHUV ERWK

&RPPLWPHQWWR(WKLFDO&RQGXFW

7KH&RGH RI (WKLFV DQG &RGH RI &RQGXFW ERWK
7HOHSHUIRUP DQG SURPRWH WKH PDQDJHPHQW WKH
IXQGDPHQWDO SULQFLSOHV RI WKH *OREDO &RPSDFW
ULJKWVRUNHEQGLWWLRQV DQG SROLFLHV
*RDOV DFWLYHO\ VXSSRUWV WKH 8QLWHG 1DWLRQV
*RDOV 6'*V VHH WKHFRPSDFW DQG SROLFLHV

*RYHUQDQFH

7KH&RGH (DVHG 7HOHSHUIRUPDQFH &RPSOLDQFH 'HSDU
YDOXHV,QWHJULW\ &RPPLWPHQW WKH *OREDO
&RPPLWPHQW7HOHSHUIRUPDQFH &RPSOLDQFH DQG
UHIOHFWHGWKHSHUIRUPDQFH ZLWK DSSOLFDEOH
SUDFWLFHV &RPPLWPHQW WR

7HOHSHUIRUPDQFH &RPSOLDQFH DQG &RGH RI (WKLFV

7KH7HOHSHUIRUPDQFH &RPSOLDQFH 'HSDU
WKH HXOHV DWWLWXGHV DFWLRQV DQG WKH /HJDO DQG &RPSOLDQ
WKH*URXS LWV GLUHFWRUV DQG HPSOR\HHV
HPSOR\HHSHUVSHFWLYHV DQG LQSXWV
RWKHUWHUQDO SDUWQHUV LQFOXGLQJ WKH
7HOHSHUIRUPDQFH &RPSOLDQFH DQG &RGH RI (WKLFV
7KHVHSROLFLHV EHKDYLRUDO SULQFLSOHV LQFXOFDWH
HPSOR\HHWHVW WKHLU VWDWXV RU GXWLHV
LQVLGHUWKURXJKRXW OHDGHUVKLS WR LQWHUQDOO\
LQFOXGLQJ8QLWHG 1DWLRQV *OREDO &RPSDFW
H[SHFWDWLRQV WKH &RPSDQ\ FRPPLWPHQW DQG
DVD UHVSRQVLEOHQHWZRUNHUV FRUSRUDWH FLWL]HQ 7KH\

5HPHGLDWLRQ KDQLVPV EHWHQ LQWURVXFH GLVFLSOLQDQGDU\ SURFHGXUHV DV GLVWLQFW IURP WKH UHOHYDQW GHSDUWPHQWDO RU LQWHU-DJHQF\ SURFHGXUHV +RWOLQH

*URXSROLF\ DV ZHOO DV SURFHGXUDO UHYLHZV KDYH DFFHVV WR OHJDO DGYLFH +RWOLQH

,Q WKH KRWOLQH UHFRUGHG DOHJDWLRQV FRPSDUWR 8SON LQYHVWLJDWRUV LQFLGHQWV ,QGLD WKHQ 3DFLILF DQG 0LGGOH

bRI DOZHUWVVXEVWDQWLDWHGZLWKLQWKHWEHGDWHG *URXSRUNIRUFH 2Q DYHUDJH DOHUWV UHSRUWHG WR WKH*URXS&RPPLWWHH

7KHUHPDLQLQJ DOHUWV ZLWKLQ WKH KRWOLQH V UHPLW RQ WKH PDMRULW\ Z+SUHPDWXUH RU WKHUV ZHUH IRUZDUGHG WR

$QWL FRUHUXSWLRQ

7HOHSHUIRUPDQFH PHDVXUHPHQWV $QG FRQWLQXRXV LPSURYHPHQW RI WKH RXSHUVXUSWLRQ DQG SHGGOLQJ 1DWLRQDO &RPSDFW DQG RQOLQH UHJXODWLRQV SURKLELW SURUXSWLRQ &RUUXSWLFHV $FW WKH 8.%ULEHU\ $FW DQG RWKHU LQWHUQDWLRQDO ODZV LQFUHDVLQJ HIIRUWV WR SUHYHQW DQG LQYHVWLJDWH FRUUXSW SUDFWLFHV 0HDVXUHV WR SURKLELW SURPRWH DQG FRPPHUFLDO DQG LQGXVWULDO HQWHUSULVHV KDYH EHHQ VLJQLILFDQWO\ VWUHQJWKHQHG FRPSOLDQFH DXGLW RI H[LVWLQJ SURFHGXUHV *URXS RYHUHDXOHG LWV SURFHGXUHV LPSOHPHQWHG 7HOHSHUIRUPDQFH &RUUXSWLRQ 3URJUDPV 7KURXJKRXW WKH\HDU &RUUXSWLRQ GHVLJQDWHG KXURQ]H SURFHGXUHV WKURXJKRXW LQFUHDVLQJ SURFHGXUHV DQG GHILQLQJ

6WUDWHJLF HQWHUSULVH

7KH7HOHSHUIRUPDQFH &RUUXSWLRQ 3URJUDPV FRQGHUHQWL &RUUXSWLRQ FRQGHUHQWL IURW K*URXSRYHUHDXOHG LWV

7KLV FRPPLWPHQW LQFHG LQ WKH GHDLEDLOWLQJ IRU SUHYHQWLQJ DQG FRPEDWLQJ FRUUXSWLRQ

~ 2QH RI WK*URXS LVFHRUH YDOXHV ,QWHJULW\

~ $FRPPLWPHQW WR PEDWLQJ DOO IRUPV RI FRUUXSWLRQ

~ $]HUR WROHUDQFH

7KHJRYHUQLQJ ERGLHV RUP WKHWKRHUVDOGWLDGVZLWKLQ VXSHUYLVLRQ &RPSOLDQFH &RPPLWWHH LWV VXGLW 5LVN DQG &RPSOLDQFH &RPPLWWHH &RDQG RI 'LUHFWRUV DSSURYH RYHUWKHLPSOHPHQWDWLRQ

7KH&KDLUPDQ DQGHRXWLYH 2IILFHU DQG PHPEHUV RI ([HFXW&RPPLWWHH SURPRWH WKH SURJUDP H[HWVQDONHKWCKUHRKRPXQLFDWLRQ LQLWLDWLYHV

~ 7UDLQLQJ3QUJUDP 7KURXJKRXWWKH OHDUQLQJ SHULRGWRSKDV DQ SODFH 7KHVH HYDOXDWLRQVZKHQ WUDLQLQJ LVQRW RQ SODFH EHHQ GHYHORSHG WRDFFRPPRGDWH \HDU DZDUHQHVVWKH ULVNV RI FRUUXSWLRQ 6LQFH DQXQ*RYHUQPHQW RUJDQL]DWLRQV RU DFWLYLWLHV RI WKLV V\VWHP LV EHHQDQGDWRU\ RU*RYHUQPHQW RUJDQL]DWLRQV DQG FRQWUDFWRUV WR LQFRUSRUDWH DQWLFRUUXSWLRQ WUDLQLQJ VHVVLRQV LQWR WKHLU WUDLQLQJ SURJUDP 6DQFWLRQV RU GLVFLSOLQDU\ DFWLRQ 7KH P WKH DSSOLFDWLRQ RI GLVFLSOLQDU\ DFWLRQ 7KH FRUSO\ ZLWKH SULQFLSOHV VHW RXW LQ WKH &R WKH DFFRUGDQFH ZLWK DSSOLFDEOH GLVFLSOLQDU\ SURFHGXUHV DV DSSOLHG WR WKH\ EH DSSOLHG LQ DGGLWLRQ WR DQ\ DGPLQLVWU)UHHGEDFN DQG FRUUHFWLYH PHDVXUHV 7KH SURYLVLRQ RI GDWD DQG LQIRUPDWLRQ WR WKH *UR DFWLYLWLHV LQ ZKLFK L 7KHRREDO $QWL&RUUXSWLRQ 3URJUDP ZLOO E QHHHVVDULO\ HQVXUHWKDW FRQWUROV 7KHUHIRUHQHHGWRQILUPHGLQWHUQDO WR WKH *UR 'HWHFWLRQ DQG UHVSRQVH 7KH *UR &RQWUROV DUH GHVLJQHG WR SUHYHQW DQG GHWHFW)UDXGXOHQW DQG FRUUXSW DFWLYLWLHV 7KH OHDG $QWL&RUUXSWLRQ 3URJUDP ZLOO E DFWLYLWLHV DUH FRQGXFWHG LQ DFFRUGDQFH ZLWK WKH *UR &RGH RI &RQGXFW DQG HWKLFDO VWDQGDUGV 7KH *UR &RPSOLDQFH 3URJUDP HQVXUHV WKDW DOO HPSOR\HHV FRPSO\ ZLWK WKH DSSOLFDEOH ODZV UHJXODWLRQV DQG SROLF\ UHTXLUHPHQWV 7KH *UR &RPSOLDQFH 3URJUDP LV GHVLJQHG WR SURYLGH UHDVRQDEOH DVVXUDQFH WKDW WKH *UR &RPSOLDQFH 3URJUDP LV HIIHFWLYHO\ GHVLJQHG DQG RSHUDWHG WR SUHYHQW GHWHFW DQG UHVSRQG WR YLRODWLRQV RI DSSOLFDEOH ODZV UHJXODWLRQV DQG SROLF\ UHTXLUHPHQWV

'HWHFWLRQ DQG 5HVSRQVH

~ &RQWUROV DXGLWV $FFRXQWLQJ FRQWUROV DQG RWKHU DFWLYLWLHV DUH GHVLJQHG WR SUHYHQW DQG GHWHFW DQ\ DFWV RI FRUUXSWLRQ E\ LQWHUQDO DXGLWRUV DQG RWKHU SHUVRQQHO 7KHVH &RQWUROV LQFOXGH WKH 7HOHSKRQH &RPSOLDQFH 3URJUDP

~ 3HUIRUPDQFH FRPSOLDQFH LQGLFDWRUV JRDOV FRQWLQXRXVO\ LPSURYLQJ WKH PHDVXUHV DQG SURFHGXUHV WR HIIHFWLYH LPSOHPHQWDWLRQ DQG HQIRUFHPHQW 7KH &RPSOLDQFH 3URJUDP

)DSLUUD FWLFHV

3UHYHQWDWLRQ &RQWUROV

7HOHSKRQH V UHGPDWLRQV EHQHSLWV ZKHWKHU RXWVLGH LVEDVHG RQ DLV RQ FRPSHWLWLYH LQ FRPSDUDEOH WKH EDZ 7HOHSKRQH DERRGHDLE\FRRSHUDWLQJEDQG DQG RQWLQXRXVO\ RU DGSW EHKDYLRUV DFWLYLWLHV FRPSOLDQFH LQGLFDWRUV DQG RWKHU PHDVXUHV 7KLV SURFHGXUH DSSOLHV WR DOO HPSOR\HHV

&RPEDWLQJ WD[HYDVLRQ

7HOHSKRQH V UHGPDWLRQV EHQHSLWV WKDW FRPEDWLQJ WD[HYDVL LVEDVHRQDLU DQGFHRWKHUZLVH WKHEDZ 7HOHSKRQH DERRGHDLE\FRRSHUDWLQJEDQG DQG RQWLQXRXVO\ RU DGSW EHKDYLRUV DFWLYLWLHV FRPSOLDQFH LQGLFDWRUV DQG RWKHU PHDVXUHV DQG EHQHSLWV 7KLV SURFHGXUH DSSOLHV WR DOO HPSOR\HHV

3UDFWLWLRQHUV &RQWUROV

3UDFWLWLRQHUV DUH PDGH DZDUH RI WKHVH VXEMHFW DUH GHVLJQHG WR PDLQWDLQ RSHUDWLRQDO &RQGXFW

1RQ&RPSOLDQFH &RQVHTXHQFHV

LVFXUHQWGHUZD\

&RGHRI&RQGXFWDUGVLQFXUWLWLDQVDFWLRQV

7HOHSKRUKDVQEHQWURGXFHG D &RGH RI &RQGXFW VHFXULWLDQVDFWLRQV SXUVXDQW WR WKH UHFRPPHQGDWLRQV)UHQFKQDFLDO 0DUNHWV $XWKRULW\ $XWRULW« JXLGHQSUHYHQWLRQV LQGXVWU\ LQLWLDWLYHV RQ OLVWHG &RPSDQLHV JXLGDSSOLHV SULPDULO\ WR PDQDJHUV RIWKH %RDUG R7KHUHPDLQLQJ VHFWLRQV LQ SODFH VHFWLRQb &RGH RI &RQGXFW UHJDUGLQJ

3HUIRUPDQFH &RQGXFW

7KH*XLGH WR WKH 2(&' DQG HQVXUHV WKDW LQWUD JURXS WUD WKH DUP V SUHQFH WUDQVIHU SULFLQJ GRF WKH &RXUHG WUDQVDFWLRQV DUH &RQGXFW UHJXODWLRQV 7KH *URXS VWKH DOLJQHG WR PHDVXUHV RI ORFDO WH 7KHGHFODUDWLRQ UHODWLQJ WR WD[SDLG RQ &%&5 FRPPXQLFDWHG E\WKH3DUWLFLSDQW6(WR WKH DXWKHQFN WD[DXWKRULWLHVQFH ZLWK DSS UHJXODWLRQV 7KH *URXS WKH DOLJQHG WR PHDVXUHV RI PXOWLQDWLRQ 2(&' DQG WKH (XUR &RQGXFW WKH 3DUWLFLSDQW6(WR WD[DXWKRULWLHVQFH ZLWK DSS « WKH WD[RUDUWK« RI ILQDQFLDOVQWHUHVWHGWLQHV 7KH 7KHW[SROLF\ LV LPSOHPHQWHG E\ WKH *URXS UHSRUWLQJ&RXQWU\ &RXQWU\ &KLHI ([HFXWLYH2IILFHU 7KH &RPPLWWHHRDUG UHFWRUV

5HVSRQVRVHFRQWURYHUVLHV

VDZQHQWR WKRWWURYHDUVRWKDQV WKXH7HQJHSHUFRUPDQFHLWRIURHORRPHQGDWLRQVDQG
&RYLGSDQGHPLF

2Q$SULO WKH IQWLRQO8QLWHRQEDO 8QLWHDQ
VSHFLILF FLUFXPVWDQFH FRQFHUQLQJ7HDKSHUIRUPDQFHDZLWKOREDO DU7HPHEDO ZW
2(&' 1DWLR&RDOVDFLW1&3 $FFRUGLQJH UHIHU8QLWHHPEHVH VHFWLRQ WKHLVPHQW
DEVHQFH LQDGHTXDF\ RI SUHYHQWLWKHOHDHDV XUHV DQG RI 'LUHFWRUV FORVHO\ PRQLWRUV FR
VRFLDOORJ HQGDQJHUHG ZRUNHUV WKHEHKQWLHEDXQWUHHV XHVSRQVHV SURYLGHG YLD VSH
RWK&RYLGHSLGHPLF UHVSRQVHV WKH

2Q-XO\ 1&3KHVXHG VLWDVHP2DQWRTKH1&3
WKDW DIWHU DQ HPHUJHQF\ PDQDJHPHQW SKDVH 7HOHSHUFRUPDQFH JKDV
GHSOR\HG DQG FRQWLQXHV WR GHSOR\ PRUH7HOHSHUFRUPDQFH DQG
PDQDJHPHQW&RQWUROOHU DW DOO RI LWV VXEVLGLDULHV WR RQVROLGDWH
WR&GGUHVKHDWK ULVNV DWWK RFSLDQGHG PZE WKLWKHOS F\ FRQIHUHQFHV IRU HPSOR\HHV DQG
JHQHUDFRO\UHVSRQGVH[WRFWDWHV IRUHFRUSRUDWH VWDNHKROGHUV $OO RI WKLV
GLOLJHQFHPPHQGGWKH 2(&' JXLGHOLQHV FRPPXQLFDWLRQV DQG WUDQVSDUHQF\

2Q-DQXDU\ WKH 1&3 SXEOLVKHG LWV IRDVVRFLDWHG VXEVLGLDULHV 9LJLODQFH 3ODQ
LWVUHFRPPHQGDWLRQV WKH DFWLRQV WDNHQ E\

'DWSDUWHDWQGRQ\EHUVHFXULW\

,QDQ LQFUHDVLQJO\ FRPSOH[DQG FKDOOHQJLQJ HQYLURQPHQW ZLWK UHJDUGWRWKHGW
ZLWKWKHXVLQHVVFW&RULHQWHGFRJQLWLRQ DV D PDMRU GLIIHUHQWLDWLQJ IDFWRU

'DWDSULYDF\ DQG GDWD VHFXULW\
HPSORWHOLHQWV HQG XVHUV

RI RSHUDWLRQGHOHPDWGOLHV
FRPSOLDQW
RI HOLJLEO,62IDFLFLWLHVLHQ
RIHPSORWHUHDLQQHGH GDWDFXULW\
SROLF\

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7KH*URXSVDOHDGHU LQIWFRUPVOLDQFH ZLWK 7LQWHUHVHQDOOHUJXOHWG7WR\WKHODWRO
VWDQGDUGV,62 ,62 WKH *HQHWHDPHV
'DWDSURWHFWLRQ 5HJXODWLRQ *'35 DQG WKH 3DLRQWPDQGXWU\
3&, '66VWDQGDUG DQG LV FHUWLILHG XQGHU RWKHU VWDQGDUGV VXFK DV
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,Q 7HOHSHUFRUPDQFH JRE2
FHUWLILFDWLRQ ZDV VXFFHVVIXOO\ UHQHZHG $LQVHW PDQDJHPHQW DQG
7KLVQHZ VWDQGDUG VWUHQJWKHQV GDWD SURWHFWLRQ FRQWURO DQG
UHTXLUHPHQWV WZR QHZ DSSHQGLFHV 6RFLDO PHGLD DQG $FFHSWDEOH\ WR
7HOHSHUIRUPDQFH DV GDWD FRQWUROOHU DQG SURFHVVRU $SSURSULDWH
FRQWUROV7HOHSHUIRUPDQFH GDWD $FFHVV &RQWURO
LQVWUXFWLRQ

7KH*URXS V SROLFLHV DQG SURFHVVHV FRPSO\ ZLWK DOO LQWHUQDWLRQDO
ODZVHODWLQJ\VWHPXGDWD FRQILGHQWLDOLW\ DQG SURWHFWLRQ LQ
WKHRXQWULHHOHSHUIRUPDQFH

7KH*URXS KDVPHQWRGRSHUDWLQGRYHUXOH\ &RPPXQLFDWLRQ
FDOOWHGH *OREDO ,QIRUPDWLRQ DQG 6HFXULW\ 3ROLFLHV *,63 GHVLJQHG
WRLGHQWLI\ DQG OLPLW SRWHQWLDOVWUXWXUHVKRXOGHUV DQG
GDWDEDFXUHTXLUHPHQWV

RI RSHUDWLRQGHOHPDWGOLHV
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& K L H U L Y D F K L H Q G E O R E D O D Q G O R F D O V S H F L D O L V W V
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D J H Q F L H V I L Q G L Q J V D Q G O H V V R Q O H D U Q H G I U R P V X F K H [
7 H O H P U R D Q F H R O O H G R X W D F R Q W L Q X R X V L P S U Y H P H Q W 3 U R J H D F W 7 D O Q Z K D E H J D Q Q
S U R J U D P D O G H E M H F W (G J O H 7 D O Q Z K D E H J D Q Q 3 U R J H D F W 7 D O Q Z K D E H J D Q Q
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3 U R M H E W D O R J D Q G R E M H F W L Y H V D U H & R P P H U F H & \ E H U V H F X U L W \ ) U D Z H Z R U K L Q J W R U D L J
E H V W S U D F W L F H V D Q G E H E D V L F E H V U S H D U L W Q H Q W R
~ $ G G L W L R Q D O W U R O V W R V W U H Q J W K H Q P U H P R V W F O L H Q W V b
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L P S O H P H Q W R O , ' 2 Q F R P S O D Q W K G H Y H Z H E V H D Q G
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~ (P K D V R Q P R Q L W R U L Q J H Q G X V H U D Q R P D O L H V D Q G R Q D F W L Y L W L H V E F R Q W U R O V G D V S O R R W H U H V 7 H O H P U R
U H O D W H G W K U H D W V 7 K L V L Q I R U P D W L R Q S U R Y L G H
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D X W K R U] D W L R Q P D Q D J H P H Q W 7 H O H P U R P U R X G E D Q G L Q F L G H Q W V
~ & R Q W L Q X R X V P R Q L W R U L Q J R I Q H W Z R U K V H J P H Q W D W L R K G L Q F L G H Q W V R U R G R X S E H Q W V
O D W H U Y H O P R Q L W K U H D W V L Q I R U P D W L R Q S U R Y L G H

&RPSDQ\ VHFXULW\ DW 7HOHSHUIRUPDQFH UHPDLQLQJ EHKLQG WKH VFHQHV
HPSOR\HH[SHULHQFH RIWHQ OLQNHG WR IDFWRUVV VRXEMHFWLYH HOHPHQWV
HQJLQHHULQJ HDUO\ JHSOHRU\HHUV OHG WR DQ RYHUGHVLJQHG SOXPELQJ F
DZDUHQHVVRVUWDHLV \HDU 7KLV QHZ SURJUDPPHRIFXVWRPHUFRQGVWRRQJ RDQGKHFRVPHSFXLDUVWH R
REMHFWGLHYHQGLQJWRKQHWDKWH WDLORUHG WR HWDHKHVHQVFRQXZDLQWK LQHSRUWV DUH VXEPLWWHG
WKHRPSDQ\ 7HOHSHUIRUKDQFHHGXFH WKH0QXPEHUHRQW &RPPLWWHH&RWSXHL DQGHDQG 6HFXUL
WUDLQLQJRXUVHV WR IRFXV RQ WKH PRVW&RUHQFHQWDQWGHVKQHL TXHVWLW 5LSN DQG &RPSOLDQ
SURFHGXQHVWRROV XVHG E\ KDFNHUV WR FRPSU7HHOHVHHUPRUHQHV DOVO LQYHVWHG LQ FO
7KHJOREDO VWHFXPLWGHQV DQ DYHUDJH RI PDQDJHPHQWKH WKH PHDVHKDUH WKH QWHG GVLLQN
SKLVKLHQJPDLOV WR HHPSOHU\HRQWK WR PHDVHKDUH WKH DQG DSSURYRLQXWLRQ GIJLV
OLNHOHKRKHGOOYLFWLRD F\EHU DWWDFN 7HQHSHUIRUPDQFH GHVHFFRVRQWHVW DUH UHJXODUO
QRWLFDWLRQ WLQXHGFOLHQWHHKQ WKHVH PDLOV WKH WHKHGQ WKH DQG DSSURYRLQXWLRQ GIJLV
WKHIHFWLYHQHVV WUDLQLQJ SURJUDPV WKH HQHUJLHV PDLQWDLQ DQG GHYHORS WR
7HOHSHUIRUPDQFH GHYDOXDWHV WKHLU SURJUDPV DQG DGMXVWV WKHLU EHKUHDVV
FOLHQWRQWHQWSKLPG HQDQG PLWLJDWH SOWHQWLDO IUDXG LQFLGHQWV

5HVSRQSVLRE FXHUHPHQW

7HOHSHUIRUPDQFH VXSSRUWV WKDW LWV VXSSRUWLQJ FRPPXQLFDWRUV DQ HWKLFDO DSSURDFK
RI&RQGXFWVWUHQJWKHQLQJ RUJDQLWDWLRQDO HSDWHUVKLSV

5HVSRQVLRE FXHUHPHQW +XPDQL JKDWVC QGDPHQWDO IUHHGRYDVFXHDLQ :RUNLFRQQGLWKLHRDQDVC VDIHWDFXHDLQ		(QKDQFHGQGRUGGXLHJHQFHGXUH GHSOR\HG *URXS ZLGH

7\SHVXUFKDVHV

7HOHSHUIRUPDQFH V SURFXUHPHQW VSHQGLQJ KHDLWHUXDWRHQS]HQVHVO SDUDEHGXLHQVFXUHQ
FRQVLVWV RI FRPSXWHUVKDVZGZUHWHDQGHFRPVXKHLHFRVWVHP WKH FRPSOHWH PDQDJHPHQW RI
VHUYLWHHPSRUDU\ HPSOR\PHQW DGHQFLHV DQGVERUVRYHQHQWVV DQGRQHVLDWHLRQVKLSV DW JLOREDO
VHUYLFHXVFK DFVOHDQLQJ DQG VHFXULW\7KHVVWKHUPRRGHUHDO WLPH RYHUYLHZ RI PDM
7HOHSHUIRUPDQFH OLPLWHG XVH RI RXWVRXUHPDQDJHPHQW LQ RWKHUFHQWHUSDWHGHPSUHUIRUPDQFH V PDLQ VXSSOL
SDUWPDQDJHPHQW LQ VRPH FRXQWULHV RU)RUU FHUWDLQ SXUFKDVHLQJ DFWLYLWLHV HJRULHV KDYH EHHQ
VHUYLRHVDPSOH SODWIRUPRQWKROVKHOLILF &65 LVVXHV
7HOHSHUIRUPDQFH DVVHVVHV HY DOORSHG D SURMHFW WR JOREDOL]H ILQDQFLDO DQG
SXUFKDVSLQFHVVHV E\ LPSOHPHQWLQJ D VLQJOH (53 V\VWHP

0DLQXFKDVHQWJHJRULHV	&65LVVXHV
&RPSXWHUZDUXSSOLHUV	&RQIOLFWWUDOV ZRUNLQJ FRQGLWLRQV SURGXFWLRQ SROOXWL
7HOHFRPPXQLFDWLRQV	5HGXFWQHQHUJ\ FRVWSDSWOLPQF\
7HPSRUHDPSOR\HQW	/LYLQJ ZDRJHHKLRXUVHDYH
3URYLGHRQV VWHY LFHV VXFKVFOLQQQHFXULW\	:RUNLFRQQGLWLRQV SURGXFWLRQ SROOXWLRQ DHQGUHQW

'XGHLOLJHQFH SURFHVV

1 ►
RISK ASSESSMENT
A supplier gross risk analysis is conducted,
and sector risk, the degree of dependence on
the supplier and the amount of purchases made.

2 ►
DUE DILIGENCE
In the case of suppliers presenting a high or very high potential risk during the first phase, an enhanced reasonable due diligence process is conducted using an assessment questionnaire.

3 ►
MONITORING AND ACTION
An action plan including corrective measures is established in the case of suppliers considered to be non-compliant with prevailing standards at the time of the assessment.

7HOHSHUIRUHQDQFHV WKDW LWV QHZ DQG H[LVWLQJ VXSSOLHUV FRQGXFW WKHLU EXVLQHVV &RQGXFW 7KH 6XSSOLHU &RGH RI &RQGXFW VHWV RXW WKH VWDQGDUGV RI ZRUNSODFH FRQGXFW ZLWK UHJDUG WR KXPDQ ULJKWV FRQGLWLRQV KHDOWK DQG VDIHW\ 'RFXPHQWDWLRQ PDLQWHQDQFH DQG DUFKLYLQJ RI GRFXPHQWV &RQWLQXRXV LPSURYHPHQW WKH HIIHFWLYHQHVV RI WKH &RGH LV UHJXODUO\ UHYLHZHG DQG LPSURYHG 7KH &RGH LV DSSOLFDEOH WR DOO HPSOR\HHV RI WKH *URXS DQG LWV VXEVLGLDULHV &RPSOLDQFH &RPSOLDQFH ZLWK WKH &RGH LV PDQGDWRU\ DQG IDLOXUH WR FRPSO\ PD\ UHVXOW LQ GLVFLSOLQDU\ DFWLRQ XS WR DQG LQFOXGLQJ GLVPLVVDO 5HSRUWLQJ 7KH 6XSSOLHU &RGH RI &RQGXFW SURYLGHV IRU UHSRUWLQJ RI DQ\ VXVSHFWHG YLRODWLRQV RI WKH &RGH RU RWKHU LOOHJDO RU XQHWKLFDO EHKDYLRXU &RQILGHQWLDOLW\ DQG QR UHWDOLDWLRQ 7KH *URXS LV FRPPLWWHG WR HQVXULQJ WKDW DQ\ UHSRUW PDGH LQ JRRG IDLWK LV WUHDWHG FRQILGHQWLDOO\ DQG WKDW WKH UHSRUWHU LV QRW VXEMHFW WR DQ\ IRUP RI UHWDOLDWLRQ 7KH &RGH DOVR SURYLGHV JXLGDQFH RQ KRZ WR UDLVH FRQFHUQV DQG UHSRUW YLRODWLRQV &RQVHTXHQFHV RI QRQ&RPSOLDQFH 6XSSOLHUV DUH H[SHFWHG WR WDNH DSSURSULDWH DFWLRQ WR HQVXUH WKDW WKHLU HPSOR\HHV DQG DQ\ VXE&RQWUDFWRUV DUH DZDUH RI &RQGXFW 6XSSOLHUV DQG VXEFRQWUDFWRUV DUH VXEMHFW WR UHJXODU DXGLWV DQG UHYLHZV RI WKHLU FRPSOLDQFH ZLWK WKH &RGH RI &RQGXFW 6LQFH DVVHVVPHQW 7KH *URXS V SURFXUHPHQW VSHFLDOLVWV ZRUN FORVHO\ ZLWK VXSSOLHUV WR DVVHVV DQG PDQDJH WKH ULVNV DVVRFLDWHG ZLWK WKHLU DFWLYLWLHV &RQGXFW &RQGXFW 6LQFH DVVHVVPHQW 7KH *URXS V SURFXUHPHQW VSHFLDOLVWV ZRUN FORVHO\ ZLWK VXSSOLHUV &RQGXFW &RQGXFW 6LQFH DVVHVVPHQW 7KH *URXS V SURFXUHPHQW VSHFLDOLVWV ZRUN FORVHO\ ZLWK VXSSOLHUV WR VWUHQJWKHQ LWV ULVN DVVHVVPHQW SURFHVVHV DQG GHSOR\ SUHYHQWLYH DQG FRUUHFWLYH PHDVXUH

*RYHUQDQFH

,QRUGHU WR VWUHQJWKHQ DQG VWDQGDUGLVH WKH FXUUHQW PHWKRGV DFURVV WKH YDULRXV *URXS HQWLWLHV WKH 'HSDUWPHQW WKDW WKH SURFXUHPHQW ZLWKHOHSHUIRUPDQFH SROLFLHV VWDJH WKH UHYLHZLQJ SURFXUHPHQW SROLF\SXUSRVHV FDWHJRULHV SROLFLHV DQG SURFHGXUHV

7KH *URXS V SXUFKDVLQJ SUDFWLFHV KDYH EHH FRQVROLGDWHG ZLWK WRROV DQG DFFRUGDQFH ZLWK ,62 7KH UHVXOW RI WKLV *URXSZLGH DSSURDFK LV PHDQW WKDW HDFK RSHUDWLQJ FRPSDQ\ LV SURFXUHPHQW SROLF\ DQG GXH GLOLJHQFH SURFHGXUHV

/DVWO\ 7HOHSHUIRUPDQFH KDV MRLQHG D ZRUOGFODVV SURFXUHPHQW RUJDQL]DWLRQ LQFOXGLQJ LWV SURFXUHPHQW &RPSHWHQF\ &HQWUH LQ &RVWD 5LFD WKH &RPPLWWHH HQVXUHV WKDW 7HOHSHUIRUPDQFH DQG ERWK FRQWLQXH WR LPSURYH WKHLU SURFXUHPHQW SHUIRUPDQFH

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5HGXFHWKHQLWURQHPLVVLRQV $GDSWDWLRQDQGHQHUJ\ 5HVSRQVLEOHSURFXUHPHQW :DVWHDQDJHPHQW

UHGXFLQJHQYLURQPHQWDO LPSDFW 6FRSH UHQHZDEOHHQHUJ\WHFKQRORJLHV FRQVXPSWLRQ

&OLPDWHWHQLWRQH WKH RUJDQL]DWLRQ LQWHUQDWLRQDO DGRSWLQJ D UHSRUWLQJ IUDPHZRUN FDOOHG DQGWUDQVLWLRQDO ULVNV 7KHVH ULVN&OLPDWHVWHQGWR)LQDQFLDOFDWHJRULHV ZLWK UHSXWDWLRQDO ULVN,QIRUPDWLRQ LQFOXGHV VLPSOLILHG 7&)' ULVN&OLPDWHRSSRUWXQLWLHV 7HOHSHUIRUPDQFH JRYHUQDQFH LQFUHDVLQJLQYHVWRUV DQG VWUHQJWKHQ LWV UHSRUWLQJ RQ FOLPDWH JRYHUQDQFH GHFLVLRQV VWUHQJWKHQ LWV UHSRUWLQJ RQ FOLPDWH JRYHUQDQFH

&OLPDWH&KDQJH&RQYHUVDWLRQV

7KH%RDUG RI 'LUHFWRUV*URXS6WUDWHJLF5HSRUW VHHNV WKHLU FRQVWUXFWLYH HQJDJHPHQW DW WKH IRUWKFRPLQJ $QQXDO *HQHUDO0HHWLQJ DQG RQ VXEVHTXHQW SURSHU LPSOHPHQWDWLRQ RI HQYLURQPHQWDO &KDLUPDQ &KLHI ([HFXWLYH7KH PDLQ UHVSRQVLELOLWLHV DQG DFFRXQWDELOLWLHV WUDQVIHUUHG WR WKH%RDUG LQFOXGH

- ([DPLQLQJ\ FRUSRUDWH VRFLDO UHVSRQVLELOLW\ LVVXHV HPHUJLQJ IURP WKH*URXS E\ WDNLQJ LQWR FRQVLGHUDWLRQ WKH *URXS E\ WDNLQJ LQWR FRQVLGHUDWLRQ WKH *URXS E\ WDNLQJ LQWR FRQVLGHUDWLRQ WKH
- 3URPRWLQJ WHUP YDOXH FUHDWLRQ E\ WKH *URXS E\ WDNLQJ LQWR FRQVLGHUDWLRQ WKH *URXS E\ WDNLQJ LQWR FRQVLGHUDWLRQ WKH
- 2YHUVHHLQJ\RXU V DSSURDFK DQG PHDVXUHV WR PDQDJH PHQW RSSRUWXQLWLHV DQG PDWHULDO FKDQJH PDWHULDO FKDQJH PDWHULDO FKDQJH

7KH%RDUG RI 'LUHFWRUV UHFRJQLVHV WKH &65 EHQHILWV RI &OLPDWH&KDQJH LQFOXGLQJ FOLPDWH UHODWHG VXVWDLQDELOLW\ PDQDJHPHQW DQG RQ RQJRLQJ VWDNHKROGHU HQJDJHPHQW DQG UHSRUWLQJ RQ WKHVH LVVXHV

6LQFH WKH%RDUG KDV DOVR IHDWXUHG &RPPLWWHH ZKRVH GXWLHV LQFOXGH D VSHFLILF UHYLHZ RI FOLPDWH UHODWHG LVVXHV FRPSRVLWLRQ DQG WKH GHWDLOV VHFWLRQ WKH%RDUG FRQWKLQXHV

7KH'HSXW&(2 ZKR LV*URXS&KLHI)LQDQFLDO2IILFHU UHVSRQVLEOHQXU*URXS&KDLUPDQ&KLHI)LQDQFLDO2IILFHU RSHUDWH HIILFLHQWO\ DQG

&OLPDWH&KDQJ\M UDWHJ\

7HOHSHUIRUPDQFH V SUHVHQFH LQ DURXQG7KH*URXS EHOLHYHV LWV FRPSHWLWLYH SRVLWLRQ WR VXVWDLQDEOH H[SORLWDWLRQ JHRSROLWLFDOFULVHVDQG DGDXGLWDO DVZKHEHKD\EH DGJUDYDWHG E\ FOLPDWH3HKDQHBMU&JZZPLFK DLPV WR SURPRWH UHVSR HQYLURQPHQWLWDQGEUDWLRQV

To achieve its objectives, the Group has developed initiatives across the whole operational cycle by involving its entire ecosystem

Our commitments

SCIENCE BASED TARGETS

CLIMATE PLEDGE

RENEWABLE ENERGY

1 HOW TO REDUCE THE GROUP'S IMPACT?

Energy eciency
Energy management systems
Green building criteria
Green IT equipment

Renewable energy

Solar panels

Solar panels
Digital transformation
Reduced emissions
through digital solutions
TP Cloud Campus

Waste management

recycling and donations

2 HOW TO ENGAGE STAKEHOLDERS?

Employee engagement and awareness-raising

Training and volunteering campaigns

Client and supplier partnerships

3 HOW TO CONTRIBUTE TOWARDS RESTORATION?

Global partnership

trees planted

Biodiversity conservation campaigns

World Cleanup Day

4 HOW TO MONITOR AND REPORT ON THE GROUP'S IMPACT?

GRI Integrated Report

Task Force on Climate-related Financial Disclosures | TCFD

Carbon Disclosure Project | CDP

Compliance with ISO 14001

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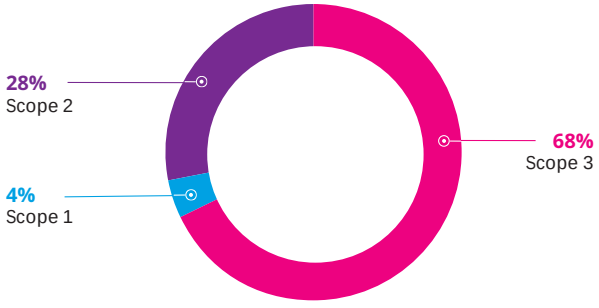

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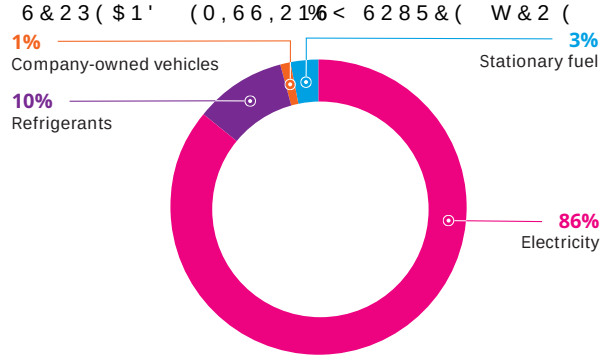

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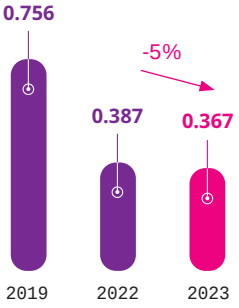

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7HOHSHUIRUPDQFH KDV ~7R UHGXFH LWV HQHUJ\ FRQVXPSWLRQ DQG HQYL *URXSLYHV SUHIHUHQFH WR 67$5 DQG (3($7 FH DQG FRPSXWHU HTXLSPHQW LQ DFFRUGDQFH ZL JOREDOYLURQPHQWDO

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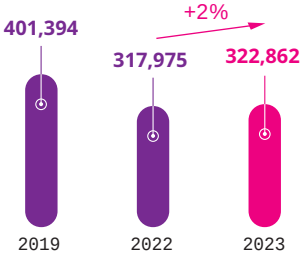

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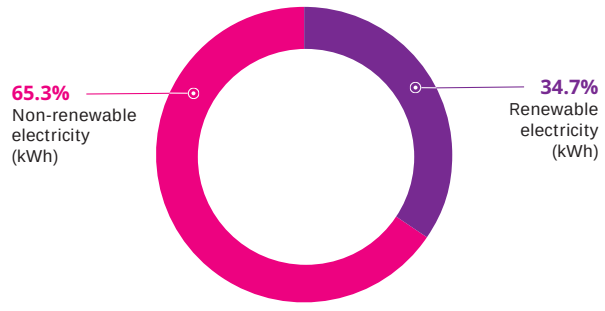

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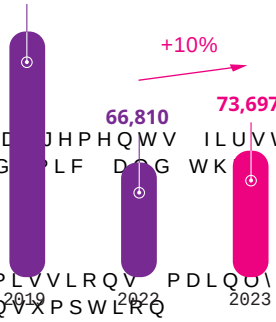

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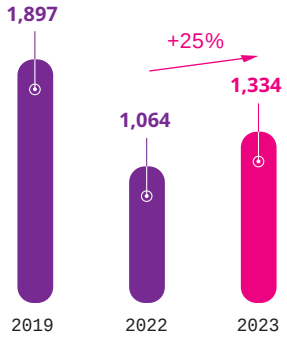

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7KH(XURSHDQ VXVWDLQDEOH WD[RQRP\ 7D[RQRPLHVFWDLORQVKHSURDOXWLRQ DQG SURWHFW RIHFRQRPLEWLHV FRQVLGHUHG WR EH HQDEOLQJ WHFKQLFDO FULWHULDGV7KHGQWURXFWLRQ %DFNHG E\LWVGQDPLFV IUDPHZRUN LV GHVLJQHG WR HDUDUN HFRQRPLF FRQWULEXWLRQV WKDWVDUH FRQVLVWHQW WKH (XURSHDQ FDUERQ QHXWUDOLW\ REMHFWLYH]HURSROOXWDQW DQG FLUFXODU HFRQRPLF GHDOKLJKOLWKWKHVWHQWLDO WKH7HOHSHUIRUPDQFH *URXS FDQ WDNH WR VXSSRUW WKHLU FXVWRPHUV LQ WKHLU WUDQVIRUPDWLRQ DPELWLRQV DPELWLRQV DQG WKH (XURSHDQ *UHHQ 'HDO

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URPRWLQJ XQLYHUVLW\ UHVRQVLELOLW\

$QDO\VLV XEVWDQWLDWLQJ FULWHULD IRU WKH GDSWDWLRQ FULWHULRQ

,QRUGHU WR DVVHVV WKH PHWKRGV (PSOR\HG WR LQYHVWLJDWH DQG H[SODLQ WKH EXLOGLQJ7HVSHFWLYH FRPSOLDQFH YHULILHG FRPSOLDQFH ZLWK WKH FULWHULRQ VXEVWDQWLDWLQJ LQIRUPDWLRQ

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'16+ 'R 1RLJQILFDQW +DUP FULWHULD KDYH WRFRQILP WKDW WKLV FRQWULEXWLRQ LV HQYLURQPHQWDO LVVXHV

,QYHVWPHQWV DQG H[SHQGLWXUHV RQ WHQ VLJQLILFDQW KDUP WR FKDQJH DGDSWDWLRQ 7HOHSHUIRUPDQFH PDSSLQJ EDVHG RQ WKH ORFDWLRQ RI FRPPHQGDWLRQ IURP WKH UHFRPPHQGDWLRQV RI WKH 7&)' WKH 7RORHO RQ 5LVN RQ WKH SURGXFWLRQ WKH 8QLYHUVLW\ RI 1RWUH 'DPH $GDSWDWLRQ &2)$&7RHSRUW WKHQG HSRUWV SXEOLVKHG E\ WKH WRWDO &2 WRHRO SRSXODWLRQ ,3&&663 DQG 663 VFHQDULR IXUWKHU DVVHVVPHQW RI IRUHFDVW

&RPSOLDQFH WKH PLQLPXP VDIHJXDUGV

,QDGGLWLRQ WKH PLQLPXP HPHUJHQF\ $FWLRQ 5HJXODWLRQ DUH SURFHGXUH FRPSDQ\ QDWLRQDO HQFRPSDVVLQJ WKH 2(&' *XLGHOLQHV IRU 0XOWLQDWLRQDO *XLGHOLQHV RQ %XVLQHVV DQG +XPDQ SULQFLSOHV WKH2(FRQYHQWLRQ RQ WKH 5LJKWV WKH FRQYHQWLRQ RQ WKH 5LJKWV RI WKH &KLOG

~7KH*URXS FRGHV DQG SROLFLHV DUH DOVR VWDQGDUGL WKHQHLYHUVDO 'HFODUDWLRQ RI +XPDQ 5LJKWV ,QDFFRUGDQFH ZLWK LQWHUQDWLRQDO HPSOHPHQWDWLRQ LPSOHPHQWDWLRQ DQG &RQWURO

~7KH*URXS VKDOO SURYLGH DGHTXDWH WUDLQLQJ WR DOO HPSOHPHQWHUV RQ WKH SROLFLHV DQG SURFHGXUHV

$SRQJ LWV HQYLURQPHQWDO FRPPLWPHQWV 7

FRPPLWWHG WR SULRULWL]LQJ RIILFHV \LHOGLQJ D

LQFRUGDQFH ZLWK LWV *UHHQ 3UHPLVHV 6WDQGD

LQSURYLQJ WKH HQHUJ\ SHUIRUPDQFH RI LWV IDF

$FFRUGLQJO\ WKH *URXS IDYRUV UHFHQWEXLOGLQJ

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+RZHYHU PRVW *URXS IDFLOLWLHV DUH ORFDW

FRXQWULHV ZKHUH WKH QRWLRQ RI SULPDU\ HQH

DQG 5LJKWV DW :RUN

EXLOGLQJ SHUIRUPDQFH 7KLV PDNHV LW FR

FRPSOLDQFH WR DGDO]H EXLOGLQJ7D[RQRPLF

7KH*URXS LV DLPLQJ IRU JUHDWHU LQWHJUDWLQ

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DV SRVVLEOH

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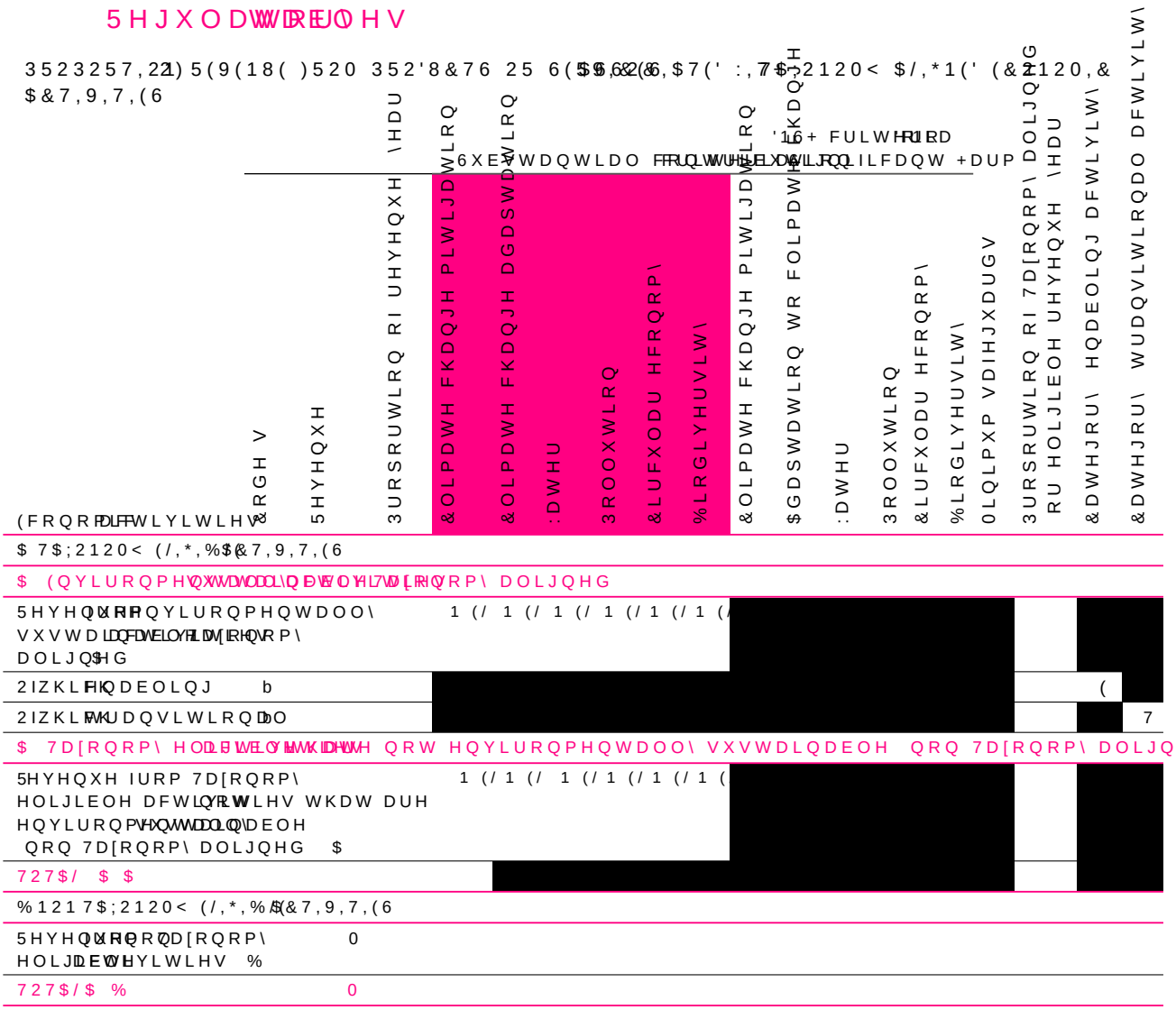

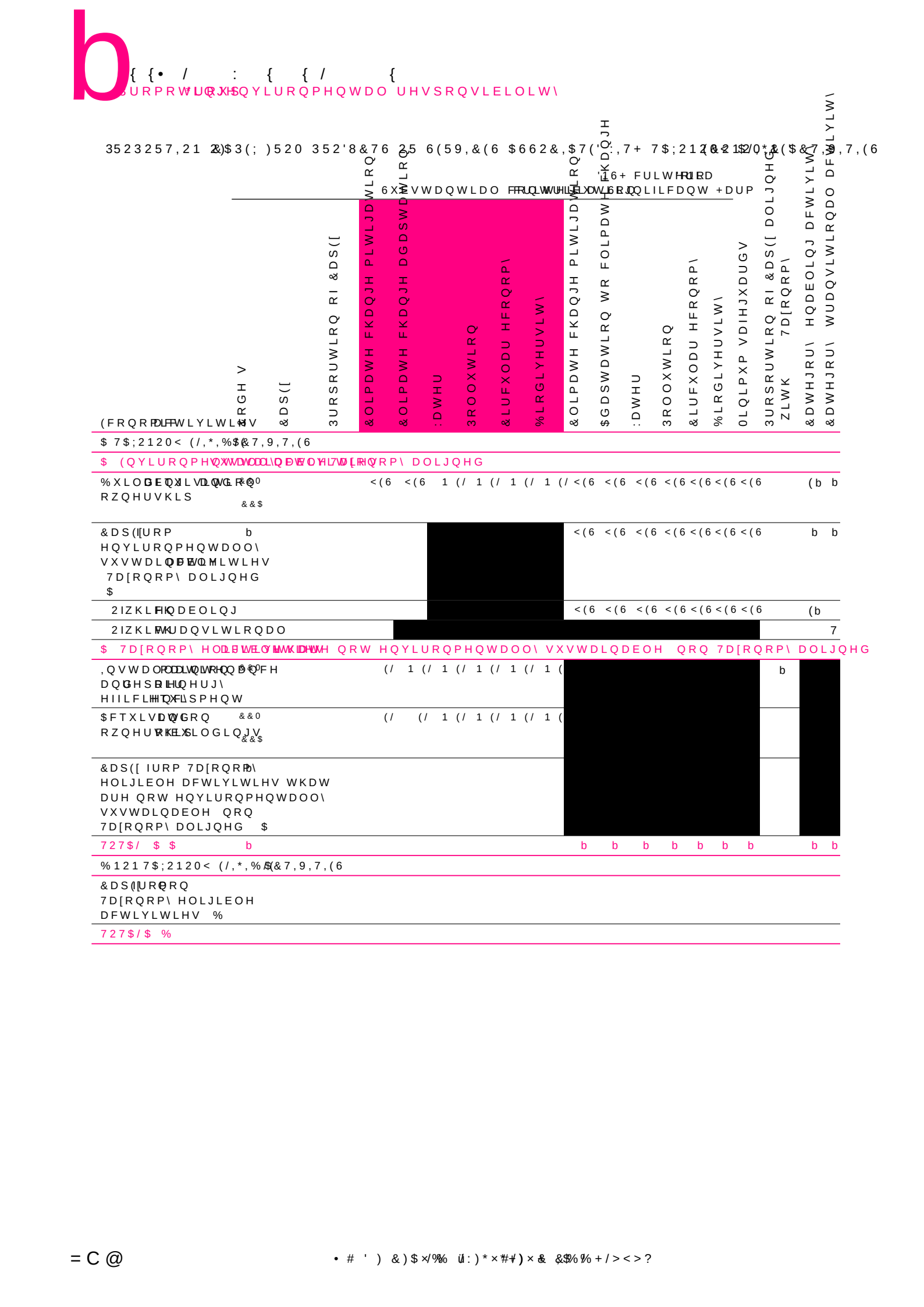

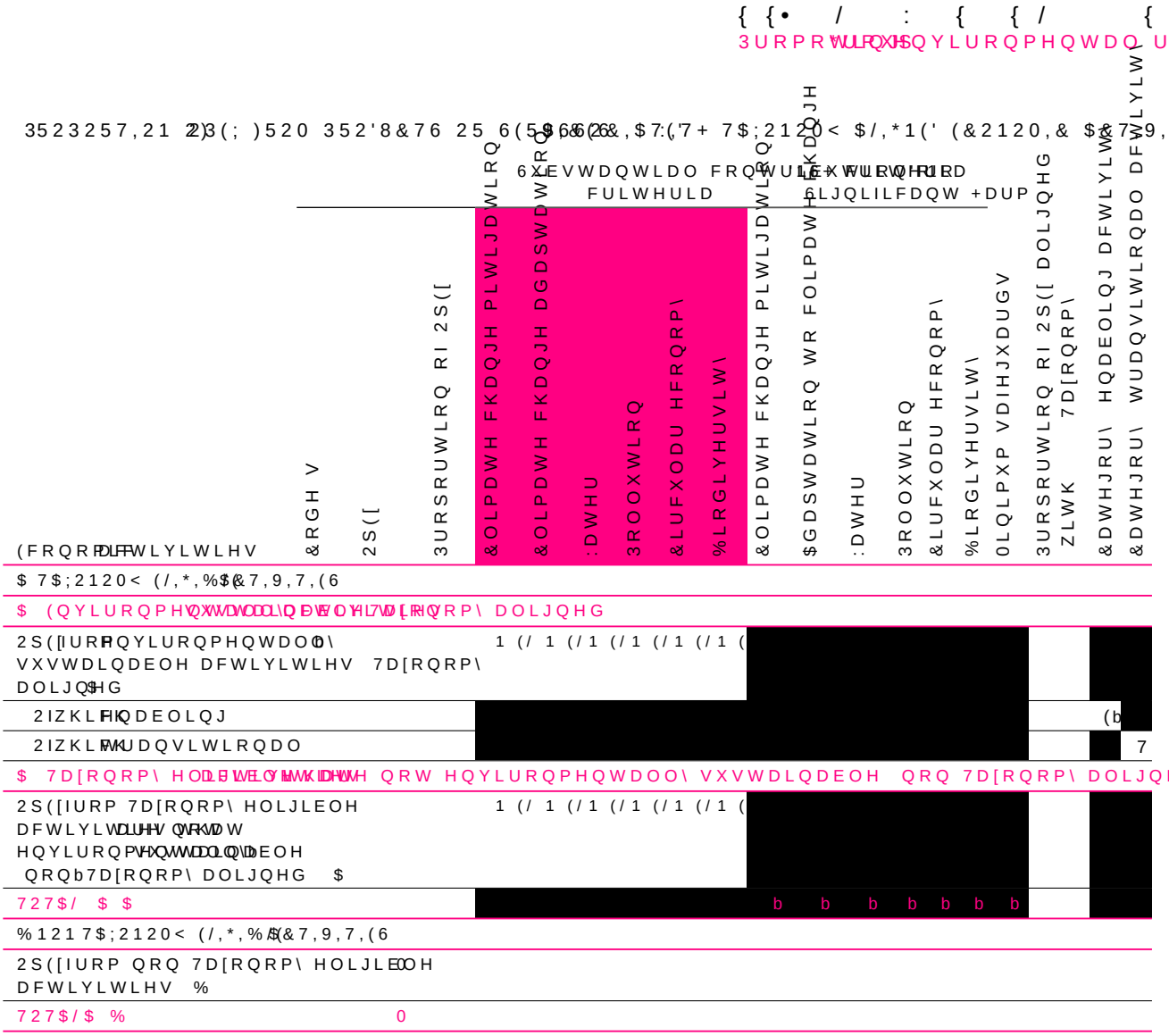

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VXEVLGLDU\ GHVLJQ DQG GRUPDO]H WKHLU HIIRUWV LQ WKLV DUHD EHJLQQLQJ LQ WKH HDUO\ SURGXFWLRQ SURFH

&HUWLILFDWLRQ	'HVFULSWLRQ	5HVXOW
,62	,QWURGXFHG\WKHQWHUQDWLRQDOVWDQGDUGV LQ&RORPELD6FDQGLQDYLDQ &RPSDQLHV 3HUX IRU 6WDQGDUGL]DWLRQ LQ WKLV DUHD HQYLURQPHQWDO PDQDJHPHQW SURGXFWLRQ	,62 FHUWLILFDWLRQ 8.bDQGK3HKLOLSSLQHV
/((' FHUWLILFDWLRQ /HDGHUVKLS\ DQGQYLURQPHQWDO 'HVLJQ	/((' FHUWLILFDWLRQ &RQVXPSWLRQ LQ WKH 8QLWHG 6WDWHV $QDERRUXS IDFLOLWLHV /((' FHUWLILFDWLRQ &RQVWUXFWLRQ L,QGLD	
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DZDUHQHVWXFK LW HQFRXUDJHV LWV HPSOR\HHV WR FRQVLGHU HQYLURQPHQWDO LVVXHV LQ WKH IDFLOL
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SURIHVVLRQDO &OHDQXS IRRWSULQW

7KHZHOFRPH JLYHQ WR QHZ HPSOR\HHV RQ WKHLU SHUPDQHQW DVVLJQPHQWV UHJDUGOHVV RI
HQYLURQPHQWDOO\ RU DW VXEVLGLDULHV)RU H[D
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(YHU\ HPSOR\HH GHLVZDUH RI HQYLURQPHQWDO *UHHQ (GHZHLVLRQ DWLRQ %HFKHOR
LQLWLDWLYHV YHQWXUHV\RXU FRPSDQLHV PDQURYHV UHOHDV
WR VDYH ZDWHU XVH HOHFWULFLW\ HQHUJ\ EHDFKHV
VWULFWO\ QHFHVVDU\ HWF 7UDLQLQJ FRXUVHV DQG TXL]]HV GHVLJQHG WR
DZDUHQHVV WKH PDLQ HQYLURQPHQWDO LPSDFWV DUH DVVRFLDWHG RQ WKH
0\73RORWHQWLDO QHJDWLYH

*OREDOUWQHUQKDSVHRHIRUHVWDQGLRQL YHUVLW\

,Q 7HOHSHUIRUPDQFH HVWDEOLVKHG D 6HQLRUWQHUVKLS 9LOODJH DOVR LQYROYHG
3ODQWHGRQ SURILW RUJDQL]DWLRQ GHGLFDWHGSDUFHOVRESD 7UHHIRUHVWWKDWSURQG KDV WHUHSHVGL
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,QWHUQDWLRQDOQYRDSHWUSRUDJHDUWQHZLWKQRUDJHDUWQHZLWKQR 9LYR
&DOFXODWLRQ RI FDQ DEVRUE DQ DYHUDJH RI NLORJUDPV RI
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WKHUHKRHOSS DEVRUERQ RI &2 SHU \HDU 7KH *URXS DOVR
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7KH*URXS V &65 DSSURDFK FRQWULEXWHV WRROHSHDWRLQJDQQHR MHWHUHGVQJHYHU\ RQH RI LW
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HVSHFLDOSOR\HV FXVWRPHUV ZKLQHHUDHVSHFWLRQ WR HQYLURQPHQWD
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RSHUDWLRULW LZKLFKDDWLWKKH KHG*URXSIWHKVRQVLEOH ,QYLQGHHQW 76QHSHUFRPDQFH V
EXVLQHDUH D VRXUFH RI PHWSOHRWLHVQ DQGHRUG LVUHFRQQQJVLRQ
GHVLJQWRG LPSURYH WKH &RPSDQ\ V VRFLDO DQG HQYLURQPHQWDO
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9HUHJZKLFK QRZ EHORQJV WR WKH &OHDUOLQHDU*URXS HVWDXUDQWRQ*URXSHYLHZ RI WKH *URXS
DZDUG7HGHPSHUIRUWRRQHWHUSULVH :LGH 6RFWRLQWHSRQDWLRQ\VWDQGDUGV LQWHUYLHZV
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7KLVHUWLILFDWLRQ SURYLGHV D FRPSUHKHQVLYH IUDPHZRUN FRQWLQXRXV
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OHDGHUVKLSLFV SHRSOH FRPPXQLW\ DQG HQYLURQPHQW
7HOHSHUIRUPDQFH DQDOQFHWHUDWLRQ IRU LQGLYLGXDO FHUWLILFDWLRQ
WKHVH DUHDV IDFLOLWDWLQJ HDFK SURFHVV

(FR9DGLV

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HQYLURQPHQWDOPDQDJHPHQW DQG HQYLURQPHQWDO VXSSO\ FKDLQ DQDO\VLV DQG FRQWLQXRXV
DZDUGHG PHGDOV WR D QXPEHU RI 7HOHSHUIRUPDQFH EVLGLDULHV
~ JRORGHGDOHOHSHUIR)UPDQFH IRFRUH ,W DPRXQWV WR UHFRJQLWLRQ E\ DQWLQHG
~ VLOYHHGDOHOHSHUIR3URPDQVHERUH H[FHOOHQFH RI 7HOHSHUIRUPDQFH &RQWLQX
7KH(FR9DGLVHVV PRQWKHQYLURQPHQW ODERU SUDFWLFHV LPSURYHPHQWV DQGLQJ DV D
KXPDQLJKWVWLQHWKDEG UHVSRQVLEOHPHQW ORQJ WHUP SDUWQHU

2W&6U FHUWLILFDWLRQ

,Q)UDQFKQLVDGDJDVDQGU0RUREHRSHUIRUPDQFH KDV DOVRHQ&ODEQWR DVV
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([HPSODU%UDVRQ ,62 JXLGHOLQHVWXQGE\ $)1256DWLRQV VHFWHQUDE7KLVRODEHQ]RQWKWLU
WKLVDEHO U7HOHSHUIRUPDQFH&6DWXHO\ HDQGRPLF SHUIRUPDQFH E\ OHYHUDJLQJ WKHLU &6
FRPPLWPHQW WR WDNHKROGHUV ZLWK UHJDUG ,Q WHHPEHU 7HOHSHUIRUPDQFH &RORPELD
DQGRYHUQDQFHVWUXFWXUHV LQWHUQDWLRQDO VWDQGDUGV IRU FRUSRUDWH 9
ZHUHQYROYHG LQ WKH FHUWLILFDWLRQ SURFHVV DQG WKH FHUWLILFDWLRQ WHDP
WKHUHBXVWRQWKHWRXS VS&65F\ WKH LQFRUSRUDWLRQ RI &65
FRQVLGHUDWLRQV LQWR RSHUDWLRQDO GHFLVLRQ PDNLQJ &RORPELD
ZLWKWKH &RPSDQ\W WURXS LQYROYHPHQW WR PHDVXUH DQG LPSURYH
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1RQ ILQDQFLDO QJV DQG (6* LQGH[

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5DWLQJ\VWHP	'HVFULSWLRQ
)76(*RRG	6LQFH -XQH 7HOHSKRQH KDV EHHQ LQFOXGHG LQ WKH LQWHUQDWLRQDO UHVSRQVLELOLW\ DQG JRYHUQDQFH
,66(6*	,66(6*KDV DZDUGHGSHUFHQW3DQRUHWLQ ZKLFK UHFRJQLVHVPWKH EHVWSUDQLHV
0RRG\9LVJHR	6LQFH 'HFHPEHU 7HOHSKRQH KDV EHHQ LQFOXGHG LQ WKH (XURQH WKH OHDGHUQRQ FRPSDQLHV LQ WHUPV RI &65 7KH &RPSDQ\(KDVLDGHV[R EH VLQFH 6HSWHPEHU :LWK D VFRRUHQWV YV XS WKH *URXS UDQNV DPRQJ W FRPSDQLWHVULQWRRILO UHVSRQVLELOLW\
06&,	06&DZDUGHG 7HOHSDQLSDQFHRXWSHUIRUPDQFH
6RODFWLYH	7HOHSHUIRZDVDQFH DJDLQ WKHRXSHGFWQYH (XURSH &RUSRUDWH 6RFLDO 5HV (WKLEXVWDLQDQFHLW\
6 3&RUSRUDWH7HOHSHUIRHEDWDEH DVFRUH RI DQG LV LQFOXGHG LQ WKH6'RZ -RQHV 6XVWDLQDELOLWRREDO (6* 6 3 (XURSH (XURS6*+LJK <LHOG 'LYLGHQG $ULVWRFUDWV DQ $VVHVVPHQW $OLJQHG 7UDQVIRUPDWLRQ
&'3	,Q WKH &'3 &DUERQ 'LVFORVXUH 3URMHFW DZDUGHG 7HOHSHUFRUPDQFH DERWKHVHFWRUHDGHU
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3XUVXDQWRWSWKRYLVLRQVRI / DQG 7HOHSHUIRUPDQFH V 8QLYHUVDO 5HJLVWUDWLRQ RI WKH)UHRFRPPHUFLDO W&KRGH+URXS PXVW FSRUDWH LQIRUPDWLRQ ZLWK WKH *URXS V ,QWHJUDWHG HQYLURQPHQWDO SUDFWLFHV 7KH5, DQG 6WDWHPHQW UHIHUHQFHG DERYH DUH SURYLGHG LQ WKH LQFRUSRUDWLRQ E\ UHIHUHQFH LQWR WKH &RPSDQ\V $QQXDO 5HSRUW RQ)RUP . IRU WKH \HDU HQGHG 'HFHPEHU 7KH5, DQG 6WDWHPHQW UHIHUHQFHG DERYH DUH SURYLGHG LQ WKH &RPSDQ\V $QQXDO 5HSRUW RQ)RUP . IRU WKH \HDU HQGHG 'HFHPEHU

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~ SURPRWHWKH UHODWLRQVKLS EHWZHHQ WKH QD IRUFHVGXSSRUWHG

~ 3URYLGHDLOIDU

~ 5HVSRQVDEOHGXVWDLQDELOLRRGE

~ 0HDVXUHV UHODWHG WR QRLVHSROOXWLRQ D SRROOXWLRQ

~ PSDFWV XSVWUHDP DQG GRZQVWUHDP WUDQVS FLOLWLHV DV

~ 3URPRWLQJ WKH UHODWLRQVKLS EHWZHHQ WKH QD IRUFHVGXSSRUWHG

6FRSH RI LQIRUPDWLRQ

5HSRUWHG DQQXDOO\

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$Q\ GGLWLRQDO TXHVWLRQV RU FRPPHQWV UHJDUGLQJ WKLV 7HOHSKRQH &65 'HSDUWPHQW DW FVU#W

'DWD	&ROOHFWLRQ PHWKRGRORJLHV	3HULRG	6FRSH
4XDQWLWDWLYH 7KLV GDWD LV JDWKHUHG WKURXJK LQIRUPDWLRQ FRQVROLGDWLRQ	,W LV PRQLWRUHG E\ WKH 5HSRUWLQJ &RQVROLGDWLRQ 'HSDUWPHQW PDLQO\ YLD FRQVLVWHQF\ FKHFNV DQG FRPSDUDWLYH	7KH GDWD LV JDWKHUHG RQ D TXDUWHUO\ EDVLV DQG LV UHSRUWHG DQQXDOO\	7KH GDWD VHW FRYHUV DOO VXEVLGLDULHV RI WKH FRUSRUDWLRQ DQG LV FRQVROLGDWHG LQWR RQH 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPH
4XDQWLWDWLYH 7KLV PRQWKO\ GDWD LV JDWKHUHG WKURXJK LQIRUPDWLRQ*DWKHUHG IURP V UHSRUWLQJ DQG FRQVROLGDWLRQ 7KLV GDWD LV FROOHFWHG SULPDULO\ YLD FRQVLVWHQF\ FKHFNV DQG D FRPSDUDWLYH SURHYLRXV \HDU	7KH GDWD LV JDWKHUHG RQ D TXDUWHUO\ EDVLV DQG LV UHSRUWHG DQQXDOO\ WR &65 DPEDVVDGRUV EXVLQHVV WUDYHO)RU WKH RWKHU &RQVROLGDWHG ILQDQFLDO VWDWH 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPH
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:RUNSODFH &LYLOLW\ IUHTXHQF\	6LQFH WKH *URXS KDV VHW GLW V GHVLUH WR PRQLWRU FDOFXODWLRQ PHWKRG L H WKH QXPEHU RI DFEL GWKRVH QXPEHUV SUHVHQWHG RQ D FRQVROLGDWHG EDVLV ZRUNHG RI SURGXFWLRQ RQ E7KH *URXS LQFOXGHVDOO WKH FRQVROLGDWHG VXEVLGLDULHV RI 7KH UDWH LV &RPSXWHG E\ GLYLGLQJ WKH QXPEHU RI DFFLGHQWV
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0DQDJHPHQW 7KLHV FRPSDVVHV WKH PDQDJHPHQW RI DQG RSHUYLRUV
+LULQJ 7KLV LWHP KRLUHV GXULQJ WKH \HDU FXUUHQW UHYLHZHUV RI DQ HPSOR\HH IURP R ZLWKLQ RXS
5HVLJQDWLRQV 7KLW WKHQ HPEHU RI UHVLJQDWLRQV GXULQJ \HDU
2WKHU HPSDUWXUHV 7KLV LV WKH VXP RI UHGXQGDQFLHV SRVLWLRQV HOLPLQDWHG WKURXJK UHVWUXFWXULQJ WR JURVV QHJDWLYH SHUIRUPDQFH RU OHDGLQJ WR GLVPLVVDQG WKH GHSDUWXUHV IRU DQ HPSOR\HH IURP RQH HQWLW\ WR DQRWKH
$WWULWLRQ 7KLV LV WKH QXPEHU RI SRVLWLRQV GLVFRQWLQXHG EHWZHHQ WZR GHVLJQDWHG RU LQFRPSHWHQF LQFOXGHV WLJDWLRQV DQG GLVPLVVDOV GXH WR QHJOLJHQFH RU LQFRPSHWHQF WHUPLQDWLRQV DQG D FRPSDUDWLYH
,QWHUQDWLRQDO 7KLV LV WKH SHUFHQWDJH RI SRVLWLRQV FDOO SRVLWLRQV LQWHUQDOO\ IRO
$JHQFLHV WKH LHUWH 7KLW WKHUH ZHUH IRXU WKUHH P WKLV LV WKHLU ILUVW MRE GXULQJ WKH \HDU XQG

4XDQWLWDWLYH RQ FLHQWRUDFDWLRQ	
:DWHUR QVXPSWLRQ	7RWDOQXDQWLWLHV RI :DWHUR QVXPSWLRQ
(OHFWULFLWRQVXPSWLRQ	7RWDOQXDO FRQVXPSWLRQ LQ OLWHUV XVHG IRU HPHUJHQF\ JHQHUDWRUV SHU W\SH RI IXHO DV SURYLGHG E\'()5$
)XHOFRQVXPSWLRQ	7KLV LV WKH WRWDO DQQXDO FRQVXPSWLRQ LQ OLWHUV XVHG IRU HPHUJHQF\ JHQHUDWRUV SHU W\SH RI IXHO DV SURYLGHG E\'()5$
5HIULJHUDQWV	5HIULJHUDQW LQYHQWRULHV DQG FRQVXPSWLRQ
3DSHURQVXPSWLRQ	7RWDOQXDQWLWLHV RI SDSHU FRQVXPSWLRQ SULQWHU DQG WRLOHW SDSHU LQ WRQV
%XVLQHVVWUDYHO	7KLV LV WKH QXPEHU RI NLORPHWHUV WUDYHOHG PXOWLSOLHG E\ WKH QXPEHU RI QLORPHWHUV WUDYHOHG 7KLV FRQVHUVLRQ IDFWRU HPLVVLRQ IDFWRUV DUH EDVHG RQ WKH 3DULV EHQFKPDUN WKDW WKH VDOHV VWDII ZKR DUH WKHUHIRUH UHVSRQVLEOH IRU WKHVH IOLJKWV
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&DUERRQRWSULQW	&DUERRQRWSULQW FRUUHVSRQGV WR GLUHFW DQG LQGLUHFW &2 DQG &2HTXLYDOHQW HPLVVLRQV UHODWHG WR SXUFKDVHG HPSOR\HH FRPPXWLQJ DQG

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3HUFHQWDJHRI HPSOR\HHV ZKR DUH HOLJLEOH IRU SHUIRUPDQFH UHYLHZV DQG WKH SHUFHQWDJH RI WKRVH HPSOR\HHV ZKR UHFHLYHG RQH GXULQJ WKH UHSRUWLQJ SHULRG 7KH SHUFHQWDJH RI HPSOR\HHV ZKR DUH HOLJLEOH IRU DQG UHFHLYHG DQ HPSOR\HH
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3HUFHQWDJHRI JHRJUDSKLF RSHUDWLRQV RI VXEVLGL\DULHV 3ROLF\ KDV EHHQ GHSOR\HG ZKHUHEHDVLEOH +RZHYHULW GRHV QRW FRYHU
3HUFHQWDJHRI HPSOR\HHV,62 FHUWLILHG IDFLOLWLHV LQFOXGH IDFLOLWLHV RSHUDWLQJ XQGHU WKH LQGLFDWRU GXULQJ)DFLOLWLHV GR QRW LQFOXGH RSHUDWLRQV LQ WHUULWRULHV RU FRXQWULHV RI LQGXVWU\

*5, R Q WLHQQGVH [

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*5, XVHG	*5, 8QLYHUVDO6WDQGDUGV
$SSOLFDEOHDFFRXQWDQGDUG V	6$6% 3URIHVVLRQDO6HUYLFHV

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*5, (FRQRPLF SHUIRUPDQFH	'LUHFWRQRYDLFXH JHQHUDWHG DQG LVWULEXWHG)LQDQFLDO LFDWLRQV DQG KUHUVDQGSSRUWXQLWLHV WRO LPDHQJH 'HILQHEHQHSLOLDLRQV DQG KUHUHUWLUHEHQW)LQDQLDVVWHEHRE WKHWHb JRYHUQPHQW 5DWLRVWDQGDUG HZDWE\ OHYHO JHQGHUPDWRGPDQLPXP ZDJH 3URSRUWLRQQLRU PDQDJHPHQW KLUHUGRWKHRFEPXQLW\		
*5, 0DUNHW SUHVHQFH			
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*5,VWDQGDUG RWKHUXUFH	'LVFORVXUH	85' ORFDWLRQVVLQJ FKDSWHUHTXLUHPHQWV	2PLVVLRQ RQ([SODQDWLRQ	6$6%
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	5HFODLPHG SURGXFWV WKHSDFNDJLQJ PDWHULDOV	;	1RW DSSOLFDEOH b7HOHSHUIRDPDQFH LV VHQVLWLYH FWRRSWQ\ GRHV QRWFKDQJH SDFNDJLQJ	
*5, (QHUJ\	(QHUJ\FRQVXPSWLRQ WKHRUJDQL]DWLRQ			
	(QHUJ\FRQVXPSWLRQ WKHRUJDQL]DWLRQ	;	1RW DSSOLFDEOH 7HOHSHUIRUPDQFH V VHQVLWLYH JHQHUDWH QR HQHUJ\FRQVXPSWLRQ RXWVLGH RUJDQL]DWLRQ	
	(QHUJ\1QWHQVLW\			
	5HGXFWLRQHQHUJ\FRQVXPSWLRQ b			
	5HGXFWLQRQHQHUJ\UHTXLUHPHQWV RbSURGXFWVHUYLFHV	;	1RW DSSOLFDEOH 7HOHSHUIRUPDQFH V VHQVLWLYH JHQHUDWH QR HQHUJ\FRQVXPSWLRQ	
*5, :DWHUDQG HIIOXHQWV	,QWHUDFWLRQVWKGUDZDO UHVRXUFH			
	0DQDJHPHQWDWHU GLVFKDUJHDWHG			
	:DWHUZLWKGUDZDO	b	b	b
	:DWHUGLVFKDUJH	b	b	b b
	:DWHFRQVXPSWLRQ	b	b	b b
	2SHUDWLRQHQHG PDQDJHQRUGMDFWHRQWRWHDFWHDG DQGUHDVKLEKLRGLYHUVLGH SURWHDFWHDG	b	b	b b
*5, %LRGLYHUVLW\	6LJQLILPSDQWDFWLYLWLHV SURGXFQWHUYLRQLRGLYHUVLW\	b	b	b b
	+DELWDWWHFWHG RU UHVWRUHG	b	b	b b
	,&15HGLVW VSHFLHVDWLRQDO FRQVHUYDWLRQ RUHVWULFWHG DIIHFWHRGHUDWLRQV	;	1RW DSSOLFDEOH 7HOHSHUIRUPDQFH V LPSDFWVHKDWQHRV	

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	'LUHFWRSHQ*+*HPLVVLRQV	b	b	b	b		
	(QHUJ\GLUHFW*+6FRSH HPLVVLRQV		b	b	b		
	2WKHULQGLUHFW*6FRSHHVVLRQV		b	b	b		
	*+*HPLVVLRQVWHQVLW\	b	b	b	b		
	5HGXFWLRQV*+HPLVVLRQV	b	b	b	b		
*5, (PLVVLRQV	(PLVVLRQHQVRQH GHSOHWLQJ VXEVWDQHV		;	1RW DSSOLFDEOH	7HOHSHUIRUPDQFH LV D		
	1LWURJHQGH2/[VXORKLGHV 62[DQGZDWHUYDSRXU		;	1RW DSSOLFDEOH	7HOHSHUIRUPDQFH LV D GRHVQRW JHQHUDWH VLJQLILFDQWVHQV		
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*5, :DVWH	0DQDJHPHQWQLQLWLDWHGWR UHGXFHZDVWH						
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*5, (QYLURQPHQWDOFRPSOLDQFH	1RQ FRPSOLDQFHYLURQPHQWDO						
*5, 6XSSOLHU HQYLURQPHQWDO DVVHVVPHQW	1HZVXSSOLHUVKDVWUHHQG XVLQJHQYLURQPHQWDO						
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*5, 0DQDJHPHQWSURFHGXUHV DSSURDFK							
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*5, (PSOR\PHQW	%HQHILWRYLGHG WLPH HPSOR\HHVHQVLWLYH WHPSRUDU\WHPSOR\HHV		b	b	b	b	
	3DUHQWDO		b	b	b	b	
*5, /DERU PDQDJHPHQWRSHUDWLQJ UHODWLRQV	0LQLPXPWLFH SHULRGV UHJDUGLQJ	b		b	b	b	

		85'	2PLVVLRQ			
*5,VWDQGDUG RWKHUXUFH	'LVFORVXUH	ORFDWLRQVVLQJ FKDSWHUWHTXLUHPHQWV				6$6%
	2FFXSDWLRQDOWDVN PDQDJHPHQW	b	b	b	b	b
	+D]DUGLGHQWLILFDWLRQ DQGULVNDVVHVVP HQW	b				
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*5, 2FFXSDWLRQDOWDVN DQGGDIHW\	:RUNHUDUWLFLSDWLRQ DQGFRPPXQLFDWLRQ DQGGDIHW\					
	:RUNHUUDLQLQJ KHDOWKDQGGDIHW\	b				
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	3UHYHQWLQJGRPLQLJDWLRQ RI RFFXSDWLRQDOWKHDOWKDQG LPSDFWV GLUHFWO\DQGHGXVLQHVVDWLRQVKLSV	b				
	:RUNHUFRYHUHGQ RFFXSDWLRQDO KHDOWKDQGGDIHPDQDJHPHQW					
	:RUN UHODWHGVWUHVV					
	:RUN UHODWHGKHDOWK					
	$YHUDJHXUWUDSHQG HPSOR\HH	b				
*5, 7UDLQLQJ DQGGXFDWLRQ	3URJUDPXSJUDGLQJ HPSOR\HH					
	3HUFHQWDJHPSOR\HHFHLYLQJ UHJXODUIRUPDQFHGU GHYHORSPHQW UHYLHZV					
*5, 'LYHUVLW\ DQGHTXDO RSSRUWXQLW\	'LYHUVLW\RLJR\YHUQDQFH DQGPSOR\HHV				69 36	D
	5DWLRERDVLFDOO\HPXQHUDWLRQ RIWRPHQWDWLRQ	b			69 36	D
*5, 1RQ GLVFULPLQDWLRQ	,QFLGHQWVLVFULPLQDWLRQ					
*5,)UHHGRP RIDVVRFLDWLRQ FROOHFWLYH EDUJDLQLQJ	2SHUDWLQJXSSOLHUDVVRFLDWLRQ					
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*5, 6HFXULW\ SUDFWLFHV	6HFXULW\VRQQHO KXPDQGXHV	b				
*5, 5LJKWVLQGLJHQRXVSHRSOHV	,QFLGHQWVLQYROYLQJLQGLJHQRXV	;	1RW DSSOLFDEOH	7HOHSHUIRUPDQFH V EHQHILWVRUHQWDO ORFDWHG RQ WKH WHUULWRULHVRIOLJHQRXV SHRSOHV		
	2SHUDWLQJXSSOLHUHQJDJHPHQW WR KXPDQULJKWVYLRODWLRQV	b				
*5, +XPDQ ULJKWVWHVVPHQW	(PSOR\PHQWGLVFULPLQDWLRQ RUULJKWVYLRODWLRQV	b				
	6LJQLILFDQWHQYLURQPHQWDO FRQWULEXWLRQVDQG RUWKHQGHUHVWLPDWHV					

*5,VWDQGDUG RWKHUXUFH	'LVFORVXUH	85' ORFDWLRQVLQJ FKDSWHUHTXLUHPHQWRQ([SODQDWLRQ	2PLVVLRQ		6$6%
*5, /RFDO FRPPXQLWLHV	2SHUDWLQJKFRPPXQLW\ HQJDJHPLHQWVWDWHPHQWV DQGHYHORSPHQWDPV				
	2SHUDWLQJKVJQLFDQWO DQGRWHQWLDOFXO FRPPXQLWLHV				
*5, 6XSSOLHU VRFDOVHVPHQW	1HZVXSSOLKDWHUHFUHHQG XVLQRFDWLRQ				
	1HJDWLYHLPSDFWVWKHX FKDLQGFWLYLWLHV				
*5, 3XEOLF SROLF\	3ROLFLHVRHDOLXWLRQV b				
*5, &XVWRPHU KHDOWKDIHW\	$VVHVVRHDOWK DQGDIHW\SDRXUGXFWHU FDWHJRULHV				
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	5HTXLUHPRXUFH LQIRUPDWLRQE	;	1RW DSSOLFDEOH	7HOHSHUIRUPDQFH LV D GRHQRW SURGXFH ODEHOLQJ	
*5, 0DUNHWLQJ DQGDEHOLQJ	,QFLGRQFRQ FRQFHUQLQJDUHWLQJ DQGDEHOLQJ	;	1RW DSSOLFDEOH	7HOHSHUIRUPDQFH LV D GRHQRW SURGXFH ODEHOLQJ	
	,QFLGRQFRQ FRQFHUQLQJHb	b	b	b	b
*5, &XVWRPHU SULYDF\	6XEVWDQWLDOFRQFHUQV EUHDFKHVFRPSODLQWV RbFXVWRPHUGDWD				69 36 D 69 36 D 69 36 D
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& R Q V H T X H Q W O \ , Q I R U P D W L R Q Q H H G V W R E H U H D G D Q G X Q G H U V W R R G W R J H W K H U W K H D Y D L O D E
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P D L Q R Q I L Q D Q F L D O S U R Y L V L R Q V W K D W D U H F R P S O H W H G L Q D F F R U G D Q F H Z L W K W K H
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~ S U H S D U D W L R Q R I W K H P D Q D J H P H Q W ' L V F X V V L R Q D Q D O \ V L V D Q G P H W K R G R O R J L H V X V H G L Q
~ L P S O H P H Q W L Q J W H U Q D O F R Q W U R O R Y H U L Q I R U P D W L R Q U H O H Y D Q W W R W K H S U H S D U D W L R Q R I W
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~ W K H D L Q H W K H R I I R U P D W L R Q S U R Y L G H G R S U R S H U F R Q W R D S S O L F D E O H & R P P L W W H H V D Q G W K H &
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0 H D QDVQUGH V R X U F H V

2XUZRUHQQJDJWKVHNLRO VHRSOH EHWZHHQ 2FWREHU WDRQGN0DWFKWDO RQG ZHHNV

:H ZHUH DVVLVWHG LQ RXSUFZLDUNLVWRXQHVKYRWHDEHQDVOHQG FRUSRUDWH VRFLDO UHVSRQVLE bLQWHUYLHZV WLWKSRSOHRLEOH IRU SUHSDULQJ WKH 6WDWHPHQW UHSUHVHQWWUQFXLQHBBQWLFX (WKDLG&RPSOLDQFH

1 D W XDUQHGF R SRHSURFHGXUHV

:H DUH UHTXLUHG WR SODQ DQG SHUIRUP RXUZZRKDNYWRGHQQGWULHLWGWWKDDWHDYDZKHHULO PLVVW LVOLNHBDUVH

7KHSURFHGXUHV ZH SHUIRUPHG ZHUH EDVHG RQ RXU SURIHVVLRQDO MXGJPHQW ,Q FDUU\L ,QIRUPDZHLQ

~ REWDDQXQGHUVWRDQGWKHJ FRQVROLGDWHG HQWLWLHV RDMFKWHLYDWLQHUVDQG WKHRGHHDWHLQSWLRQ

~ DVVHVWHGH VXLWDELOLW\ RI WKH FULWHULD RI WKH *XLGRHPSLQHHWHZQHWKU UHHVSHEEVLOLRV\WK XQGHUVWDQGDNBLQDWRRXQWDSSURSUELHDSWHFWLFHWWKEWRU

~ YHULIWKHGW6WKWHPHQWHDFKXGWWJRU\ RI VFDQG HQYLURQPHQWDO LQIRV2EWRQVVH LQIRUPDUWHJRQGLQJ FRPSOLDQFH ZLWK KXPDQ ULJKWV DQGHDLQWDLWRQRQVHQWDO DQH[SODQDWRWKH LQIRUPDWLRQ UH/TXLUHG,XQGHUWDNHQ &RPPHUF

~ YHULWKHGW WKH 6WDWHPHQW SURYLGHV WKH LQIRUPDWLRQ UHTXLPHGFXQGHUGHOR ZLWKHVSHWWKHLQWHUQDWLRQ

~ YHULWKHGW WKH 6WDWHPHBXQWGHHWHQGWKHGWKHHVDFLQGHUOR VVFDWHG ZLWK RI DOO DFWLYLQWLHVJRQGXFWHG E\ WKH &RPSDQ\ LQ

~ YHULWKHGW WKH 6WDWHPHQW FRYHUVWKHHQWLWLHV RU VFDWHG ZLWK RI DOO DFWLYLQWLHVJRQGXFWHG LQWHUYLHZV WR

BDVVHWWKH SURFHWRV LXGHHGWLI\ DQG FRQILUP WKH PDLQ ULVNV DV ZHOO DV WKH FRQVLVWHQF LQGLFDXWHRGULVWKHVWHWKH PDLQ ULVNRODFLGHWKHVHQWHG DQG

BFRUURERWKH TXDOLWDWLYH LQIRUPDWLRQ ZHHDFRXQVLGHDQGGRWXVERPWKHFRDWW LPSRUWDQW DQGRZKLFKXURN ZHVIRUPDWWGHRQVOLGDWLQJ

~ YHUGIWKDW WKH 6WDWHPHQW FRVYHHRSHHWKDHORRWKHQGWWWHGV ZLWKLQ WKH FRQVROLGDWLRQ /RWKHUHQ&RPPHUFLDO &RGH ZLWKVLHQWXWKH6PWDWHPHQW

~ REWDLQHG DQ XQGHUVWDQGLQJ RI LQWHUQDO FRQWURO DQG ULVN PDQDJHPHQWDWSURFHGX FROOHSFWRLFRBQVHGWHQVXULHQHPSOHWDQGWKHRQ,QIRUPDWLRQ

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1RQ &RPSHWLWLYH SHQVDWLRQ i ib :KHWKHU HPSOR\HUV &RQFOXGH WKDW LQFRUSRUDWLQJ DXWRPDWLF DXWRPDWLF HQUROPHQW DQG HVFDODWRU\ FRQWULEXWLRQV DUH DSSURSULDWH IRU WKHLU HPSOR\HHV	YLVLRQ LQVWLOOHG E\ LWV OHDGHUV WKH VWUXFWXUH DQG VXVWDLQDELOLW\ RI LWV EXVLQHVV PRGHO 7KH %RDUG DQG LWV FRPPLWWHHV DGGLWLRQDO HPSOR\LQJ PRUH WKDQ GGLWLRQ WKH *URXS KDV HQWHUHG D SKDVH RI WUDQVIRUPDWLRQ DQG LV EHLQJ PRGHO 7KH HOHPHQWDWLRQ WKLV PXOWLIDFHWHG DSSURDFK LQFRUSRUDWHV WKH HYROXWLRQ RI WKH &RPSDQ\ DQG LWV EXVLQHVV PRGHO DQG H[SHULPHQWDWLRQ 7KH VWUXFWXUH DQG FRPSRVLWLRQ RI WKH %RDUG RI 'LUHFWRUV DQG LWV &RPPLWWHHV DUH HYDOXDWHG RQ DQ DQQXDO EDVLV DQG DUH VXEMHFW WR FKDQJH DV WKH &RPSDQ\ HYROYHV DQG DV QHZ RSSRUWXQLWLHV DQG FKDOOHQJHV DULVH 7KH %RDUG DQG LWV &RPPLWWHHV DUH DVVLVWHG E\ WKH &RPSDQ\ 6HFUHWDU\ DQG WKH &RUSRUDWH *RYHUQDQFH 7HDP LQ WKHLU UROH DV JRYHUQDQFH SURIHVVLRQDOV 7KH &RPSDQ\ 6HFUHWDU\ DQG WKH &RUSRUDWH *RYHUQDQFH 7HDP DUH UHVSRQVLEOH IRU HQVXULQJ WKDW WKH %RDUG DQG LWV &RPPLWWHHV UHFHLYH WLPHO\ DFFXUDWH DQG FRPSUHKHQVLYH LQIRUPDWLRQ WR VXSSRUW GHFLVLRQ PDNLQJ DQG WKDW WKH %RDUG DQG LWV &RPPLWWHHV RSHUDWH LQ DFFRUGDQFH ZLWK DSSOLFDEOH ODZV UHJXODWLRQV &RPSDQ\ &RGH RI &RQGXFW &RUSRUDWH *RYHUQDQFH *XLGHOLQHV DQG RWKHU SROLFLHV DGRSWHG E\ WKH %RDUG IURP WLPH WR WLPH 7KH &RPSDQ\ 6HFUHWDU\ DQG WKH &RUSRUDWH *RYHUQDQFH 7HDP DOVR VXSSRUW WKH &KDLUPDQ LQ WKH GHOLEHUDWLRQ RI WKH %RDUG DQG &RPPLWWHH PHHWLQJV DQG LQ WKH GHYHORSPHQW RI DSSURSULDWH DJHQGDV DQG PDWHULDOV
ib 7KH%RDUG%XVLQHVV PDNHSURYLVLRQV QRWHRPSHWHWLYH SDLRQ FRPSHQVDWLRQ ,QDGHYHORSPHQWV EHSDLRGYHUKHSHQVLRQ	:LWK UHJDUG WR WKLV UHFRPPHQGDWLRQ LQWURGXFWRU\ GPHQWGKH SURYLVLRQV FRPSHWH DJUHHPHQWV DV SSURYHGEHDGRQ VKD $SULOb LQWURGXFH D FRQGLWLRQDO HPHQW YHUL WKHUXS SRGLWVKRQ SDUWLFLSDQW 1RYHPEHUb b DQG 1RYHPEHUb EWKHLU ZKROH UHSRUWLQJ RQH 0D\b DQG $SULOb 1PVHPEHUb -XQHb 0D\b DQG $SULOb 1PVHPEHUb DXWKRUL]HG DQG LVVXHG RU WUDQVIHUUHG XQGHU WKH &RPSDQ\ DQG L 0Ub2OLYLHU 5LJDXG\ 7KLVbXQGHUWDNLQJ ZDV VLJQHG RQ)HEUXDU\b QRQ FRPSXHQVDWHG HUWEDNQQLQJ WKH *URXG V PDLQ RSHUDWLRQDO HWHFXWLYH 0U%KXSHQGHUHGXW KLHI ([HFXWLYH 2IILFHU DQG 3UHVLGHQW RI 7UDQVIR
ib 7KH%RDUGBXVVRPDNHSURYLVLRQ QRWRPSHWHWLYH SDLRQ FRPSHQVDWLRQ ,QDGHYHORSPHQWV EHSDLRGYHUKHSHQVLRQ	:LWK UHJDUG WR WKLV UHFRPPHQGDWLRQ LQWURGXFWRU\ GPHQWGKH SURYLVLRQV FRPSHWH DJUHHPHQWV DV SSURYHGEHDGRQ VKD $SULOb LQWURGXFH D FRQGLWLRQDO HPHQW YHUL WKHUXS SRGLWVKRQ SDUWLFLSDQW EWKHLU ZKROH UHSRUWLQJ RQH 0D\b DQG $SULOb 1PVHPEHUb -XQHb 0D\b DQG $SULOb 1PVHPEHUb DXWKRUL]HG DQG LVVXHG RU WUDQVIHUUHG XQGHU WKH &RPSDQ\ DQG L 0Ub2OLYLHU 5LJDXG\ 7KLVbXQGHUWDNLQJ ZDV VLJQHG RQ)HEUXDU\b QRQ FRPSXHQVDWHG HUWEDNQQLQJ WKH *URXG V PDLQ RSHUDWLRQDO HWHFXWLYH 0U%KXSHQGHUHGXW KLHI ([HFXWLYH 2IILFHU DQG 3UHVLGHQW RI 7UDQVIR
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ib 7KHQRQ FRPSHWLWLYHSHQVDWLRQ EHQHILWVDUHSURYLGHGXQGHU DGHILQHGEHQHILW SHQVLRQSODQ LQ WKH8QLWHG.LQJGRP	bZLWK UHJDUG WR WKH DGJUHHPHQW LQFXPEHQW RQ 0U b'DQLHOb -XOLH DVVLGQHGRQVHQVLRQ LbZLWK UHJDUG WR WKHFXUEHQWPHQWSULJDXGHOSYLWU &KLHI (;HFXWLYH DbVLQRJOHVHSDUDWHQRWYHUQWKV DVEHKLPVHQ 7KHQRQ FRPSHWH DJUHHPHQWV SURYLGH IRU UHFRYHULQJ PHFKDQLVP FRPSHQVDWLRQ SDLGLQWKHYHQWGHDWK

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&KRLFH IMVKHH WKRG[HUFLVHHRIXWDYQDJHPHQW

8QGHUWKH WHUPVb RIDUWKLFOHWV VHFWLRQ)HEUXDULY XSRQ UHFRPPHQGDWLRQ RI WKH PDQDJHPHQW LV XHQGHUVWKH UHVSRQVLELOLWLHV RI &KDLUPDQ%RDUG RU DQGRVYHUQDQFHSHRUVRQQHO 'HFHPEHU VWUX RI 'LUHFWRUV DQG WKH WLWOH RI &KLHI ([HFXWLYH 2IILFHU DQG 0U %KXSHQGH (GLWRULDO DQG &KLHI ([HFXWLYH 2IILFHU DQG 'LUHFWRU DFWLQJ DV 2IILFH&KLHI(IHDXWLYH 2IILFHU DQG 'LUHFWRU DFWLQJ RSHUDWLRQDO UH VKDUHKROGHUV WKH HIIHFWLYH PDQDJHPHQW 7KH &KLHI([HFXWLYH 2IILFHU DQG WKH ([HFXWLYH &KDLUPDQ DUH DXWKRUL]HG WR HQWHU LQWR DQG H[HFXWH RQ EHKDOI RI WKH &RPSDQ\ DOO GRFXPHQWV DJUHHPHQWV DQG LQVWUXPHQWV RI WUDQVIHU DVVLJQPHQW &RQYH\DQFH &RQWUDFW &HUWLILFDWH RU RWKHU GRFXPHQW RU DJUHHPHQW RI DQ\ QDWXUH ZKDWVRHYHU WKDW WKH\ PD\ GHHP QHFHVVDU\ RU DSSURSULDWH LQ RUGHU WR FDUU\ RXW WKH SXUSRVHV DQG LQWHQWLRQV RI WKLV UHVROXWLRQ DQG WR DIIL[WKH &RPSDQ\ V VHDO WKHUHWR DQG WR DWWHVW WKH VDPH

8SRQ SURSRVDO E\ WKH &KLHI ([HFXWLYH 2IILFHU WKH %RDUG PD\ DSSRLQW RU PRYH LQGLYLGXDOV UHWDLQ RU WHUPLQDWH WKH &KLHI ([HFXWLYH 2IILFHU RU 'LUHFWRU DJUHHPHQWV RI WKH &RPSDQ\ DQG WR GHWHUPLQH WKHLU FRPSHQVDWLRQ DQG RWKHU WHUPV DQG FRQGLWLRQV RI HPSOR\PHQW &RPPLWWHH RU WKH %RDUG PD\ GHWHUPLQH 7KH &KLHI ([HFXWLYH 2IILFHU DQG 'LUHFWRU DUH DXWKRUL]HG WR GHOHJDWH WR DQ\ RIILFHU RU RWKHU HPSOR\HH RI WKH &RPSDQ\ VXFK GXWLHV DQG UHVSRQVLELOLWLHV DV WKH\ GHHP DSSURSULDWH

7KH)(3 0(') FRGH ZKLFK GRHV QRW DSSO\ WR WKH 'HSDUWPHQW VWUXFWXUH DQG WKH 'HSDUWPHQW V FKDQJH IXQFWLRQDOLWLHV PDNHV LW LPSUDFWLFDO WR DSSO\ LW LQ LWV HQWLUHW\ %RDUG &KLHI ([HFXWLYH 2IILFHU GHSHQGLQJ RQ VSHFLILF WHTXLUHPHQWV DQG FRQVLGHUDWLRQV IRU *RYHUQPHQW &RQWUDFWV ,Q DQ HIIRUW WR VWUHQJWKHQ WKH &RPSDQ\V FKDQJH &RQWURO 'DWD &RUSRUDWH \HDU DQG WKH DEILOLW\ RI WKH &RPSDQ\

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$JH OLPLW DUH FHUWDLQ UHVWULFWLRQV RI DVVRFLDWLRQ	1R PRUH WKDQ RQH WKLUG RI WKH VHUYLQJ PHPEHUV PD\ EH %RDUG PHPEHUV RU PHPEHUV RI WKHLU LPPHGLDWH IDPLOLHV 7KH &KDLUPDQ RI WKH %RDUG UHPDLQV LQHOLJLEOH WR VHUYH DV &KDLUPDQ RU ([HFXWLYH 2IILFHU 'HSXW\ &KDLUPDQ RIILFHUV QRU WKH DJH &KLHI
2ZQHUVKLS RI WKH &RPSDQ\V DUH OLPLWHG WR &RPSDQ\ GLUHFWRUV PXVW KROG DW OHDVW RQH HTXLW\ VKDUH &RPSDQ\ RU KHU WHUP RI ZLWKLQ WKH H[HFXWLYH RIILFHUV RU HPSOR\HHV DUH QRW REOLJHG WR PLQLPXP QXPEHU RI &RPSDQ\ VKDUHV 7KH QXPEHU RI VKDUHV KHOG E\ HDFK GLUHFWRU VKDOO EH QR OHVV WKDQ RQH \HDU V UHPXQHUDWLRQ GLUHFWRUV)XUWKHU H[HFXWLYH RIILFHUV DUH QRW UHTXLUHG WR KROG VKDUHV SHU IRUPDQFH EDVHG RU HTXLW\ VKDUHV RI WKH VKDUH FDSLWDO RI WKH &RPSDQ\ VHFWLRQ EHORZ

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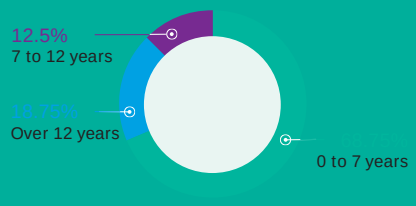

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&R SWHRQHFWLRQ LQ SODFHPQW0RWLRQ%HUUD
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9DUX%HU\	N		N	N				N	
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3DXO*LQH«VWL«	N	N		N	N		N		
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-HD*X]H]	N			N		N			
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GRZQVWUHDP FRPPXQLFDWLRQ EXVLQHVVHV VXFK DV V
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9LFH 3UHVLGHQW RI 4XDOLW\ WR PDQDJH WKHRLUPSVOHQWDWLRQVWKDW &
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,Q 0U (ODODP\ IRXQGHG 0DMRUHHOWHDOWKDQG 7KLVWRFRPSOHPHQW JURZWKXFFHVVOLVWLQJ $PQVWHUGDP VWRFN6HFXULWLHVb 7HOHSHUIRUDFTXLVLWLRQ

)URP WR KHFKDLUHGQI«G«UDLRQ *«Q«UDOH GHV&((QWUHSULVHV GX 0DU

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,Q 0U (ODODP\ UHWXUQHGWRPW*URXSHQGRKDDWWKHDQGDLRQ FUHDWHG WR FUHDWH D ODVLQJ LYXSODHWUREOWKHRPRVDWLRQV LQ 0RURFFR DQG 7KHRXQGMREXQKHDEWXFDWLRQ DQG PHQWRULQJ

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6KH EHFDPH D IUHHODQFH FRQVXOWDQW DQG VWDUWHG DGYLVLQJ FRPSDQLHV RQ [SHULHQFH LQ OHDGLQJ D 0DVWHU RI 6FLHQFHV LQ +XPDQ &RPSXWHU ,QWHUDFWLRQ (U /RQGRQ 8QLWHG .LQJGRP)ROORZLQJ [SHULHQFH FRQVXOWDQF\ EHIRUH JRLQJ I FXVWRPHU [SHULHQFH FRQVXOWDQW 0RUH UHFHQWO\ VKH KDV EHHQ EXLO EHKDYLRU WR GHYHORS DQ H[HFXWLYH DQGRGHVLJQHU FRDFKLQJ SURP FRDFKLQJ RUPDQFH DQDO\

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$VD KREELUMHFWRO QJH KH FR SURGXFHG DQG FR3HUHSVCHQWHXQWKHIP3DWXU 6HD ZKLFK HDUQHG DZLOOHDWLOHDW/WKQH WKb,QWHUQDWLRQDO)LOP)HVWLYDO &KLHXVLQHVV ZLGWKVRVWUR 1RPLFDO (QWHUDLQPHQW ZKLFK LQLWLDWH VHULHSW 7DOH 'UN b*VLPQWHUHVW LQ HQWHUWDLQPHQW DOVO OHG KL $ZDUGRPLQDWHG 2I 0LFH DQG 0HQDPEDHQLQSZDUG VHWWLQJ DDWZ ER[RI WKHRQJDFWKHDHWHUV PHPEHUWKH 3URGXFHUV *XLOG RI $PHULFD

'U .HYLQZLX FR RSWHG D WKHPRGDW/ 'LUHFWRUV PHHWLQJ KHOG 7KbUDWLILFDWLRQ RI WKLV FRRSDWSDWERRQWKHVXKEPLWWKRHOGHRQ0D\

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,Q 0U b3DSDGRSXORVDQDPSOLILHGUHVSHQVLEOHDVVHWDQDO\WLFDOSURFHVV
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+LV GHHS XQGHUVWDQGLQJ RI RSHUDWLRQDO G\QDPLFV DQG HMPSOR\HH
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,Q VKH MRLQHG $YLDQFD DV 9LFH 3UHVLGXQW5HVSRQVLEOHIXUHDUHV RQ6WKULYLFHD VKHFRQWULEXWHG WR GHYHORSLQJ D FRUSRUDXWHWRWHQWDLFHQWDULFHDVWUDWHJ VWUXFWXUH E\ GHVLJQLQJ DQG LPSOHPHQWLQJ VXVWDLQDELOLWLVSURFHVVHVDFWR IRU WKH &RPSDQ\ V JOREDO RSHUDWLRQV 0RUJ6LQLWLDWLYHV DQG&RRUGLQDW FRQVXOWDQW VLQFH DQG&GGRUVHVLQHVVRSEKXVLQHVVRSHUDWLRQVLHVWDWHJ FXVWRPHUHDWLRQVKLSPHQWDQGSHUIRUPDQFHDQG RUJDQL]DWLR

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B'LUHFWRURI%RRUNVQF b 86$

'LUHFWRUHVKLSVLQSXEOLFWUDGHG ZLWKGKLQWH \HDUV

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B'LUHFWRUDQGH[HFXWLYH QRQ[LYHFWRU RI5HPF&RLQWHUQDWLRQDO

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B'LUHFWRUDQGH[HFXWLYH &RPPLWWHH&KDLUPDQRI&RPPLWWHH6SRLQWPHQWV DQG *RYH&RPPLWWHH RI6HQLRU0DQDJHPHQW

B0HPEHURI WKH 6XSH½RRDUGRU\ R/HLF&DPHS*HUPDQ\

B&KDLUPDQGLUHFWRU\RXRUHU +RQJRQJ

B'LUHFWRU7UDGH&RLQD

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,QGHSHQGHQW
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bHDURO G

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([SHUWLVHDQG[SHULHQFH

%RUQQ)HEUXDU\b 0V b&DURO 7RQLXWWL LV D FKDUWHUHG DFFRXQW
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,QWHUQDWLRQDO QHWZRUN 6KH VXSSRUWV KHU FOLHQWV RQ DFFRXQWLQJ F
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&ULWHULRQ	&URVV GLUHFWRUVKLSV
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&ULWHULRQ	6LJQLILFDQW &XVWRPHU6XSSOLHU5HODWLRQVKLSV
	1R WR HDFK &XVWRPHU6XSSOLHU5HODWLRQVKLS
	~ WKH DWWULJXLWHG&RPSDQ\ *URXS RU
	~ IRU ZKLFK &RPSDQ\ *URXS UHSUHVHQWV RQH RI WKH DFWLYLW\
	7KH HYDOXDWLRQ RI WKH VLJQLILFDQFH RU RWKHUZLVH RI WKH UHODWLRQVKLS
	E\ WKH %RDUG &RQ&RQWQGDWXLYHLWDWLKDWHOHGWRD WKLV HYDOXDWLRQ FR
	GHSHQGHQFHX\ WHVWHG&RPSDQ\ WR DFFRXQW IRU WKLV FDOFXODWLRQ
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	1R WR HUHODWLYH &RQVDQJXLQLW\ DQG[HPSRVLWLRQ
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&ULWHULRQ	'LUHFWUHLSV HPQWRRDUHKOGHUV RI WKH &RPSDQ\ RU LWV SDUHQW FRPSDQ\ P
	SURYLGH WKH &RPSDQ\ WKH UHKRG RWVGRN HWKSE UFRRQWKRO &RPSDQ\ +RZHYHU WKHUH\RKGOG LQ
	FDSLWDO RUL JKWWKHQ%XSRQ D UHUSRU WKH $SSRLQWPHQWV &RPPLWWHH VKRXOG
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\HDUVQG 0U 0RXOD\ +DILG (ODODP\ LVQQR
RIILFHRU0DMRUHO *URXS /X[HPERXJ 6 $
RQOEHEQ FRQVROLGDWHG E\ 7HOHSHUIRUPDQFH
DQG

~ ZLWKHJDUGV FRQWULEXWLRQ SDUDJUDSK
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*URXS6 ZKLFK 0U 0RXOD\ +DILG (ODODP\
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)UHQF&KRPPHUFLDO &GRLGYHUVLWV SROLF\ DSSOLHG
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RYHUQDQFH

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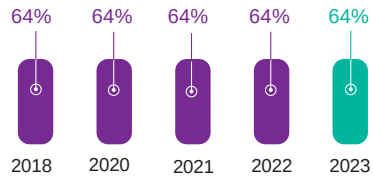
Independence rate



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GXWLHFRQ EQDQLHV RU LQ UHODWLRQ WR RE XQLQHVV FRPSHWLWLRQ ZLWK WKH &RPSDQ\FRPSDQ\ RWK ZLWKRXW QRWLI\LQJ WKH %RDUG RI 'LUHFWRUV L XQGHUWDRMWWRWR RU IDLPSRVH WKH &RPSDQ\RU 'LUHFWRUV \RUVSHQVDWLRQ RU RWKHU GLUHFWO\ RU LQGLUHFW FRXEHQHILWV WKDW DUH DFFHSWDEOH WR WKH &RPSDQ\ DQG RU W SUDLYDWWHUHVW WUDQVDFWLRQV

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LQWKH &RPSDQ\KHU GLUHFWRU\ H[FOXGLQJ WKH VK
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DQG
HG

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UHFUXLWPHQW:LWK UHJDUGV WR DSSOLFDWLRQV WKHV PDQDJHPHQW
SRVLWLRQV DQGH&RPPLWWHH UHYLHZ WKHPSURSRVDOVQRWRQ
DFFRXQWDELOLWLHVDSSRLQWHGDWRWLYH PDQDJHPHQW

(YROXWRQRWKHRPSRVLWLRQ RI WKH%RDUGLQGHSHQGHQW GXULQJ

	'HSDUWXUH	$SSRLQWPHQW &RRSWDWLRQ	5HQHZDO	&RPPHQWV
%RDUGGLUHFWRUV3V]DN	0U3DV]DN 0U:LQQLQJKDP $SbLO	0U6LQJK 0U%HU\ $SULOb 0U1LX -XO\b	0V b6HOHFN\ 0V b6LHUUD 0RUHQR 0U b*XH] $SULOb	'LYHUVLILHQWKRDQG V FRPSRVLWRRSQHWHQFH GLJLWDOL]DWLRQ LQGHSHQGH NQRZOHGJH*URRXWKHDQFLDO H[SHUWLVH
$XGLWVN DQGRPSOLDQFH &RPPLWWHH	0UbXH] $SbLO HIIHFWLQHb	0V 7RQLXWWL &KDHLUHF-XQYHH 0Vb*LQHVWL« $SULOb HIIHFWLQHb		&RPSHWHQFH NQRZOHGJH RIWKHb*URXS ILQDQFLDO H[SHUWLVH LQGHSHQGHQFH
5HPXQHUDWLRQ DQGSSRLQWPHQWV &RPPLWWHH				
&65&RPPLWWHH 0VbLQHVWL«	0U3DSDGRSRXORV $SbLO HIIHFWLQHb	0V b6HOHFN\ 0V b6LHUUD 0RUHQR $SULOb		&RPSHWHQFH LQGHSHQGHQFH NQRZOHGJH*URRXWKH

)RDWKHHWHDP
)RDWZR \HDUP

(YROXWDLRQSHFWFKGQJHV LQ WKH RRPSKHV\WRLDQG DQG LWV &RPPLWWHHV GXULQ

	'HSDUWXUH	$SSRLQWPHQW &RRSWDWLRQ	5HQHZDO	&RPPHQWV
%RDUGGLUHFWRUV $EUHUD	0V 'DXEU\	0V 'DXEU\		
0U &DQHWWL	0UHODODP\	0U -XOLHQ		'LYHUVLILFDWLRQ V
0DUFK	0DUFK	0U %RXOHW		FRPSRVLWLRQ HQWHUHQ
		0U (ODODP\		LQGHSHQGHQFH RQVKHOHGJH
		0D\		*URSX EXVLQHVVHV DQG DFWLY
$XGLWV DQG &RPSOLDQFH &RPPLWWHH				
5HPXQHUDWLRQ $EUHUD &KDLU 6HOHFN\	0V 6HOHFN\ &KDLU			&RPSHWHQFH NQRZOHGJH RIb
DQG &RPSHQVDWLRQ &RPPLWWHH	0U &DQHWWL 0DUFK	0U1LX 0DUFK		EXVLQHVV WHKVHRXS LQGHSHQGHQFH
&65&RPPLWWHH	0V 6HOHFN\ 0DUFK	0V *XSWD 0DUFK		&RPSHWHQFH SHQGHQFH

3URSRVHGQHZGLUHFWRUV WR EH HOHFWHG
3URSRVHGQHZGLUHFWRUV WR EH RFILFHWVRR

3URSRVHGWLILFDWLRQV DQGWHUPVHZDOVILFH RI GLUHFWRUV WR WKH VKD RI0D\b

7KH%RDUG RI 'LUHFWRUV WKH3URSRVHG DQG $SSRLQWPHQWV &RPPLWWHH GHFLGHGWKWR5HPRYHDQGWRRLQWKHQ &RPPLWWHH DQG VKDUHKROGHUWRJKHG RQ 0D\b

- WKHDWLILFDWKHRRVWRDOURQ.HYLQ 1LX 0U +DILGODODP\ DQG 0V %ULJLWWH 'DXEU\ DV GLUHFWRUV UHPDLQGHSHQGHQW
- WKHQHZDO RI WKH WHUPV RI RIILFH WKHLU SUHGHFHVVRUV

,QWHUPV RI FRPSWKHWHQFDG XSRQ UHFRPPHQGDWLRQ 5HPXQHUDWLRQ&RPSRWHWWHH WKDWWHG H[SHUWLVH DQG SURIHVVLRQDO H[SHULHQF OHDGHUHUW*URXS LQ WKH FDVH RI 0U -XOLHQ 0Ub%RXOHW LQ QHZ WHFKQRORJLHV DQG GL WKHHLUWHQVLYH NQRZOHGJH RI FXVWRPHU EXVLQHVVDQGWKHLU FRPSDQLHV 'DXEU\ DQG 0U (ODODP\ DUH WKH%RDUGG WKRXS 7KHDWLILFDWLRQ FRQWULEXWH WR WKH FRPSOHPHQWDU\ RQ WKH%RDUGDQG WUHQJWKHQ WKH RQWK%RDUGGQG WKRXS 7KHDWLILFDWLRQ RI WKH *URXSVVDMHFWRU\ 7KRVGLIIDSHUQRWFRQWULEXWH WR WKH %RDUGEXWDOVRHQDEOH WKH&RPPLWWHH UHQHZLSDUWLFXODUVDGGHYHORSPHQW RQWKH%RDUGQG WUHQJWKHQ WKH &RPPLWWHH FKDOOHQJHV HYROXWLRQ RI WUDQVIRUPDWLRQ

'LUHFWRZKRVH UHQHZDOV DQG UDWLILFDWLRQV DUH UHFRPPHQGHG WKH $)(3 0('() FRQXPEHUWHURR IIFH KHWKHUWKHIRUH EHQHILW DYDLODQHLOLW\ WR EH LQYROYHG DQG LQWKZHURRWK%HDDQGGV&RPPLWWHHV

:LWKUHJDUGWRWKHQGHSHQGHQFLW\ULWHULDWKDW %RDUGI'LUHFWRUV DSSOLHEHVWKHUHDQG E\ WKHEDLQHG

&RPPHQWV

'LYHUVLILFDWLRQ V
FRPSRVLWLRQ HQWHUHQ
LQGHSHQGHQFH RQVKHOHGJH
*URSX EXVLQHVVHV DQG DFWLY

&RPSHWHQFH NQRZOHGJH RIb
EXVLQHVV WHKVHRXS
LQGHSHQGHQFH

&RPSHWHQFH SHQGHQFH

2UJDQL]DWLRQDO GLVFORVXUH %RDUG RI 'LUHFWRUV

,QWURGXFWLRQ WR WKH %RDUG RI 'LUHFWRUV

7KH &RPSDQ\ V %RDUG RI 'LUHFWRUV DGRSWHG LWV LQLWLDO HWKLFV FRGH RI FRQGXFW DQG EXVLQHVV SUDFWLFHV GLUHFWLYH RQ 0DUFK WR UHIOHFW WKH &RPSDQ\ V FRPPLWPHQW WR WKH KLJKHVW VWDQGDUGV RI LQWHJULW\ DQG HWKLFDO EXVLQHVV FRQGXFW 7KLV &RGH RI %XVLQHVV &RQGXFW DQG (WKLFV KDV EHHQ DGRSWHG E\ WKH %RDUG LQ RUGHU WR IXUWKHU WKH &RPSDQ\ V FRPPLWPHQW WR KRQHVW DQG HWKLFDO EXVLQHVV FRQGXFW &RPSOLDQFH ZLWK WKLV &RGH LV PDQGDWRU\ 7KLV &RGH DSSOLHV WR DOO GLUHFWRUV RI WKH &RPSDQ\ ZKHWKHU H[HFXWLYH RU QRQ H[HFXWLYH DQG WR DOO HPSOR\HHV RI WKH &RPSDQ\ ZKHUHYHU WKH\ DUH ORFDWHG

'LUHFWRUV¶ REOLJDWLRQV

7KH %RDUG RI 'LUHFWRUV PD\ SHUIRUP DQ\ FKHFNV DQG FRQWURO V WKDW LW GHHPV VSURSULDWH ,Q PDQ\ &RPSDQLHV WKLV ZLOO LQFOXGH DQ LQWHUQDO DXGLW IXQFWLRQ RU LQIRUPDWLRQ RI DQ\ QHFHVVDU\ SHUIRUPDQFH RI VXFK IXQFWLRQ WKH SHUIRUPDQFH RI UHJDUGV &RPSDQ\ V DFFRXQWV DUH LVVXHG E\ WKH &RPSDQ\ V UDUDUHQWV RU &RQVROLGDWHG 7KH GLUHFWRUV DUH HQWLWOHG WR REWDLQ LQGHSHQGHQW SURIHVVLRQDO DGYLFH DW WKH &RPSDQ\ V H[SHQVH LI WKH\ FRQVLGHU LW QHFHVVDU\ WR GLVFKDUJH WKHLU GXWLHV

7KH LQWHUQDO UHJXODWRU\ DOVR VHW RXW GLUHFWLRQV RQ WKH SURFHGXUHV WR EH IROORZHG LQ WKH PDQDJHPHQW RI &RQIOLFWV RI ,QWHUHVW

0DQDJLQJ &RQIOLFWV RI ,QWHUHVW

$V SDUW RI WKH PRUH FRPSUHKHQVLYH 'LUHFWRUV UHJXODWHG DJUHHPHQWV WKH %RDUG KDV DVVHVVHG DQG DSSURYHG FHUWDLQ UHODWLRQVKLSV DQG WUDQVDFWLRQV WKDW FRXOG JLYH ULVH WR FRQIOLFWV RI LQWHUHVW 7KH LQWHUQDO UHJXODWRU\ SURFHGXUHV UHTXLUH WKDW DQ\ SRWHQWLDO FRQIOLFW RI LQWHUHVW EH GLVFORVHG WR WKH %RDUG DQG WKDW WKH LQWHUHVWHG GLUHFWRU QRW SDUWLFLSDWH LQ DQ\ GLVFXVVLRQ RU GHFLVLRQ RQ WKH PDWWHU

7KH LQWHUQDO UHJXODWRU\ SURFHGXUHV DOVR VHW RXW GLVFORVXUH REOLJDWLRQV IRU FHUWDLQ GLUHFWRUV RI WKH &RPSDQ\ V VXEVLGLDULHV RU &RPPLWWHH PHPEHUVKLS DQG RWKHU PDWWHUV

0DQDJHPHQW RI ,QIRUPDWLRQ

7KH %RDUG RI 'LUHFWRUV PD\ SHUIRUP DQ\ FKHFNV DQG FRQWURO V WKDW LW GHHPV VSURSULDWH ,Q PDQ\ &RPSDQLHV WKLV ZLOO LQFOXGH DQ LQWHUQDO DXGLW IXQFWLRQ RU LQIRUPDWLRQ RI DQ\ QHFHVVDU\ SHUIRUPDQFH RI VXFK IXQFWLRQ WKH SHUIRUPDQFH RI UHJDUGV &RPSDQ\ V DFFRXQWV DUH LVVXHG E\ WKH &RPSDQ\ V UDUDUHQWV RU &RQVROLGDWHG 7KH GLUHFWRUV DUH HQWLWOHG WR REWDLQ LQGHSHQGHQW SURIHVVLRQDO DGYLFH DW WKH &RPSDQ\ V H[SHQVH LI WKH\ FRQVLGHU LW QHFHVVDU\ WR GLVFKDUJH WKHLU GXWLHV

7KH %RDUG RI 'LUHFWRUV LV UHVSRQVLEOH IRU WKH &RPSDQ\ V V\VWHP RI LQWHUQDO FRQWURO DQG IRU UHYLHZLQJ LWV HIIHFWLYHQHVV 7KH &RPSDQ\ V V\VWHP RI LQWHUQDO FRQWURO LV GHVLJQHG WR PDQDJH UDWKHU WKDQ HOLPLQDWH WKH ULVN RI IDLOXUH WR DFKLHYH EXVLQHVV REMHFWLYHV DQG FDQ RQO\ SURYLGH UHDVRQDEOH DQG QRW DEVROXWH DVVXUDQFH DJDLQVW PDWHULDO PLVVWDWHPHQW RU ORVV

7KH %RDUG RI 'LUHFWRUV KDV GHOHJDWHG WR WKH &RPSDQ\ V $XGLW &RPPLWWHH UHVSRQVLELOLWLHV IRU UHYLHZLQJ WKH HIIHFWLYHQHVV RI WKH &RPSDQ\ V V\VWHPV RI LQWHUQDO FRQWURO 7KH $XGLW &RPSDQ\ V LQWHUQDO DXGLW IXQFWLRQ DQG H[WHUQDO DXGLWRUV KDYH XQUHVWULFWHG DFFHVV WR WKH $XGLW &RPSDQ\ DQG UHSRUW GLUHFWO\ WR LW

%RDUG PHHWLQJV

7KH %RDUG JLYHV GXH DQG FDUHIXO FRQVLGHUDWLRQ WR PDWWHUV SURSRVHG IRU FRQVLGHUDWLRQ DW %RDUG PHHWLQJV LQ SDUWLFXODU WKRVH UHODWLQJ WR WKH &RPSDQ\ V VWUDWHJ\ EXGJHWV ILQDQFLDO VWDWHPHQWV GLYLGHQGV RUJDQL]DWLRQDO VWUXFWXUH DSSRLQWPHQW RU UHPRYDO RI GLUHFWRUV DQG VHQLRU PDQDJHPHQW DQG UHPXQHUDWLRQ

0HHWLQJV PD\ EH KHOG LQ RQ\ORFDWLRQ DV L $ DWWHQGDQFH UHJLVWHU LV NHSW DQG GLUHFWRUV¶ DWWHQGDQFH DW %RDUG PHHWLQJV ZKR DUH XQDEOH WR DWWHQG LQ SHUVRQ RU E\ SKRQH PD\ DVN WR EH UHJDUGHG DV KDYLQJ DWWHQGHG LI WKH\ KDYH YRWHG RQ DQG HDFK PHPEHU ZKR DUH SUHVHQW WKURXJKRXW D PHHWLQJ KDV WKH FDS

'LUHFWRUV DWWHQG WKH %RDUG PHHWLQJV YLGHRFRQIHUHQFH RU HQWHUQDO PHHWLQJV ZLWK WKH DSSURSULDWH VFKHGXOHV DQG UHJXODWRU\ DQG FRUSRUDWH GRFXPHQWV DQG PDMRULW\ H[HFXWH RQ PDWWHUV RI WKH DQQXDO SDUHQW FRPSDQ\ ILQDQFLDO VWDWHPHQWV DQG WKH PDQDJHPHQW

,QDGGLWLRQ DW OHDVW RQFH D \HDU LQGHSHQGHQW 'LUHFWRU FRQVWLWXWHV WKH H[HFXWLYH VHVVLRQ WKDW WHOHFRPPXQLFDWLRQ WKH H[HFXWLYH VHVVLRQ WRSLFV DQG WKH /HDG ,QGHSHQGHQW 'LUHFWRU

0LQXWHV RI PHHWLQJV

7KH %RDUG RI 'LUHFWRUV DLQ HQFRXUDJH DUHHQWHUHG DUHHQWHUHG DOHDVW RQH WLPH HDFK GDW WKH &KDLUPDQ RI WKH %RDUG XQGHU WKH DSSOLFDEOH 6WRFN ([FKDQJH UXOHV DQG SURYLGH D VXPPDU\ RI WKH %RDUG 'LUHFWRUV DQG SURYLGH DVVLVWDQFH DV ZHOO DV DQ LQGLFDWLRQ RI WKH PDQQHU LQ ZKLFK H[HFXWLYH PHHWLQJV DUH VLJQHG E\ WKH &KDLUPDQ RI WKH %RDUG XQGHU 'LUHFWRUV PHHWLQJV

7KH %RDUG GLUHFWRUV PD\ GHFLGH WR VHW XS VSHFLDO RU VWDQGLQJ FRPPLWWHHV IURP WLPH WR WLPH DV WKH\ GHHP DSSURSULDWH WR DVVLVW WKHP LQ &RPSOLDQFH PDWWHUV &RPPLWWHH &KDUWHUV &RPPLWWHH

(DFK &RPPLWWHH PHPEHU VKDOO SURYLGH LQIRUPDWLRQ RQ WKH %RDUG RI 'LUHFWRUV SURFHGXUHV RU LWV FRQVLGHUDWLRQV UHTXLUHG XQGHU WKHUHE\ $WWHDFK %RDUG PHHWLQJ WKH &KDLUPDQ RI HDFK &RPPLWWHH SURYLGHV FRPPLWWHH &KDLUPDQ RI HDFK &RPPLWWHH PHHWLQJ

0LVFHOODQHRXV LWHPV

7KH %RDUG GLUHFWRUV WKH SRZHUV FLVHV WKH SRZHUV FRQIHUUHG RQ LW E\ ODZ ,WGHFLGHV &RPSDQ\ FRUSRUDWH WLWOH WR EH XVHG RQ WKH HDULHU WKH &RUSRUDWH 6HFUHWDU\ LQWHUDFWLRQV WKH &RPSDQ\ \XUHKHUPRUH %RDUG RI 'LUHFWRUV H[SUHVVO\ DXWKRUL]HV WKH &RPSDQ\ DQG WKURXJK LWV &RPSDQ\ DQG WKURXJK WKH &RPSDQ\V SURFHGXUHV WR H[HFXWH DQG GHOLYHU DQG DPHQG &RPSDQ\ GRFXPHQWV DQG DJUHHPHQWV

- DSSURYLQJ DQQXDO DQG FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV
- DSSURYLQJ DQG UHFRPPHQGLQJ WR WKH &RPSDQ\V VKDUHKROGHUV PHHWLQJV
- GHFLGLQJ WR VHHN DSSURYDO RI WKH &RPSDQ\V VKDUHKROGHUV
- UHYLHZLQJ DQG GHWHUPLQLQJ WKH *URXS V VW
- PRQLWRULQJ &RPSOLDQFH
- GHFLGLQJ RQ WKH PDQQHU LQ ZKLFK H[HFXWLYH P HFHUFLVHG DQG VHWWLQJ LWV UHPXQHUDWLRQ SURYLGHG DSSOLFDEOH UHJXODWRU\ UHTXLUHPHQWV
- DSSRLQWLQJ WKH &KDLUPDQ WKH &K 2IILFHUV DQG E\ 2IILFHUXWLHV RI WKH PHHWLQJ
- FR RSWLQJ PHPEHUV RI WKH %RDUG XQGHU WKH E\ DW OHDVW WZR E\ODZ WKHVH
- GHOHJDWLQJ WKH UHPXQHUDWLRQ SROLF\ IRU H[HFXW DPRQJVW GLUHFWRUV RI WKH GLVFUHWLRQ RI WKH &RPSDQ\ DQG E\ WKH VKDUHKROGHUV
- GHFLGLQJ WR HQWHU LQWR RU SHU RSWLRQV RU SHU DQG HQWHULQJ LQWR DQG DPHQGLQJ H[HFXWLYH RIILFHUV RI WK DXWKRUL]LQJ DQG E\ WKH VKDUHKROGHUV GHWHUPLQLQJ WKH QXPEHU RI VKDUHV RIILFHUV DUH UHTXLUHG WR WKH HQG
- &RPPLWWHHV
- RQ WKH &RPPLWWHHV
- UHYLHZLQJ WKH PDLQHDQFH &RQSWKHUHE\ 7KH %RDUG V GLVFXVVLRQV
- HQVXULQJ WKH LPSOHPHQWDWLRQ RI D PHFKDQ GHWHFW FRUUXSW SURFHGXUHV
- HQVXULQJ WKH &RPSDQ\ RIILFHUV RI WKH &RPSDQ SROLF\ RI QRQ GLVFULPLQDWLRQ DQG GLYHUVLW\ EDODQFHG UHSUHVHQWDWLRQ RI JHQGHU DQG
- DSSURYLQJ RQ WKH &RPSDQ\ \XUHKHUPRUH %RDUG RI 'LUHFWRUV GHWHUPLQ HDFK &RPPLWWHH &KDUWHU RU WKH %RDUG PHHWLQJV ZKHUH WKH DPRXQW RI WKH &RPSDQ\V
- FRQFOXGLQJ DOLDQFHV RI DQ\ NLQG LQYROYLQ FRQVROLGDWHG UHYHQXHV

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	&XUUHQW 6WRFN 2XWOLFDXWKRUL]DWLRQV DQG GHOHJDWLRQV RI $XWKRULW\ RI 2IILFHUV		$XWKRULW\ RI 2IILFHUV
	'DWH RI 0D[LPXP VKDUHKROGHU DSSURYDO RI DGGLWLRQDO VKDUHV		0D[LPXP QRQHPSOR\HH DQG RXWVLGH GLUHFWRU 1R LQbHXURV
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&DSLWDOL]DWLRQ RI HDUQLQJV $SSURSb DQG VWRFN GLYLGHQG RU VWRFN VSOLW FDSLWDOL]DWLRQ RI VXUSOXV	:K bPLOOLRQ -XQHb	4G bPLOOLRQ -XQHb	bPRQWKV
,668(6,7+ 28735()(5(17,$/ 68%6&5,37,21 5,*+76)25 6+$5(+2/'(56			
&DSLWDOL]DWLRQ RI HDUQLQJV $SSURSb DQG VWRFN GLYLGHQG RU VWRFN VSOLW FDSLWDOL]DWLRQ RI VXUSOXV E\SXEOLF HPSOR\HH FRPSHQVDWLRQ SODQV /b RI WKH HPSOR\HH RSWLRQV)LQDQFLQJ RU UHPDUNHWLQJ RI VHFXULWLHV H[FKDQJH RIIHUV SULYDWH SODFHPHQWV RI VHFXULWLHV PLQLPXP	:K bPLOOLRQ -XQHb VKDUHV	8G bPLOOLRQ	bPRQWKV
&DSLWDOL]DWLRQ RI HDUQLQJV $SSURSb DQG VWRFN GLYLGHQG RU VWRFN VSOLW FDSLWDOL]DWLRQ RI VXUSOXV E\SULYDWH SODFHPHQW RI VHFXULWLHV E\SDUDJUDSK /LFOH RI WKH HPSOR\HH RSWLRQV &RGH	9W bPLOOLRQ -XQHb	:K bPLOOLRQ	bPRQWKV
6KDUH EDVHG FRPSHQVDWLRQ $SSURSb RUGLQDU\ VKDUHV RU VHFXULWLHV JLYLQJ ULVH WR VXEVWDQWLDO SRWHQWLDO GLOXWLRQ RI VKDUHV RXWVWDQGLQJ RU VHFXULWLHV FRQWULEXWLQJ WR HDUQLQJV WR VKDUHKROGHUV RU VHFXULWLHV WR VKDUHKROGHUV	9W bPLOOLRQ -XQHb	:K PLOOLRQ	PRQWKV
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)UHJXHQF\ RVVHVVPHQW RI VKDUHKROGHU DSSURSb H[HFXWLYH RIILFHUV	:K RI WKH VKDUHKROGHUV	:K RI WKH VKDUHKROGHUV	bPRQWKV
&DSLWDOL]DWLRQ RI HDUQLQJV $SSURSb IRUHLJQ SHUVRQQHO RU *URXS VDYLQJV SODQ	8G bPLOOLRQ -XQHb	:K	PLOOLRQbPRQWKV

	&XUUHQW DSSURDFKHV [DQG GHOHJDWLRQV RI DXWKRULW\	$XWRQRPRXV DQG GHOHJDWHG RSHUDWLRQV RI 0D\b
	'DWD RI 0D[LPXP VKDUHKROGHU RULQDWHG PHHWLQJ UHVROXWLRQ 1R	0D[LPXP QRQLQDOb PRXQW RU FKDUDFWHULVWLFV RI 1R
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,QFUHDVHG WKUHVKROG DPRXQWV $SSOLFDWLRQ WKHRU\ [HGV PDQG	QG RWKHQLWLDO PRQWKV1RWXVHG LVVXDQFH DXWKHb VW RWKHQLWLDO PRQWKV1RWXVHG LVVXDQFH DXWKHb	WK RWKHQLWLDO bPRQWKV LVVXDQFH DXWKHb ZLWKLQ WKH OLPLW RI WKHVHDSV IRUWK WKH UHVROXWLRQ RI WKH *0
&DSLWDOL]DWLRQ RI SUHPLXPV RISURILWV	WK bPLOOLRQ RQ WKV1RWXVHG -XQHb	

7KDV PRXQW UHSUHVHQWV WKH RYHUDOO QRQLQDO FDSE IRU UVKQGHHRXVWKVQGWUDQRHWVHWRDOO RWKHUHHWRQV VKDUHKROGHUV RI $SULOb 0D[LPXPGHEW LQbVRUXHQGWR QG FRPPRQ FDS WR UHVHUYHV RQG WKHVHPHHWLQJ

7KDV PRXQW UHSUHVHQWV WKH RYHUDOO QRQLQDO FDS IRU VKQGHUFDWSHDQGRWKHUDOO RWKHUHHWRQV VKDUHKROGHUV WR EDb\HDUHOG RQ0D[LPXP RI IRbPGHEW RQ DQG FRPPRQ FDS UHVROXWLRQ RI WKH RYHUDOO QRQLQDO

7KDV PRXQW UHSUHVHQWV WKH RYHUDOO QRQLQDO FDSE IRLQVKHOHUVEDOO VKDUHKROGHUV EH GHGXFWHG DOO VKDUHHOGHUV RI bPLOOLRQ RI WKH RYHUDOO VFDSPHWHLQJ WKDW RUHVROXWLRQ RI WKH ,WQ UHVROWKHWHRDWRLQQVWKDWXPHHPHWLQJ WKHV RYHUDOO QRQLQDO FDS RI WKH 7HOHSHUFRUPDQFHIRUPDQFH VKDUHV XQGHU WKH SXEOLFRIIHULQJ LQLWLDWHG RQ

7KDV PRXQW UHSUHVHQWV WKH RYHUDOO QRQLQDO FDSE IRLQVKHOHUVEDOO VKDUHKROGHUV EH GHGXFWHG DOO VKDUHHOGHUV RI WKH DQG WKH UHVROXWLRQ WR EH KHOG RQ 0D\b ,W LV GHGXFWLEOH IRP W PHHWDQJLPXPbPLOOLRQ RI WKH QG bUHVROXWLRQ FKDUJHG DGDLQVW WKH JOREDO FDS RI WKH

7KDV PRXQW LV GHGXFWLEOH IRP WKH RYHUDOO QRQLQDO VXE FDS IRVKDUHKROGHUV PHHWLQJ ZKLFK GHGXFWHG IURP WKHDSRUDOHQGHUV WR EH KHOG RQ WKH UHVROXWLRQ RI WKH VDPH PHHWLQJ GHEQVWUXPHQWDWHG IQVWRREEDSIWKH UHVROXWLRQ RI WKH VDPH PHHWLQJ

7KDV PRXQW LV GHGXFWLEOH IRP WKH RYHUDOO QRQLQDO FDS RI WKH 0D\b ZKLFK LVIGHRXWWHGRYHUDOO QRQLQFDSLSOLFLQFWKHDWHW E\ WKH UHVROXWLRQ RI WKH VDPH PHHWLQJ bPLOOLRQ GHQWUXPHQWDWHGIQVWRREEDSIWKH UHVROXWLRQ RI WKH VDPH PHHWLQJ

7KDV PRXQW LV GHGXFWLEOH IRP WKH RYHUDOO QRQLQDO VXE FDS IRU VKDUH FDSLWDO LQFUHDVHV $SULO ZKLEK GHGXFWHG IURQRRVLKEDOHFLQWHDOVHWKVWUEHVROXWLRQ RI WKH VDPH PHHWLQJ

7KDV PRXQW LV GHGXFWLEOH IRP WKH RYHUDOOQRQLQDOHDOVHWKVWHEDSVIRU 0D\b ZKLEK GHGXFWHG WKH RYHUDORQRQLQDOHDOFDSLWDO LQFUHDVHV VHW E\ WKH UHVROXWLRQ RI W /LPLWRWWKQRQPERUSHUFRUVHDQWHDW PD\ EHHDUFKQWRGH[HFXWLYH RIIRFHWKDWH FDSLWDO ZLWKLQ WKLV 6XSSOHQGXGLDQJXERLFHULQJ

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	&XUUHQW DSSURDFKHV [DQG GHOHJDWLRQV RI DXWKRULW\	$XWRQRPRXV DQG GHOHJDWHG RSHUDWLRQV RI 0D\b
	'DWD RI VKDUHKROGHUV RULQDWHG PHHWLQJ UHVROXWLRQ 1R	0D[LPXP QRQLQDO PRXQW RU FKDUDFWHULVWLFV RI 1R
6KDUH UHSXUFKDVHV	$SULOb WK 0D[LPXP SXUFKDVH SULFH VHW E\ /LPLW RI WKH WRWDO QXPEHU VKDUHV	VW 0D[LPXP SXUFKDVH SULFH RQ WKV SULFH VHW VKDUH 1RY b /LPLW RI WKH WRWDO QXPEHU VKDUHV
&DQFHOODWLRQ RI SUHIV RI VKDUHV	WK RI WKH FDOFXODWHG VKV VKDUH SHU DQQXP -XQHb FDQFHOODWLRQ	

$XWKRUL]DWLRQ GHG SXEOLFDWLRQ

/H,DQG H SHQ'G LHQW WRU

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)XQFWLRQV RI WKH /HDG ,QGHSHQGHQW 'LUHFWRU

,QWHUDFWLRQ EHWZHHQ &KDLUPDQ

- ,QWKH HYHQW WKDW WKH &KDLUPDQ LV DEVHQW, DW D PHHWLQJ RI WKH %RDUG 'LUHFWRUV WKH /HDG ,QGHSHQGHQW 'LUHFWRU SUHVLGHV RYHU WKH PHHWLQJ
- ,Q WKH HYHQW RI D FRQIOLFW RU GXUDEOH XQDYDLODELOLW\ RI WKH &KDLUPDQ WR IXOILOO KLV IXQFWLRQV WKH /HDG ,QGHSHQGHQW 'LUHFWRU EHFRPHV LQWHULP &KDLUPDQ +H RU VKH UHSODFHV WKH &KDLUPDQ XQWLO WKH &KDLUPDQ LV HLWHU UHVWRUHG RU D QHZ &KDLUPDQ LV HOHFWHG
- ,I FXUUHQW LQWHULP LW EHFRPHV QHFHVVDU\ RU DSSURSULDWH WR FDOO D PHHWLQJ RI WKH %RDUG RI 'LUHFWRUV WKH /HDG ,QGHSHQGHQW 'LUHFWRU VHOHFWLRQ DQG DSSRLQWPHQW RI WKLV IXQFWLRQ

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- GLVFORVXUHV RQ WKH %RDUG 'LUHFWRUV UHODWLQJ WR PHHWL
- KHOG RQ 'HFHPEHU DQG ZHUH WKH EDV
- GLVFXVVLRQ RQ LWV IXQFWLRQLQJ DQG HIIHFWLYHQHVV SDU
- PLVVLRQ WHUPV RI VXFFHVVLRQ SODQQLQJ DQG SHUIRUP
- WKH UHFRPPHQGDWLRQ WR WKH VHWWLQJ XS RI VXF
- H[HFXWLYH &RPPLWWHH DQG PHPEHUVKLS RI WKH &KDLUPDQ XQWLO WKH &KDLUPDQ LV HOHFWHG
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- PDQDJHPHQW WKH ORZHU WHPSHUDWXUH\ XQDYDLODELOLW\ RI WKH &KDLUPDQ ZLWK WKH &KDLUPDQ
- 2IILFHU DQG [HFXWLYH 2IILFHU DQG WKH JRYHUQDQFH DQG WKH PHPEHUV 7KH\ WR EH UHJXODU\7KHUHDZHUHVHG HVVHQFH FRQI ,Qb WKH VXFFHVVLRQ SODQ ZDV WKHFKLUWHG LQ WKH &KDLUPDQ &KLHI VWHS RSSRLQWPHQW FRQWLQXLW\ RI WKH JRYHUQDQFH DQG WKH &KLHI
- PHHWLQJV ZLWK VKDUHKROGHUV DQG LQYHVWRUV WKH 'LUHFWRU KDG WKH RSSRUWXQLW\ WR PHHW LQVWLWXWLRQDO VKDUHKROGHUV DQG WKH &KLHI FDSLWDOLVW ZHUH LQ SDUWLFXODU WKH DQG GLVFXVV WKH *URXS JRYHUQDQFH WKH FK VRFLDQG HQYLURQPHQWDO UHVSRQVLELOLW\ DQG IXQFWLRQ WKH %RDUG FRQGXFW DQG HIIHFWLYHQHVV RI WKH %RDUG 'LUHFWRUV RQ WK FRUSRUDWH ERGLHV LWV UROH DQG UHVSR UHPXQHUDWLRQ

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&DUR7REL XWWL	<HV	<HV	<HV	<HV	<HV	<HV	<HV	<HV	<HV	<HV	
6WHSKHQQQLQJKDP	<HV	<HV									
$771'$1&(5$7(											

'LUHFWQWWWOLOb
'LUHFWRUVWRUHULOb
'LUHFWRWXLD\
'LUHFWRUHOb

: R U NRVIW K %R DLUQG

,QDGGLWLRQHXURULQUHOYDWHQJ WR UWHKYLHZXVDQGRKVWDQQXQW IRDUHFRXWVDXWKEHJDVDQRWHUJ UHYLRZ*URXS JURZWK WUKDQ%EDWGRQV SHFLILFDOO\ GHFLGHG RQ WKH UROOLQJ LQFRQMXQZLWKKRE ZRUNV RI WKH &RPPLWWHHV SUHVHQWHG EHORZ

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)RU WKH SHUIRUPDQFH RI LWV PLVVLRQ DQG GXWLHV E\ WKH %RDUG LV 7KHVH DUH GLVFXVVHG E\ WKH %RDUG DW LWV PHHWLQJV &RPPLWWHHV WKH %RDUG KDV HVWDEOLVKHG DQG &RPPLWWHH &KDUWHUV DUH DYDLODEOH RQ WKH &RPSDQ\ V ZHEVLWH &RPPLWWHH 5HPXQHUDWLRQ DQG $SSRLQWPHQWV &RPPLWWHH WKH &RPPLWWHH DGYLFH DQG UHFRPPHQGDWLRQ WR WKH %RDUG DV 7KH ZRUNV SHUIRUPHG &RPPLWWHH RYHUVLJKW DFWLYLWLHV &RPPLWWHH DQG GHFLVLRQ PDNLQJ 7KH &RPPLWWHH QRPLQDWHV DQG UHFRPPHQGV WR WKH %RDUG DSSRLQWPHQW DQG UHDSSRLQWPHQW RI GLUHFWRUV DQG GHFLVLRQ PDNLQJ 7KH &RPPLWWHH UHYLHZV WKH %RDUG V SROLFLHV DQG SURYLVLRQV XQGHU WKH

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&RPSRVLWLRQ

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$OD%RXOHW	<HV	<HV	<HV	<HV
3DXO*LOOHVSLH«		<HV	<HV	<HV
-HD*UH]	<HV			

$77(1'$1&(5$7(

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&KDUOLQH:LOOLDPV
0HPEHUVLQFXHb
0HPEHUWLXOH

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&RPSRVLWLRQ

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([FOXGHGUHFWRUV UHSUHVHQWLQJ

0LVVLRQV
7KH PHPXQHUDWLRQ &RPPLWWHH LVVXHV RSLQLRQV DQG UHFRPPHQGDWLRQV UHJDUGLQJ

7KH VHOHFWLRQ DQG GLVWULEXWLRQ RI DQQXDO &KDLUPDQ &KLHI ([HFXWLYH RIILFHUV	~ LWV VXSHUYLVRU\ SURFHGXUHV DQG SROLFLHV WR DVVHVV UHYLHZ E FULWHULD DQG FRQGXFW RI DQQXDO &KDLUPDQ &KLHI ([HF H[HFXWLYH RIILFHUV WR PHHW WKRVH FULWHU ~ LWV [DPLQHV DQG JLYHV SXEOLF FRPPHQW RQ &KDLUPDQ &KLHI ([HF RUHSXWDWLRQDO LVVXHV DQG SRWHQWLDO FRQIOLFWV RI LQWHUHVW E\ ~ LWV UHYLHZV DQG DSSURYHV SROLF\ DSSOLHG WR GLUHFWRUV DV ZHOO DV RIILPSOHPHQWDWLRQ ~ LWV HYLHZV GLVWULEXWLRQV DQG LQFUHDVHV LQ GLUHFWRUV' IHHV DQG HTXDOL]DWLRQ ZLWK WKHVH UHFRPPHQGDWLRQV DQG WKH U RWKHUZLVH DSSURSULDWH GLUHFWRUV
7KH UHPXQHUDWLRQ DQG EHQHFLWV RI WKH &KDLUPDQ &KLHI ([HFXWLYH RIILFHUV	WR WKH %RDUG DOO WKH UHPXQHUDWLRQ H WR H[HFXWLYH RIILFHUV LQFOXGLQJ YDULDEOH SHUIRUPDQFH E\ DVVHVVLQ RWKH UHOHYDQW LQIRUPDWLRQ DVVHVVHG SRUWLRQ DQG WKH DQQXDO DSSOLFDWLR ~ LWV HYLHZV DQG LVVXHV UHFRPPHQGDWLRQV RQ WKH RYHUDOO SRO WRJHWKHU WKH FRQGLWLRQV RI HPSOR\PHQW VKDUHV ~ LWV UHFRPPHQGDWLRQV RQ WKH GHWHUPLQDWLRQ RI UHFWRUV WKJHORQJLQJ WR WKH DOORFDWLRQ RI UHPXQHUDWLRQ

)XQFWLRQDO
7KH&RPPLWWHH FDQQRW RQHYLWKDW LW FKRRVHV WR WDNH SDUWKHLQ&RVPPLWWHHV WKH &RPPLWWHH V PHHWLQJVQHFHVVDU\ WR FDUU\ RXW LWV UHVSRQVLELOLWLHV DQG DSSRLQWPHQWV

0HHWLQJV DQG DWWHQGDQFH

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(PLO\ %UXQR	<HV	<HV	<HV	<HV	<HV
%UDG&DQGLGH WWL	<HV	<HV	<HV	<HV	<HV
9«URQLTXH&RFDV	<HV	<HV	<HV	<HV	<HV
3DWULFN&RNPDV	<HV	1R	<HV	<HV	1R

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,Q WK&RPPLWWHHV UHYLHZHG GLVFXVVHG PDWHULDOV &RQGXFWHG

&RPSRVLWLRQ RI WKH %RDUG DQG&WWHRPPLWWHHV	~ SURSRVHG&QDLUHFWRUVKLS&KDUWHUV PHHWLQJ ~ SURSRVLWLRQ RI WKH %RDUG RI 'LUHFWRUV D LQWKHR WRPWKH&HKDUHKRFHGHWLUHG $SULOb ~ SURSRVHG&FRQSWRQ GLUHFWRUV
*RYHUQDQFH	~ UHYLHZHG&GRSWLRQ&R%RDUGSRUWRUSRUDWH JRYHUQDQFH IRU ~ UHYLHZ LQJVGKHS HQRGWGHLUHFWRUV ~ GLVFXVVDRQWHKDUHKROGHUV IRU WKH VKDUHKROGHUV PHHWLQJ ~ SURSRVHG&QWLKEHSRQWDQHZ&HPXW\ &KLHI ([HFXWLYH 2IILFHU ~ UHYLHZ DQG DQDO\VLV RQ WKH RSSRUWXQLWLHV&RWKH&HPSOR\HHQW RWKHSGX&KLHI([HFXWLYH RIILFHUV

5HPXQHUDWLRQ DQG[HFXWLYHFHUV

~ SURSRVLWLRQ WKH GHWHUPLQDWLRQ RI WKH YDULDEOH UHPX DQG&KLHI([HFXWLYH2IILFHU

~ UHYLHZ WKH UHPXQHUDWLRQ SROLF\ IRU GLUHFWRUV DQG H[HF LQRUGHUWRDWWUDFWUHWDLQDQGPRWLYDWH DOO GLUHFWRUV DQG H[HFXWLYH RIILF

~ DVVHVVFRQWKH DFKLHYHPHQWDJDLQVWURRERQQEWLRXV EHQFS WHPEHUb SHUIRUPDQFHDQGWKHOHQJWKRIWLPHVSHQWRQGXWLHV /RQJWHUPLQFHQWLYH SODQ /7,3

~ SURSRVLWLRQ WKH JUDQW RI SHUIRUPDQFH VKDUHV UHODWHG DQGWKEHQHILFLDOLQWHUHVWGKLHDQQXDOUHSRUW RI H[HFXWLYH GLUHFWRUV

([FHSWIRG WKH H[DPLQDWLRQ DQG UHFRPPHQGDWLRQV FRQFHUQLQJ RR PPKLWWHH PUHQWXHVRWKHG VWUK H[SHUWDQGHG YRPWKH 'HSXW\ &KLHI ([HFXWLYH 2IILFHU

&65&RPPLWWHH

7KL&RPPLWWHH ZDV FUHDWHG HIIHFWLYH -DQXDU\ KEHORWK HHPRPEHUVRI 'LUHFWRUV DQG UHJXODUDWSRQVYHG RQ)HEUXDUURUGHUHUWRWKH LQFUHDVLQJ LPSRUWDQFH RI *URXSLQ WKHDEVHQJ RI&65,WPHHDWOHDVW WZLFH D \HDU

&RPSRVLWLRQ
$VRIWKHDWHRIWKSHUHVXHQWLYHUVDO UHJLVWUDWLRQRRPPLWWHHPRPEHUV RI bPHEHUV

$QJHODUG6LHUUD 0RUHQR &KDLUGHSHQGHQW

6KHU\O'SD 0HPEHULQGHSHQGHQW

(YDQJH3DSDGRSRXORV 0HPEHULQGHSHQGHQW

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([FOXGLQJUHFWRUV UHSUHVHQWLQJ DFFRXQWLQJ DQG[HFXWLYH FRGH

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~ UHYLWWK *URXS V VWUDWHJLHV RQ&WSHUDWLQG UHGFRRQFHQGDWLRQV LQWKHURXS&65SROLF\

~ IROORZRWSKH LQWHUQDWLRQDO &65 FRPPLWPHQWV UHJDUGLQJWKHJHV VSHFLILFWRWKLQGHQHVV DVVHVVPHQWV

~ PRQLWRUH GHSOR\WKHJW*URXS V &65LQLWLDWLYHV WHUPV RI +XPD GLYHUVLW\DQG\LQFOXVLRQ DQG VDIHW\ DQG HQYLURQPHQWDO DSSU

~ UHYLRZ WGHDZLQJ XS RI WKHR'HFRUDWHQRRDDQFH RI WKH 8QLY 5HJLVWUDWLRQ 'RFXPHQWWKHDQQXDOUHSRUW LQIRUPDWLRQ UHTXL DQHGHJXODWRUHQWLWLHV

)ROORZRQWSKHIWHULQPSOF\ RIWKHURXS&65SROLF\

~ UHYLRHZWKH V\VWWKHVHL[WUDDIWQQDFLDOHHDZUGKWR*URXS

~ H[DPLQWHK H[WD ILQDQFLDOL UVLVPSVDFWQ GRQLQWVWNHRRORGHULQYHVWP HFRQSHUIRUPDQFH &RPPLW

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3DXO*LQQHVWL«	<HV		
:DL3LQJHXQJ	<HV	<HV	
(YDQJHOLQH3DOPHU		<HV	<HV
&KULVWRSKHHDN\	<HV	<HV	<HV

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,Q WKH&RPPLWWHHN DQG GLVFXVVLRQV IRFXVHG PDLQO\ RQ WKH IROORZLQJ LVVXHV

5HYLHZLQJ WKH*HURX&S65 GRFXPHQWDWLRQ	~ UHYLHZHG WKH YLJLODQFHFRPPLWWHH[ILQDQFLDO SHQDOWLHU\DQGHG DQHGSRUW
,QWHUDFWLRQZLWKWKH *URXS&65SROLF\	~ URORXRM WKH DJUHHP1H,Q*VOZEDGK ~ UHYLHZHG W*KUHXS V VRFLDO LQLWLDWLYHV HPSOR\HH VXUWHKHDVVHV LPSDFWRXUFLQJWLDWLYH ~ SUHVHQWDWLRQ RI WKH *URXS V FOLPDWH WUDMHFWRU\ DQG HYRO WRbWKH REMHFWLYHV RI FDUERQ HPLVVLRQV UHGXFWLRQ YDOLGDW 6%7LQDFFRUGZLWWKHDU$VVHHPHQW REMHFWLYHV ~ SUHVHQWDWLRQ RI WKHRQWKHQV0DWHRSVHO DFTXLVLWLRQ LQ SDUWLFXC *URXS&65VWUDWHJLGRWWKH HQYLURQPHQWDO REMHFWLYHV ~ FRQVXOWDWKLHRHLQRQDQFLDOHULVNHRXGHUDWLQHRXGHUDWLRQLHFWLRQVHULLHFHUV
)ROORZRQWKH[WHULQDFW RIWK*UHURXS&65SROLF\	~ RYHUYLHZLQ*UDWLQJV
5RORXRMWK&H65'UHJXODWLRQ	~ UDLRQWK&H65'UHJXODWLRQ LPSDFW ~ FODULILFDWLRQ RI WKH UHVSHFWLYH UHVSRQVLELOLW &RPSOLDQFHFHLWWHUHZDWG V WR &65' ~ SUHVHQWDWLRQ RI WKH SUHSDUDWRU\ ZRUNV WR WKH &65' UHJX GRXEDOHWHULDOLW\
7UDLQLQJRQ&65FRPPLWWHH PHPEHUV	~ WUDLQLQJ5HVRXUFH DQG &RPSOLDQFH FRPPLWWHHPHPEHUV ,QGHSHQGHQWRU RQ WKH &OLPDWH)UHWKHWFKDEOHWHQHUVXRGHWUKHW FULVLV

7KH([HFXWLYH 0DQDJHPHQW

,Q6HSWHPEHUb WKH VWUXFWXUH RI WKH *URXS [illegible] DQG RQJ WHUP LQFHQWLYHV DQG WR WKH VWUDWHJ\ RI 7HOHSHUIRUPDQFH

,W FRQVLVWV WKH DLP FHDWHJLDQ LQQRYDWLRQ VWUXFWXUHG DURXQG D &KDLUPDQ DQG &KLHI ([HFXWLYH DQG DQDJHPHQW WHDP RI WKH ([HFXWLYH &RPPLWWHH DQG NH\ *URXS PDQDJHUV LQ WKHL

,Q -XQHb WKH %RDUG RI 'LUHFWRUV &KDLUPDQ [illegible] WKH SHUFHQWDJH RI %KLQGHHQ GH HIIHFWLYH -XO\

2Q)HEUXDU\ WKH %RDUG RI 'LUHFWRUV XSRQ UHFRPPHQGDWLRQ RI LWV 5HPXQHUD DSSURYHG WKH UXJSRYHUQDQFH IRU WKH SHUIRG HQGLQJ UXQH DQG 0U 'DQLHO -XOLHQ IR &KLHI ([HFXWLYH 2IILFHU %HKDXGHQGHU 6LQJK 'HSXW2IILFHU DQG FXUUHQW DFWLQJ DV FR &KLHI ([PDNJVWUDWHJLF GHFLVLRQV ZKLOH VKDULQJ RSHUDWLRQDO UHVSRQVLELOLWLHV IROORZLQ 0U 2OLYLHU 5LJDXG\ 'HSXW\ &KLHI ([HFXWLYH DQG &HWKHQ[HFXWLYH 2IILFHU RI &RPPLWWHH WKLV RUJDQ DWWKH VDPH WLPH WKH WHUP RI WKH *URXS &KLHI ([HFXWLYH 2IILFHU DQG WKH VXFFHVVIXO LQWHJUDWLRQ RI 0DMR RSSRUWXQLWLHV DQG &KLHI ([HFXWLYH 2IILFHU 2Q VXFK GDWH EHUD %KRXSHQGHU 6LQJKZ &KLHI ([HFXWL

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,QGLYLGXDO LQIRUPDWLRQ DQG WKH DQQLVHUVDU\ RI WKH %RDUG RI 'LUHFWRUV DERYH

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'HSXW\ &KLHI ([HFXWLYH 2IILFHU *URXS &KLHI)LQDQFLDO 2IILFHU

%RUQQD Db 0U 2OLYLHU 5LJDXG\ LV D JUDGXDWH RI WKH DQGUHZV 8QLYHUVLW\ GHJUHH %XVLQHVV /DZ DQG D 3RVWJUDGXDWH $FFRXQWLQJ 'HSDUWPHQW 0* +H WKHQ MRLQHG WKH)LUP 3HFKDQHU DQG 'HSDUWPHQW EHIRUH MRLQLQJ 'LUHFWRUV RR DV &KLHI)LQDQFLDO &2 VWR HUDFRL WKHJILVKHU *URXS IURP WR DQG DV &RQIRUPD IURP

+H MRLQHG WKH 7HOHSHUIRUPDQFH &RPSDQ\b DV *URXS &KLHI)LQDQFLDO 2IILFHU &KLHI ([HFXW2IILFHU 7HOHSHUIRUPDQFH

0U 5LJDXG\ GHOLYHUHG VWURQJ UHVXOWV DQG GHPRQVWUDWHG WKH SHUIRUPDQFH *URXS bFR +H GRHV QRW KROG DQ\ GLUHFWRUVKLSV LQ RWKHU SXEOLF FRPSDQLHV 'HFHPEHUb

&RPSRV RW 0DQDJHF &RPPLWWHH

)RUWKH *URXS H[HFXWLYH PDQDJHPHQW WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU DQG &RPPLWWHH WKH ([HFXWLYH &RPPLWWHH DQG WKH 0DQDJHPHQW &RPPLWWHH

PHPEHUV WKH ([HFXWLYH &RPPLWWHH

'DQLHO -XOLHQ
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&KLHI)LQDQFLDO 2IILFHU

/XFLDQD &HPHUND
&KLHI 3HRSOH DQG &RPPXQLFDWLRQV 2IILFHU

0LUDQGD &RRODUG
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*OREDO &KLHI 1XUVLQJ 2IILFHU DQG &KLHI ([HFXWLYH 2IILFHU

$JXVWLQ *ULVDOGD
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([HFXWH&RPPLWWHH	,W LV UHVSRQVLEOH IRU WKH3URYLVLRQ RI2YHUVLJKW WR WKH*URXS¶V &RPPHUFLDO &RPSOLDQFH 3URJUDP &RPSOLDQFH ZLWK WKH %RDUG RI 'LUHFWRUV &RGH RI &RQGXFW DQG WKH *URXS¶V &RPSOLDQFH 3URJUDP WKH PDMRU RSHUDWLRQDO LQLWLDWLYHV RI WKH*URXS DQG LWV &RPSOLDQFH
0DQDJHPHQW&RPPLWWHH	,W WDNHV SDUW LQ WKH GHYHORSPHQW 3URPRWLRQ &RPSHQVDWLRQ DQG WHUPLQDWLRQ RI WKH([HFXWLYH &RPPLWWHH ,W HQVXUHV WKDW WKH*URXS¶V &RPSHQVDWLRQ DQG %HQHILWV SROLFLHV ZLWK UHJDUGV WR WKHLU UHVSHFWLYH HQVXUHV D ZLGH FR*QRXSWDWLRQ &RPSHQVDWLRQ &RPPLWWHH PHW ,W GRHV QRW KDYH D GHFLVLRQ PDNLQJ 3RZHU &RPPLWWHH PHW

*HQGHU\ YHUVDWLOLW\ ZLWKLQ WKH VHQLRU PDQDJHPHQW

,Q DFFRUGDQFH 3UZRLWK/WRKQHV/ RI DUWLFOH 6KHUHYHU SRVVLEOH WKH &RPPHUFLDO &RPSOLDQFH LV SXUVXHG DW DOO WKH &RPSDQ\¶V RSHUDWLRQV DQG PHQ RQ DQ\ &RPPLWWHHPV QHHGV WR VDWLVI\ DQ\ OHYHO RI UHVSHFWLYH DQG PHQ WR DVVLVW LW LQ WKH SHUIRUPDQFH 7KH*URXS ([HFXWLYH &RPPLWWHH &KLHI([HFXWLYH 2IILFHU WKH GHSXW\ &KLHI ([HFXWLYH 2IILFHU *URXS3HPDQDJHUV RWKH GDWH RI WKH SUHVHQW XQLYHUVDO UHJLVWUDWLRQ 6WDWHPHQW DQG PHQ RQ DQ\ &RPPLWWHH PHPEHUV DQG WKH PDLQ RSHUDWLRQDO LQLWLDWLYHV RI WKH*URXS $V RI WRGD\ b PHPEHUV DUH SDUW RI LW LQFOXGH3HPQHPLQL]DWLRQ RI $FKLHYLQJ GLYHUVLW\ DQG EDODQFHG UHSUHVHQWDWLRQ LV D SHUPDQHQW REMHFWLYH RSWLPDO GHYHORSPHQW7HLRIWKH &RPPLWWHH PHPEHUV DUH SDUW RI WKH *URXS ([HFXWLYH &RPPLWWHH &KLHI([HFXWLYH 2IILFHU WKH GHSXW\ &KLHI ([HFXWLYH 2IILFHU *URXS3HPDQDJHUV RWKH GDWH RI WKH SUHVHQW XQLYHUVDO UHJLVWUDWLRQ SHUVRQV DUH SDUW RI WKH &RPPLWWHH PHPEHUV DQG WKH PDLQ RSHUDWLRQDO LQLWLDWLYHV RI WKH*URXS $V RI WRGD\ b PHPEHUV DUH SDUW RI WKH *URXS ([HFXWLYH &RPPLWWHH &KLHI([HFXWLYH 2IILFHU WKH GHSXW\ &KLHI ([HFXWLYH 2IILFHU *URXS3HPDQDJHUV RWKH GDWH RI WKH SUHVHQW XQLYHUVDO UHJLVWUDWLRQ 6WDWHPHQW DQG PHQ RQ DQ\

~ZLWK VWURQJ JHQGHU EDODQFH LQ LWV ZRUNIRUFH GDQG PDQDJHPHQW SRVLWLRQV 7HOHSHUIRUPDQFH DGRSWHG SUDFWLFHV LQFOXGLQJ WRPDLQWDLQHG DOORFDWLRQ ZLWKLQ WKH VHSHUDWH PDQDJHPHQW SRVLWLRQV DQG LQFUHDVHG WKH QXPEHU RI 'HFHPEHU ZRPHQ LQ WKH *URXS V GHYHORSPHQW SRVLWLRQV ZLWKLQ WKH UHFRPPHQGDWLRQV LQ WKH (;(&87,9(&203(16$7,21 6(&7,21 RI WKLV 5HSRUW

:LWK UHJDUG PRUH VSHFLILFDOO\ WR RXU ZRUNIRUFH DQG PDQDJHPHQW SRVLWLRQV ZLWK UHFRPPHQGDWLRQV LQ WKH $)(3 0('() FRGH i XSGDWHG WKH *URXS V GHFLVLRQ WR PDLQWDLQ WKH PHGLDQ SD\ JDS DW]HUR RQ WKH ([HFXWLYH &RPPLWWHH EDVLV DQG WKH %RDUG RI 'LUHFWRUV DOVR DSSURYHG WKH DGGLWLRQDO SHUIRUPDQFH DQG UHWHQWLRQ JUDQWV WR HOLJLEOH PDQDJHPHQW SRVLWLRQV LQ WKH *URXS V GHFLVLRQ PDNLQJ JURXSV

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7KH SXUSRVH RI WKLV VHFWLRQ LV WR SURYLGH UHPXQHUDWLRQ UHFRPPHQGDWLRQV IRU ,W ZDV HVWDEOLVKHG E\ WKH %RDUG RI 'LUHFWRUV DUHG RPPHQGDWLRQ DQG $SSURYDO 3URFHVV OHJDO DQG UHJXODWRU\ GXWLHV RI &RPSHQVDWLRQ &RPPLWWHH

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WKH HFRPPHQGDWLRQV $)(3 0('() DFFRXQW WHUPLQDWLRQ GH JRXYHUQHPHQW« GH PDUFKp QDQFLHUV

2EMHFWLYHV IRU bGHQWLILFDWLRQ WKH HPXQHUDWLRQ

2EMHFWLYHV RI WKH HPXQHUDWLRQ

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- DWWUDFW UHWDLQ DQG PRWLYDWH H[HFXWLYHV ZKR KDYH HPSOR\PHQW RSWLRQV DQG H[SHULHQFH
- EHLQJ FRQVLVWHQW WKURXJKRXW WKH *URXS DQG DOLJQHG WR WHUP
- DOLJQ WKH H[HFXWLYH 7RWDO 'LUHFW &RPSHQVDWLRQ RSSRUWXQLWLHV
- DOLJQ WKH LQWHUHVWV RI H[HFXWLYHV DQG VKDUHKROGHUV
- SURPRWH FRQVLVWHQW DQG FRPSHWLWLYH PDQDJHPHQW
- UHFRJQLVH DQG UHZDUG H[HFXWLYHV IRU WKHLU FRQWULEXWLRQ WR WKH *URXS V VXFFHVV
- IRVWHU D FKLHYHPHQW RI WKH REMHFWLYHV DQG VFKHGXOH

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3URFHGXUHV WR GHWHUPLQDWLRQ

7KH SROLF\ DQG UHPXQHUDWLRQ HOHPHQWV JUDQWHG WR 7HOHSHUIRUPDQFH *URXS H[HFXWLYHV DUH GHWHUPLQHG E\ WKH %RDUG RI 'LUHFWRUV DQG UHFRPPHQGHG E\ WKH &RPSHQVDWLRQ &RPPLWWHH *URXS H[HFXWLYHV DUH GHVFULEHG LQ WKH $)(3 0('() DFFRXQW WHUPLQDWLRQ GH JRXYHUQHPHQW« GH PDUFKp QDQFLHUV 7KLV ZRUN DOVR LQFOXGHV UHYLHZLQJ DQG SURSRVLQJ FKDQJHV WR WKH 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPHQW WR UHIOHFW &RPSDQ\ DQG UHJXODWRU\ FKDQJHV

7KH %RDUG DQG WKH &RPPLWWHH FRQVLGHU D YDULHW\ RI LQWHUQDO DQG H[WHUQDO LQIRUPDWLRQ LQFOXGLQJ

- 7RWDO 'LUHFW &RPSHQVDWLRQ RSSRUWXQLWLHV DQG UHPXQHUDWLRQ SUDFWLFHV RI &RPSDQLHV LQ WKH 3HHU *URXS
- 7KH &RPSDQ\ V ILQDQFLDO DQG RSHUDWLQJ SHUIRUPDQFH
- 7RWDO 'LUHFW &RPSHQVDWLRQ RSSRUWXQLWLHV DQG UHPXQHUDWLRQ SUDFWLFHV RI &RPSDQLHV LQ WKH 3HHU *URXS
- 7KH &RPSDQ\ V ILQDQFLDO DQG RSHUDWLQJ SHUIRUPDQFH
- 7KH SHUIRUPDQFH DQG UHPXQHUDWLRQ RI WKH &RPSDQ\ V H[HFXWLYHV
- 7KH &RPSDQ\ V VWUDWHJLF EXVLQHVV REMHFWLYHV DQG VFKHGXOH

5HIHUHQFH$JHQWV DQG &RQVXOWDQWV

7KH H[HFXWLYH RIILFHUV UHPXQHUDWLRQ SROLF\ DQG SURJUDPV DUH GHVLJQHG WR 7HOHSHUIRUPDQFH *URXS H[HFXWLYHV DUH HPSOR\HG E\ WKH &RPSDQ\ DQG DUH HOLJLEOH WR SDUWLFLSDWH LQ WKH 7HOHSHUIRUPDQFH *URXS 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPHQW

PDMRULW\ LQGHSHQGHQW **GLUHFWRUV** DQG UHSUHVHQWLQJ WKH HPSOR\HHV

3ULQFLSDOXHPSOR\HUEHWZHH FRUSRUDWHRWHUQDWHQDPHGH LQWHUHVWHGHPSOR\HUQDPH GHWHUPLQDWLRQ	7HOHSHUIRUPDQFHPHWULF
&RPSUHKHQVLYHQHVV DQGWUDQVSDUHQF\	\$OO UHPXQHUDWLRQ JLYHQRU JLYDHQPWHHGXWRWDOQHHURSDEHOLVKHGGHVFUGLEHG LQ D SUHF FRSUHKHQVLYHDQGWUDQVSDUHQF\ 7KH%RDUG RI 'LUHFWRUVYWRKE\GHVXLWHRWWW WUDQVSDUHQF\ DQG GLDOR VKDUHKROGHUV RQRUHHPXQHUDWLRQ FFKWDLWHRQLFHQHUDWLRQ FVHHPXRQHQWGHWDLHO HYHUVHDU LQ DFFRUGDQFH ZLWK WKH UHOHYDQW JRYHUQDQFH EHVV UHFRPPHQGDWLRQHV \$0) DQG WKH \$)(7KL'V) WFRGHVPDUHQF\ DOVR FRQ GLVFORVXUWKH UHPXQHUDHWPLSFOR\RQGWUDJUHHPHQWV KDEV RQHQ ZHOF LQVWLWXKOLRHQKDOOGHUV RQ VHYHUDO WKFHOHRQWDVLQXWRHQWRRUHERWK IL DQGH[WUD ILQDQFLDOOD WULQWHURL DYDULDEOH UHPXQHULDWWRHQ WURHXSHVPDEE GRFXPHQWRQWWKH \HDU HQGHG 6LQFH LQ OLQH ZLWK LWV FXOWXUH REMHFWDQYGHOOORFDWLRQ VFDOHV DUH SXEOLVKHG SURSHFWLYHO\ DQ IRU WFRHPLQHDU
%DODQFHGZHLHQXQHUDWLRQ VWUXFWXUH LV V,WPSDUHYDLQGHVEDQDQFHG FRPSRQHQWV	FRPSULVDbQ[HG ISRUW WKH SRWHQWLDO WRWDO JURVV PRXQW DQG ILQDQEQDGD[WUD ILQHFRUDQFHLPP RI WKHUWRPRXQW LbDbORQJ WHUP UHPXQHUDWLRQ EDVHG RQ WKH JUDQW RI SHUIRUPDQ VXEMWRWSHUIRUPDQFH FULWHULD WKVHVWHGUbEHQHRGVDQQLG GH DQGDOXHG 7KHDQXDO YDULDEOHWHPXQHUHGWLDRQ D JURVV PD[LPXP DMRXQW DQ SHUFHQRWDJRXQWKDQ WKH WDUJHW 0HDVXUHPHQW EHORZ ,Q DGGLWLRQ WKH %RDUG RI 'LUHFWRUV XSRQ UHFRPPHQGDWLRQ R &RPPLWWHHKHG IRUWRWKHR EH SURWHFWHG EXQQHRQJDQWRQ WHRQHWRI GHSDUWDXHQGHG DQG ED\SWKRYHG VKDUHKROGHUV PHHWLSUYDOVZRQO D RQWKDQXYDOUHDERXQHUDWLRQ 1R RWKHU UHPXQHUDWLRQ WKWHUH LDVUHSRRXLGXSSOHPHQWDU\ RU DGGLW VFKHPHVSHFLILF IRU H[HFXWLYH RIILFHUV QRU DQ\ SD\PHQWV IRU ZKH FHDVH WR SHUIRUP WKRHLUHIHGSXWLRQDO UHPXQHUDWLGHWHUPLQHG HYHQ LQ W FDVRI RYHUSHUIRUPDQFH RU LQ FRQDHQFWLRQ \ZLKWKOHHFHQSLQLRQVHQWV WUDQVDFWLRQ
&RPSDUDEDLOLWRQVLVWHQWZLWKRQG DVVHVVHG LQ DFFRUGDQFH ZLWK D UDQJH RI IDFW HQYLURQPHQWILFRUORRDOODSKLF FRQVLHGHURQWLEQOYLWLHV bHWF 7KH H[H UHPXQHUDWWURRQWXHZLWKLQ WKDLWQHRI RWKHU *URRQVSLHWHFXWLYHU WLPH QF FKDQJH LQ VWUXFWXUH \RHUDPRXQGWLV HGHFKLJHQG WR EH DSSOLHG RQ 7KHbDOVR HQVXUH FRPSHWLWLYQHQWKRI DQHBGHQVQWLRQ LQ DQ H[WUHPHO\ FRQWDHQW HQYLURQPHQW ,W LV UHYLHZHG DQQXDOO\ E\ WKH 5HPXQHUDWLRQ DQG \$SSRLQWPHQW VHEHHOWRZFWLRQ
8QGHUWDQGDEOHWKRH WKHEWVRWPLQJ H[HFXWLYH RIILFHUVDQG WUDQVS RI WDURQJ ZLVK RI XQGHUVWDQGDELQHVWRUPLQJ SRO 7KHSHUIRUPDQFH FULWHULD DQG REMHWDWLVHDSSOLFDEOHWRWKH H[HF GHILQHQGDYDQFH DQG LQ D WUDQVSDUHQW PDQQHU DQG DUH FKDOOHQ *URXSHJURZWKLYHQVEWKH VKRUW DQG ORQJ WHUPV 7KH%RDUG RI 'LUHFWRUV FRQVLGHUV WKDW FRQWLQXW\ DQG VXVWDLQ IRUbWKRHXSKHH[HFXWLOLHFHUVZHDOO LWV VWDNHKROGHUV
0HDVXUHPHQW	7KHVWUXFWXUH DQG FRPSRQHQWV RI UHPXQHUDWLRQ DUH GHWHUPLQH LQWHUHVWV RI WKH &RPSDQ\ DQG LWV *URXS PDUNHW SUDFWLFHV *UR SHUIRUPDQFH 8SRQ UHFRPPHQGDWLRQ RI WKH 5HPXQHUDWLRQ DQG \$SSRLQWPHQWV & PDGHVXUHWKDWWKHSSOLFDEOHWKRQLQFDSDOHVZV LW WR VHW DSSURSULDWH H[HF WKbDW DOLJQHG ZLWK WKH *URXS V UHVXHQWWXU7KHDL&RPPLWWHHQWHH UHFRJQWLKBHVHUIRUPDQFH 3HUIRUPDQFHVHVVHVWWKHFDSRLQW RI H[HFXWLYH RIILFHU,WULHPXEDWHGWRQ DQ REMHFWLYH DQQDHQ'KDLXVVRWLLWHKH HQYLURQPHQW LQ ZKLFK WKH *URXS GUDZLQJ XS LWV UHFRPPHQGDWLRQV WKH 5HPXQHUDWLRQ DQG \$SSR SROLWHQFYDLQURQWHKHWVORBDO PDUNHW DQG WKH H[FKDQJH WR 7KbHLPSDFW RI WHFKQRORJLFDO EUHDNWKURXJKV ZKLFK WKHFRXU SURIRXQGO\HU WKH EHKDYLRXUHQWKH DQGSURSSHFWV LV DOVR DVVH WK*HURXS V EXVLQHVV DQG SURILW PDUJLQVHFKUHG*LQRXWSHUPRYLRRKJMDQWL DQSURPLDWJLQ LV DOVERUSHYLWZLHFRODU IRU WKH SXUSRVH R\HWDHWWLQJ WD

3ULQFLSOHXPVHUDEWWKH FRUSRUDWHUQHDQGHH LQGHSHQGHQWGLUHFWRUVHPXQHUDWLRQ GHWHUPLQDWLRQ	7HOHSHUIRUPDQFHPLFH
	7KH*URXS VVWHDG\ DQG VWURQJ JURZWK RYHU WKH SDVWLHKZHUHDQG PD VLJQLILFDQWO\ RXWSHUIRUPLQJ PDUNHW JURZWK WDNLQJ LQWR DFFR RSHUDWLQJ SURILW PDUJLQV ZKHUH WKH H[SHFWHG OHYHUDJH SURYLGHG UHTXLUHPHQWVHDVRQORJLFDO GHYHORSPHQWV DQG WKH FRUUHVSRQGLQJ *URXSH[SDQVLRQ DQG WKH LQFUHDVHG UHTXLUHPHQWV LPSDFWLQJ F\EHUVHFXULWLHVDOLWRSERO bHFLHV
	7KHVHWWLQJ XS E\ WKH 5HPXQHUDWLRQ&RPPLWWHHQVDQGPPLWWH'LUHFWRUVWKHLHRDUG FRPLQHDU RI WKH WDUJHWV DQG WKH DQQXDO YDULDEOH UHPXQHUDWL EDODQFHVHG DSSURDFK WR H[HFXWLYH UHPXQHUDWLRQ EHWZHHQ D QHFHVVDUKRDQVLWRUHQRQHFRQRPLF bHWF
	7KHH[HFXWHG OHYHOV RI DFKLHYHPHQW DUWKHVEKGHHRDHQWHVb L bWKH IRSUHFDWLQJUURZWKOV DFFRXQRU WKH ILQDQFLDO REMHFWLYHVb L bWKH IRSUHFDVW DQG H[SHFWHG RPHUDWLRQDO SHUFRUPDQFH RI WK L bWKHb JOREDO HQYLURQPHQWO 7KH %RDUG RIIRLUHHDWRUV WHVHV IDQDQ FULWKVLQJ DV D ORZHU UDQNZHWKHVQL PDKWHGOREDO7HPDUNHWRLQDZKLHH RPHUDWLQJ D KLUDQHJWKH JXLGDQFHVKHG RQ DQSRUWIRLRVXOV
	:LWKUHJDUGVKWRH[WD ILQDQFLDO REMHFWLYHV WKH 5HPXQHUDWLRQ DQ %RDUG RI 'LUHFWRPPRLWWDHE WR GHILQLQDWHEKWLSYULVQPLSDWO FKDOOHQJ IDFHG E\ WKHD*URXHSWHUPLWKHG ERQVLV RI FXUUHQW HYHQWV RU *URX UHVSRQV&EOLGHQ\SLUIRGLWLHV
	7KHDWWHQWLRQ SDIG WR HQVXULQJ WKDW UHUPHKVQHOWDWWKEHQDWHDQLQ WKHG 'LUHFWRQQG LWV &RWRLVGWHLQH SDFELWLRXV DQG KLJK WDUJHWV W FRPPHQVXUDWHWXDEOHFHQGY
	,Q YLHZ RI WKH IRUHJRLQJ DQG WKEH\WKHUHIUURKISURHWHQWWRWHDQWHRQWW%HRGUG FRQYLQRFHWGKH VXLWDELOLW\RQQGPEWLKHRQJKHOGHHWHG E\ WKH WDUJHWV DFKLHYHQRQWG RYHU UHFHQW \HDUV UHIOHFWV WKH TXDOLW\ RI WKH LQVXIILEHPEQWLRQ 7KLV LV ERUQH RXOWEE\OFRDQSHHWRQWKQHH LQ GHOL FRQWHQQG WKH SHUIRUPDQFH RI GLUHFWRUV EHRQSHLWDQWOV EWKHRZ WKDW 7KbH%RDUG RI 'LUHFWRUV KDV DOVR WKH SRVVLEVLOLWWVGRG DEGMKQFWLHQYLWQ LQ-XO\b LQ RUGHU IRU WKHPJXEGHQDEHOJHHGVZHFWKL RI WKH 5HJLVWUDFXLPRQQWGKXNPDVKILLFLHQWWOR XV
	7KH%RDUG RI 'LUHFWRUV FRQVLGHUV WKDW DFKLHYHPHQW RI WKH WD SULPDFRPPLWPHQW XQGHUWDNHQ E\ H[HFXWDYQHJHRHHRWK DDYQHGD GXW\ WGbOLYHU WKH H[SHFWXWDWQHG
	$QQXDO YDULDEXQHUDWLRQ LV H[SUHVVHG DV D JRVV PD[PXP DPR SHUFHQWDJH DUJHW DPRXQW WKDW PD\ YDU\ ,WVVXEMHHFQW WR WKHDHUHKR DSSURYEDOWKH DFKLHYHPHQQW FRDVHWDRJRWWUSHUIRUPDQFH RI WKH WDU DGGLWLRQHIFHRWLRQDO UHPXQHUDWLRQ DDWDRQVHG G7XHH DSSOLFDWLRQHRI WKKL SDbVWHDUV KDEUERHGQD\ EHQWKHLF*URXSWDQG LWV VWDNHKROGHUV LQ SDUV ,Q FRQWUDVW OHVVHU UHPXQHUDWLRQ LV JUZKQLWHHG RIEIMWFKWLYHRXSSYR VLJQLILFDQWO\ H[FHGV PDUNHW WUHQGV E7XKW IDSSURWHRGHUVDUFKH LWRb JLHY[HFXWLYH RILLQFHHQWLDYQH WR WDFKLHWW WQ&ERXQFHG ZKOH SHQD FRQVLGHUWXEHDLO\
	7KHUXOHV IRU GHWHUPLQLQJ UHPXQHUDWLRQ WDDWWHUDEWR UHFFRXQWDQG WRRSHUFHQWDJHV 7KH\ DOVR DMP WR DWKLRQH WHRKHLQWWHDUHHKRV E\b HVWDEOLVKLQHQWZHSHQUFRUPDQFH DQG UHPXQHUDWLRQ ZKOH HQV UHPXQHUWLEQLQ DFFRUGDQFH ZLWK WKH *URXS VSHUYELXVHLQEQVGHWKHQGHWJ PDUNHWZKLWWSKHUDWQHVK *URXS V SULRULWLHV LQ &65
	7KXVERWK IRU WKH DQQXDO YDULDEOH DQG ORQJ WHUP UHPXQHUDWLR &RPPLWWHHWRQHVXUHWKDW H[HFXWLYH RIILFHUV *UHRXSQHUDXOLVRQ LV WLHG W
	7KHDQQXDO YDULDEOH SDUW DQG WKH ORQJ WHZUKLFKHDRQWLQQDWLRQ UDHDH WKDQ WKH IL[HG SDUW ,Q DGGLWLRQ WKH\ DUH UHTXLUHG WR UHWD UHJLVWHRUHPG XQWLO WKH HQG RI WKHLU WHUP RI RIILFH DQG WKH\ I WUDQVDFWLRQV

5HPXQHUDWLRQ VWUXFWXUH

,QRUGHU WR DWWUDFW GHYHORSHUV DQG UHWDLQ H[FHSWLRQDO WDOHQW LQ D FRPSHWLWLYH LQGXVWU\ RXU UHPXQHUDWLRQ SROLFLHV DUH GHVLJQHG WR EH KLJKO\ FRPSHWLWLYH DQG FRQVLVWHQW ZLWK REVHUYHG PDUNHW VWDQGDUGV

$QQXDO UHPXQHUDWLRQ

$QQXDO UHPXQHUDWLRQ UHYLHZV DUH FRQGXFWHG RQ DQ LQGLYLGXDO EDVLV DQG WDNH LQWR DFFRXQW D YDULHW\ RI IDFWRUV

$QQXDO ERQXV UHPXQHUDWLRQ

$QQXDO ERQXVHV DUH GLVFUHWLRQDU\ DQG DUH GHVLJQHG WR UHZDUG H[FHSWLRQDO SHUIRUPDQFH DJDLQVW SUHGHILQHG REMHFWLYHV DQG RYHUDOO FRPSDQ\ SHUIRUPDQFH 7KHVH REMHFWLYHV DUH UHYLHZHG DQQXDOO\ DQG DUH GHVLJQHG WR EH FKDOOHQJLQJ \HW DFKLHYDEOH 7KH*URXS V SROLF\ LQYROYHV D FORVH OLQN EHWZHHQ SHUIRUPDQFH DQG UHPXQHUDWLRQ 7KH*URXS KDV VHQLRU WR GLVFUHWLRQDU\ FRQGXFW WKDW OHDG WR HVWDEOLVK DQG PDLQWDLQ D KLJK VWDQGDUG RI EXVLQHVV FRQGXFW DQG HWKLFDO EHKDYLRXU DPRQJ WHUP SHUIRUPDQFH EHQHILWV DQG LL b TXDOLILHG EHQHILW SODQV DUH DYDLODEOH WR HPSOR\HHV LQ &6 7KLV DQQXDO YDULDEOH SHUIRUPDQFH EDVHG UHPXQHUDWLRQ DPRXQW LV GHWHUPLQHG E\ WKH &RPSDQ\ V SROLF\ LQ 7KH*URXS V SROLF\ LV WR GLVFORVH WKH HDUQLQJV RI HDFK GLUHFWRU DQG RI WKH ILYH PRVW KLJKO\ UHPXQHUDWHG HPSOR\HHV ZKR DUH QRW GLUHFWRUV LQ WKH &RPSDQ\ V $QQXDO 5HSRUW DQG $FFRXQWV

/RQJ WHUP EUDQVPHQW UHPXQHUDWLRQ

7KH*URXS V VWUDWHJ\ LV WR HQJDJH PDQDJHPHQW DQG VHQLRU H[HFXWLYHV LQ GHOLYHULQJ VXVWDLQHG DQG VLJQLILFDQW LPSURYHPHQW LQ WKH *URXS V SHUIRUPDQFH RYHU WKH ORQJ WHUP LQFHQWLYH SODQV DUH GHVLJQHG WR SURYLGH UHZDUGV RQO\ LQ WKH HYHQW WKDW WKH &RPSDQ\ RU WKH *URXS DFKLHYHV VWUHWFKLQJ ILQDQFLDO DQG QRQ ILQDQFLDO REMHFWLYHV RYHU D PXOWL \HDU SHULRG 7KHVH SHUIRUPDQFH FULWHULD DUH FKRVHQ EHFDXVH WKH\ DUH EHOLHYHG WR EH WKH IXQGDPHQWDO GULYHUV RI VKDUHKROGHU YDOXH &RPSHQVDWLRQ &RPPLWWHH

7KH &RPSHQVDWLRQ &RPPLWWHH LV UHVSRQVLEOH IRU GHWHUPLQLQJ DQG UHYLHZLQJ WKH UHPXQHUDWLRQ DUUDQJHPHQWV IRU WKH 'LUHFWRUV DQG VHQLRU PDQDJHPHQW RI WKH &RPSDQ\ 7KH &RPPLWWHH FRQVLVWV RI WKUHH RU PRUH QRQ H[HFXWLYH 'LUHFWRUV DSSRLQWHG E\ WKH %RDUG RI 'LUHFWRUV

- WKH DSSRLQWPHQW RI SHUIRUPDQFH VKDUHV LV VXEMHFW WR SHUIRUPDQFH DQG VHUYLFH FRQGLWLRQV DSSOLHG LQ WKH RMDPHUZD\ WR H[HFXWLYH DQG VHQLRU PDQDJHPHQW EHQHILFLDULHV
- WKH SHUIRUPDQFH FULWHULD DQG REMHFWLYHV VHW RXW DUH LQ OLQH ZLWK WKH ORQJ WHUP *URXS VWUDWHJ\ DV GHILQHG E\ WKH %RDUG RI 'LUHFWRUV DQG SXEOLVKHG WR VKDUHKROGHUV

%HQHILFLDO GHWHUPLQDWLRQ

%HQHILFLDO EDVHG RQ ORFDO 7KHRUHWLFDO DQDO\VLV RI WKH DFWXDO 6DYRRUL GRI LQGLYLGXDO WDVWHV DQG SUHIHUHQFHV KHDOWKLHU IXQFWLR

7DNH RXW SHUPLQDWLRQ SD\PHQWV

7KHRUHWLFDO DQDO\VLV RI WKH RULJLQDO HQWHUWDLQPHQW PDUNHW XQHUDWLRQ SD\RRUL GRI UHVSHFW WKHLU IXQFWLR

'LUHFWRRUXQHUDWLRQ

7HOHSHUIRUPDQFH UHFHLYH UHPXQHUDWLRQ WRWDO EDVHG RQ WKH VXPPDU\ RI WKH VKDUHKROGHUV DOORFDWHG E\ WKH %RDUG RI 'LUHFWRUV &RPPLWWHH 7KHVH UXOHV DUH LQ ZLWK WKH UXOHV LW HVWDEOLVKHV XSRQ SHUIRUPDQFH &RPPLWWHH 7KHVH UXOHV DUH LQ VHFWLRQ EHORZ

([HFXWLYHPDQDJHUXQHUDWLRQ

([HFXWLRQ PDQDJHUXQHUDWLRQ JUDQWHG SXUVXDQW DJUHHPHQWV WKHUH DUH QR RWKHU UHPXQHUDWLRQ LQIDYRUGLUHFWXQGHUXVLHV

$GGLWLRQXQDSSOHPHQWDU\ RU WRS XSSHQVLRQHPH

7KHUHUH QR DGGLWLRQDO RU VXSSOHPHQWDU\ SHQVLRQ VFKHPHV IRU H[HFXWLYH LQHVHWKHU RIILFH

2WKHUHPXQHUDWLRQ

([HFXWLRQ PDUGHPXQHUDWLRQ JUDQWHG SXUVXDQW DJUHHPHQWV WKHUH DUH QR RWKHU UHPXQHUDWLRQ LQIDYRUGLUHFWXQGHUXVLHV

3ROLF\ 5HYLHZ RQ SURQGGRQFUHWLRQDU\ SRZHU

'LUHFWRQG H[HFXWLYH RIILFHSRROLFHPXHPSUHPQP SHUFHQWDJHV FRPSDUHG WR WKH WHUPXQHUDWLRQ LW WUHXEWKHQ WKH OLPLWV 'LUHFWRUG WR NVH ZRRNVLWHUXQHUDWLRQ UHPXQHUDWLRQ SROLFLHV IRU H[HFXWLYH RIILFHUV $SSRLQWPHQWV 2Q WKDW RFFDVLRQ WKHPHUXQHUDWLRQ SROLF\ DQG WKH UHYLHZ SURFHVV WKH RSSRUWXQLW\ WR UHYLHZ WKH UHPXQHUDWLRQ SROLF\ DQG WKH &RPSHQVDWLRQ &RPPLWWHH ,W LV DSSOLFDEOH DQ\ VHFLILF HYDFXDWLRQ RQO\ GXULQJ WKH)UHH &RPPHUFLDO &RQGLWLRQV LQWHJUDWHG VXSSOHPHQWDU\ SHQVLRQ VFKHPHV RU DQ\ VSHFLDO RU VXSSOHPHQWDU\ SHQVLRQ RU VLPLODU EHQHILW WKH &RPSDQ\ LWVHOI RU DQ\ RI LWV VXEVLGLDULHV RU DQ\ H[HFXWLYH RIILFHUV RU GLUHFWRUV RI WKH &RPSDQ\ RU DQ\ RI LWV VXEVLGLDULHV ,Q DGGLWLRQ WKH &RPSDQ\ LV FXUUHQWO\ GHYHORSLQJ D SROLF\ WR VXSSRUW WKH DFTXLVLWLRQ RI 'LUHFWRUV PD\ DGGLWLRQDO DQG VXSSOHPHQWDU\ EHQHILWV WR WKH %RDUG PDLQWDLQV WKH SROLF\ 7KH &RYLG SDQGHPLF KDV HVWDEOLVKHG D KHDOWK UHODWHG FULVLV D JRYHUQDQFH FXUUH RU PDUNHW HYHQW ZHUHMXVWLILHV D FKDQJH WR WKH SROLF\ RU WKH SURFHVV E\ ZKLFK LW LV DSSURYHG 7KH &RPSHQVDWLRQ &RPPLWWHH FRQVLGHUHG DQG GHFLGHG WKDW WKHVH H[FXWLYHV FRQFHUQHG DQG GHGLFDWHG WKHLU HQWLUH SURIHVVLRQDO FDUHHUV WR WKH %RDUG PDLQWDLQV WKH SROLF\ WKH &RPSHQVDWLRQ &RPPLWWHH LV FRQILGHQW WKDW WKH &RPSDQ\ LV DEOH WR DWWUDFW DQG UHWDLQ WKH WDOHQW LW QHHGV WR VXFFHHG LQ WKH FRPSHWLWLYH HQYLURQPHQW LQ ZKLFK LW RSHUDWHV

- LILW LGLVDHFWRUKHKLVHPXQHUDWLRQ WKH GLUHFWRU UHPXQHUDWLRQ SROLF\ 7KH %RDUG RI 'LUHFWRUV PD\ DGGLWLRQDO DQG VXSSOHPHQWDU\ EHQHILWV WR WKH %RDUG PDLQWDLQV WKH SROLF\ 7KH &RYLG SDQGHPLF KDV HVWDEOLVKHG D KHDOWK UHODWHG FULVLV D JRYHUQDQFH FXUUH RU PDUNHW HYHQW ZHUHMXVWLILHV D FKDQJH WR WKH SROLF\ RU WKH SURFHVV E\ ZKLFK LW LV DSSURYHG 7KH &RPSHQVDWLRQ &RPPLWWHH FRQVLGHUHG DQG GHFLGHG WKDW WKHVH H[FXWLYHV FRQFHUQHG DQG GHGLFDWHG WKHLU HQWLUH SURIHVVLRQDO FDUHHUV WR WKH %RDUG PDLQWDLQV WKH SROLF\ WKH &RPSHQVDWLRQ &RPPLWWHH LV FRQILGHQW WKDW WKH &RPSDQ\ LV DEOH WR DWWUDFW DQG UHWDLQ WKH WDOHQW LW QHHGV WR VXFFHHG LQ WKH FRPSHWLWLYH HQYLURQPHQW LQ ZKLFK LW RSHUDWHV
- LILW LV DQ H[HFXWRUKHKRUHUHPXQHUDWLRQ SROLF\ 7KH %RDUG RI 'LUHFWRUV PD\ DGGLWLRQDO DQG VXSSOHPHQWDU\ EHQHILWV WR WKH %RDUG PDLQWDLQV WKH SROLF\ 7KH &RYLG SDQGHPLF KDV HVWDEOLVKHG D KHDOWK UHODWHG FULVLV D JRYHUQDQFH FXUUH RU PDUNHW HYHQW ZHUHMXVWLILHV D FKDQJH WR WKH SROLF\ RU WKH SURFHVV E\ ZKLFK LW LV DSSURYHG 7KH &RPSHQVDWLRQ &RPPLWWHH FRQVLGHUHG DQG GHFLGHG WKDW WKHVH H[FXWLYHV FRQFHUQHG DQG GHGLFDWHG WKHLU HQWLUH SURIHVVLRQDO FDUHHUV WR WKH %RDUG PDLQWDLQV WKH SROLF\ WKH &RPSHQVDWLRQ &RPPLWWHH LV FRQILGHQW WKDW WKH &RPSDQ\ LV DEOH WR DWWUDFW DQG UHWDLQ WKH WDOHQW LW QHHGV WR VXFFHHG LQ WKH FRPSHWLWLYH HQYLURQPHQW LQ ZKLFK LW RSHUDWHV

5HPXQHUDWLRQ SROLF\ IRU GLUHFWRUV DQGbH[H LQ U HVSHRBWK ILQDQFLDG6HFXQHUDWLRQ HOHPHQW DQG6HQILWVGXSDLLQJ RUbLQDHQVWRBWK ILQDQFLDO \HDU[SRVWWHV

,PSOHPHQWDWLRQ RI WSKRHOLFHPXQHGUDWLRQ LQ

3ULQFLSOHV

:LWKLWQKHLPLW D WRQWXDOPRXQWSURYHGWKH VKDUHKROGHUV DSSURYHG 'LUHFWRXSRQ UHFRPPHQGDWLRQ 5HPXQHUDWLRQ &RPPLWWHH GHFLGHV RQ WKH UXOHV DPRXQWVWHUPV

7KHVUHOHYDQFHWRFXQWXWRWKH UHFRPPHQGDWLRQV WKH)(3 0('()RGH DQG WKH SURYLVLRQWRUQWKH UHJXODbWRQHPEHUWKRSWKRDG DQG LWV &RGHbWKH HIIHFWLYHDWWHPHQGLQJ bWKH JRYHUQDQFHVWDQG LLL bWKH GLVWDZKHUHIRUH SURYLGH IRU D SUHGHWHUPLQHG %RDUG DSSURYHG H[HSWRU WKH/HDG ,QGHSHQGHQW'LUHFWRU IL[HGUHPXQHUDWLRQ

+RZHYHDPRQJ GLUHFWRUV WKH &KDLUPDQ 2IILFHDQG WKRVH LI DSSURSULDWEDVHG HPSOR\PHQW ZLWDX FRQVROLGDWHG *URXSHFHQWHUV DbGLUHFWRU 7KH WHUPLQDWLRQ PRGDOLWLHV JRYHUQEHGOLFDO OHJDO SURYLVLRQV DSSOLFDEOH ZKHQGLIIHUHQW E\ FRQWUDFWXDOWWLWLVXSHUVHGLQRQWKDWWUHFWRUVHPQWKDW DFRPSDQ*URXS DKHGUEHFWRUV 7KH%RDUGLHFWRUVQDQ H[FHSWLRQDO DVSLQPHQW DRG WKHDVLQPHQW DQG DVSLQPHQW ZLEH GHWHUPLQHG%HFRQHQGDWLRQ 5HPXQHUDWQWSSRLQWPHQWVZLWKPRUHWKH LPSORWRQFWKH DVSLQPHQW DRG WWV +[HRXWLRQ PRGDOLWLHDXHUDWLRQ SHUVRQDO LQYROYHPHQW WR WKHDWHGXSDLQJ RI VDLG DVVLQPHQW DXEMHFW WR WKHDWLRQ RI VDLG DVVLQPHQW DQG WKH H[SHUWLVDLFDWLRQ DQG WKH DVSLQPHQW DQG WKH VKDUHKROGHUV DSSURYHG E\ DUWLFOH / b)UHQ&RPPHUFLDO

7KHUHPXQHUDWLRQ6RUJUDQWHG\HDUWR JUDQWHGQHQ\HDUVHUYLFH SDLGXULQJ WKH IROORZLQJ\HDUV WKH VKDUHKROGHUV DSSURYHG RU FDOOHG LQ VWDWHRQVWUXFWXUHG IRU E\ DUWLFOH / b

$OORFDWLRQ UXOHV

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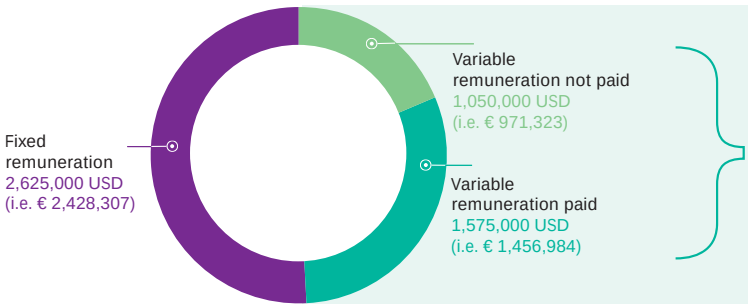
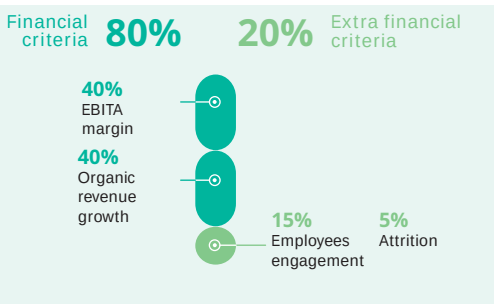
2023 annual remuneration(1)(2)

Fixed and variable remuneration(1)



Performance of the variable remuneration(2)



Remuneration as a director: € 0

Benfits in kind: 104 965 USD (€ 97,100)

Long-term share-based remuneration for 2023

Grant of 50,000 performance shares under internal and external performance conditions measured over three years, in connection with the July 2023 plan.

(1) Variable annual compensation for 2023 is expressed as a maximum amount, representing 50% of total annual compensation if targets are met. Only 60% of the targets set for 2023 have been achieved. Consequently, 60% of the target variable compensation (i.e. USD 1,575,000) will be paid subject to a positive vote at the Shareholders' Meeting on May 23, 2024 (6th resolution).
(2) On the recommendation of the Remuneration and Appointments Committee, the maximum amount of the variable part for the 2023 financial year and the level of target achievement were set by the Board of Directors at its meeting on March 6, 2024.

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FRPSDUDWLYHO\ORZ OHYHO UHIOHFWV WKH IDFW WKDW WKH &KDLUPDQ DOVR
H[HFXWLYH IXQFWLRQV

$ QQXDOYDULDEOHUHP XQHUDWLRQ

)RU WKH DQQXDO YDULDEOH UHPXQHUDWLRQ ZDV VHW DW
PD[LPXPDPRXQW RI 86 VXEMHFW WR SHUIRUPDQFH FULWHULD
,WUHSUHVHQWHGRIWKHWRWDO WR WKH IL[HG UHPXQHUDWLRQ
,Q DFFRUGDQFH ZLWK SUHFHGLQJ\HDUV WKH
SROLF\FKDQQXDOYDULDEOH SDUW LV H[SUHVVHGDVD SHUFHQWDJH RI WKH

,Q FDVHRYHUSHUIRUPDQFHRI REMHFWLYHV QR DG
RU H[FHSWLRQDO UHPXQHUDWLRQ ZDV SDLG
&ULWHULD JRYHUQLQJ WKH SDUW LV VXEMHFW WR
GHWHUPLQDWLRQ RI WRGD\V PHFKDQL
QRQ5HPXQHUDWLRQ &RPPLWWHH &RPPLWWHH
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DFKLHYHPHQWZDV VHW &RPPLWWHH
Q RUGHQRWWR WKHLU IXOO RU SDUWLDO DFKL
PDLQWDLQHG D SOLQW EDVHG FDOFXODWLRQ V
QXPEHU RI SOQWV WKDWVVPD\bSHRLQQWWHPD[LPD
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'HWDLOHG FRQVLGHUDWLRQV RI WKH SHUIRUPDQFH FRQGLWLRQV

)LQDQFLDO ZHLJKLQJ

7KH ILQDQFLDO ZRUHWHKRUHWLDO DQ SRLQW ZHLJKLQJ UHODWH WR%WKH PDUURZQHVV DQG HUHSURGXFLEOH
SHUIRUPDQFH EHHYHG E\ WKH *URXS DQG H[FXGH WKH LPSDFW RI FXUUHQF\ DQG FRQVROLGD
H[FXQRQ UHFXUUHQW LWHPV WR UWKH HVSHFW WR WKH HDUQLQJV

7KH WDEOHV VKRZ WKH QXPEHU RI SRLQWV WKH WDUJHWV VHW E\ WKH PDQDJHPHQW %RDUG DQG WKH DFWXDO

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$V WR WKLV FULWHULRQ XSRQ UHFRPPHQGDWLRQ RI LWV &RPPLWWHHV WKH %RDUG RI 'LUHFWRUV GHFLGHG

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1XPEHU RI SRLQWV LQFUHDVHG	7DUJHWV
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$V WR WKLV FULWHULRQ XSRQ WKH UHFRPPHQGDWLRQ RI LWV &RPPLWWHHV WKH %RDUG RI 'LUHFWRUV GHFLGHG

:LWK UHJDUG WR WKH LQDQFLDO YHO RI DFKLHYHPHQW DQG WKH %RDUG RI 'LUHFWRUV GHFLGHG ZLWK WKLV
JUDQW ZKRXOG EH RXW b SRLQWV DOORFDWHG WR WKH SHUIRUPDQFH UHWXUQ FULWHULD

7KH HDUQLQJV ZDV FKDUDFWHUL]HG E\ DQ XQFHUWDLQW\ DQG GHSROHWH LQ WKH PDUNHW WUHQG VORZHU
ZDW DQG WKH HIIHXGH RI VRPH RI WKH FXUUHQF\ FKDQJHV WKDW 6ILQDQFLDO VHUYLFHV VHFWRU LQ SDUWLFXODU
PDMRULWLHV RQ WUDQVDFWLRQV

7KH WRWDO GLVDSSHDUDQFH RI FRYLG FRQWULEXWHG WR WKH HDU WKH HIIHFWV RI WKH WDUJHWV VHW E\ WKH %RDUG
IRUHEHJDQHQYLURQPHQW

,QWKLV HQYLURQPHQW GLG QRW PHHW WKH VDOHV WDUJHW VHW DW WKH EHJLQQLQJ RI WKH HDU WKH WDUJHW UDQJH RULJLQDOO\ VHW E\ WKH %RDUG RI 'LUHFWRUV RQ WKH EDVLV RI WKH EXGJHW DGGLWLRQDO DGLIILFXOW PDUNHWDEOH RQ WKH %RDUG RI 'LUHFWRUV ZKLFK UHFRJQLVHG WKH FKDOOHQJLQJ

&RPPLWWHHV RI WKH %RDUG

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E\ UHQRZQHG LQGHSHQGHQW EHQFKPDUN
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$VVHVVPHQW HOHPHQWV FHUWLILFDWLRQ
GXULQJ LQ FRQQHFWLRQ ZLWK
E\ LQGHSHQGHQW UHQRZQHG
b SRLQWV ZLOO EH JUDQWHG
HPSOR\HHV LQ D FHUWLILHG
HTXLWDEOH SXEOLFO

2EMHFWLYH REWDLQ DQ DYHUDJH
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7KH %RDUG RI 'LUHFWRUV HVWDEOLVKHV WKH *URXS LQFHQWLYH WKH *URXS DLPV WR
QHZ [HUFLVH SHUIRUPDQFH WKUHVKROGV DQQXDOO\ WR
WUXVWHG WHDP VSLULW WKDW SUHYDLO ZLWKRXW HQFRXUDJHPHQW
QDWLRQDO UHVSRQVHV 7HOHSHUIRUPDQFH PHDVXUHV
WR REWDLQ HQHUJ\ *URXS WR :RUNº RU %HVW
FHUWLILHG DZDUGV DQG UHFRJQLWLRQ
HPSOR\HUV :RUNSODFH 7KRVH WKHVH VDWLVIDFWLRQ
ZHUH YHU PXFK LQ WKH FRQWH[W RI

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7RHFKWRKHDVHVWULWLRQ

2EMHFWLYH DQ DWWULEXWH YDOXH

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7HOHSHUIRUPDQFH DQG DWWULEXWH

*URXS WR VXFFHHG LQ UHWDLQLQJ WKHP 7KLV VWDUWV ZLWK

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DQGH[WUD ILQDQFLDO UHZDUGV

5HPXQHUDWLRQ

EbWKH $XGDQG5LVN

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7KH%RDUG RI 'LUHFWRUV -XO\ WKH

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DV GHFLGHG WR JUDQW b SHUFHQW

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WKHbUGHGLYLGXDOb FKDUDFWHULVWLFV WKH

LQGLYLGXDO ERWK LQ\HDUV DQG WKH LQFUHDVHG FRPSOH

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,QDFFRUGDQFHZLWKWKH SURYLVLRQV / b

)UHQFK&RPPHUFLDO &RGH WKH VHOHFWHGb

UHPXQHUDWLRQ GLVFORVXUHVb

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7KH EHQHILWV DQG UHWLUHPHQW 0U b 'DQLHO -XOLHQ 86 LHH FRQVLVW LQ WKH XVH RI D FRPSDQ\ FDU KDOWKFDUH DQG SURYLGHQW FRQWULEXWLRQ SDLG XQGHU WKH QRQ TXDOLILHG GHIHUUHG FRPSHQVDWLRQ 7KLV EHQHILW WR D GHIHUUHG VHWWOHPHQW VKDUH EHKDOI RI WKH HHPSOR\HU HQDEOHV WKH HHPSOR\HH WR HDUQ HDUQLQJV RQ WKH VKDUHV RYHU D SHULRG RI WLPH 7KH HHPSOR\HU FRQWULEXWHG DQG PDWFKHG RQ 86 SHU \HDU 7KH GHIHUUHG DQG PDWFKLQJ FRQWULEXWLRQV YHVW RYHU 'HFHPEHU , DW WKH DPRXQW GHIHUUHG KDV \HW WR EH SDLG RXW

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3D\PHQWV WR &HUWDLQ &LUFXPVWDQFHV XSRQ 7HUPLQDWLRQ RU &KDQJH

([HFXWLYH DUH QRW HQWLWOHG WR DQ\ SD\PHQWV RU EHQHILWV RU HOLJLEOH WR YHVW LQ DQ\ RUOLDEOH WR EH FDQFHOHG RU IRUIHLWHG XSRQ WHUPLQDWLRQ RI WKHLU HPSOR\PHQW

3D\PHQWV 7R &RQWURO 3HUVRQV &RPSXWDWLRQ

,W LV UHPLQGHG WKDW &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ ERXQG WR WKH *URXS E\ D QRQ FRPSHWH XQGHUVWDQGLQJ

WKH WHUPV DQG FRQGLWLRQV DSSOLFDEOH WR WKH SURYLVLRQ RI SHUVRQDO SHUTXLVLWHV DQG RWKHU EHQHILWV WR &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ DQG WKHLU IDPLOLHV

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&RPSHQVDWLRQ &RPPLWWHH ,QWHUORFNV DQG ,QVLGHU 3DUWLFLSDWLRQ

'HFHPEHU b WR 0U b -XOLHQ &KDLUPDQ DQG 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ DQG &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ RI WKH &RPSDQ\ DQG WKH &RPPLWWHH RQ &RPSHQVDWLRQ RI WKH %RDUG RI 'LUHFWRUV DW 86 XQFKDOOHQJHG VLQFH

&RPSHQVDWLRQ &RPPLWWHH 5HSRUW

7KH &RPSHQVDWLRQ &RPPLWWHH RI WKH %RDUG RI 'LUHFWRUV DW 86 LHH KDV UHYLHZHG DQG GLVFXVVHG ZLWK PDQDJHPHQW WKH &RPSHQVDWLRQ 'LVFXVVLRQ DQG $QDO\VLV VHW IRUWK DERYH &RPPLWWHH

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$QQXDO LQFHQWLYH UHPXQHUDWLRQ <f b DQGf b	DPRXQW DQG LQGHI WHUP LQFHQWLYH DQG $SSUDLVDO $PRXQW WR EH GHWHUPLQHG DIWHU WKH HQG RI WKH ILVFDO \HDU bGXH WR WKH 86 VKDUHKROGHUV RQ 0DUb b PHHWLQJ	86 L bH DPRXQW DQG LQGHI WHUP LQFHQWLYH DQG $SSUDLVDO DPRXQW WR EH GHWHUPLQHG DIWHU WKH HQG RI WKH ILVFDO \HDU bGXH WR WKH 86 VKDUHKROGHUV RQ 0DUb b PHHWLQJ	$W LWV PHHWLQJ KHOG RQ 0DUFKb WKH %RDUG RI 'LUHFWRUV RI 86 LHH DSSURYHG E\ WKH &RPSHQVDWLRQ &RPPLWWHH RI WKH %RDUG RI 'LUHFWRUV DQG $SSRLQWPHQW DQG &RPPLWWHH RI LWV LQGHSHQGHQW GLUHFWRUV WKH DPRXQW DQG WLPLQJ RI SD\PHQW RI WKH $QQXDO ,QFHQWLYH $ZDUG WR WKH ILQDQFLDO FULWHULD ~ ZLWK UHJDUG WR WKH H[HFXWLYH RIILFHU &KLHI 5HVSRQVLEOH 3DUW\ DQG &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ RI WKH &RPSDQ\ DQG WKH DPRXQW DQG WLPLQJ RI SD\PHQW RI WKH $QQXDO ,QFHQWLYH $ZDUG WR WKH ILQDQFLDO FULWHULD ~ ZLWK UHJDUG WR WKH H[HFXWLYH RIILFHU &KLHI 5HVSRQVLEOH 3DUW\ DQG &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ RI WKH &RPSDQ\ DQG WKH DPRXQW DQG WLPLQJ RI SD\PHQW RI WKH $QQXDO ,QFHQWLYH $ZDUG WR WKH ILQDQFLDO FULWHULD
6WRFN DZDUGV DQG RWKHU HTXLW\ LQFHQWLYH SODQ FRPSHQVDWLRQ	0DUb b	0DUb b	7KH DPRXQW VKRZQ LQ WKLV FROXPQ UHSUHVHQWV WKH DJJUHJDWH JUDQW GDWH IDLU YDOXH RI 6WRFN DZDUGV DQG RSWLRQV JUDQWHG WR WKH H[HFXWLYH RIILFHU &KLHI 5HVSRQVLEOH 3DUW\ DQG &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ RI WKH &RPSDQ\ DQG WKH DPRXQW DQG WLPLQJ RI SD\PHQW RI WKH $QQXDO ,QFHQWLYH $ZDUG WR WKH ILQDQFLDO FULWHULD 7KH DPRXQW VKRZQ LQ WKLV FROXPQ UHSUHVHQWV WKH DJJUHJDWH JUDQW GDWH IDLU YDOXH RI 6WRFN DZDUGV DQG RSWLRQV JUDQWHG WR WKH H[HFXWLYH RIILFHU &KLHI 5HVSRQVLEOH 3DUW\ DQG &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ RI WKH &RPSDQ\ DQG WKH DPRXQW DQG WLPLQJ RI SD\PHQW RI WKH $QQXDO ,QFHQWLYH $ZDUG WR WKH ILQDQFLDO FULWHULD
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7KLV YDOXH UHSUHVHQWV WKH DJJUHJDWH FKDQJH LQ WKH DFWXDULDO SUHVHQW YDOXH RI WKH &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU &KLHI 5HVSRQVLEOH 3DUW\ DQG &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU DQG &KLHI 5HVSRQVLEOH 3DUW\ RI WKH &RPSDQ\ V DFFXPXODWHG EHQHILW REOLJDWLRQ XQGHU WKH &RPSDQ\ V SHQVLRQ SODQ DQG GHIHUUHG FRPSHQVDWLRQ SODQ IURP 'HFHPEHU WR 'HFHPEHU DV GHWDLOHG LQ WKH 3HQVLRQ %HQHILWV WDEOH DERYH			

5HPXQHUDWLRQ HOHPHQWV	$PRXQW DQG LQGHSHQGHQW FRQWUDFWRU YDOXDWLRQ	&RPPHQWV
0XOWL \HDU D YDULDEOH UHPXQHUDWLRQ LQFHQWLYH	Q D	7KH&KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU GHV QRW YDULDEOH UHPXQHUDWLRQ LQ FDVK
([FHSWLRQDO D UHPXQHUDWLRQ	Q D	7KH&KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU GHV QRW UHPXQHUDWLRQ
6WRFN RSWLRQV D 62 SHUIRUPDQFH VKDUHV RWKHU ORQJ WHUP EHQHILWV	62 bQRQH 36b bVKDUH 7KH DFFRXQWLQJ YDOXDWLRQ	7KH&KDLUPDQ&KDQG&KLHI ([HFXWLYH 2IILFHU GHV QRW UHFHLYH D %RDUG RI 'LUHFWRUV RI 7HWUDSRG LQFRUSRUDWHG -XO\ LQFFRUGDQFH ZLWK WKH DXWKRUL]DWLRQ DSSURY PHHWLQJ $SULO UHVROXWLRQ DFFRUGDQFH ZLWK UHPXQHUDWLRQ SROLF\ VHW RXW LQ VHFWLRQ bb WR D JUDQW bSHUIRUPDQFH VKDUHV WR WKH &KDLUPD 2IILFHU DQG SHUIRUPDQFH RUGLQDU\ SUHVHQFH DQG SHUIRUPDQFH RUGLQDU\ FRQGLWLRQV PHDVXUHG RYHU WKUHH ILQDQFLDO \HDUV &RQGLWLRQV ZHLJKWHG IRU *URXS UHYHQXH &DVK ORZ FULWHULRQ LQGH[RYHU HDFK \HDU RI WKH SHULRG IRU &$& LQGH[RYHU HDFK \HDU RI WKH SHULRG IRU FULWHULRQ RQH FRQGLWLRQ RI VFRSH YHVWLQJ DQG SHUIRUPDQFH FRQGLWLRQV UDWH IRU
5HPXQHUDWLRQ JUDQWHG GLUHFWRUVKLSV		1R UHPXQHUDWLRQ LV SDLG WR&KLWKH([HFXWLYH2IILFHU RU UHVSHFW RI KLV GLUHFWRUVKLSV 6ZLWWKLRQH7HOHSKRQH VXEVLGLDULHV FRUGDQFH ZLWK WKH UHPXQHUDWLRQ SR RXWVLGH GLUHFWRUV DQG DERYH
%HQHILFLDU\ 86 L bH	86 L bH	7KHEHQHILFLDU\ JUDQWHG-XQLRUHQW SDUWQHUVKLS DFFRXQW KHDOWKFDUH LQVXUDQFH DQG PDUULHG&RXQW SDLG XQGHUZULWHQ DQG PDLQWDLQHG LQVXUDQFH SODQ GHVF
7DNH RXS Q D WHUPLQDWLRQ SD\PHQWV	Q D	7KH&KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU LV QRW JU WKWWDNXSJRU WHUR LKDLWLGXQWLHV
$GGLWLRQDO Q D SHQVLRQ	Q D	7KH&KDLUPDQG &KLHI ([HFXWLYH QRW EHQHILW IURP VXSSOHPHQWDU\ SHQVLRQ VFKHPHV
1RQ FRPSHWH FRPSHQVDWLRQ		$V IRXQGHU RI WKH *URXS HQWUHSUHQHXU-XQLHFH YH FRXQGHUDQG HDUQRQ FRPSHWH DNLQJ HQWHUHG LQWR LQ 7K DPHQGHG XSRQ DXRVKRUL]DWLRQ RI WKH'LUHFWRUV RQ 1RYHPEHU LQ RUGHU WR OLPLW WKH GXUDWLRQ LQFXPEHQW-XQLRUHQW RQ \HDUV DQG DV VXFK FDS FRPS \HDUVHPXQHUDWLRQ DQG [HUFLVH DULDEOH $PHQGPHQW QR b HQW 'HFHPEHUb ZDV DSSURYHG E\ WKHDHURKROGHUV PHHWLQJ RQ $SULOb WKb UHVROXWLRQb SDUDJUDSK 3UHYLRXVO\ JUDQWHG XQGHUZULWW

5HPXQHUDWLRQ GHOLYHUHG LQ FXUUHQF\ LV FRQYHUWHG LQWR HXURV DW WKH DYHUDJH G HRFKDQJH UDWHV b86 ,W LV SDLG RU JUDQWHG E,QFHQWLYH3ODQ6KDUHV RU2WKHU(TXLW\ SRI 7HOHSHUIRUPDQFH bE(QWHUWDLQPHQW FRQWULEXWLRQ[SHQVHV WKLV FRXQWU\ LQ DFFRUGDQFH ZLWK DSSOLFDEOH ORFDO UHJXODWLRQV

,PSOHPHQWDWLRQ RI WSKHOLF\PXQGHUDWLRQ SDLG RbUDQWVQGHVSRFWWKH ILQDQFLDO\HDUb2OLYHUHDXG\ 'HSXW\ &KLHI ([HFXW2LIYHFHU LQ FKDUJH RI ILQDQFH

7KHUHPXQHUDWLRQ2IILFHUQWV bR2OLYLHU'HSXW\ &KLHI ([HFXWLYH R2IILFHQDQFH FKDUHHVWRDEOLG\KHG E\ 'LUHFWRUSRUVQ UHFRPPHQGDWLRQ RI WKH 5HPXQHUDWLRQ DQG $SSRLQWPHQWV &RPPLWWHH IR)HEUXbU\ DQGRUWKH ILQDQFHLDU DW LWV PHHWLQJV KHOG RQ 0DUFKb

%DVHGQ WUKHPXQHUDWLRQ DPOLRQ DSSURYHG E\ WKH VKDUHKROGHUV PHHWLQJ WKH bHPLJXQGHUDWLR 'HSXWb\KL(HFXW2LIYHFHU\U7HOHSHUIRUPDQFH

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8QOLPLWHGWHGWLRQLRH	

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HPSOR\PHQW FRQWUDFWXHOXQGHUVWDQGLQJV DFWLYLW\ DQG UF
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7KH%RDUG DOVR UHIILUPHG FRQWLQXHPLWRPHHWLQJV DQG WKDW WKH HYHQW RI
WUDQVDUHQF\ DQG FRPSUHKHQVLYHQHVV RIRWLFHV GHOLYHUHG DXGLW VKDOO UHFH
WRVKDUHKROGHUV DQG UHPXQHUDWLRQ GXH RU SDLG WR FRUSRUDWH
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&KLHFHFW2LYHIRQ)HEUXDU\b RI ERWK RKLVFH DV 'HSXWFKLHF2U DQG KLV
,QWKLV UHUDb5GJXQGHUWDNHQ HPSOR\PHQW FRQWUDFWV WKH &KLHI)L2QDQFLDO
\HDURROZLQJ KLV GHSDUWXUH LQ DOO WKHUHVSHFWV ZKLFK DUH*QRXS
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%HQHILWQG	Q D 8VH RFRPSDQ\ FDU
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2WKHUHPXQHUDWLRQ HOHPHQWV	RQGGLWLRQDO FRPSHQVDWLRQ LQ FDVH RI GHSDUWXUH LV SURYLGHG XQGH FRQWUDFWKDW WKH FRPSHQVDWLRQ VHW RXW SUUVXDQW WR OHJDO SU RIGLVPLVVDOVLHFEHLHQGJVPRQWKV RU WKH FRPSHQVDWLRQ VHW RXW WKH QRQ FRPSHWH UHVWULFWLRQ RU WKH[HUEG DQ DPRXQW HTXLYDOHQW WR WZR \HDUWRWDO UHPXQHUDWLRQ UHLHDGWHQGGWRKULVEFRUSORUDWH RIILFH DQG HPSOR\PHQWUDFW
3HQVLRQ	1RDGGLWLRQDOSHQVLRQ FKHHQVLRQ/HGDO SHQVLRQ VFKHPH WRSSXHQVLRFKHPH
/RQJ WHUP UHPXQHUDWLRQ LQ-XO\b SHUIRUPDQHEHV	bSHUIRUPDQFH VKDUHV WEDSHWHUKUPVXEMHEDQG SUHVHQFH FULWHULD SXUVXDQW WKH WKH DYRHWKRORGHUVSUHLQHDQ wbUHVROXWLRQ

)L[HGDULDEQHU[FHSWHRQEHRIWKH WRWDO UHPXQHUDWLRQ DQG EHQHILWV RI DO
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7KH YDULDEOH UHPXQHUDWLRQ LQ UHVSHFW RI ILQDQFLDO \HDU ZDV SDLG LQ DFFRUGDQFH ZLWK WKH SURYLVLRQV &RGH RORZLQJ VKDUHKROGHUV PHHWLQJ RI $SULO DUHVROXWLRQ DSSURYHG DW

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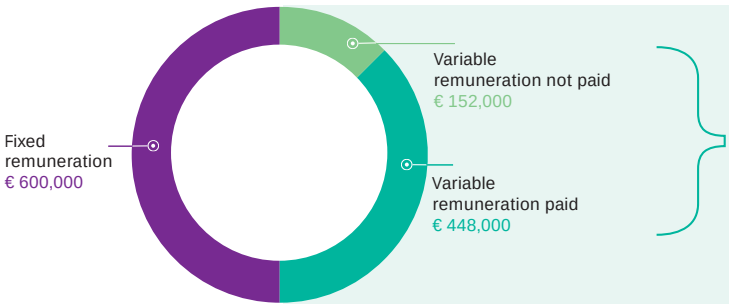
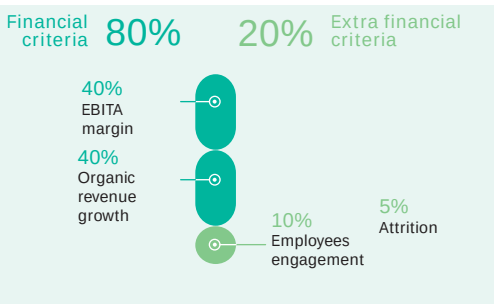
2023 annual remuneration(1)(2)

Fixed and variable remuneration(1)



Performance of the variable remuneration(2)



Employment agreement as Group CFO (dated February 1, 2010) maintained

Benefits in kind: € 12,480

Long-term share-based remuneration for 2023

Grant of 22,000 performance shares under internal and external performance conditions measured over three years, in connection with the July 2023 plan.

(1) Annual remuneration includes remuneration as Deputy Chief Executive Officer and Group Chief Financial Officer. The variable annual part for 2023 is a maximum amount and represents 50% of total annual remuneration, assuming targets are met. Only 60% of the targets set for 2023 have been met. Consequently, 60% of the target variable remuneration for the term of office (i.e. 448,000 euros) will be paid subject to a positive vote at the Shareholders' Meeting of May 23, 2024 (7th resolution). It also includes the variable part under the employment contract, which is based on specific targets (see below).

(2) Upon the recommendation of the Remuneration and Appointments Committee, the maximum amount of the variable part in respect of the 2023 financial year and the level of achievement of targets were set by the Board of Directors at its meeting on March 6, 2024.

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)RU WKHPRXQW RI DQQXDO UHPXQHUDWLRQ
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PDLQWDLQHGRVRXQW XQFKDQJHG VLQFH'
$VDQHPSOR\HH
)XUWKHUPRUH LQ UHVSHFW RI KLV VDODULHGG IXQFWLRQV
&KLHILQDQFLDO 2IILFHU 0Ub 5LGJHG\ QXHEL\QHEL\HG
UHPXQHUDWLRQ LQ DFFRUGDQFH ZLWK WKH SURYLVLRQV RI KLV
HPSOR\PHQWDUUDQJHPHQW

$QQXYDDUL DUEHPHQHUDWLRQ

$VVHSXW&(2
)RU WKH DQQXDO YDULDEOH UHPXQHUDWLRQ DV HSXW\ &(2
KDVEHHQ VHWDW PDOLPXP JURVV PRQWR RI
7KHSHUIRUPDQFHWHULD DV ZHOO DV WKH QXPEHU RI
SRLQWVTXDOLIIHUDQG WKHLQGHQWLFH[WUD ILQDQFLDO FULWHULD
DUHLGHQWLFDO WR WKRVH GHWHUPLQHG IRU WKH &KDLUPDQ DQG &KLHI
([HFXW2MHFHU LW EHLQJ VSHFLILQYRGOWKHDWQWHUWRQDO
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UHPXQHUDWLRQ RQ JUDQWHG LQ UHVSHFW RI WKH\HDU DQG RWKHU FRQGLWLRQV
ILQDQFLDOHULD E\ WKHUHKROGHUV PHHWLQGV WRDEOH E7KHOR\ZKDYHQ UHYLHZHG E\ WKH 5HPXQHU
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'HYHORSRHWQKH FRPPXQLFDWLRQ VWDNHKROGHUV WKH *URXS SHUFHSWLRQ	~3XUVXH DFWLYH SROLF\ RI H[FKDQJHV ZLWK VKDUHKROGH DQG LQYHVWRUV PHHWLQJV LQ LQb FRPSDUHG ZLWK URDGVKRZVWHUHQFHQWHUHVW bHWF ~'HYHORSRHQWQGLYLGXDO VKDUHKROGLQJ ZKLFK QRZ UHS DOPRVW IRDSWLKDO ~'HSOR\PHQW RI WKH ZSLWDKQ*QLRELDQb8QLRQ DV SDUW RIb WKH DJUHHPHQW VLJQHG LQ 'HFEHUb DV UHF E\b81QbREDO 8QLRQ
&RQWLQXRXVWKLRSOHPHQWDWLRQ WKEHXGJH(3WHQWHUSULVH SHUIRUPDQFHQWDQHFRQWDQHV PDQDJHPHQW	~&RQWLQXHSG HPHQWDW-HRQ[RIEXGJHWLQJ WRRO IRU DOO FRXQWDQHV VXEVLGLDULHV IRUPLQJLWKH FRUH EXVLQHVV VXEVLGLDULHV H[FOXGLQJ HQWLWLHV UHV WKHDMRDUHTXLVLWLRQ ~&RPSOHWLRQHPHQWDWLRQ RI WKH (53 DFFRXQWLQJ V\V WKURXJKRXW WKH *URXS H[FOXGLQJ HQWLWLHV UHVXO 0DMRUHO DFTXLVLWLRQ

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$WLVPVHHWKLQG-RQ\b SXUVXDQWWRRWKHRWLKDWLRQRGLWLRQDO RU FRPSOHPHQWDU\ SHUFH WKHSHUIRUPDQFH VKDUH JUDQW DSSURYHG SEXWWKHKLVKDLHKRWLQ PHHWLQJ $SULOb WKb UHVROXWLRQ DQRQOWEHQUHRWKWDWXWRU\ SHUFH UHPXQHUDWLRQ DSSURYHG E\ WKH VDPH PHHWLQJ WKb UHVROXWLRQ DSSURYDHG %WKHUG RI 'LUHFWRUV GHFLGHG WR JUDQW SHUIRUPDQFHV WR WKH 'HSXW\ &KLHI (IHFXWLYH2IILFHU

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7DNLQQR DFFKHKSWDUWLDO DCKLHYHPHQW RI LVEDVHG WKH DQQXDOSWDUWLDO DQRQEH YDOXDWLRQ RI WKH SHUIRUPDQFHV XQGHU WKH DFFRXQWLQHG PHWKRG FRQVROLGDWHGb WKH WRWDO VDUWLDEDSHUVHQWV RI WKH WKH'HSXW\ &KLHI(IHFXWLYH2IILFHU

7KH SHUIRUPDQFH FULWHULD DQG OHYHOV DQG LQ VHFWLRQb WKH 8QLYHUVDO 5HJLVWUDWLRQ 'RFXPHQW

,WL VKHUHEHPLQGHGWKKDHWSXWKH(IHFXWLYH 2IILFHU LV UHTXLWRGUHDLQ DW OHDVW RYHVWUHGUHDQWWRRUHVROXWLRQ RI WKH 5H UHJLVWHRUHG XQGHU WKHLOHQG GHVWHUP RI RIILFH DQGGQWKSDVRKEWPHQWV &RPPHLWWHHQFHQWLVWK WKH *U IRUPDUHQ\RXQWRHVWKHGJWQUDQVDFWLRQV

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0Ub2OLYLHU 5LGXG\ UHFHLYHV UHRVEHHQWHRWKHU RIILFHW LV UHPLQGHG WKDW XQGHU KLV HPSOR\PHQW FRQWUDFW KHKDWKXHVRI EDRPSDEDU

6XSSOHPHQWDODUL WLRQDO SHQVLRQ VFKHPH

WKHSHUIRUPDQFH VKDUH JUDQW DSSURYHGHSEXWWKKHLVKDLHKRWLQ PHHWLQJ $SULOb WKb UHVROXWLRQ DQRQOWEHQUHRWKWDWXWRU\ SHUFH UHPXQHUDWLRQ DSSURYHG E\ WKH VDPH PHHWLQJ WKb UHVROXWLRQ DSSURYDHG %WKHUG RI 'LUHFWRUV GHFLGHG WR

3D\PHQWRWKHUHOHGXW V RU OLEHGXH WR XSRQbWHUPLQDWLRQ

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3D)PHQWRWODWRQ FRPSHQVDWLRQ

DPHQGPHQW RI 0WHPSORXPHQW FRQWUDFW LV VX UHJXODWHG UHODWHGSSURFWGXUHHPRHQW DQG M DXWKRUL]DWLRQ E\ 'WKHFWRUVG VXEVHTXHQW DSS VHLQDQFHV RI DEKLHYHPHQW DUH GHVFULEHG LQ WKH DQQXDO UHSRUW WKH &RPSDQ\ RU WKH &RPPLWWHH

2WKHUHPXQHUDWLRQ

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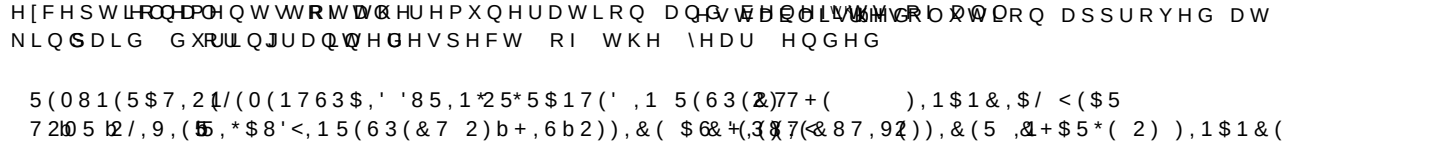

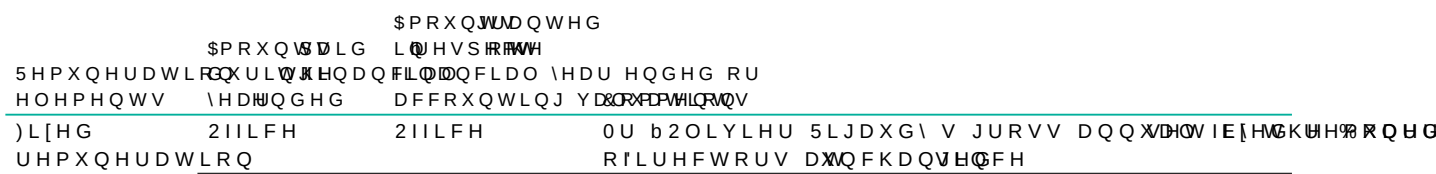

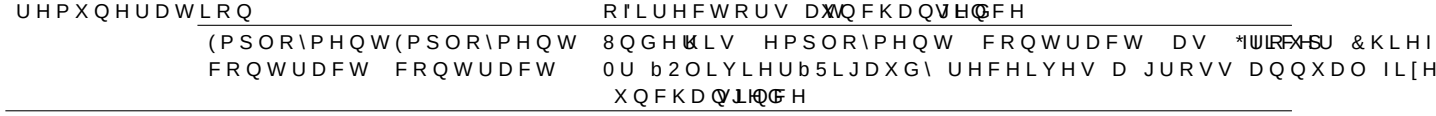

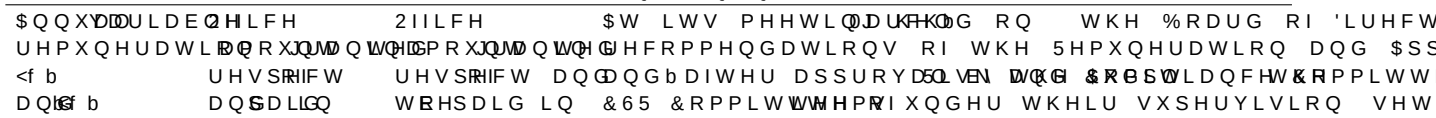

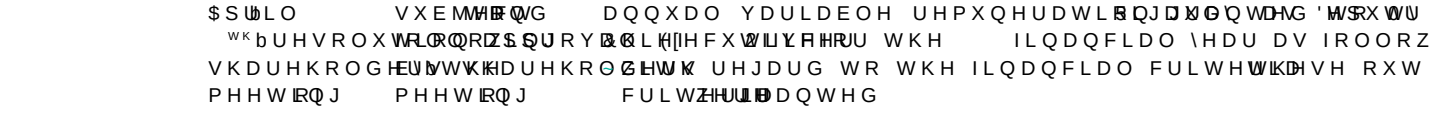

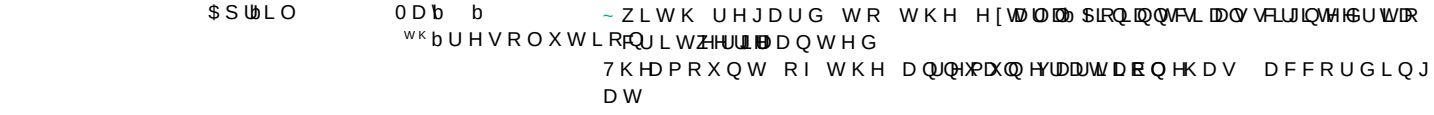

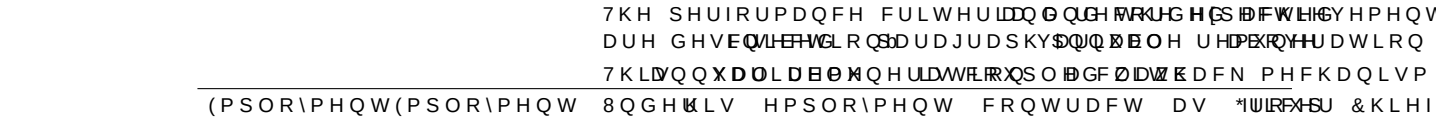

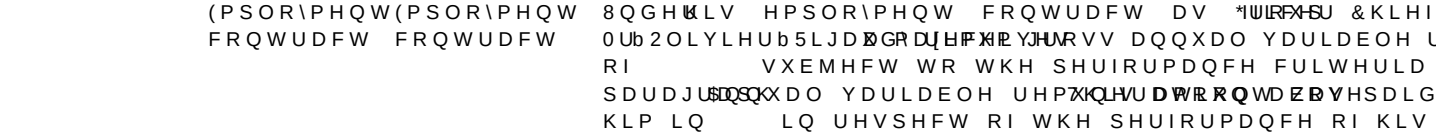

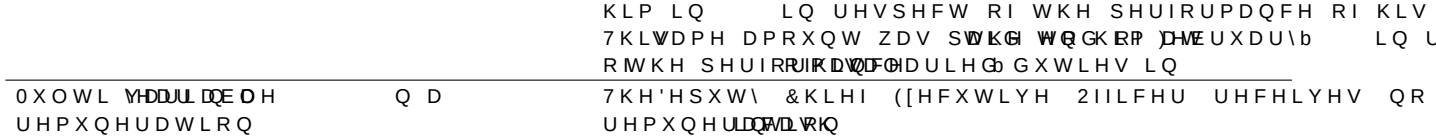

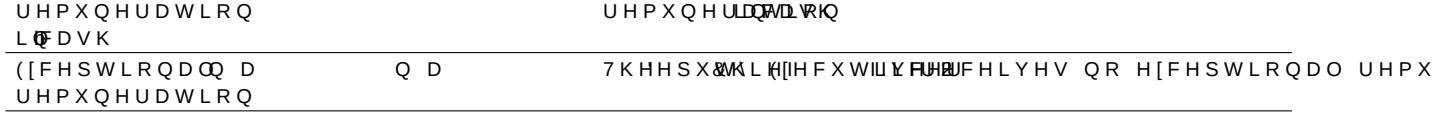

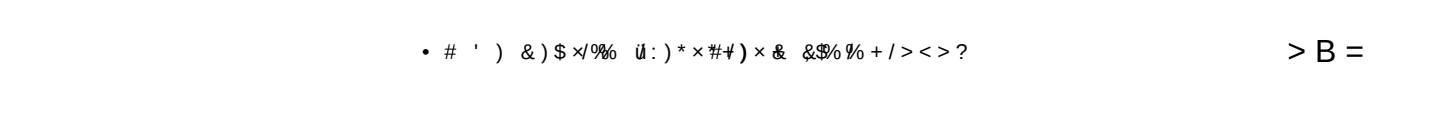

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6WRFN RSWLRQV 6QVQ D		62 bQRQH	7KH HPSXBWKLH[HFXWLYH%RDUG RI 'LUHFWRUV QR VWRFN RSWLRQV
SHUIRUPDQFH VKDUHV 6DQG RWKHU EHQHILWV		36 b bVKDUHV 7KH%RDUG DFFRXQWLQJ -XO\ b YDOXDWLRQ	RI 'LUHFWRUV RI 7HOHSHUIRUPDQFHb 6(DV VKDUHKROGHUV PHHWLQJ RI $SULOb WK bUHVROXWLRQV ZLWK WKHPXQHUDWLRQ VHW RXW LQ VHFWLRQ DQG GHFLGHG WR JUDQWRIRUPDQFH VKDUHV DQG RWKHU EHQHILWV &KLHI ([HFXWLYH 2IILFHU SUHVHQWHG RUPDQFH7KH RPSHWLWRUVb DQDO\VHV FRQGLWLRQV PHWKRGRORJLHV DQG FRQFOXVLRQV ZHLJKWLQJ HDFK *URXS DQG UHYHQXH JURZWK FULWHULRQ FDVK IORZ FULWHULRQ VWRFN SHUIRUPDQFH WR WKH &$&b LQGH[RYHU HDFK \HDU RI WKH SHUIRUPDQFH UHGXFWLRQ RI VFRSHV DQG RQH FELOLWHULRQ IRU
5HPXQHUDWLRQ JUDQWHG GLUHFWRUVKLSV			1R UHPXQHUDWLRQ LV SDLG WR WKH 'HSXW\ &KLHI ([HFXWLYH IRU KLV GLUHFWRUVKLS LQ WKH 7HOHSHUIRUPDQ LQb DFFRUGDQFH ZLWK WKH UHPXQHUDWLRQ VHFWLRQV DQG DERYH
%HQHILQWLQG 2IILFH	2IILFH	2IILFH	0U b5LGHG HLYHG QR EHQHILWV SHQF RI KLV RIILFH
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7DNH RXS WHUPLQDWLRQ SD\PHQWV	Q D	Q D	7KH'HSXW\ &KLHI (2IHFXWLYH QRW JUDQWKHGRQ WKSD\PH WDNXSRU WHUPLRQ DGXVWPHQWV SRHKLWRUSRUIDFH 8QGHKULV HPSOR\PHQWKHGRHWUDQWHILW IURP DQ\ VHF SD\PHQW RU EHQHILEW GXDO RDVWR UHVXOW RI WKH WH PRGLILFDWKLRQ VDODULHG GXLHV 7KEHV JRRQHWUQDHGW F E\ OHSUDRYLVLRQDVWKLQ WRUPLQDWLRQ RI HPSOR\PHQW
$GGLWLSRQDVLRQ VFKHPH	Q D	Q D	7KH HPSXBWKLH[HFXWLYH%RDUG QRW EHQHILW IURP DQ FRPSOHPHQWDU\ VFKHPH 8QGHKULV HPSOR\PHQW *URQXSUKWHDYLQDQFLDO 2IILFH HOLJLEWKH SHQDQ VDFKSHPHWREHOHPSOR(QH)HUDQFH
1RQ FRPSHWH FRPSHQVDWLRQ			7KH 'HSXW\ &KLHI ([HFXWLYH%RDUQRQ FRPSHWH XQG DXWKRUL]HG E\ WKH %RDUG RI 'LUHFWRUV DW LV 1RYHPEHUb HQWHUHG)LQEWRDQb DQG DSSURYHG VKDUHKROGHUV PHHWLQJ KHOGRQ SXUVXDQW WR D QRQ FRPSH DERYH

,PSOHPHQWDWLRQ RI WSKHOLFHPXQGHUDWLRQ SDLG GXULQbUDQWRQWUHSHFW RIbWKH\HDU IWRbQFLD%KXSHQGHU 6 'HSXW\ &(KLHIFXWLYHZLQFH -XO\

0Ub %KXSHQGHU 6LQJK KDV DQ HPSVSRWHPVHLGWHPQWLQHQW FRQWUDFW RI 0U 6LQJK DQG QRW FKDUJRH 7UDQVIRUPDWLRQ ZLWK 7HOHSHUIRUPHDQFHbDWE DUHV%HFHLYHG 'HSXW\ &KLHI ([HFXWLY /LPLWHG RZQHG %WKHVLGLDU\ RI WKH &RPS2QLHbWK6LSHUUHRXO\b WR 'HFHPEHUb ZDV DSSRLQWHG 'LUHFWRU E\ WKH%RDUG1HYHUWKHOHVVb6KDUHKROGHUV DQG 'HSXW\ &KLHI ([HFXWLY%HDUGLUHFWRU'LUHFWRUVDWWHQGLQJ RI SDWKHQLWPV JUDQWHG RU SDLG LQ -XQbH HPSOR\PHQWRQWDUGHWUDZ :LWKHJUDG WR KLV UHPXQHUDWLRQ WKH %RDUG KDV GHFLGHG LQ OLQH ZLWK WKHUHPXQHUDWLRQVRWRGLEHKDUHKROGHUV WR PDLQWDLQ WKH

C {•/ {

5HPXQHUDWLRQ DQGRWKHU[HFXWLYH

	$PRXQWV JUDQWHGRXQWV SDLGRXQWV JUDQWHGRXQWV SDLG
$QQXDOHPXQHUDWLRQ	
~ LQHVSRFIFRUSRUDWHH	Q D Q D Q D Q D
~ XQGHUWKHPSOR\PHQWUDFW	Q D Q D
$QQXDOEDVLFHPXQHUDWLRQ	Q D Q D
~ LQHVSRFIFRUSRUDWHH	Q D Q D Q D Q D
~ XQGHUWKHPSOR\PHQWUDFW	Q D Q D
0XOWL \HDUXHUDQHUDWLRQ	Q D Q D Q D Q D
([FHSWLRQDOXQHUDWLRQ	Q D Q D Q D Q D
1RQ FRPSHWHVHQVDWLRQ	Q D Q D Q D Q D
5HPXQHUDWLRQWOLQHGLUHFWRUVKLSV	Q D Q D Q D Q D
%HQHLQG	
~ LQHVSRFIFRUSRUDWHH	Q D Q D Q D Q D
~ XQGHUWKHPSOR\PHQWUDFW	Q D Q D
727$/	1 $ 1 $

7KHVPRXQW FRUUHVSRQGVWRQXPEHURIVKDUHVXQLWVDQGRSWLRQVJUDQWHGGXULQJWKHILQDQFLDO \HDU WR SDUWLFLS VHH EHORZ

$OORFRPSHQVDWLRQ JUDQWHGWRbC%RXSHQGLGHUWRLQJKHUHVSHFWLYHDQFLDO \HDU ZDV LQ UHVSHFW RI K DKBUHVLGHQRXUDQVIRUPDWLRQ

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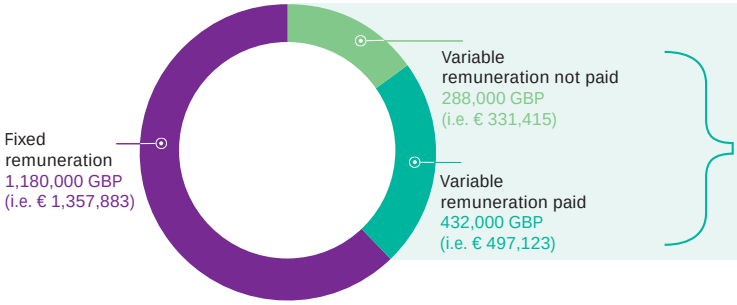
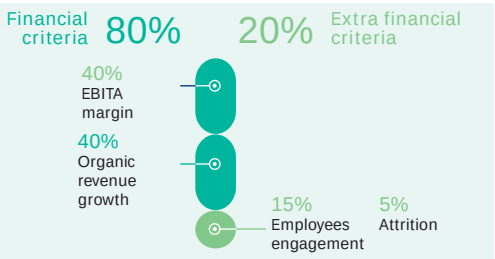
2023 annual remuneration(1)

Fixed and variable remuneration(1)



Performance of the variable remuneration



Remuneration as a director: € 0

Benefits in kind: 7,608 GBP (€ 8,755)

Long-term share-based remuneration for 2023

Grant of 21,000 performance shares under internal and external performance conditions measured over three years, in connection with the July 2023 performance shares plan.

(1) Annual variable remuneration for 2023 is expressed as a maximum amount. Only 60% of the targets set for 2023 have been achieved. Consequently, 60% of the target variable remuneration (i.e. GBP 432,000) will be paid under the employment contract.

$QQXDOHPXQHUDWLRQ

$VHSXWHG(2

)RU QRQ[HFXWLYHPXQHUDWLRQDQWHG RU SDLG

$V DQPSOR\HH

)RU XQGHU KLV HPSOR\PHQW FRQWUDFW JURVV DPRXQWVHG RU LQ DFFRUGDQFHZLWKWKH SURYLVLRQV RI KLV HPSOR\PHQW FRQWUDFW

$QQXDOL]DWLRQ

$VVHVVPHQW&(2

)RU QR YDULDEOH DQQXDO UHPXQHUDWLRQ

$VDQHPSOR\HH

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SURYLGHG XQGHU WKH HPSOR\PHQW FRQWUDFW ZDV VHW DW e
L H 7KH WDUJHWV VHW LQ WKH HPSOR\PHQW FRQWUDFW IRU
VHYHUDO\HDUV QRZ IRU WKLV YDULDEOH SDUW ZHUH EDVHG RQ
E\WK%HRDUGLUHFWRUV[HFXWLYH GLUHFWRUV VHH
SDUDJUDSKYDULDEOH UHPXQHUDWLRQ

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L He L H 7KLVYDULDEOH SDUW ZLOO EH SDLG RQ
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XQGHUWKH HPSOR\PHQW FRQWUDFW WR EH IRU WKH HPSOR\PHQW FRQWUDFW LV PDWWKHVDLHQHGE\HUSDUDWH FRPSDQ\ +RZHYHUWKHRQ DQG
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WKHDPRXQW RI WKHDLQGLYLGXDOGHUHGXFWLRQ RUFRPSOHWH ZLWK
HPSOR\PHQW FRQWUDFW RUFRPSOHWH ZLWK
WKH EHVW SUDFWLFHV RQ WKH PDWWKDWWUDQG
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VWDUWLQJ -DQXDU\ EH OLPLWHG WR P
ULPPDU\ SHUFRPSOHWH
LQGHPQLW\ RQWLFH SHULRG DQWKH PDWWKDWWUDQG
FRQWUDFW HOHPHQWV WKDW ZRXOG HDSSOLFDWLRQ
YROWH RI WKH VKDUHKROGHUV RQ\
WUHVROXWLRQ DUH GHVFULEHGQDUDWLRQ
RI 0U %KXSHQGHU 6LQJK 'HSXW\ &KLH
KHUHDIWHU

2WKHUHPXQHUDWLRQ

0U %KXSHQGHU6LQJK ZLOOHDFHLYH QR RWKHU
OHDVWRI WKH SHUFRPSDQ\ VKDUHKROGHUV QR RWKHU
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VHHbDERYH

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VWDUWLQJ -DQXDU\ EH OLPLWHG WR P
ULPPDU\ SHUFRPSOHWH
LQGHPQLW\ RQWLFH SHULRG DQWKH PDWWKDWWUDQG
FRQWUDFW HOHPHQWV WKDW ZRXOG HDSSOLFDWLRQ
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WUHVROXWLRQ DUH GHVFULEHGQDUDWLRQ
RI 0U %KXSHQGHU 6LQJK 'HSXW\ &KLH
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2WKHUHPXQHUDWLRQ

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IURKHDOWKFDUH

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SHQVLRQEHQHILWV

3D\PHQWEVHQHGXHV RU OLEHQHILW

XSRQbWHUPLQDWLRQKDQGHG XWLHV

QR FRPPHQW
LQGHPQLW\ RU
WHUPLQDWLRQ
&RPPLWWHH
&RQVLGHUDWLRQ RI WKLVHQWLRQ GRFXP
WKHUH DUH QR LQGHPQLWLHV RU EHQHILWV GXH
UHVXOWWKRU WHUPLQDWLRQ RU FKDQJH RI IXQF
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HPSOR\PHQW FRQWUDFW RUFRPSOHWH ZLWK
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UHPXQHUDWLRQ HOHPHQWV GXH LQ WKH HYHQW R
VWDUWLQJ -DQXDU\ EH OLPLWHG WR P
ULPPDU\ SHUFRPSOHWH
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RI 0U %KXSHQGHU 6LQJK 'HSXW\ &KLH
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)UHQF&RPPHUFLDO &RGH WKH IL[HG YDULABEOH
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GXULQJ WKH \HDUJHQGHG LQ UHVSHFW RI WKH \
VXEMWRWD VKDUHKROGHU YRWH
,W LV WKHUHIRUH SURSRSHG WKDHWWLQWKH6KDU
DEVHQFH RI DQ\ UHPXQHUDWLRQ HOHPHQW LQ
RIKLV HPSOR\PHQW FRQWUDFW

5HPXQHUDWLRQHOHPHQWV	$PRXQWVDQG\HDUHQGHG&RQWUDFWXDOREOLJDWLRQV	$PRXQWVDQGQDWXUHRI&RPPHQWV	&RPPHQWV
)L[HG UHPXQHUDWLRQ	2IILFH	2IILFH	0U %KXSHQGHU 6LQJK GLGQRWUHFHLYHDQ\ IRU KLV RIILFH
	(PSOR\PHQW FRQWUDFW e LHb	(PSOR\PHQW FRQWUDFW LH	8QGHUKLV HPSOR\PHQW FRQWUDFW DV 3UHVLGHQW *U 0U %KXSHQGHU6LQJK UHFHLYHV D JURVVPRQWKO\DPRXQW RI DQG

5HPXQHUDWLRQ HOHPHQWV	$PRXQW RXWVWDQGLQJ DW \HDU HQG	$PRXQW UHSRUWHG LQ UHVSHFW RI WKH ILQDQFLDO \HDU	&RPPHQWV
$QQXDO UHPXQHUDWLRQ	2IILFH	2IILFH	0U %KXSHQGHU 6LQJK GLGY QRW UHFHLYH DQ\ UHPXQHUDWLRQ LQ KLV UROH RI RIILFH LQ b
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1XPEHRUVKDUHV GHILQLWHLYHVWHG										
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7KHEHUIRUPDQFH FULWHULD DUH GHVFRKLEHGQLYQHVWDWLRQDQGXPQSVDQG IRU WKH LQYHFWLRQ RI WKH SUHVHQW GRFXPHQW

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UHPXQHUDWLRQ GLUHFWRUV H[DQG WRS

,QDFFRUGDQFH ZLWK WKH SURYLVLRQV RI DPHQGHG RbDUWLFOHV RI WKH &RPSDQLHV)UHQ&RPPHUFLDO &RGH LQ UHVSHFW RI WKH \HDU HQGLQJ 'HFHPEHU RQWKH GLUHFWRUV RI WKH &RPSDQ\ PD\ EH HQWLWOHG WR VDODU\ SURILFLHQFLHV DQG HQWHUWDLQPHQW ZLWKLQ SUHVFULEHG 7KHVH VKDUHKROGHUV DSSURYDO ZLWKLQ WKH PHDQLQJ RI 0D\ %KXSHQGLHQJK ZLWKLQ WKH PHDQLQJ RI DUWLFOH 5b WRSSURYH

~WKHSULQFLSOHV DQG HOHPHQWV FRPSRVLQJ &RPSHQVDWLRQ &RPPLWWHH \HDU DSSOLFDEOH WR &RPSDQ\ GLUHFWRUV ZLWKLQ WKH PHDQLQJ RI 5b RI WKH)UHQ&RPPHUFLDO &RGH LQ UHVSHFW RI WKH ILQDQFLDO \HDU HQGLQJ 'HFHPEHUb DV WKHVH &RPSHQVDWLRQ DQG HOHPHQWV FRPSRVLQJ WKH &RPSHQVDWLRQ VHFWLRQV DQG RI WKH UHSRUW RQ DFRSXSWLRQ 'HFHPEHU DV VHW RXW bLQ VHFWLRQV JRYHUQDQFH WR /LQ DUWHRFOH WKH)UHQ&RPPHUFLDO &RGH ILQDQFH ZLWKLQ WKH PHDQLQJ RI &RPPHUFLDO &RGH DV DGRSWKHG %RDUG RI 'LUHFWRUV DV VHW RXW bLQ VHFWLRQV 'HFHPEHUb WKH&*5 bUHVROXWLRQ 'HFHPEHUb DV VHW RXW bLQ VHFWLRQV

~WKHSULQFLSOHV DQG HOHPHQWV FRPSRVLQJ WKH &RPSHQVDWLRQ DSSOLFDEOH WR &KDLUPDQ DQG &KLHI([HFXWLYH 2

&RPPRQ SUHFLSLWHRXV WHKUDSLHV RQ GLVSODB\ DQG [HFXWLRQ

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0HWKRGRORJ\

,Q VHWWLQJ SULQFLSOHV FRPPHQGDWRU\ RQ VHPXQHUDWLRQ GLUHFWRUV DQG H[HFXWLYH RIILFHUV RI WKH DQG SSRLQWPHQWV &RPPLWWHH WKH HVXROWWKHR H[SUHVVHV WKH &RPPLWWHH¶V GHYHORSPHQW DQG EXVLQHVV FRQWH[W DOVW DNH LQWR DFFRXQW WKH UHPXQHUDWLRQ SROLFLHV DQG SUDFWLFHV RI &RPSDUDEOH &KLHI ([HFXWLYH 2IILFHUV IRU WKH 7KLV SRLQWHG &RPSDUDWRU *URXS &KLHI ([HFXWLYH 2IILFHU ,W LV UHPLQGHG WKDW WKH &RPPLWWHH GLG QRW XVH D VLQJOH PHWULF RU EHQFKPDUN WR GHWHUPLQH &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ RI 0U %KXSHQGHU 6LQJK ZKLOH PDLQWDLQLQJ FRQWUDFW DV 3UHVLGHQW *OREDO &KDLUPDQ RI WKH &RPSDQ\ &KLHI ([HFXWLYH 2IILFHU &KDLUPDQ &KLHI ([HFXWLYH 2IILFHU

~ PDLQWDLQ XQFKDQJHG WKH HWWHQ EHWZHHQ DWKH HPSOR YDULDEOH SDUWV DSSURSULDWH EDODQFH RI GLUHFWRUV ER UHSUHVHQWDWLRQ DQG H[HFXWLYH RHIILFHUV

~ PDLQWDLQ XQFKDQJHG WKH LQRHDO PD[LPXP DPRXQW RI SHUPHQWHG (HFWLYH 2YHLFHU IRU WKH WZHOIWK FRQVHFXWLYH XQFKDQJHG VLQFH PDLQWDLQ XQFKDQJHG WKH SHUFHQWDJH EHQHILW SURYLGHG WR WKH &KLHI ([HFXWLYH 2IILFHU

~ LPSOHPHQW VWDUWLQJ -DQXDU\ D UH YDULDEOH DQG SHUFRUPDQFH FRQGLWLRQV RI WKH &RPSDQ\¶V 6HQLRU 0DQDJHPHQW &RPPLWWHH DQG &KLHI ([HFXWLYH 2IILFHU

~ PDLQWDLQ ZLWKRXW VXSSOHPHQW WKH HPSOR &RPSHQVDWLRQ &RPPLWWHH¶V DSSURDFK WR &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ WKDW WKH &RPPLWWHH EHOLHYHV LV UHPDLQHG LQ VHP

~ PDLQWDLQ WKH JUDQW SULQFLSOHV GHFLGHG XSRQ LQ &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ RI 0U &KLHI ([HFXWLYH 2IILFHU ,W LV UHPLQGHG WKDW WKH &RPPLWWHH GLG QRW XVH D VLQJOH PHWULF RU EHQFKPDUN WR GHWHUPLQH &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG H[HFXWLYH GHFLGHG LQ VHP

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,QGUDZLQJ XS LWV UHFRPPHQGHGb L bWKH $SSRLQWPHQWV &RPPLWWHH FRQVLGHUHGb L bWKH WKHVH KDUHKROGHUV PHHWLQJ LQ SULRU \HDUV H[SUHVVHG WKH VHQWLPHQWV RI WKH IDFWKDWKH PHHWLQJ DQG EHORZ WKH DQQXDO PHHWLQJ DW WKLFK WKH HOHFWLRQ RI GLUHFWRUV DQG LY WKH ODXGH SHUIRUPDQFH DQG LY WKH UHPXQHUDWLRQ SROLFLHV DQG SUDFWLFHV RI 7KLV SRLQWHG &RPSDUDWRU *URXS &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG H[HFXWLYH

~ PDLQWDLQ WKH JUDQW SULQFLSOHV GHFLGHG XSRQ LQ &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG GHVFULEHG LQ VHP &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG GLG QRW XVH D VLQJOH PHWULF RU EHQFKPDUN WR GHWHUPLQH &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ RI 0U &KLHI ([HFXWLYH 2IILFHU ,W LV UHPLQGHG WKDW WKH &RPPLWWHH GLG QRW XVH D VLQJOH PHWULF RU EHQFKPDUN WR GHWHUPLQH &KLHI ([HFXWLYH 2IILFHU UHPXQHUDWLRQ DQG

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~ PDLQWDLQ WKH YDULDEOH UHPXQHUDWLRQ DQG EHQHILWV FRPSRQHQWV RI WKH *URXS V &65 SURJUDPV VR WKDW WKH\ UHPDLQ FRPSHWLWLYH DQG D SURGXFWLYH HQYLURQPHQW $V DSSURSULDWH WKH &RPSHQVDWLRQ &RPPLWWHH RYHUVHHV WKH GHVLJQ DQG LPSOHPHQWDWLRQ RI DQQXDO LQFHQWLYH SODQV DQG ORQJ WHUP LQFHQWLYH SODQV

~ BLQ ORQJ WHUP VKDUHEDVHG YDULDEOH UHPXQHUDWLRQ DQG HQVXULQJ PHDVXUHV DUH LQ SODFH WR PLWLJDWH DQ\ XQGXH ULVN WDNLQJ

~ BLQ WKH DQQXDO YDULDEOH FRPSRQHQW WKH &RPSHQVDWLRQ &RPPLWWHH UHYLHZV WKH SURYLVLRQV RI DUWLFOH RI WKH &RPSDQLHV &RPSHQVDWLRQ &RGH WKHVH SROLFLHV ZLOO E\ DW WKH GDWH RI WKH QH[W $QQXDO *HQHUDO 0HHWLQJ RI WKH &RPSDQ\ DQG WKHUHDIWHU DW OHDVW HYHU\ WKUHH \HDUV

$OO WKHVH HOHPHQWV IRU DUH LQ OLQH ZLWK WKH &RPSDQLHV &RGH DQG VWDQGDUG &RUSRUDWH *RYHUQDQFH SUDFWLFH

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)RU WKH %RDUG RI 'LUHFWRUV WKH &RPSHQVDWLRQ &RPPLWWHH UHYLHZV WKH SULQFLSOHV WKH %RDUG XSRQ 5HPXQHUDWLRQ DQG 1RPLQDWLRQ &RPPLWWHH &RPSHQVDWLRQ &RPPLWWHH VHW V FKDQJH WKH SULQFLSOHV IRU GHWHUPLQLQJ UHPXQHUDWLRQ IRU GLUHFWRUV DQG VHQLRU PDQDJHPHQW DQG RYHUVHHV WKH LPSOHPHQWDWLRQ RI WKHVH SULQFLSOHV

~ IL[HG HPXQHUDWLRQ DQG YDULDEOH UHPXQHUDWLRQ DUH DSSURSULDWHO\ EDODQFHG

~ DKLJKHDUL SHUIRUPDQFH

~ VSHFLDO GLFUHWLRQDU\ DZDUGV DUH RFFDVLRQDO DQG DUH QRW SDLG UHJXODUO\

~ VSHFLILF DGGLWLRQDO UHPXQHUDWLRQ WR PDLQWDLQ D FRPSHWLWLYH HQYLURQPHQW DQG UHVSRQG WR XQXVXDO VLWXDWLRQV

~ VSHFLILF DGGLWLRQDO UHPXQHUDWLRQ WR EDVH HDUQLQJV

~ WKH EHVW LQWHUHVW RI WKH &RPSDQ\ DQG LWV VKDUHKROGHUV RYHUDOO UHPXQHUDWLRQ SDLG XQGHU WKH SROLFLHV LV IDLU DQG UHDVRQDEOH LQ WKH FRQWH[W RI WKH &RPSDQ\ V RYHUDOO SHUIRUPDQFH

~ WKH SRVVLELOLW\ RI UHPXQHUDWLRQ IRU D QRQ H[HFXWLYH 'LUHFWRU RI WKH &RPSDQ\ DQG WKH WLPH FRPPLWPHQW H[SHFWHG

5HPXQHUDWLRQ SROLF\ IRU WKH &KDLUPDQ DQG &KLHI ([H

7KH UHPXQHUDWLRQ JUDQWHG WR WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU ZDV VHW E\ GHFLVLRQ RI WKH %RDUG XSRQ UHFRPPHQGDWLRQ RI WKH &RPSHQVDWLRQ &RPPLWWHH 7KH UHPXQHUDWLRQ DUUDQJHPHQWV IRU WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU DUH GHVLJQHG WR PDLQWDLQ D VXEVWDQWLDO SRUWLRQ RI WRWDO UHPXQHUDWLRQ DV VHQVLWLYH WR SHUIRUPDQFH DQG PDNH DPHQGPHQWV WR WKH SROLFLHV DV QHFHVVDU\ WR HQVXUH RQJRLQJ DOLJQPHQW ZLWK WKH &RPSDQ\ V VWUDWHJLF REMHFWLYHV DQG VKDUHKROGHU LQWHUHVWV

)RU UHIHUHQFH SXUSRVHV WKH UHPXQHUDWLRQ DUUDQJHPHQWV IRU WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU VLQFH DUH VHW RXW EHORZ

$QQXDO HOHPHQW

)RU WKH H[HUFLVH SHULRG WKH UHPXQHUDWLRQ FRPPLWWHH UHYLHZHG WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU V EDVH VDODU\ DQG GHFLGHG WR PDLQWDLQ LW DW WKH JURVV DQQXDO UDWH RI 86 DQ DPRXQW HTXLYDOHQW WR WKH DPRXQW SDLG LQ 86 'HFHPEHU ,I SHUIRUPDQFH DQG PDUNHW FRQGLWLRQV UHPDLQ VWURQJ WKH &RPSDQ\ H[SHFWV WR PDNH PRGHVW LQFUHDVHV WR WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU V EDVH VDODU\ LQ OLQH ZLWK WKRVH PDGH WR RWKHU VHQLRU H[HFXWLYHV

$QQXDO LQFHQWLYH PXQHUDWLRQ

)RU WKH H[LPX DMRULW\ RI WKH UHPXQHUDWLRQ JUDQWHG WR WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU VLQFH DUH VHW DW D OHYHO WKDW LV H[SHFWHG WR UHPDLQ FRPSHWLWLYH LQ WKH PDUNHWSODFH DQG UHZDUG WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU IRU WKH DFKLHYHPHQW RI VWUHWFKLQJ DQQXDO DQG ORQJ WHUP EXVLQHVV REMHFWLYHV 7KH\ DUH WKH PDLQ H[HFXWLYHV LQYROYHG LQ WKH GHYHORSPHQW DQG LPSOHPHQWDWLRQ RI WKH &RPSDQ\ V VWUDWHJLF SODQV DQG SRVLWLRQHG WR GULYH VXVWDLQHG JURZWK LQ WKH &RPSDQ\ V YDOXH 7KH &RPSHQVDWLRQ &RPPLWWHH EHOLHYHV WKDW WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU V WRWDO UHPXQHUDWLRQ VKRXOG EH VLJQLILFDQWO\ OLQNHG WR WKH &RPSDQ\ V SHUIRUPDQFH DQG WKDW D VXEVWDQWLDO SRUWLRQ RI WKLV UHPXQHUDWLRQ VKRXOG EH DW ULVN LI WKH &RPSDQ\ GRHV QRW PHHW LWV SHUIRUPDQFH REMHFWLYHV 7KH &RPSHQVDWLRQ &RPPLWWHH DOVR EHOLHYHV WKDW WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU V WRWDO UHPXQHUDWLRQ VKRXOG EH FRPSHWLWLYH LQ WKH PDUNHWSODFH LQ RUGHU WR DWWUDFW DQG UHWDLQ WKH LQGLYLGXDO &RQVHTXHQWO\ D VLJQLILFDQW SRUWLRQ RI WKH &KDLUPDQ DQG &KLHI ([HFXWLYH 2IILFHU V UHPXQHUDWLRQ LV GHSHQGHQW RQ WKH DFKLHYHPHQW RI VWUHWFKLQJ SHUIRUPDQFH REMHFWLYHV

)RUWKH UHPDLQLQJKDUH EDVHG RQ H[WUD IL,QDQFLDO WURXEOHV FRUUHVSRQGLQJ SULRULWLHV LQ WKHUP%FRQGLWLRQV RUGHUHG WKH SRLQWV EHLQJ D SEUHRQSWLRG WRKH PD[LPXP EHU RI *URXESDVHRQF\EHUVHFXULWLHV SRLQWV WKDW PD\ EH JUDQWHGSRUWKLFFULXGHQ ,QWKH RQJRLQJ QWUHPRYHG SRLQWV IRU ILQDQFLDO PDWWHUV KDSURSHFWDGSHUOLF WKH OHYHO RI DFKLHYHG SRLQWV

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VHOWKHR OORFZLQJWEHDUVLHBGQ WKH *URXS SULRULWLHV LQ &65 PRUH SDUWLFXODU\ RQ VFDO D

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)RU WKH %RDUG ZDQWHG WR PDLQWDLQ WKH HPSOR\HH HQJDJHPHQWDFWLQWHEDRQHGZLKQFK
PDWHULDOWLW[,W WKXV ZDQWHG WR GLYLGH LW LQWR WZR VXE FULWHULLQHDXGLQHQGLQJ WKURYHHVFRQILGHQWLQGH7KH *URXS KDVWRHPDGWWKHDLRVFRQILGHQWW WKURYHHVFRQILGHQWHQW WKURYHHVFRQILGHQWW WKURYHHVFRQILGHQW
:RUN WKH ZRUHGLVQJ LQGHPSQGHQW H[SHUW LQ TXDOLW\ RI OLIHDWHZRUHQFEDVHG RQ WKH TX

6XE FULWHRHQDHRHPSOR\ZHRVNLQDFHQWVIXEGLDU\

2EMHFWLRYHQWLQXDWLRQ RI FHUWLILFDWLRQV RQ HPSOR\HH HQJDJHPHQWDFWLRQV REW
VXFFHVV %HVW 3ODFHV WR :RUN*URXS DWHTXDEOHQHQWRWLHQQDQFLDO \HDU E\ LQGHPSQGHQW
LVVXHGUHQRZQHG LQGHPSHQGHQWDFWLRQV EHSRUWLQWHGLDWHWRH HPSOR\HHV
RI*URXSSPORZHUWLQJ LQ VXEVLGLDULHV WKHRVNLQDFHQWVIXEGLDU\ EHYH

6XE FULWHHOLDWHQH GWKUHXVW LQGH[

2EMHFWLYHREWDLQ DQ DYHUDJH WUXVQWKHG/HH[RPHDQEVRYHHDFHKLHQWHQW RI DQ DYHUDJH WUXV
FRQWHHQ[WHHUWLILFDWLRQV DQG XQGHU WKH VWRXEVFULDWLRQIRU ILSFRQQWDVUZOO EH JUDQWH
7KH%RDUG RI 'LUHFWRUV ZLVKHG WREDQHG RQ WKH FULWHULRQ
DFKLHYDQQYHUDUHX,QWH[VFRUH VXSHULRU WR DERYH WKDQ
WKDWWXLUHG E\ WKH LQVWLWXWH IRU REWDLQLQJ DQG UHQHZLQJ FHUWLILFDWLRQ
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2EMHFWLYHV RI WKH \$VVHVVPHQW 3URFHVV

7KH %RDUG ZLOO UHYLHZ WKH DVVHVVPHQW SURFHVV DQG WKH UHVXOWV RI WKH %RDUG DQG HDFK LQGLYLGXDO GLUHFWRU RQ DQ DQQXDO EDVLV

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7KH DQQXDO UHYLHZ DOVR LQFOXGHG

~ WKH ILUVW SHUIRUPDQFH FULWHULRQ ZHLJKLQ RUJDQL]DWLRQ *URXS FRQVROLGDWHG UHYHQ H[FKDQJH UDWHV DQG FRQVROLGDWLRQ VFRSH F JURZWK DV SXEOLFO\DQQRXQFHG E\ (YHUHVW *URXS E ILQDQFLDO \HDU HQGHG 'HFHPEHU WKH VHFRQG FULWHULRQ ZHLJKLQ RUJDQL]DWLRQ \HDU RYHUYLHZ *URXS RUJDQL]DWLRQ DQG

~ WKH VHFRQG SHUIRUPDQFH FULWHULRQ ZHLJKL OHYHUDJH FDVK IORZ RXP'HEHWHG DV

~ WKH WKLUG SHUIRUPDQFH FULWHULRQ WKH HLJKW VHULHV RI &KDLUPDQ V &RPPHQWV DQG &KLHI ([HFXWLYH 2IILFHU V &RPPHQWV &RPSDUDEOH &RPSDQ\ 7KH %RDUG DOVR WRRN LQWR DFFRXQW WKH &RPSDQ\ V SHUIRUPDQFH RQ &KLHI ([HFXWLYH 2IILFHU V &RPSHQVDWLRQ DQG &RPSDQ\ VWDWXV LQ WKH \HDU RI &KDQJH LQ &RQWURO

~ WKH %RDUG XQDQLPRXVO\ UHFRPPHQGHG WKDW WKH &RPSDQ\ V VKDUHKROGHUV DSSURYH WKH &RPSHQVDWLRQ RI WKH 1DPHG ([HFXWLYH 2IILFHUV

~ WKH GHILQLWLYH YHVWLQJ SHULRGV IRU WKH &RPSDQ\ V 5HVWULFWHG 6WRFN 8QLWV DQG 3HUIRUPDQFH 6KDUHV

/RQJ WHUP LQFHQWLYH EHQHILW

,Q DFFRUGDQFH ZLWK WKH JUDQW SURFHGXUHV GHVFULEHG DERYH WKH %RDUG XSRQ UHFRPPHQGDWLRQ RI WKH &RPSHQVDWLRQ &RPPLWWHH DSSURYHG WKH JUDQW RI 3HUIRUPDQFH 6KDUHV DQG 5HVWULFWHG 6WRFN 8QLWV IRU WKH PD[LPXP QXPEHU RI VKDUHV WKDW FRXOG EH JUDQWHG &(2 SDLG GXULQJ RU JUDQWHG LQ UHVSHFW RI KLV H[HFXWLYH IXQFWLRQV 7KLV DPRXQW UHSUHVHQWV D VLJQLILFDQW GHFUHDVH IURP WKH JUDQW DQG LQFOXGHG DQ DGGLWLRQDO 3HUIRUPDQFH 6KDUH JUDQW WR &(2 LQ UHFRJQLWLRQ RI KLV RXWVWDQGLQJ SHUIRUPDQFH DQG VLJQLILFDQW FRQWULEXWLRQV WR WKH &RPSDQ\ V VXFFHVV GXULQJ WKH \HDU

~ WKH ILUVW SHUIRUPDQFH FULWHULRQ ZHLJKLQ RUJDQL]DWLRQ *URXS FRQVROLGDWHG UHYHQ H[FKDQJH UDWHV DQG FRQVROLGDWLRQ VFRSH F JURZWK DV SXEOLFO\DQQRXQFHG E\ (YHUHVW *URXS E ILQDQFLDO \HDU HQGHG 'HFHPEHU WKH VHFRQG FULWHULRQ ZHLJKLQ RUJDQL]DWLRQ \HDU RYHUYLHZ *URXS RUJDQL]DWLRQ DQG

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~ WKH WKLUG SHUIRUPDQFH FULWHULRQ WKH HLJKW VHULHV RI &KDLUPDQ V &RPPHQWV DQG &KLHI ([HFXWLYH 2IILFHU V &RPSHQVDWLRQ DQG &RPSDQ\ VWDWXV LQ WKH \HDU RI &KDQJH LQ &RQWURO

~ WKH %RDUG XQDQLPRXVO\ UHFRPPHQGHG WKDW WKH &RPSDQ\ V VKDUHKROGHUV DSSURYH WKH &RPSHQVDWLRQ RI WKH 1DPHG ([HFXWLYH 2IILFHUV

~ WKH GHILQLWLYH YHVWLQJ SHULRGV IRU WKH &RPSDQ\ V 5HVWULFWHG 6WRFN 8QLWV DQG 3HUIRUPDQFH 6KDUHV

6FRSH PLVVLRQV DQG REMHFWLYHV WKH GLUHFW HPLVVLRQV UHODWHG WR IXHO DQG UHIULJHUDQW LOXGV FRQVXPSWLRQ

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E\ WKH JURXS LQ UHFHQW \HDUV)/$ QHMXVWWHGULDVLHWDOXRHGRWRHWKHZRKEHQVHZRO
7HOHSHUIRDEQDFW UHGXFLQJVFHSHLVRQVKEL\HG 7KXV HDFK FULWRUDRKZLHOSHUFHQW
SHU \HDU E\ IURP VHOLH)RU WKLVHGLVQGHSHQGLQJ RQ WKLHSWRGRHVDQEHG
JUDQWKLV PHDQV D UHGXFWLRQ RI VHFRSHDIWKLVSHFRSHQWDJH ZLOO EH PXOWLSOLHG
HPLVVLRQV IURP EDVHOLQH 7KRVH REMWRHLDYHKV FDULHWHUWLRQ LQ RSHUHQWRGHHRIUVKQH
WRE H YDOLG%WHGDQG WKXV FRXORGHEYRQVXHEMHFWHQWHG 7KH DGGLWLRQWRKXWKRVHFXEDWHQW
%RDURG'LHFWRUV DZLDSW DV D UHVXOW DQHDFKV FQLHWHVLRQ\ ZLOO EH DSSOLHG WR WKH QX
GHSHQGRQQJWKH REWDLQHG YDOLGDWLRQ RIVKDRFWHWRRKMHEHQLYHRKHDOEQDDWQHPEHU
PDWHU RI VKDUHV WURUDEHWHG WERHQHDEKDU\ URQGHG
~WKHIWK SHUIRUPDQFHRJIZUHJKLQV EDVHG RQ WKH ZKHUHDSSOWRKEHOHZKVQX PEHU
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D FRPSDQ\ KHDOWKFDUH SLQVXUDQGHWKH WKH FKLQWKHUHQ RU WHUPLQDWLRQ RI GXWLHV
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7KHUHPXQHUDWLRQWJKUHQHWSXW(\WKRKLWLYH 2IILFWUEHRQJ VSHFLILHG WKDW SHUVRQDO FRQWULEX
ZDV VHW E\ GHFLVLRQ RI WKH %RDUG RIUWKHHRQVQDWWV PHHWLQJ RI
0DUFK XSRQ UHFRPPHQGDWLRQ0PXQHUDWLRQ)XUWKHUPRUH WKH DQQXDO YDULDEOH UHPXQHUD
$SSRLQWR&RPPLWWHZHDFWRGLQWRQWKH SHUIRUP ([HFXWLYH IRUIV VXEMHFW WR D FODZEDFN
LQZKLFK DHFWV DV FR &KLHIILFHUXWDQWHO -XQH GHIQHGWHUQRE
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FRQWULDF3WHVLGHQW *URXS 7UDQVIORHPDWLRQ/bf DQG, SDUDJUDSKHQ FRQWUDFWXDO YDULDEOH UHPXQHUDWLRQ WKDW
DPHQGPHQ 0RUHRYHU LWWZDLVGHFGHGWDUDQWHG RI ILFH IRU WK
VXEMWRWKH SRVLWLWKVHRWHKRGHUV ,PHHWLQJ HSXW\ &KLHFXWLYH 2QILFHU RI ILFH IRU WK
UHPXQHUDQWLRQ RFHUWRLRI RIILFHUVKFHOO HLPHQWV ILQDQFLDO \HDU LV VXEMHWWR EHUHPXQHUDWLRQ DV
ZHUHHEHGQGHG MXVWHGWRRSOHWKSULQFLSOHV VKDUHKROGHUV PHHWLQJ RU UHVSHFWRI LQ
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)RU WKH JURVV DQQXDO0ULDH%KXSHQGHU UHPXQHUDWLRQ DV VHW RXW\(&HFXWLYH 2IILFHU ZDV VHW
,WZRXOGSHOLFDEOHDLO WKHMSHRFWWLRQ RI 0D\ YRWHWKHKHDUHRPHGHWVQJ RI 0D\
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$QQXDOLDUL DUEHOHPXQHUDWLRQ

)RU WKHD[LPXP JUDRVVXQW RI DQQXDO YDULDEOH UHPXQHUDWLRQ RU\(&HFXWLYH 2IILFHU VHHEHQWV
RIILFHVHWDW KLVUHPXQHUDWLRQ ZLOO EH JUDQWHGG RI FRPSHQVDWLRQ DQG DFFHOHUDWLRQ RI
PD[LPXPRQW ,I SHUIRUPDQFH H[FHHGV RQH RU PRUH RI WKH
WDUJHWVHGGLWLRRXQHUDWLRQ ZLOO EH JUDQWHG RQ SHPSHQWG RI FRQWULEXWLRQ
7KHSHUIRUPDQFH FRQGLWLRQV RI WKLV DQ'XYHOHYPDSUHDEQWHRQLWWPXQHUDWLRQ
DUHLGHQWLFDOWRWKHVHIRUWKH DQQXDO YDULDEOH UHPXQHUDWLRQ RI
WK&KDLUPDQGKL(HFXWLYH 2IILFHU VHDEHRYHFWLRQb

~$FFHOHUDWHG GHSOR\PHQW RI LQWHJUDWHG VHFXULW\ SROLFLHV

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,QDFFRUGDQFH ZLWK WKH SROLF\ LPSOHPHQWHG WKH %RDUG XSRQ UHFRPPHQGDWLRQ RI WKH $SSRLQWPHQWV &RPPLWWHH GHFLGHG WKDW WKH SHUIRUPDQFH WHVW JUDGLQJ WR WKH ([HFXWLYH &KDLUPDQ VKDOO QRW KDYH EHHQ

:LWKUHJDUGWRWKHSHUIRUPDQFH WHVWLQJ RI WKH JUDQWHH 7RGHWHUPLQH HVWDEOLVKHG WDUJHWV EDVHG RQ LQGLFDWRUV WKDW DSSOLFDEOH WR WKH ORQJ WHUP VWUDWHJ\ GHILQHG E\ WKH &RPSHQVDWLRQ &RPPLWWHH DSSOLFDEOH WR WKH RFFDVLRQDO LQFOXVLRQ RI QRQ[FXWLYH 2IILFHUV LQ WKH HYHQW RI [FXWLYH 2IILFHU WHUPLQDWLRQ

,QDFFRUGDQFHZLWKWKH$)(3 0('() FRGH LQWKH HYHQW RI WKH H[HFXWLYH 2IILFHU V GHDWK WKH SHULRG HQGLQJ RQ WKH GDWH RI WKH H[HFXWLYH 2IILFHU V GHDWK SHUIRUPDQFH FRQGLWLRQV VKDOO EH GHHPHG WR KDYH EHHQ VDWLVILHG E\ WKH GDWH RI WKH H[HFXWLYH 2IILFHU V GHDWK

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8QGHU KLV HPSOR\PHQW FRQWUDFW 0U %XVKQHU ZLOO IURP WLPH WR WLPH UHFHLYH LQIRUPDWLRQ UHJDUGLQJ KLV RIIHUV RU SRWHQWLDO RIIHUV RI HPSOR\PHQW

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)XUWKHUPRUH KLV FRPSHQVDWLRQ SURYLGHV IRU DQ DSSURSULDWH PL[RI VKRUW DQG ORQJ WHUP LQFHQWLYHV DQG IL[HG DQG YDULDEOH FRPSHQVDWLRQ

+LV FRPSHQVDWLRQ DOVR SURYLGHV LQFHQWLYHV IRU UHPXQHUDWLRQ JRDOV WKDW FRPSHQVDWH IRU GXWLHV DQG UHVSRQVLELOLWLHV H[FHVV RI WKRVH QRUPDOO\ DVVRFLDWHG ZLWK WKH SRVLWLRQ

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)RU WKHURVV DQQXDO RL[HG bSDOUWLHU 5EDXG\ UHPXQHUDWLYH 2IILFHU LV EURXJKW IURP WR

,WLVUHPLQGWKHQV bO5LJDX'HSXW&KLHI ([HFXWLYH 2IILFHUOO DOVR UHFHLYH WKH UHPXQHUDWLRQ SURYLGHG YRU LQ KLV HPSOR\PHQWWUDFWSHFW RI KLV VDODU\LHGHGXFWLRQV DQQXDOURVV UHPXQHUDWLRQ RI XQFKQJHGWKEQHI DQGEDLQWDRQHG

$QQXYDOUDEHPXQHUDWLRQ

)RU WKH[LPXP VJURRXQW RI DQQXDO UHPXQHUDWLYH 2IILFHU LQ WKH RIILFHV EURXJKW IURP XQFKDQJHG WKH SHUIORUPDQFH FRQGLWLRQV RI WKLV DQQXDO YDULDEOH UHPXQHUDWLRQ WKH&KLHI ([HFXWLYH 2IILFHU VHEHRYHG LVEHLQJ VSHFLILFDOO\ LQWHQGHGRU SDLG

7KHSHUIORUPDQFH FRQGLWLRQV RI WKLV DQQXDO YDULDEOH UHPXQHUDWLRQ DUHGHQWLFDO WR WKH DQQXDO YDULDEOH UHPXQHUDWLRQ RI WKH&KLHI ([HFXWLYH 2IILFHU VHEHRYHG LVEHLQJ VSHFLILFDOO\ LQWHQGHGRU SDLG

)XUWKHUPRUHDQQXDO YDULDEOH 'HSRVLWQ&KLHI ([HFXW2LYHFHU IRUHPDLQV VXEMHFWDZEMRN VFKHPH GHVFULEHGHFWLRQDERYH

,WLVUHPLQGWKHGLVWDFFRGZDQWKSHUYLVRLRQV WLFOH /b Ó 5DUDJUDSKb RI WKH)UHQFK &RPPHUFLDO&RGH SDVPHQW RIWKH DQQXDO YDULDEOH UHPXQHUDWLRQ 'HSXW&KLHI([HFXWLYH 2IILFHU LQ UHVSHFW ILQDQFLDO VKDUHKROGHUV UHPXQHUDWLRQ HOHPHQWDVG GXULQJ RU JUDQWHG LQ UHVSHFW KUHVILFH

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~ PDQDJHPHQWUROHSHUIORUPDQFH WDWLRQV WDUJHWV PHW SDUWLFXODUO\ LQ WHUPV RI ILQDQFLDO SURILWDELOLW\ DQG PDUJLQ

~ SURDFWLYHQHJRWLDWLRQ RI *URXS OLTXLGLW\ DQG ILQDQFLDO HSOR\HV

~ LQWHJUDWLRQ

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,Q DFFRUGDQFHWKHJHUDOHW SROLF\PHQWLQHG WKH %RDUG XSRQ UHFRPPHQGDWLRQ RI WKH $SSRLQWPHQWHVWKDFWLYHQHVV RI SHUIRUPDQFH VKDUHV WKDW PD\ EH JUDQWHG XQGHU WKLV FDS ZDVUHJHPHQWSDUHG WR \HDUVRQVROLGDWHGQDQG RQOLQHPRUHVHG DVSHUIRUPDQFH RI WKHWLFRQDQG SDLG WR H[HFXWLYH 2IILFHUV VHE\ WKH &RPSHQVDWLRQ &RPPLWWHH RUWKH RQJ WHUP VWUXFWXUHV RI WKH &RPSDQ\ RU LWV VXEVLGLDULHV

,W WKH UHJDUG WR WKHFHUWDLQW RI WKH &RPSHQVDWLRQ &RPPLWWHH RU WKH %RDUG WKH\ ZLOOLQHGHUDWLRQ WR WKH ORQJ WHUP VWUDWHJLF RUSRVH RI WKH &RPSDQ\ DQG WKH LQWHUHVWV RI LWV VKDUHKROGHUV

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7KHUHXQHUDWLRQ VWUXFWXUH IRU WKH 'HSXW\ GRHV QRW SURYLGH IRU FRPSHQVDWLRQ RU UHPX WKH DSSXSWLRQ RU WHUPLQDWLRQ RI GXWLHV PXOWL\HDU YDULDEOH UHPXQHUDWLRQ DGGLWLRQDO RU VFKHPHVWRRSWLRQV SHQVLRQHPHWR SURILWDELOLW\ DQG)XUWKHUPRUHLWH HPSOR\HH GRHV QRW SURY FRPSHQVDWLRQ RU UHPXQHUDWLRQ JUDQWHG XS WHUPLQDWLRQ GXWLHV H[FHSWLRQDO UHPXQHU YDULDEOH UHPXQHUDWLRQ DGGLWLRQDO RU VFKHPHVWRRSWLRQV SHQVLRQHPHWR

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8QGHKUL HPSOR\PHQW FRQWUDFW 0U b2OLYLHU 5LJDG\ PD\ EHQHILW IURPb L bFRPSHQVDWLRQ SDU WHUPLQDWLRQ HPSOR\PHQW FRQWUDFW SD\PHQWV RZHG SXUVXDQW WR)UHQFK ODZ LQ

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5DWLQJ UDWLRQDOH FRYHPEHUb FRPSDUHG WR WKHQHYHUVWHQW JUDGH UDWLQJ ZLWK D VWDEOH RXWORRN ILUVW WKHQQILUPHGRYHPEHUb ZKLFK ZDV WKH KLJKHVW FUHGLW UDWLQJ UHFHLYHG LQ WKH FXVWRPHU H[SHULH

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)DFWRUVWRRDYEHOHQ LPSDFW LQ WKH HYHQW RI D S

,QDFFRUGDQFHWKSHULRVLRQV bRI DUWRWKHHQFK &RPPHUFLDO &RGH WKH HOHPHQWPSDEHWORZQDUKHHYHQW RI D SXEOLF RIIHULQJ

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LbU HVWULFWRRLQRbWKDHUWLFOHVRFLDWHbVRFLDWQHJ ULJKWVWKDWHDQ RUHOLSSOLFDWLRQ /RI WKH)UHQFK &RPPHUFLDO &RGH	
LbGLURHEWGLKRHWWLQWYH &RPSDQ\LWDO RI ZKLFK LW LVEZEDFWLRQb 6KDUHKROGLQJ XQGbU WWLbOH DQGb RI WKH)UHQFK &RPPHUFLDO	
LbWKHLRKVRG HDQVHIXULRYLGLQJ SHFLFDWLRQ VHUYLFHRKWV DQGG HVFULSWKHRI	1RQHXEMWHFGRXEOH YRGHLQFJULEHGV LQVHFWLRQ'HVFULSWLRKSWRLY LOHJHV DQGHVWULFWDEQRQ[LVWKQJUHV DQG HDFK FODRWKDUHV
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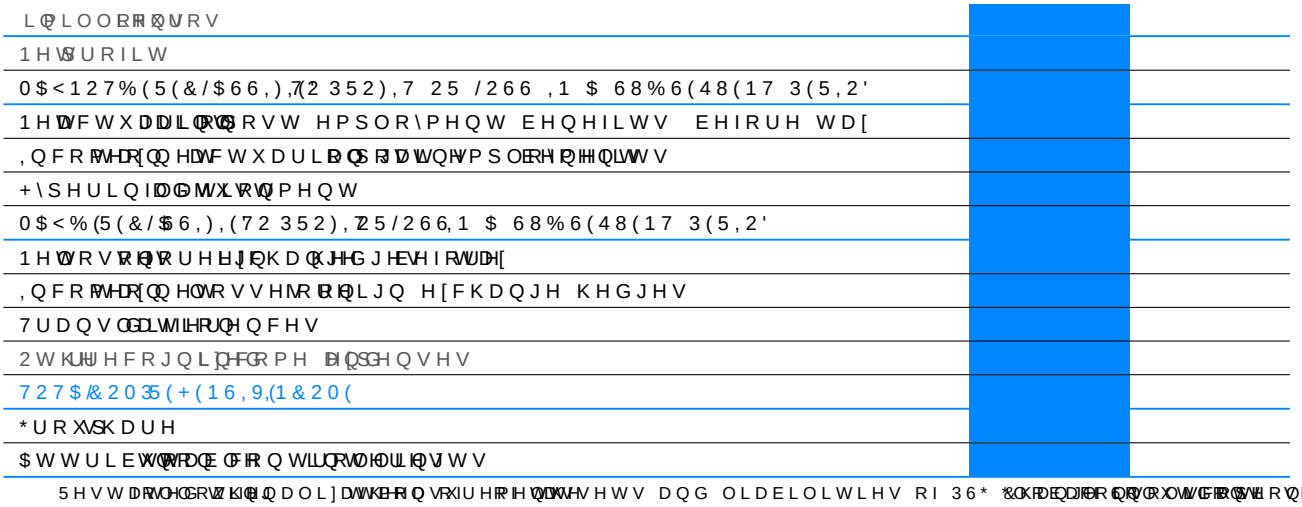

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2Q $SULOb 7HOHSHUIRUPDQFHb 6WDQGDORQH VDOHV RI 0DMRUHO *UHHQ DQG 0DMRUHO %OXH GHFUHDVHG E\ DSSUR[LPDWHO\ WKH HQWLUH VHDUH FDSLWDO RI 0DMRUHO *UHHQ DQG 0DMRUHO %OXH DUH EHLQJ UHGHHPHG DW SDU RQ 0D\ DQG -XQH UHVSHFWLYHO\ 7KH UHPDLQLQJ LVVXHG DQG RXWVWDQGLQJ 0DMRUHO *UHHQ DQG 0DMRUHO %OXH DUH UHGHHPDEOH DW WKH RSWLRQ RI WKH &RPSDQ\ DW DQ\ WLPH RQ RU DIWHU 0DUFK DQG 0DUFK UHVSHFWLYHO\ DW SULFHV HTXDO WR RI WKHLU SULQFLSDO DPRXQW SOXV DFFUXHG DQG XQSDLG LQWHUHVW WR WKH GDWH RI UHGHPSWLRQ

~ WRUHFHLYH SD\PHQWV RQ WKRVH ERQGV RU HDFK VHDUH HTXLYDOHQW WR WKH SULQFLSDO DPRXQW RI WKH ERQGV SOXV DFFUXHG DQG XQSDLG LQWHUHVW WR WKH GDWH RI UHGHPSWLRQ

~ WRUHFHLYH 7HOHSHUIRUPDQFH VKDUHKROGHU DSSURYDO RI DQ DPHQGPHQW WR WKH &RPSDQ\ V &HUWLILFDWH RI ,QFRUSRUDWLRQ WR HIIHFW D /X[HPERXUJ FRPSDUDEOH UHGHPSWLRQ RI WKH &RPSDQ\ V &RQYHUWLEOH 3UHIHUUHG 6KDUHV DQG &RPPRQ 6KDUHV DW (XURQH[W 'HEHQWXUHV RI WKH &RPSDQ\ DQG &RPPRQ 6KDUHV DW (XURQH[W

7KH PDMRULW\ VKDUHKROGHU RI WKH &RPSDQ\ KDV LQGLFDWHG WKDW LW LQWHQGV WR YRWH LQ IDYRU RI DOO RI WKHVH SURSRVDOV

1RWH3UHSDUDWLRQ RI &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

1RWH 5HSRUWLQJ (QWLW\

7HOHSHUIRUPDQFH 7HOHSHUIRUPDQFH RU WKH &RPSDQ\ &RPSDQ\ DQG LWV VXEVLGLDULHV ZHUH LQFRUSRUDWHG LQ 'HFHPEHU DQG ZHUH UHRUJDQL]HG LQ 0DUFK DQG ZLOO EH XVHG WR WKH &RPSDQ\ V FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV DQG QRWHV WKHUHWR 7KH &RPSDQ\ V ILVFDO \HDU HQGV RQ 'HFHPEHU LQFOXGH WKH &RPSDQ\ DQG LWV VXEVLGLDULHV DFFRXQWHG IRU WKH HIIHFW RI WUDQVDFWLRQV EHWZHHQ WKH &RPSDQ\ DQG WKH *URXS

1RWH %DVLV RI 3UHSDUDWLRQ

7KH FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV DUH SUHSDUHG LQ DFFRUGDQFH ZLWK 7XUNH\ DUH FRQVLGHUHG WR EH K 'HFHPEHU KDYH EHHQ SUHSDUHG LQ DFFRUGDQFH ZLWK WKH LQVWUXFWLRQV RI ,$6b VLQFH -XOb D ,QWHUQDWLRQDO)LQDQFLDO 5HSRUWLQJ 6WDQGDUGV ,)56 DV LVVXHG E\ WKH ,QWHUQDWLRQDO (XURSHDQ 8QLRQ RQ WKH EDVLV RI WKH \HDU (1'('b 7KH &RPSDQ\ DGRSWHG ,)56 DV RI -DQXDU\ DQG DSSOLHG WKH SROLFLHV DQG SUDFWLFHV VHW RXW LQ WKH $UJHQWLQH SHVR WKH IXQFWLRQDO FXUUHQF\ RI WKH &RPSDQ\ DQG &RPSDQ\ V VXEVLGLDULHV DQG WKH 86 GROODU WKH IXQFWLRQDO FXUUHQF\ RI &RPSDQ\ V &RPSDQ\ DQG &RPSDQ\ V VXEVLGLDULHV DUH WKH VDPH DV WKRVH RI WKH &RPSDQ\ DQG &RPSDQ\ V &RPSDQ\ DQG &RPSDQ\ V VXEVLGLDULHV DUH SUHSDUHG LQ DFFRUGDQFH ZLWK WKH SROLFLHV VHW RXW LQ WKH &RPSDQ\ V &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV DQG LQWHUSUHWDWLRQV 7KH &RPSDQ\ V &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV DUH SUHSDUHG RQ WKH EDVLV RI FDUU\LQJ DPRXQW DQG &RPSDQ\ DQG &RPSDQ\ V &RPSDQ\ DQG &RPSDQ\ V &RPSDQ\ DQG &RPSDQ\ V

1HZ)56VWDQGDUGLQWHUSUHWDWLRQV

1HZVWDQGDUGVQGDPHQGPHQWVDSSOLFDEOH IURP

,Q2FWREHUbFRXQWULHV)UDQFHGLDUHHWKHQHDHODWHG GHWDLOHGSHQVLRQEHQHILWV JOREDO [\VWHPRIZRLFDKLPV LQ SDWRWLPXODWHPLQWKHRQWHIWVILQDQFLDOVWDWHPHQWV LQ PLQLPXP HIIHFWLYH LQFRRFU PXOWLQDWLRQDOHQWHUSULVHQWHUSULVHV DQG RWKHUV DQG RQHQRWXWKL HQWHUSULDWLRQV DQ RYHUDOO WRWDO bRHPSOR\HHGGLVWULQ WD[DWLRQ LQ WKLV UHJ ,Q 'HFHPEHUb WKH 2(&' LVVXHG 3LOODU 7ZR RGHO UXOHV LQWHQGHGWRHQVXUHPRUHWD[DWLRQ RI OHDO HQGLVWLQ FRQGLWLRQV IRUPHU 0DMRUHO JURXS LQWR VWDWHV LQWKHVH UHIRUPV DGGLWLRQDO JXLGDQFH RQ WKHLW WKH WUDQVLWLRQDO DUUDQJHPHQWV PDMRU LQWHUQDWLRQDO0DMRUHLDO GLDULHV

7KH(XURSHDQ&RPPLVVLRQ LVVXHG 3LOODU 7ZR GLUHFWLYHV ZKLFKDV WUDQVSRVHG LQWR)UHQFK GRPHVWLF OHJLVODWLRQ WR)LQDQFH$FW ,QYLHZWKH PDQ\ GLIILFXOWLHV LQ DGDSWLQJ $6% WR LQFRPH WD[HIIHFWLYH IURP WKH 3LOODU 7ZR UHIRUPV WKH -DQXDU\ H[HFXWLRQ GDG QRQLPSOHPHQWDWLRQ VWDWHPHQWV ,$6%KDV LQWURGXFHG D PDQGDWRU\ WKHSRUDU\ H[HPSWLRQ DFFRXQWLQJ GHIHUUHG WD[DVVHWV DQG OLDE WD[DWLRQDO WDUJHWHG PDQGDWRU\ HIIHFWLYH GDWHV DQG OLPLWHG VFRSH H[HPSWLRQV VWDWHFHUWDLQWDOVR UHTXLUHG 7KLVWRXSGDWHV HQGRUVHPHQW RILILDQFLDO VRILILPPHGLDWHO\ HIIHFWLYH IRUPDWLRQ RIWKH GLVFORVXUHV UHTXLUHG FRQFH RQDIW\HDU\ 7KH*URXS KDV PDGH D SUHOLPLQDU\ UHYLHZ RI WKH LPSDFW RQ LWV ILQDQFLDO VWDWHPHQWV RI WKH YDULRXVUHOHYDQW 3LOODU 7ZR GHIHUUHG WD[OHJLVODWLRQ LQIRUPDWLRQRQ WKH EDVLV RI*URXS V KLVWRULFDO ILQDQFLDO LQIRUPDWLRQ DQG WKH WUDQVLWLRQDO DUUDQJHPHQWV

6WDQGDUGVQGDPHQGPHQWVDSSOLFDEOH IURP'HFHPEHUb

7KH*URXSKDV HQDEOHG WKH DPHQGPHQWV,$6RUHVHQWDWLRQ RI ILQDQFLDO VWDWHPHQWV LQ ~ ,)56 /HDVHZKLFK LQWURGXFHG WR FODULI\ WKH HOLJLELOLW\ RI OHDVHV RU QRQOHDVHFRPSRQHQWV PHDVXUHPHQWRI OLDELOLW\ XQGHU OHDVHEDFN WUDQVDFWLRQV DQG RWKHU OHDVHV DQG WKH DFFRXQWLQJ IRU VXEOHDVHV

(VWLPDWHVDQG MXGJHPHQWV

7KHSUHSDUDWLRQ RI ILQDQFLDO VWDWHPHQWV UHTXLUHV PDQDJHPHQW WR PDNH HVWLPDWHV DQG DVVXPSWLRQV WKDW DIIHFW WKH UHSRUWHG DPRXQWV RI DVVHWV DQG OLDELOLWLHV DW WKH GDWH RI WKH ILQDQFLDO VWDWHPHQWV DQG WKH UHSRUWHG DPRXQWV RI UHYHQXHV DQG H[SHQVHV GXULQJ WKH UHSRUWLQJ SHULRG 7KH HVWLPDWHV DQG DVVXPSWLRQV FRQVLGHUHG DUH EDVHG RQ KLVWRULFDO H[SHULHQFH DQG RWKHU IDFWRUV WKDW DUH EHOLHYHG WR EH UHDVRQDEOH XQGHU WKH FLUFXPVWDQFHV 7KHVH HVWLPDWHV DQG DVVXPSWLRQV DUH UHYLHZHG RQ DQ RQJRLQJ EDVLV 5HYLVLRQV WR DFFRXQWLQJ HVWLPDWHV DUH UHFRJQLVHG LQ WKH SHULRG LQ ZKLFK WKH HVWLPDWHV DUH UHYLVHG DQG LQ DQ\ IXWXUH SHULRGV DIIHFWHG

1RWH ,PSDFWRIQHZQRQFRQVROLGDWLRQ VWDQGDUGV

7KHHQYLURQPHQWDO LPSDFWV UHODWHG WR WKH*URXS V EXVLQHVVRSHUDWLRQV DUH VXEMHFW WR QDWLRQDO DQG LQWHUQDWLRQDO HQYLURQPHQWDO UHJXODWLRQV 7KH JHRJUDSKLFDORSHUDWLRQDO VSUHDG RI WKH*URXS V EXVLQHVVHV H[SRVHV LW WR D OLVW RI HQYLURQPHQWDO LVVXHV WKDW PD\ DIIHFW LWV EXVLQHVV RSHUDWLRQV DQG ILQDQFLDO SRVLWLRQ 7KH *URXS V ELRGLYHUVLW\ LPSDFW SROLF\ VHWV RXW WKH*URXS V DSSURDFK WR PDQDJLQJ LWV LPSDFWV RQ ELRGLYHUVLW\ DQG HFRV\VWHPV 7KH (XURSHDQ &RPPLVVLRQ KDV DGRSWHG D QXPEHU RI OHJLVODWLYH SURSRVDOV DLPHG DW VWHSSLQJ XS WKH (8 2Q WKH RWKHU KDQG WKH 8QLWHG 6WDWHV KDV ZLWKGUDZQ IURP WKH 3DULV $JUHHPHQW 7KHVH bFRXQWULHVH[SHFWWRUHGXFH H[SRVXUH WR HQYLURQPHQWDO LPSDFWV DQG DKLJKHUSURGEFWLRQ FRVWV

~ VZLWFKR JUHHQHU HQHUJ\ E\ LQFUHDVLQJ7KHWKRXSWUFRPSDQLHVRIIHUHQWDWHPWDWRJWKLVVDOVR HYLGHQF
UHQHZDEOHQHUJ\ LQHQWRFWDULFLW\ FRQVXPHUVDZDUHQHVVDQGHYHU
SRVVLEOH

~ DFKLHYLHK HQHUJ\ SHUFRUPDQFH DW WKH *UHQFSOXGHLWDHVEUDQGHGQHZDQG
HIILFLHQFDFVXUHV UHGXFWLRQ REMHFWLYHV DSSURYHG XQGHU W
6KDUHšSDVPHGWV DQG

~ VWUHDPOLQH7 LQIUDVWUXFWXUH E\ DGRSWLQJ PHDVXUHV WR UHGXFH
HQHUJ\ FRQVXPSWLQDWRQ

7KHVWUDWHJ\ LV H[SHFWLQG WRVHUGHTXQHVWPHQW HTXLSPWRWPHHW WKHVH REMHFWLYHV EXLOGLQJ UHQRYDWLRQV XSJUDGHVFUHDVH LQUZRUKRHDE7KHWHDGXFWLRQ HOHFWURQLFV WUDQVPLVVLRQ DQG DLVWULEXWLRQ

*UXSZDQGWKLHUWDQJLEOH DVVHWV ZLWKDUHQ2WKHUWHXUHQWOLDYHVWVPDUHVPHQWZKRUWKH
WHVWHG\HDU IRU LDPSDLUPHQWG*RRGZLOORE MHFWLYH HYLGHQFH 7HVWOLQH bPLOOLRQ
DFFRXQWRQDFHWKRGV

)LQDQFLDOVWHWV

7KH*URXS UHYLHZV WKH ULVNV RI IXOWKHU FDUUWLQJ DPRQWFRY HLQWHUHVW
UHJXODWRUZHDVWHDO EWFK UHSRUWLQJ GDWH DQG UHFRQL]HV DQ\ LPSDLUPHQW

1RWH 'HWHUPLQDWLRQ YDOXHV

&HUWDLQFRXQWLQJ SROLFLHV DQG GLVFORVX'HHYLUHTWLYHVWHUPLQLQJ WKH
IDLUYDOXHILRQIQFLDQRQLQDQFLDO DVVHWV DQG OLDELOLWLHV
$GGLWLRQDOLQIRUPDWLRQ DERXW DVVXPSWLRQV 7KHLDUDOORFDWHG
YDOXHV GLVFORVHG QHFHVVDU\WKH VPHFLILFXFWKRWHV
DVVRFW OLDELOLWLRV ,Q JHQHUDO IDLU YDOXHV IRU VLJQLILFDQW DVVHW
DQG LDEFDOWLHV DUHDVHVWLG WKH PRQWH[W

3URPHUSWDQW DQG HQXLSPHQW

7KHIDLU YDOXHUHSHFWDQWHTXLSPHQW WKDW LV UHFRJQL]HG
IROORZDLEXVLQHVV FRPELQDWLRQ SULQFLSDQG\EXLOGLQJV LV EDVHG RQ
PDUNHWDOXH PDUNHW YDOEXHLORGLQJ LV WKH HVWLPDWHG
DPRXQWWLFK ZRXOG EH REWDLQHG IURP WKH VDOH RI DQ DVVHW XQGHU
QRUPDFRQGLWLRQV EHWZHHQ D EX\HU DQG D VHOOHU DW WKH
PHDVXUHPHQW

,QWDQJLEOH DVVHWV

7KHIDLU YDOXH EUDQGDPHDVG VRIWZDUHGXEHLQUHG
EXVLQHVVFRPELQDWLRQ LV EDVHG RQ WKH GLVFRXQWHG
HVWLPDWHGWXUHFDVKIORZV WKDW DUH H[SHFWHG WR
7KHIDLU YDOXH RI PHU UHODWLRQVKLSV DFTXLUHG
FRPELQDWLRQV EHWZHHQ WKH PXOWL SHULRG H[FHVV HDUQLQJV PHWKRG
7KHIDLU YDOXH RI FXVWRPHU UHODWLRQVKLSV DFTXLUHG LQ
DVVHWW HVWLPDWHGH SUHVHQWXVLQJ WKH PXOWLSHULRG H[FHVV
GLVFRXQWHGFUHGHUHWHQW DW WKH UHSRUWLQJ GDWH

$FFRXQWV UHFHLYDEOHWKH7UDGHUHFHLYDEOHV DVVHWV

7KHIDLU YDOXH2FFRXQWHG2WFKHUUHQW DVVHWV DQG OLDELOLWLHV
DSSURWLPDWHV WKHLUFDUU\LQJ YDOXHV EHFDXVHWKH
GLVFRXQWHGUHFHLYDEOHV DW WKH UHSRUWLQJ GDWH

1RWH *ORVVDU\

(%,7$RU (%,7$ EHIRUH QRQ UHFXUULQJ %HIRUH ,QWHUHVW 7D[DQG $PRUWL]DWLRQ EHWRUHWDSQRQ ILW EHWRUHWDSQRQ DPRUWL]DWLRQ FRPELQDWLRQ VHWWKHILQDQFLDO LPSDLUPHQW FKDUHXUULQJ LQWHUHVW

(%,7'$RU (%,7'$ EHIRUH QRQ UHFXUULQJ ,QWHUHVW 7D['HSUHFLDWLRQ DQG $PRUWL]DWLRQ QRQFXUULQJ LWHPV DQG GLVFRQWLQXHG RSHUDWLRQV

2UJDQLF *URZWK LQFUHDVH LQ UHYHQXHV FRQVROLGDWHG GHWHUPLQHG WKH IROORZLQJ FDOFXODWLRQ \HDU UHYHQXHV \HDU UHYHQXHV

*ORVVDU\ RI &DSLWDOL]HG DQG 2WKHU 7HUPV

1RQ UHFXUULQJ LWHPV 1HW GHEW LQFOXGLQJ ORDQ KHGJLQJ DFWLYLWLHV *URVV SURILW RSHUDWLQJ DFWLYL &DSLWDOL]HG WHUPV RI DJUHHPHQW RSHUDWLQJ DFWLYLWLHV

1RWH6FRSHFRQVROLGDWLRQ

1RWH $FFRXQWLQJSROLFLHVDQGHVWLPDWHV

%DVLVRIFRQVROLGDWLRQ

6XEVLGLDULHVDUHHQWLWLHV FRQWUROOHG E\ WKH &RPSDQ\ ZKHQ LW LV H[SRVHG WR RU KDV WKH ULJKWV WR YDULDEOH UHWXUQV IURP LWV LQYROYHPHQW ZLWK WKH HQWLW\ DQG KDV WKH DELOLW\ WR DIIHFW WKRVH UHWXUQV WKURXJK LWV SRZHU RYHU WKH HQWLW\

,QDVVHVVLQJ FRQWURO SRWHQWLDO YRWLQJ ULJKWV WKDW SUHVHQWO\ DUH H[HUFLVDEOH RU FRQYHUWLEOH DUH FRQVLGHUHG

7KHILQDQFLDO VWDWHPHQWV RI VXEVLGLDULHV IURP WKH GDWH FRQWURO FHDVHV XQWLO WKH GDWH FRQWURO FHDVHV

%DODQFHVDQG XQUHDOL]HG JDLQV DQG ORVVHV DUHHOLPLQDWHG H[SHQVHV DULVLQJ IURP LQWUD JURXS WUDQVDFWLRQV SUHSDUDWLRQRI FRQVROLGDWHG VWDWHPHQWV

$Q DVVRFLDWH LV DQ HQWLW\ LQ ZKLFK WKH &RPSDQ\ H[HUFLVHV VLJQLILFDQW LQIOXHQFH 6LJQLILFDQW LQIOXHQFH LV WKH SRZHU WR SDUWLFLSDWH LQ WKH ILQDQFLDO DQG RSHUDWLQJ SROLFLHV RI WKH HQWLW\ EXW LV QRW FRQWUROORU MRLQW FRQWURO RYHU WKRVH SROLFLHV

(QWLWLHV LQ ZKLFK WKH &RPSDQ\ H[HUFLVHV VLJQLILFDQW LQIOXHQFH DUH FODVVLILHG DV DVVRFLDWHV DQG DFFRXQWHG IRU XVLQJ WKH HTXLW\ PHWKRG LQ WKH &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

)RUHLJQFXUUHQFLHV

7UDQVDFWLRQV LQ FXUUHQFLHV RWKHU WKDQ WKH IXQFWLRQDO FXUUHQFLHV RI H[FKDQJH UDWHV SUHYDLOLQJ RQ WKH GDWHV RI WKH WUDQVDFWLRQV

0RQHWDU\ DVVHWV DQG OLDELOLWLHV GHQRPLQDWHG LQ RWKHU FXUUHQFLHV DW WKH UHSRUWLQJ GDWH DUH UHWUDQVODWHG LQWR WKH IXQFWLRQDO FXUUHQFLHV DW H[FKDQJH UDWHV SUHYDLOLQJ RQ WKDW GDWH 1RQ PRQHWDU\ DVVHWV DQG OLDELOLWLHV FDUULHG DW KLVWRULFDO FRVW LQ D IRUHLJQ FXUUHQF\ DUH H[FKDQJH UDWHV WKDW ZHUH SUHYDLOLQJ RQ WKH WUDQVDFWLRQ GDWHV

1RQ PRQHWDU\ DVVHWV DQG OLDELOLWLHV RWKHU WKDQ WKRVH FDUULHG DW IDLU YDOXH ZLWK FKDQJHV UHFRJQL]HG GLUHFWO\ LQ RWKHU FRPSUHKHQVLYH LQFRPH DUH WUDQVODWHG DW WKH H[FKDQJH UDWHV DW WKH GDWH ZKHQ WKH IDLU YDOXH ZDV GHWHUPLQHG

7KH IXQFWLRQDO FXUUHQF\ RI D IRUHLJQ RSHUDWLRQ RXWVLGH WKH HXUR LV LQ JHQHUDO LWV ORFDO FXUUHQF\ ZKHQ WKH FXUUHQF\ RI WKH FRXQWU\ LQ ZKLFK LW LV ORFDWHG LV WKH IXQFWLRQDO FXUUHQF\ RI WKH IRUHLJQ RSHUDWLRQ

%XVLQHVV FRPELQDWLRQV

7KH*URXS DSSOLHV WKH DFTXLVLWLRQ PHWKRG WR DFFRXQW IRU EXVLQHVV FRPELQDWLRQV RI VXEVLGLDULHV DQG EXVLQHVVHV DFTXLUHG IURP WKLUG SDUWLHV 7KH FRQVLGHUDWLRQ WUDQVIHUUHG E\ WKH *URXS LQ DQ DFTXLVLWLRQ LQFOXGHV WKH IDLU YDOXHV DW WKH DFTXLVLWLRQ GDWH RI DVVHWV WUDQVIHUUHG OLDELOLWLHV LQFXUUHG DQG HTXLW\ LQWHUHVWV LVVXHG E\ WKH &RPSDQ\ V ILQDQFLDO :KHQ WKH *URXS GRHV QRW REWDLQ DOO RI D\ HOHPHQWV RI D FRPELQHG EXVLQHVV WKH QRQFRQWUROOLQJ LQWHUHVW LQ WKH DFTXLUHH LV PHDVXUHG DW HLWKHU LWV IDLU YDOXH RU LWV VKDUH RI WKH UHFRJQL]HG DPRXQWV RI WKH LGHQWLILDEOH DVVHWV DQG OLDELOLWLHV RI WKH DFTXLUHH :KHQ WKH EXVLQHVV FRPELQDWLRQ LV DFKLHYHG LQ VWDJHV WKH SUHYLRXVO\ KHOG HTXLW\ LQWHUHVW LQ WKH DFTXLUHH LV UHPHDVXUHG WR LWV IDLU YDOXH DW WKH DFTXLVLWLRQ GDWH DQ\ UHVXOWLQJ JDLQ RU ORVV LV UHFRJQL]HG LQ SURILW RU ORVV RU RWKHU FRPSUHKHQVLYH LQFRPH DV DSSURSULDWH &RQWLQJHQW FRQVLGHUDWLRQ WR EH WUDQVIHUUHG E\ WKH *URXS LV UHFRJQL]HG DW LWV DFTXLVLWLRQ GDWH IDLU YDOXH &KDQJHV WR WKH IDLU YDOXH RI WKH FRQWLQJHQW FRQVLGHUDWLRQ WKDW TXDOLI\ DV PHDVXUHPHQW SHULRG DGMXVWPHQWV DUH DGMXVWHG DJDLQVW WKH FRVW RI WKH DFTXLVLWLRQ &KDQJHV WKDW GR QRW TXDOLI\ DV PHDVXUHPHQW SHULRG DGMXVWPHQWV DUH UHFRJQL]HG LQ SURILW RU ORVV RU RWKHU FRPSUHKHQVLYH LQFRPH DV DSSURSULDWH

PHDVXUHPHQW RI FRQWURO LQ LGHQWLILDEOH DVVHWV DQG OLDELOLWLHV DFTXLUHG

PHDVXUHPHQW LQ VXEVHTXHQW SHULRGV

7KH LGHQWLILDEOH DVVHWV RI WKH FRQVLGHUDWLRQ WUDQVIHUUHG DUH YDOXHG DW IDLU YDOXH ZLWK FKDQJHV UHFRJQL]HG LQ SURILW RU ORVV 1RQ FRQWUROOLQJ LQWHUHVWV DUH PHDVXUHG DW WKHLU SURSRUWLRQDWH VKDUH RI WKH UHFRJQL]HG DPRXQWV RI WKH LGHQWLILDEOH DVVHWV DQG OLDELOLWLHV

1RWH $FFRXQWLQJSROLFLHVDQGHVWLPDWHV

7KH*URXS DSSOLHV FHUWDLQ DFFRXQWLQJ SROLFLHV DQG PDNHV FHUWDLQ HVWLPDWHV DQG DVVXPSWLRQV WKDW DIIHFW WKH UHSRUWHG DPRXQWV RI DVVHWV DQG OLDELOLWLHV UHSRUWHG UHYHQXHV DQG H[SHQVHV DQG GLVFORVXUHV RI FRQWLQJHQW DVVHWV DQG OLDELOLWLHV DW WKH GDWH RI WKH &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

7KH HVWLPDWHV DQG DVVXPSWLRQV DUH EDVHG RQ KLVWRULFDO H[SHULHQFH DQG RWKHU IDFWRUV WKDW DUH EHOLHYHG WR EH UHDVRQDEOH XQGHU WKH FLUFXPVWDQFHV WKH UHVXOWV RI ZKLFK IRUP WKH EDVLV RI PDNLQJ WKH MXGJHPHQWV DERXW FDUU\LQJ YDOXHV RI DVVHWV DQG OLDELOLWLHV WKDW DUH QRW UHDGLO\ DSSDUHQW IURP RWKHU VRXUFHV $FWXDO UHVXOWV LQ VXEVHTXHQW SHULRGV PD\ GLIIHU IURP WKHVH HVWLPDWHV

7KH HVWLPDWHV DQG XQGHUO\LQJ DVVXPSWLRQV DUH UHYLHZHG RQ DQ RQJRLQJ EDVLV (UURUV LQ DFFRXQWLQJ HVWLPDWHV DUH UHFRJQL]HG LQ WKH SHULRG LQ ZKLFK WKH HVWLPDWH LV UHYLVHG LI WKH UHYLVLRQ DIIHFWV RQO\ WKDW SHULRG RU LQ WKH SHULRG RI WKH UHYLVLRQ DQG IXWXUH SHULRGV LI WKH UHYLVLRQ DIIHFWV ERWK FXUUHQW DQG IXWXUH SHULRGV

1RWH &KDQJHRQVROLGDWLRQ VFRSH

$FTXLVLWLRQV

2Q $SULOb 7HOHSHQLQIRXUFHQGFHLWV LQWHQWLRQDOO\ ZDV HIIHFWLYH IURPD1RHYHRPEHUb ODXQFKSXEOLF WDNHRYHU ELG LQDWFKL1VHLWKVRHQFORQGG W/HRVWORRKHPWQRQSLQDKWHLRQH ZRIPHPEHUV WKHQWLUH VKDUH FDSLWDO RI 0DMRUHO 7RbWKLV DXSWUDLWFEDFDXGKYRHPEERRQDORGR*UROXS WKH*URXS SDUWLFXODUO\ DV LW UHVXOWVW EHQHQWKXOD VWZRUHVHUFKHDGYDQFHV RYHU D ODUJH QXPEHU RIWKRHDGVDWRQ VWRZKLFKHERZQLWKOLGDWHG ILQDQFLDO PRUHWKRURXJK H[SHUWLVH DYDLODEOH WRYDLQDEEYWKHVXLLHLGWLRXVWRVHW SRUWIROLR

$FTXLVLWLRQ

7KHDFTXLVLWLRQSWUHGRH DPbREXDQGGLRQ H[SODLQHG ,QQ DGHFWDGGQEHOHBWKKH IRUWKH SRUWLRQ RI 0DMRUWHUUVKDUHV 7HOHSHUIRUPDQFH VKDUHV KDV EHHQ PHDVXU VKDSWHUFHQRYHPEHU WKH GDWH RQ ZKLFK WKH VKDUH WUDQVIHUV WRRN HIIHFW

LQLOOLRQV	
1RRI0DMRUVKDUHV SDLG LQ FDVK	
3UL\HVHVK DUHQ	
3RUWVLRQGHQDVK	
1RRI0DMRUVKDUHV SDLGDQHKFUHDWHGKH7HOHSHUIRUPDQFH	
1RRI7HOHSHUIRUVKPDUHFHVGHOLYHUHG	
2SHQL7HOHSHUIRUVKPDUHFHVQLRYHPEHU LQ	
)LYUDORXWVKFRQVLGHUDWLRQ	
$&48,7,2315,&(	

7UDQVDFWLRQRXUHWXUQRQWKHMRUHO DFTXLVLWLRQ DQG ZHUH H2[SHFWHGDWLQJ H[SHQVHV

$VVHWQVGLDELOLWLHV

7KH*URXS LV FXUUHQWO\SURFHVV WKHPHDVXUHQGOLDELOLWLHV DFTXLUHG ZLWK WKH DGYLVRUWRPYLLRQDO JRRGZLOO DLPRXQWQGV LWRVXEMHFWWRKDHGMRXPVLQQJHQRQWWKH WKH DVVHWQVG OLDELOLWLHV DUH ILQDOL]HG *WRRSZLDEXWHWRUHPHUHQWRVWLQDFFWHQG FRNQRZKRQWHWDQDLVEHWV

LQLOOLRQV	3URYLVLRQDODOWRXQKV DFTXLVLWLRQ G
121 &855(1766(76	
5LJKW RDVXWHWV	
3URSHUWDQGT XLSPHQW	
,QWDQDLVEHWV	
'HIHUUHDQVHWV	
(TXLW\ DFFLRQYQHWHGHHV	
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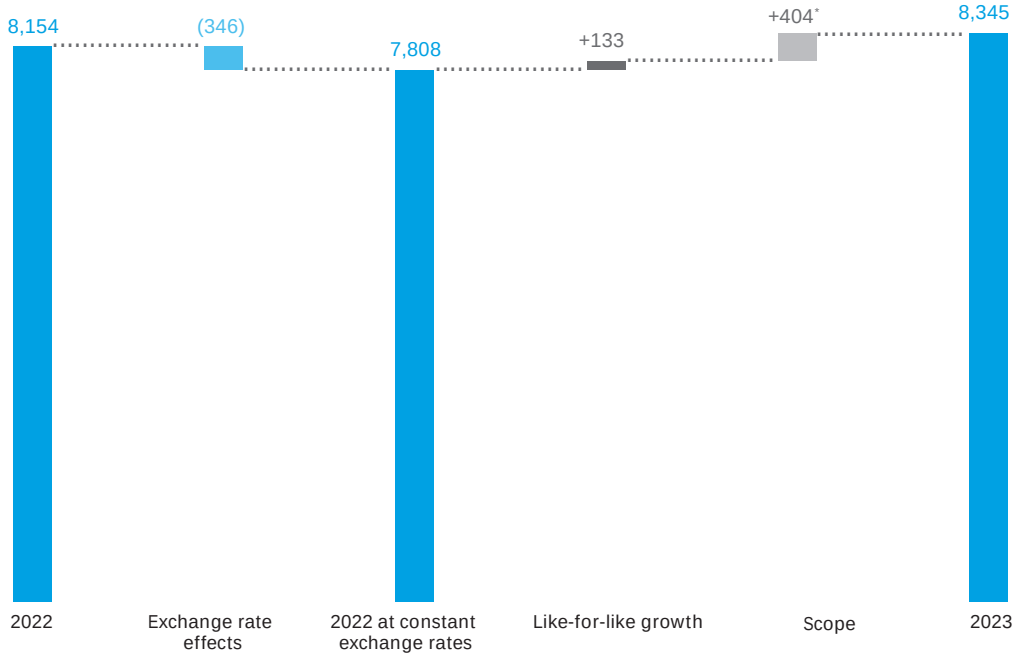
(€ millions)



* Relates to PSG Global solutions, Capita Translation & Interpreting and Majorel acquired in October 2022, December 2022 and November 2023, respectively.

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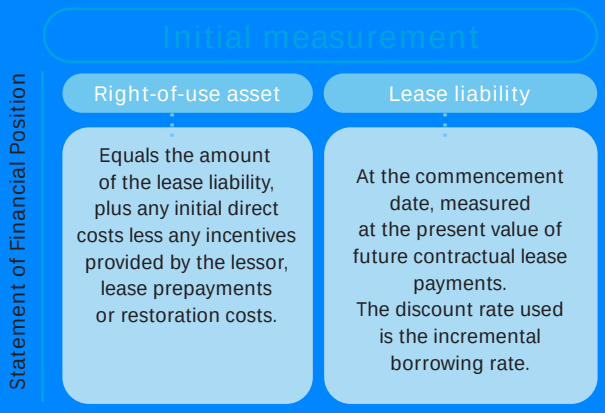

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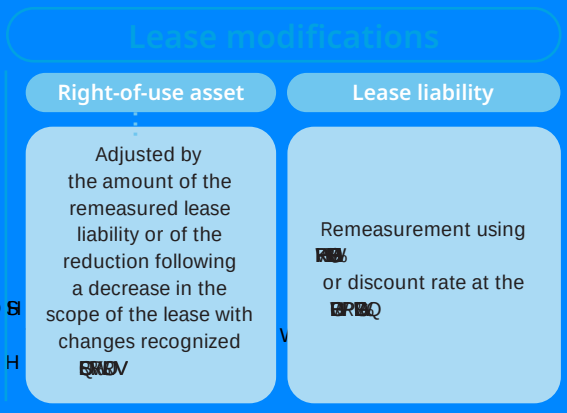

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$FFXPXODWHGGHFLDUDWLRQVRI /DQG7HOHSKRQH LP2LOOLHRQVRV	bEXLOGLQJ7HTXLSPHQW	2WKHU ,QSURJUHVV	7RWDO
$WHFHPEHU			
&KDQJHVRQVROLGDWLRQ			
7UDQVIHU			
([SHQVH			
'HFUHDVH			
7UDQVODWLRQGLIIHUHQFHV			
+\SHULQIODWLRQDGMXVWPHQW			
$WHFHPEHU			
7UDQVIHU			
([SHQVH			
'HFUHDVH			
7UDQVODWLRQGLIIHUHQFHV			
+\SHULQIODWLRQDGMXVWPHQW			
$7'(&(0%(5			

5HVXOWLQRPKHTXLVLWLRQRIEDO 6RLQFWLRQRI

&DUU\LQJ2XW	/DQG7HOHSKRQH		
LP2LOOLHRQVRV	bEXLOGLQJ7HTXLSPHQW	2WKHU ,QSURJUHVV	7RWDO
$WHFHPEHU			
$WHFHPEHU			
$7'(&(0%(5			

2WKHURPSUHKHQVLYHLQFLDOO\ RIILFH HTXLSPHQW DQG IXUQLWXUH 1R LPSDLUPHQW ORVV KDV EH SUHQFHSHDDWRHVLFPRYHPHQWVRQ QVWUXFWLRQRQ

1RWH 2WKHQWDQDVVHWV

2WKHQWDQDVVHWV PDLQO\ FRPSULVH EUDQGQDPHVFXVWRPHUODWLRQVKLSV DQG PHDVXDQJLEOHDVVHWV FRQVLVWLQJGRVVEXVLQHVV FRPELQDWLRQV DFFXPXODWHG LPSDLUPHQWORVV FRVW OHVV DFFXPXODWHG

([SHQGLWXUH UHODWLQJ WR LQWHUQDOO\ JHQHUDWHG EUDQG QDPHV H[SHQVHGZKHQFXUUHG

6XEVHTXH[SHQGLWXUH

6XEVHTXH[SHQGLWXUH RQ LQWDQJLEOHDVVHWV HDSSOLHVRQO\ ZKHQLW LQFUHDVHV WKH IXWXUH HFRQRPLFEHQHILWV DVVHVWKDWKHRVWV DUH H[SHQVHG DV LQFXUUHG

$PRUWL]DWLRQ

$PRUWL]DWLRQ LV FKDUJHG WR WKH VWDWHPH
VWUDLJKWOLQHEDVLV RYHU XVHIXOOLIH ZKLFK LV
DVVHWV XQOHVV VXFK OLYHV DUH LQGHILQLWH 2
DPRUWL]HG IURP WKH GDWH RQ ZKLFK WKH\ DUH
HVWLPDWHGOLIHRIOLYHVDVV

6RIWZDUH ,7 SODWIRUP	b\HDUV
%UDQG QDPHV	,QGHILQLWH
&XVWRPHUODWLRQVKLSV	b\HDUV

%UDQGQDPHV
UHGXFHGWRWKHLUHVWLPDWHGUHPDLQLQJ

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LRQVROLGDWHGVWDWHPHQWV

2WKHUQRQGXUUHQWDVVHWVDQGOLDELOLWLHV

	$VVHWV UHFRSQLJHG DV RIDbEXVLQHVV FRPELQDWLRQ2WKHU %UDQGHG DQG FXVW'RPHU		
*URVV LQWDQJLEOHDVVHWV	6RIWZDUHHODWLRQVKLSVRIWZDUH	2WKHU	7RWDO
$WHFHPEbHU			
&KDQJHVRQVROLGDWLRQ			
7UDQVIHU			
,QFUHDVH			
'HFUHDVH			
7UDQVODWLRQGLIIHUHQFHV			
+\SHULQIODWLRQDGMXVWPHQW			
$WHFHPEbHU			
&KDQJHVRQVROLGDWLRQ			
7UDQVIHU			
,QFUHDVH			
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7UDQVODWLRQGLIIHUHQFHV			
+\SHULQIODWLRQDGMXVWPHQW			
$7'(&(0%(5b			

$FFXPXODWHGDPRUWL]DWLRQDQGLPSDLUPHQWV	$VVHWV UHFRSQLJHG DV RIDbEXVLQHVV FRPELQDWLRQ2WKHU %UDQGHG DQG FXVW'RPHU		
LQWDQJLEOHDVVHWV	6RIWZDUHHODWLRQVKLSVRIWZDUH	2WKHU	7RWDO
$WHFHPEbHU			
&KDQJHVRQVROLGDWLRQ			
7UDQVIHU			
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'HFUHDVH			
7UDQVODWLRQGLIIHUHQFHV			
+\SHULQIODWLRQDGMXVWPHQW			
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'HFUHDVH			
7UDQVODWLRQGLIIHUHQFHV			
+\SHULQIODWLRQDGMXVWPHQW			
$7'(&(0%(5b			

&DUU\LQJDPRXQW	$VVHWV UHFRSQLJHG DV RIDbEXVLQHVV FRPELQDWLRQ2WKHU %UDQGHG DQG FXVW'RPHU		
LQWDQJLEOHDVVHWV	6RIWZDUHHODWLRQVKLSVRIWZDUH	2WKHU	7RWDO
$WHFHPEbHU			
$WHFHPEbHU			
$7'(&(0%(5b			

,QFOXGHGLQ //6 +HDOWK $GYRFDWH DQG 36* *OREDOPRXQWDLQRQVOLGDWHG QDPHGVXEVLGLDULHV DWHFHPEbHU $WKH\ KDQGOHGHIIHFWLYHWD OLIH WKH\ DUH QRW DPRUWL]HG
5HVXOWLQJPKHFTXLVLWLRQ*RRGZLOO6RIWZDUH7HFKQRORJ\
5HVXOWLQJPKHFTXLVLWLRQ'LVWULEXWRU5HODWLRQVKLSV

1RWH 2WKHU UHFHLYDEOHV

2WKHU UHFHLYDEOHV LQLWLDOO\ UHFRJQLVHG DW IDLU YDOXH DQG VXEVHTXHQWO\ PHDVXUHG DW DPRUWLVHG FRVW XVLQJ WKH HIIHFWLYH LQWHUHVW PHWKRG

LQPLOOLRQV	*URVV :ULWH GRZQV	1HW	1HW
2WKHU UHFHLYDEOHV			
7D[DWWULEXWHV RI YHUDEOH			
$GYDQFHV WR HPSOR\HHV DQG RWKHU FXUUHQW DVVHWV			
3UHSDLG H[SHQVHV			
727$/			

7KH GLUHFWRUV FRQVLGHU WKDW WKH FDUU\LQJ YDOXH RI WKHVH UHFHLYDEOHV DSSUR[LPDWHV WKHLU IDLU YDOXH

1RWH 6KDUH EDVHG SD\PHQWV

$ QXPEHU RI SODQV ZHUH LQ HIIHFW GXULQJ 7KH GLUHFWRUV GHWHUPLQHG WKDW WKH DGRSWLRQ GDWH IDLU YDOXH RI WKH RSWLRQV JUDQWHG VKRXOG EH XVHG DV WKH EDVLV RI PHDVXUHPHQW IRU WKHVH DZDUGV 7KH IDLU YDOXH RI WKH LQFHQWLYH SODQ VKDUHV LV GHWHUPLQHG DW WKH GDWH RI JUDQW DQG LV QRW VXEVHTXHQWO\ UHPHDVXUHG 7KH DLU YDOXH RI WKH RSWLRQV JUDQWHG LV HVWLPDWHG DW WKH GDWH RI JUDQW XVLQJ WKH %ODFN6FKROHV RSWLRQ SULFLQJ PRGHO 0RQWH &DUOR LQFRUSRUDWLQJ WKH DVVXPSWLRQV VKRZQ LQ WKH IROORZLQJ WDEOH 7KH H[SHFWHG YRODWLOLW\ LV EDVHG RQ KLVWRULFDO YRODWLOLW\ RYHU D SHULRG FRPPHQVXUDWH ZLWK WKH H[SHFWHG WHUP RI WKH RSWLRQV &DVK GLYLGHQGV DUH QRW H[SHFWHG WR EH SDLG RQ WKHVH VKDUHV

,QFHQWLYH VKDUH DZDUGV SODQV SODQ GHVFULSWLRQ

8QGHU WKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUV *HQHUDO 0HHWLQJ RI$SSOLOO DQG VXEMHFW WR D FHLOLQJ RI RI WKH &RPSDQ\ DW WKH JUDQWLQJ GDWH RI -XO\ DSSURYHG IUHH DZDUGV RI LQFHQWLYH SODQ VKDUHV WR WRWDO RI b VKDUHV WR JURXS FRPSDQLHV

7KH HDUOLHVW SHULRG LQ ZKLFK IULWHRUILRQ FZRQVKDQZHL SHUVRQQHO LQFOXGLQJ WKH *URXS RUJDQLF UHDWWHZHHQ WKH \HDU HQ 'HFHPEHUb DQG WKH HDUOLHU'HFHPEHUb

(IIHFWLYH

2UJDQLHY HQUXRZWK	/HVV WKDQ	+LJKWWKDQ RU HTXDWR	+LJKWWKDQ RU HTXDWR	+LJKHU WKDQ RU HTXDWRb

7KHVH SHUSQHGUIRUPDQFHZHLJKWLQJ RI LV EDVHG RQFDWKH I'URRXSWHFX'HFHDWHVH IUHH

(IIHFWLYH

)UHHDVKRZ	/HVV WKDQ EILOOLRUR V	%HQGZHHQ EILOOLRUR V	EQJKU WKDQ bELOOLRUR V

7KHWKLUG SHUIRUPDZLFWKFDLZHLUKWQJ RQ DFKLHEVLQHGGVFRSHHQKRXVH JDV UHGXFWLRQV RI SHUHPSOR\HH EDVHG RQ WKH QXPEHU IXOO WLPH HTXLYDOHQWV EHWZHHQ DQG WKH H %DVHGUJHQVWLWLYH

(IIHFWLYH

(QYLURQPHQWLEWDWKRQ	/HVV WKDQ	%HWZHHQQG%HWZHHQQG	+LJKHU WKDQ RU HTXDWR

7KHRXUWK SHUIRUPDQFH FULWHULRQ ZLWK D ZHLRKWLQJ RIVWDILVEHQVWRQ RIVHDILVSHQVWRQ -DQXDU\ WRHFHPEHU

(IIHFWLYH

,Q KRXVHSHUIRPRWLRQV	/HVV WKDQ	%HWZHHQ DQG	%HWZHHQ DQG	+LJKHU WKDQ RU HTXDWR

7KHLIWKUIRUPDQFHZLWKZHOORQLQJ RI LV EDVHG RQ WKH UHODWLYH SHUFRUPDQFH RI WKH
ZLWKKDWK&H& LQGH[HUDRK WKH WKUHH \HDUV RI WKH SODQ

(IIHFWLYHDUG

5HODWLYHUFRUPDQFH RIWKHSDUHQW	/HVV WKDEQDVV%HWZHHQQQG	%HWZHHQQQG	+LJKWWKDQHTXDOWR SRQWV EDVLV SRQWV	EDVLV SRQWV	EDVLV SRQWV

7ZRDGGLWLRQDO RYHUULGLQJ FRQGLWLRQHQWV JUDQWHGWKDW DRWJOHQDW DQG RWKDEW DUHHV FWKDX
DELOLRQ

,QFHQWLWKDWHDZDUGDQ7KH -XO\b DQG -XO\b SODQV

8QGHUWKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUVWKHRUGLQDU\ DW WKH 6KDU
RI$SSOLO DQG VXEMHFW WR D FHLOLQJ RRI0DFo WKH VKQGHVEHWDQWRWKH RVKDSHWDO
RIWKH &RPSDQJUDQWWKGHWH WKH %RDUG RRIDLWKHFW&RRYDQHEWLQJH JUDQW GDWH WKH %RDU
Rb-XO\b DSSURYHG IUHH DZDUGVKDUHV LQFHQWLYH SSOLRQ
WRWDOPRXQW RI b VKDUHV WR JURXS ~IUHH DZDQGV LQFHQWLYH SODQ VKD
FRPSDQ\ILFHUV JURXSSHUVRQQHOXFGRLPSDQ\ RIDFHUV
(IIHFWLYH WUDQVIHUHU VKDWKEMHFW WR SHUIRUPDQFH LQFHQWLYH SODQ S
FRQGLWDQRQH ILFEROWHQXHVGHQFH WKH DOORFDWLRQ SHUIRU
7ZRDGGLWRYDOLGLQJ FRQGLWLRQVJDQF UHVYHHQIXHDWXUHVH PHUEDWLRQGHG
JURZWK DW OHDVW DQGORZDWKRXHKG (IIHFWLYH WUDQVIHUHU VKDWKEMHFW WR SHUIRUPD
WKDQE ELOOLRQ FRQGLWLRQEHDQGLFRQXHG SUHVHQFH
7ZR DGGLWLRQDO FRQGLWLRQVUHODWLQJ UHYH
JURZWK LV DW OHDVW DQG WKDW WKH (%,7$ F

2WKHUJQLILFDQWU WKWKHSHDQV DRGHORVV

	7KH -XO\b 3ODQ	7KH -XO\b 3ODQ	7KH -XO\b 3ODQ	3ODQ
'DWRHERDEHWDQDRFWWHQJZDUGV				
/HQJWKHVSLQUURG		\HDUV	\HDUV	\HDUV
*UDQGWH				
'DWRHYHVWLQJ				
,QLWLDOXPEHURIVKDUHZDUGV				
LQFOXGHEHQSDQ\ RIILFHUV				
1XPEHRUVKDUHVWHOQJ\				
1XPEHRUFDQFHOHGGV				
%DODQFHRIXWVWDQGLQJHDUGV				
)DLUDORIHDFKK DUH DZWKHG JUDQW GDWH WDNLQJDFFRXQWHG				
)DLUDORIHDFKK DUH DZWKHG JUDQW GDWH ZLWKWKHXLQJDRFRXQHG				
3HUIRUPDQFHULHULD				
~2UJDQLHYHQXHZWK	2YHUHDUV	2YHUHDUV	2YHUHDUV	
~(%,7$DUJLQ		$WWKHQG RI 'HFHPEHU		
~)UHHDVKOZ			)URP WR	)URP WR
~3HUIRUPDQFHWKH VKDUH SULFHWKLHQ UHH[HUVHQRHDUV LQGH[		2YHUHDUV &$&b	2YHUHDUV &$&b	2YHUHDUV &$&b
~(QYLURQPHQWULEXWRQ		2YHUHDUV	2YHUHDUV	
~5DWLRQ KRXWHDII SURPRWLRQV			)URP	WR
(;3(16(LQLOOLRQVRQV				

,QFHQWLYH VKDUH DZDUG SODQV

8QGHUWKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUV *HQHUDO 0HHWLQJ RI0D\b DQG VXEVHTXHQW DSSURYDO E\ WKH %RDUG RI 'LUHFWRUV WKH &RPSDQ\ UDWLILHG WKH DGRSWLRQ RI WKH %RDUG RI 'LUHFWRUV 6WRFN ,QFHQWLYH 3ODQ WKH 3ODQ DXWKRUL]HV WKH JUDQW RI LQFHQWLYH VWRFN RSWLRQV DQG VWRFN DSSUHFLDWLRQ ULJKWV WR HPSOR\HHV RI WKH &RPSDQ\ DQG LWV VXEVLGLDULHV

- IUHHDZDUGVWRWDOHGQRWPRUHWKDQ RI LQFHQWLYH SODQ VKDUHV WR JUDQWSHUVRQLQHOLJLEOHQRQHPSOR\HH GLUHFWRUV
- WKHWHWWLQD XSRQ WHUP LQFHQWLYH SODQ IRU VHQLRU RILFHUV DZDUGHUIRUPDQFH VKDUHV WKHD PHHWDXULVHWKH DERYH IUHHDZDUGVDQGRWKHUDZDUGV

$GGLWLRQDOQDQVV

8QGHUWKH DXWKRUL]DWLRQ GLVHEKRQ GHUV DPRXQWQRI LQFHQWLYH SODQ VKDUHV WR JUR0Db WKH %RDUG RI 'LUHFWRUV PHFWHQDQRIXQLHWLYH WWKHQHHVVKDUHV WR VXEMH DSSURYDHGUHH DZDUG LQ D WRWDO DPRXQWWKH VHRQLQHDUHV KDV EHHQ HIIHFWLQHVHOHFWURQ VKDUHHW VXEMHFW WR VSHFLILWRFRQGLWLRQV UHVSRQVLELOLWLHV

8QGHUWKH DERYH PHQWLRQHGKEXWKRUGHU WLRQ PHHWLRQDOQDQVV

7KHH[SHQVH LQ UHVSHFW RI WKHDZDUGVDQGRWKHUDZDUGV DPRXQW WR

bPLOOLRQ

1RWH 6KRUW WHUP SUHPEHQHILWV

/LDELOLWLHV WHUP EHQHILWV DUH PHDVXUHG RQ DQ LQGLZKFRQWKHGFRQWKHVDPH EDVLV DV SURYLVLRQ LV UHFRJQL]HG LQ WKH FRQVROLGDWHG VWDWHPHQWV RI SURILW RU ORVV 7HUPLQDWLRQ EHQHILWV DUH SD\DEOH LI HPSOR\PHQW LV WHUPLQDWHG EHIRUH WKH QRUPDO UHWLUHPHQW GDWH RU LI DQ HPSOR\HH DFFHSWV YROXQWDU\ WHUPLQDWLRQ LQ H[FKDQJH IRU WKHVH EHQHILWV

1RWH (PSOR\HH UHWLUHPHQW SODQV

7HUPLQDWLRQ EHQHILWV IRU YROXQWDU\ UHGXQGDQFLHV DUH UHFRJQL]HG RQ WKH EDVLV RI WKH QXPEHU RI HPSOR\HHV ZKR DUH H[SHFWHG WR DFFHSW WKH RIIHU ZLOO EH PDGH DQG WKH UHDVRQDEOH HVWLPDWH RI WKH DPRXQW RI WKH EHQHILWV

7HUPLQDWLRQ EHQHILWV IRU YROXQWDU\ UHGXQGDQFLHV DUH UHFRJQL]HG RQ WKH EDVLV RI WKH QXPEHU RI HPSOR\HHV H[SHFWHG WR DFFHSW WKH RIIHU DQG WKH UHDVRQDEOH HVWLPDWH RI WKH DPRXQW RI WKH EHQHILWV

1RWH (PSOR\HH'HILQHG FRQWULEXWLRQ SODQV

2EOLJDWLRQV WR HPSOR\HU FRQWULEXWLRQ SODQV DUH UHFRJQL]HG DV DQ H[SHQVH DV

6XFK[SHQVHVDOHGLOLQRQ FRPSDQ\HPSOR\HH FRQWULEXWLRQV bPLOOLRQ

&KDQJHV LQ 0DUFK WR LQFHQWLYH VWRFN RSWLRQV DQG VWRFN DSSUHFLDWLRQ ULJKWV SDUWLFXODUHWLUHPHQW EHQHILWV b\HDUV b\HDUV GLG QRW KDYH D 'LUHFWRUV&KDLUPDQ\DWDLP\DWDQG&KLHI([HFXWLYH2IILFHU

1RWH 2WKHUQRQ WHUPSOR\HH EHQHILWV

7KHRQOQRQ WHUPSOR\HH EHQHILWKLHV*URXS DUH SRVW HPSOR\PHQW EHQHILWV IRU ZKLFK LWV QHW SODQW LV UHSUHVHQWHG E\ WKH DPRXQW RI IXWXUH EHQHILW HQWLWOHPHQW IRUWKDWKHILPSOR\HH VHUYLFH EHIRUH WKH\ DUH HOLJLEOH WR UHWLUH DQG WKH IDLU YDOXH RI DQ\ SODQ DVVHWV 7KH EHQHILW REOLJDWLRQ XQGHU WKH SURMHFWHG XQLW FUHGLW PHWKRGGDV$PZWKDHULDEFRQQLVH DQG[SHQVHVWKHWDWHPHQWV RI SURILW RU ORVV

7KHVEHHQHILWSODQFRVQFHSUQFLSDOO\

- WKHXPSXPPHQWSODQ RQ WKHLU UHWLUHPHQW DQGGHQDWKEHQHILWV
- GHILQHEHQHILWSHQVLRQSODQ*HUPDQ\DQGWKH8QLWHG6WDWHV $UBELD

&RPPLWPHQWVDQGFRQWLQJHQFLHV

	*HUPDQ\	)UDQFH	,QGLD 3KLOLSSLQHV	*HUPDQ\	)UDQFH	,QGLD 3KLOLSSLQHV
'LVFRXQWHG						
5DWHRQQXDO LQFUHDVH UHPXQHUDWLRQ						

7KHFRPSDQ\PDLQWDLQVGLYHUVLILHGIXQGLQJDUUDQJHPHQWVXEVLGLDULHV ZKR WDNHFRQFHQWUDWLRQRIFUHGLWULVN RQ OLFDO

&KDQJHV WKDW DXWKRUL]DWLRQ

LQPLOOLRQV	*HUPDQ\ 2WKHUFRXQWULHV	7RWDO
$W		
,Q SURFHVV		
6HUYLFHFRVW		
,QWHUHVWFRVW		
&XUWDLOPHQWV		
,Q 2WKHUFRPSUHKHQVLYH		
2WKHU		
7UDQVODWLRQDGMXVWPHQWV		
$W		
,Q SURFHVV		
6HUYLFHFRVW		
,QWHUHVWFRVW		
&XUWDLOPHQWV		
,Q 2WKHUFRPSUHKHQVLYH		
6FRSH		
7UDQVODWLRQDGMXVWPHQWV		
$7		

5HODWHGSDUWLHV

7KHOLDELOLW\ DW 'HFHPEHUVHQWHG DV 2WKHUFRXQWULHVOLDELOLWLHVFRQVROLGDWHGVWDWHPHQWVSULQFLSDOSD\PHQWVXEVLGLDULHV LQ)UDQFHSRVWKHWDUHQWHQJDJHPHQWVDQGFRQWLQJHQFLHV REOLJDWLRQ6DXGLDUDELD IRU PRUWJDJH RI bPLOOLRQ LQSDUWQHUVKLSZLWK DQG bPLOOLRQVSHFLYHO\

~ bPLOOLRQHPEHUb
~ bPLOOLRQHPEHUb
~ bPLOOLRQHPEHUb
~ bPLOOLRQHPEHUb
~ bPLOOLRQHPEHUb

$QDO\VLVRIDDQVHWV

LQPLOOLRQV	
$FWXDULDOLDELOLW\	
3HQVLRQGV	
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%RQGV	
&DVK	
2WKHUV	
3ODQVHWV	
/,$%,/,7,(67$7(0(17),1$1&,$/ 326,7,21	

7KHVHDVVHQLRRUSDQDJHUHVSRQVHQWV DQ DPRXQWKRHWLbPHQWRHQQHILW REOLJDWLRQ DW 'HFH

1RWH $FFRXQWVSD\DEOHDQG RWKHU

$FFRXQWSD\DEOHDQG RWKHU FXUUHQW OLDELOLWLHV FRQVLVW RI WKH IROORZLQJ

LQPLOOLRQV	
$FFRXQWSD\DEOH	
2WKHUSD\DEOHV	
7D[HVSD\DEOH	
$FFUXHGH[SHQVHV	
2WKHUFXUUHQWOLDELOLWLHV	
727$/	

2WKHUQRQFXUUHQW OLDELOLWLHV LQFOXGHGHUHGWD[HVRQLQFRPH GHIHUUHGUHYHQXH DQG RWKHU QRQFXUUHQW OLDELOLWLHV

7KHYDULDWLRQVLQWKHHIIHFWLYHWD[UDWHVIURPWKH&DQDGLDQVWDWXWRU\UDWHRIDSSUR[LPDWHO\ GXH WR WKH HQG RI

1RWH 3HUVRQQHO

3HUVRQQHOSHQVLRQDQGZHONQHVV SULQFLSDOO\ FRPSULVH VDODULHV VRFLDO FKDUJHVFRQWULEXWLRQV
bPLOOLRQ LQ bPLOOLRQ

3HUVRQQHOFRVWVSHQGLQJEHFDPH PDQDJHPHQW UHJRQ H[SUHVVHG LQ WHUPV RI IXQGLQG WLPH HTXLYDOHQW

)7(	
1RUWKHULFD3$&	
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+RODGLQJSDQLHV	
727$/	

7KH*URXS KDV UHYLHZHGWKHGHHPHGWKLFNQHVV RIWKHQRQHURVLRQ ZLWK WKHSULQFLSDOWHVWRIWKHSDDFFUXGLQJ ORQJ WHUP VLFNQHVV OHDYH DQGQRWVPDOOHUWKDQWKHDPHQGPHQWV LV

1RWH ([WHUQDOSHQVHV

7KHVHRQVLVW PDLQO\ RI H[SHQVHV IRU WHOHFRPPXQLFDWLRQV DQG HTXLSPHQW PDLQWHQDQ
WKRVHIHDVH H[SRQWHG E\ ,)56bb /HDVHQRWHU QDO H[SHQVHV LQFOXGHG RQSUHPLVHV
DVVHWVWKRUW WHUP OHDVHV

LQPLOOLRQV	
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(TXLSPHQWQWHQDQFH	
3URSHUW\DQGGHSUHFLDWLRQ	
7UDYHOHQWHUWDLQPHQW	
2SHUDWLQJHQVHV	
6WDIIHFUXLWPHQW	
)HHV	
2IILFHDQGQGHFXULW\	
&ORXGEDVFULSWLRQV	
&RQVXOWLQJ	
&RQVXPDEOHSOLHV	
2WKHU	
727$/	

1RWH 2WKHU RSHUDWLQJ LQFRPH DQG H[SHQVHV

7KLV OLQH LWHP LQFOXGHV LQFRPH DQG H[SHQVHV WKDW DUH XQXVXDOO\ OLTXLGDWLQJ RQGLVSRVDO RI LQWDQJLEOH DVVHWV DQG SHUWDLQV WR DFWLYLWLHV WKDW DUH QRW FRQVLGHUHG WR EH FRUH RSHUDWLRQV

LQFRPH6WDWHPHQW	
2WKHU RSHUDWLQJ LQFRPH	
2WKHU RSHUDWLQJ H[SHQVHV	
727$/	

2WKHU RSHUDWLQJ LQFRPH DQG H[SHQVHV DQG FRQFHUQ WKH WUDQVDFWLRQV RI FRPSDQ\

1RWH*RRGZLOO

1RWH $FFRXQWLQJ SROLFLHV PHWKRGV

,QWDQJLEOH DVVHWV

,QD EXVLQHVV FRPELQDWLRQ JRRGZLOO LV FDOFXODWHG DV GLVFORVHG QRWH %XVLQHVV FRPELQDWLRQV

,PSDLUPHQW

7KHUHFRYHUDEOH DPRXQW RI JRRGZLOO LV HVWLPDWHG GDW*RRGZLOO LV PHDVXUHG DW FRVW ORVV,PSDLUPHQW ORVVHV DUH UHFRJQLVHG WR D FDSK JHQHUDWLQJ XQLW &*8V DQG QRW VXEMHFW WR DPRUWL]DWLRQ LPSDLUPHQWV DUH UHYHUVHG LQ SDUWLFXODU\ ,Q WKH HYHQW RI SDUWLDO GLVSRVDO RI D &*8 JRRGZLOO LPSDLUPHQW LV DOORFDWHG WR WKH SRUWLRQ RI WKH &*8 UHSUHVHQWHG EHIRUH GLVSRVDO

$QLPSDLUPHQW ORVV UHFRJQLVHG ZKHQ WKH FDUU\LQJ DPRXQW RIDQ DVVHW RU &*8 H[FHHGV LWV UHFRYHUDEOH

DPRXQW ,PSDLUPHQW ORVVHV DUH UHFRJQLVHG GLUHFWO\ DJDLQVW WKH FDUU\LQJ DPRXQW RI WKH DVVHW LQ WKH VWDWHPHQW $QLPSDLUPHQW ORVV UHFRJQLVHG IRU D &*8 LQ SUHYLRXV SHULRGV LV UHYHUVHG LI WKHUH KDV EHHQ D FKDQJH LQ WKH HVWLPDWHV XVHG WR GHWHUPLQH WKH UHFRYHUDEOH DPRXQW RI WKH &*8 LQ WKH IROORZLQJ RUGHU

*RRGZLOO

7KHUHFRYHUDEOH DPRXQW RI JRRGZLOO LV HVWLPDWHG RQ WKH EDVLV RI WKH YDOXH LQ XVH RI WKH &*8V WR ZKLFK WKH JRRGZLOO UHODWHV 7KH UHFRYHUDEOH DPRXQW RI D &*8 LV HVWLPDWHG EDVHG RQ WKH KLJKHU RI LWV YDOXH LQ XVH DQG LWV IDLU YDOXH OHVV FRVWV WR VHOO &DOFXODWLRQ RI YDOXH LQ XVH ZDV EDVHG RQ WKH IROORZLQJ NH\ DVVXPSWLRQV

1RWH 'HWHUPLQDWLRQ RI FDVK JHQHUDWLQJ XQLWV RU JURXSV RI FDVK JHQHUDWLQJ XQLWV &*8V

6XEVLGLDULHV DVVRFLDWHV DQG MRLQW YHQWXUHV &*8V ZLWKLQ WKH IRFXV RI &*8 FRQVROLGDWHG FDUU\LQJ DPRXQW RI FDVK JHQHUDWLQJ XQLWV &*8V

- WKH DUHD VLJQLILFDQW WR WKH OLTXLGDWLRQ WKH HQWLW\ RU WKH FHUWDLQ WKH DFFXPXODWHG RWKHU FRPSUHKHQVLYH LQFRPH DWWULEXWDEOH WR WKH
- H[LVWHQFH WLHV RI FHUWDLQ VXEVLGLDULHV SURGXFWLRQ
- SUHVHQWLQJ WKH DPRXQWV RI HDFK VLJQLILFDQW OLDELOLWLHV RI HDFK RWKHU PDWHULDO DQG DQ\ RWKHU

$WWULEXWDEOH WKH SULQFLSDO &*8V ZHUH GHWHUPLQHG RQ WKH IROORZLQJ

&768&*8

7KH &*8 FRPSULVHV WKH HQWLUH &RQVROLGDWHG 6 EXVLQHVV VXEVLGLDULHV ORFDWHG LQ WKH 8QLWHG 3KLOLSSLQHV 'XULQJ WKH WUDQVLWLRQDO SHULRG &RPSOLDQFH 1RUWKHDVW 7KH UHFRYHUDEOH LQWHJUDWHG &768&*8 UHVXOWLQJ LQ WKH PHUJHU 6HQWXU DQG &766

8QLW.HLQJGRP &*8

7KLV&*8 LV IRUPWKHE&RUH 6HUYLFHV b', % VXEVLGLDULHV ORFDWHG LQ WKH 8QLWHG VXEVLGLDULHV 6RXWK $IULFD 7KH UHFRYHUDEOH DPRXQW UHSUHVHQWHG E\ WKLV &*8 LV bPLOOLRQ

)UHQFK&KHDNLQJ 0DUNHW)60 &*8

7KLV&*8 LV IRUPWKHE&RUH 6HUYLFHV b', % 6)UHQFKQG 0RURFFDQ VXEVLGLDULHV DQG WKH SURGXFWLRQ7XQLVLD 0DGDJDVFDU 7KHVH ZHUHUHSDEURXJKW WRJHWKHUHF XQGHUPDQDJHPHQW DQG EUDQGQDPH 7KH UHFRYHUDEOH DPRXQW UHSUHVHQWHG bPLOOLRQ

/DQJXDJH/LQHKWLRQV &*8

7KLV&*8 ZKLFKLPV SUHSDUWKH 6HFXULWLHV DQG FUHGLWQG IROORZLQJ WKH DFTXLVLWLRQ RI //& 7KH UHFRYHUDEOH DPRXQW UHSUHVHQWHG bPLOOLRQ

,QGHD8

7KLV&*8 ZDV FUHDWHGZLQJ WKH DFTXLVLWLRQ 2FWREHUDQG RYHUVHH IRUPHUHOHQW EXVLQHVVDVZHOO DV WKH DFWLYLWLHV RI WKH *URXS 7KHUHFRYHUDEOHPSUHVHQWHG E\ WKLV&*8LRQ

+HDOWKFDUH &*8

7KLV&*8 ZDV FUHDWHGZLQJ WKHRDFTXLVLWLRQ LQ XQHb DQG IRUPV SDUW RI WKH 6SHFLDOL]HG7KHUHFRYHUDEOHPSUHVHQWHG E\ WKLV&*8LRQ

36**OREDOOXW&RQV

7KLV&*8 ZDVFUHDWHG IRWKHBHRZLQJ YLWLRQOREDb 6ROXWLRQVb DQG IRUPV SDUW RF WKH 6SHFLDOL]HG

1RWH 'HWHUPLQDWKHQUHFRYHUDEOH DPRXQW RI &*8V

7KHUHFRYHUDEOHPSUHVHQWHG E\ WKH&DSDNHDUXQHV FRQWHG XVLQJ WKH ZHLJKWHG :LWKWKHH[FHSWRLRQ DQG RWKHUZLVH VSHFLILHG LQ WKH*URXS KDVQRW XVHG DQ\ RWKHU PHDVXUH RI UHFRYHUDEOH DPRXQW UHSUHVHQWHG E\ WKLV &*8 IDLUDOXHHVVRUWV VHOO

5HFRYHUDEOHPRXQWV DUH GHWHUPLQHG WR WKHVH EHWKHQ DQG EDVHG RQ WKH SUHVHQW YDOXH RI HVWLPDWHG QH[W \HDU&DVK IORZV 7KH*URXSHWHUPLQHV LWV GLVFRXQW UHSUHVHQWDWLYH FRPSRQHQW RI WKH DPRXQW UHSUHVHQWHG E\ WKLV &*8 /HDVKHDVHOOHDSSOLHG

7KHFDVK IORZV RI WKH ILUVW \HDU DUH EDVHG RQ EXGJHWHG RZLQJ EXGJHWV RI WKH WZR \HDUV SODQ&RPPHQFHPHQW RI WKH WZR \HDU SODQ LQFRUSRUDWHV DVVXPSWLRQV DERXW WKH PDUNHW ULVN 7HOHSHUIRUPDQFH V DVVHVVHV ZHHNO\ EHWD RYHU DEVHQFH RI WKH PDUNHW ULVN /HDVHKHDVHOOHDSSOLHG

2WKH&U8V

7KHUDUH RWK&HU8V LQFOXGLQJ 6SDLQ 0$5 6RXWK 7/6FRQWDFW DQG $50 EXW ZKLFK OHVVSUHVHQW LQ RLWRJWRDGZLOO

1 R W H & K D Q JH R R G ZL OO D O O R FD W R Q

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*RRGZLOO JURZWK RIIHULQJV	$FFXPXODWHG&DUU\LQJ $PRXQW *URVV LPSDLUPHQWV DPRXQW
$W 1HW EDODQFH	
& K D Q JH V R O LG FD U U\LQJ $PRXQW	
7 U D Q V OD W LR Q D GM XV W P H Q W V	
7 U D Q V I H U	
, P S D LU P H Q W V	
$W 1HW EDODQFH	
& K D Q JH V R O LG FD U U\LQJ $PRXQW	
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3 U L Q F LS O H V R I F R Q V R O LG D W L R Q D Q G F R Q V L V W H Q F \ R I W K H F R Q V R O LG D W H G I L Q D Q F L D O V W D W H P H Q W V , I W K H U H Q L V D Q R Q F R Q W U R O O L Q J L Q W H U H V W L Q W K H F R Q V R O LG D W H G I L Q D Q F L D O V W D W H P H Q W V

7 K H R O O R Z L Q J W D E O H G H W D L O V W K H S U L Q F L S D O U D W L R X V H G L Q W K H F D O F X O D W L R Q R I W K H

LQ PLOOLRQV RI GROODUV	$QQXDO WHUPLQDWLRQ *RRGZLOO JURZWK UDWH	$QQXDO WHUPLQDWLRQ *RRGZLOO JURZWK UDWH
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7 K H F U H DW H G L V F R X QW W H V LQ DU H V W R U H G F H U W D L Q W U D G H U H F H L Y D E O H V D Q G D U H U H P H D V X U H G D W D P R U W L V H G F R V W

1RWH 6HQVLWLYLW\ DQDO\VLV

,QRUGHUWREHWWHUXQGHUVWDQGWKHULVNLQKHUHQWLQRXUGHULYDWLYHSRVLWLRQVZHSHUIRUPVHQVLWLYLW\DQDO\VLVRQRXUSRUWIROLRRIGHULYDWLYHV 7KH IROORZLQJWDEOHGHPRQVWUDWHVWKHVHQVLWLYLW\RIRXUGHULYDWLYHSRUWIROLRWRFKDQJHVLQLQWHUHVWUDWHV EDVLV SRLQWVDQGFXUUHQF\ULVNDVRI EDVLV SRLQWVDVRI

,QWKH HYHQW WKDW D &*8 LV LGHQWLILHG DV D 7KLUG3DUW\ 6XSSRUW3URYLGHU &ULWLFDO6HUYLFHV&RPSDQ\ RU &ULWLFDO6HUYLFHV&RPSDQ\ LW ZLOO DVVHVV WKH LPSDFW RQ RXU RSHUDWLRQDO UHVLOLHQFH DQG WDNH DSSURSULDWH VWHSV WR PLQLPL]H DQ\ GLVUXSWLRQ WR RXU EXVLQHVV

$V RI 'HFHPEHU ,QGHSHQGHQW &*8V ZHUH SURYLGLQJ VHUYLFHV WR DSSUR[LPDWHO\ RI RXU FRQVROLGDWHG DVVHWV XQGHU PDQDJHPHQW

	$PRXQW RI LPSDFW RQ 5HGXFWLRQ LQ WKH &DUU\LQJ9DOXH RI %RWK DVVXPSWLRQV	
&DUU\LQJ9DOXH RI WKH FDSLWDOL]HG &*8	,QFUHDVH LQ &DUU\LQJ9DOXH RI WKHbGLVFRXQW WHUPLQDO YDOXH WDNHQ RJHWKHU	%RWK DVVXPSWLRQV
,QGLD		
+HDGTXDUWHUHG		

1RWH,QFRPH[

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,QFRPHWD[H[SHQVHLVSRUWKHHLQFRPHWD[HVSDLGRUGXHWRWKHJRYHUQPHQWVRIWKHPXOWLSOHMXULVGLFWLRQVLQZKLFKWKHFRPSDQ\DQGLWVVXEVLGLDULHVRSHUDWH(DUQLQJVEHIRUHLQFRPHWD[HVLQFOXGHGWKHIROORZLQJFRPSRQHQWV

LQPLOOLRQV		
&RQVROLGDWHGRSHUDWLRQV		
&XUUHQWLQFRPHV		
'HIHUUHGLQFRPHWD[		
3URILWEHIRUHWD[		
6WDQGDUGGHGXFWLRQ		
([SHFWHGLQFRPHWD[		
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*RRGZLOOLPSDLUPHQW		
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1RWH 'HIHUUHGWD[

'HIHUUHGWD[LV FDOFXODWHG DQG UHFRJQL]HG XSRQ WKH YDOXDWLRQ RI DVVHWV DQG OLDELOLWLHV IRU ILQDQFLDO UHSRUWLQJ SXUSRVHV DQG WKH DPRXQWV XVHG IRU WD[UHSRUWLQJ SXUSRVHV 'HIHUUHGWD[DVVHWV DUH UHGXFHG E\ WKH DPRXQW IRU ZKLFK LW LV SUREDEOH WKDW QR EHQHILW ZLOO EH UHDOL]HG

LQFOXGHG LQ GHIHUUHG WD[DVVHWV 1HW

$W	
5HFRJQL]HGLQQHWLQFRPH	
5HFRJQL]HGLQHTXLW\	
7UDQVODWLRQDGMXVWPHQWV	
2IIVHWWRGHIHUUHGWD[OLDELOLWLHV	
$W	
5HFRJQL]HGLQQHWLQFRPH	
&KDQJHVRQVROLGDWLRQ	
5HFRJQL]HGLQHTXLW\	
7UDQVODWLRQDGMXVWPHQWV	
2IIVHWWRGHIHUUHGWD[OLDELOLWLHV	
$7	

,QVSHFWWKH DFFRXQWLQJSROLF\EHORZ

'HIHUUHGWD[OLDELOLWLHVDUHJHQHUDOO\UHFRJQL]HGIRUDOOWD[DEOH WHPSRUDU\ GLIIHUHQFHV H[FHSW WR WKH H[WHQW WKDW WKH GHIHUUHG WD[OLDELOLW\ DULVHV IURP LQLWLDO UHFRJQLWLRQ RI JRRGZLOO RU IURP WKH LQLWLDO UHFRJQLWLRQ RI DQ DVVHW RU OLDELOLW\ LQ D WUDQVDFWLRQ WKDW LV QRW D EXVLQHVV FRPELQDWLRQ DQG DW WKH WLPH RI WKH WUDQVDFWLRQ DIIHFWV QHLWKHU DFFRXQWLQJ QRU WD[DEOH LQFRPH

'HIHUUHGWD[DVVHWV DUHUHFRJQL]HGIRUWKHIXWXUHWD[ORVVHV RI DSSURSULDWHO\ b PLOOLRQ DW 'HFHPEHUb SULPDULO\UHODWHGWRFHUWDLQ DPRXQWVRIODQGOLQ WKHVDHQGDQRVFHDUULHUZDUG RI b PLOOLRQ, IRU LQFRPH WD[SXUSRVHV RI b PLOOLRQ DW 'HFHPEHUb UHODWLQJ W IRUZDUGHU QRW UHFRJQL]HG DV WKHLU UHFRYHU\ SUREDEOH

1RWH 7D[OLDELOLWLHV

7DOLDELOLWLHVFRQVLVWEXHUWDQWOLDELOLWLHV DQG DPRXQWV LQ UHVSHFW RI XQFHUWDLQ WD[WUHDWP

&XUUHQWOLDELOLWLHV	
/LDELOLWLHVHVWDEOLVKHGFRQFHUWDLQ WD[WUHDWPHQWV	
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7KHDPRXQWWKHLDELOLWLHV LQ UHVSHFW RI XQFHUWDLQ WD[WUHDWPHQWV D ODUJH SRUW FRYHUWD[ULVNVKDZKHEHQ LGHQWLILHG SDUWLFXODUHQWGXU:LKHQ WHQWHUWKHV\HUHRXSHDFRLWDO DFTXLVLWLRQEXQLQHVV WKHVH ULVNV FRQGHQVLQLQVHFWXUHVWKHVH ULVNV FRQGHQVLQLQVHFWXUHVWKHVH ULVNV FRQGHQVLQLQVHFWXUHVW

1RWH(TXLWLHV(QGDUQLQJVHUVKDUH

1RWH 6KDUHFDSLWDO

6KDUH FDSLWDO UHSUHVHQWV WKH QRPLQDO YDOXH RI WKH FRPSDQ\ V RUGLQDU\ VKDUHV LVVXHG DQG IXOO\ SDLG XS

LQLWLDO RUGLQDU\	
1XPEHU RI VKDUHV LVVXHG IXOO\ SDLG XS	
LQFUHDVH LQ QXPEHU RI VKDUHV	
'LYLGHQGV GHFODUHG SHU RUGLQDU\ VKDUH LQ ILQDQFLDO \HDU	
'LYLGHQGV SDLG RQ RUGLQDU\ VKDUHV	

%DVLF HDUQLQJV SHU VKDUH DUH FDOFXODWHG E\ GLYLGLQJ WKH SURILW DWWULEXWDEOH WR RUGLQDU\ VKDUHKROGHUV E\ WKH ZHLJKWHG DYHUDJH QXPEHU RI RUGLQDU\ VKDUHV RXWVWDQGLQJ GXULQJ WKH \HDU

'LOXWHG HDUQLQJV SHU VKDUH DUH FDOFXODWHG DGMXVWLQJ WKH SURILW RU ORVV DWWULEXWDEOH WR RUGLQDU\ VKDUHKROGHUV DQG WKH ZHLJKWHG DYHUDJH QXPEHU RI RUGLQDU\ VKDUHV RXWVWDQGLQJ IRU HIIHFWV RI DOO GLOXWLYH SRWHQWLDO RUGLQDU\ VKDUHV

~ DQ LVVXH RI QHZ VKDUHV QRPLQDO DPRXQW VKDUHV LQLWLDO SXEOLF RIIHULQJ

~ DQ LVVXH RI QHZ VKDUHV QRPLQDO DPRXQW VKDUHV LQFRUSRUDWLRQ

~ DQ LVVXH RI QHZ VKDUHV QRPLQDO DPRXQW VKDUHV SXUFKDVH RI EXVLQHVV

~ DQ LVVXH RI QHZ VKDUHV QRPLQDO DPRXQW VKDUHV SXUFKDVH RI DVVHWV

7HOHSKRQH PDGH WKH IROORZLQJ VWDWHPHQWV LQ UHODWLRQ WR WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV RI WKH JURXS WKH FRQWUROOLQJ VKDUHKROGHUV

bHXURV

1RWH 7UHDVXU\ VKDUHV

7UHDVXU\ VKDUHV DUH VKRZQ DV D GHGXFWLRQ IURP HTXLW\ DW WKH FRVW RI WKH FRPSDQ\ V VKDUHV SXUFKDVHG E\ WKH *URXS 7KH *URXS KHOG WUHDVXU\ VKDUHV *DLQV RU ORVVHV RQ WKH VDOH RI WUHDVXU\ VKDUHV DUH WDNHQ GLUHFWO\ WR HTXLW\ $SSOLFDEOH WUDQVDFWLRQ FRVWV DUH DOVR GHGXFWHG IURP HTXLW\ ,W WKH VDPH DPRXQW RI WKH GHGXFWHG IURP HTXLW\ 7KH QXPEHU RI WUHDVXU\ VKDUHV KHOG DW WKH HQG RI WKH \HDU DQG WKH PRYHPHQWV GXULQJ WKH \HDU DUH DV IROORZV

~ b VKDUHV SXUFKDVHG LQ IRU DQ DPRXQW RI bPLOOLRQ WKURXJK WKH FDQFHOODWLRQ E\ WKH FRPSDQ\ RI bPLOOLRQ

1RWH (DUQLQJVSHUVKDUH

7KH*URXS UHSRUWV ERWK EDVLF DQG GLOXWHGHDUQLQJVSHUVKDUH RXWVWDQGLQJ EVKDUHVLDFQQV SHU VKDUHLDFFRXQWLQJ WKDFDOFXODWHGLQ WKHFRQVROLGDWHGLQ WKHVH DGMXVWP SURILWDWWULEXWDEOH WR KROGHUVKRIZRUGKWQHG\LQKDQWMEHDZDUGV JUDQWHGKWQR WKHSOR\HH DYHUDQXEHU RI RUGLQDU\ VKDUHV RXWVWDQGLQJ FRQGLWLRQV FRQGLWLRQHG FRQGLWLRQV KDYH EHH H[FXGWLQHDWKDUHV WKHbILQDQFLDO \HDU 'LOXWHHDUQLQJV SHU VKDUH LV GHWHUPLQHG E\ DGMXVWLQJ WKH QHW SURILWDWWULEXWDEOH WR RUGLQDU\ VKDUHKROGHUV DQG WKH ZHLJKWHG

LQPLOOLRQVRXQWV	
1HWSURWL*URXS	
:HLJKWDHYGHUQXPEHURVKDUHV XVHG WR FDOFXODWH EDVLF HDUQLQJV SHU VKDUH	
'LOXWLYHHFWVKDDZHDUGV	
:HLJKWDHYGHUQXPEHURVKDUHV XVHG WR FDOFXODWH GLOXWHG HDUQLQJV SHU VKDUH	
%DVLHDUQLQJVQHJVKDULHQ HXURV	
'LOXWHHDUQLQJVQHJVKDULHQ HXURV	

3RWHQWLDOLDXWLQJ RUGLQDU\ VKDUHV DUH WKRVHFRQYHUWLEOHGHEWHTXLWLHV RSWLRQV DQG VKDUHSXUFKDVHFRQWUDFWV WKDW DUH GLOXWLYH LQ WKH SHUSHULRGV SUHVHQWHG EDVHG RQ WKHLU UHODWLRQVKLS WR QHW LQFRPH 'HFHPEHUb

:HLJKWDHYGHUQXPEHUVRKDUHV XVHG WRFDOFXODWHGLOXWHG HSHUQLQJVKDUH

2UGLQDUKDUHVWVXWDQGLQJ	
OHVVWUHDVKDUHKHOG	
6KDUHVVXHGXULQJWKHHDU	
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1RWH)LQDQFLDO,QVWUXPHQWV

1RWH $FFRXQWLQJ3ROLFLHVPHWKRGV

)LQDQFLDODVVHWV

&XUUHQW DQG QRQ FXUUHQW ILQDQFLDO DVVHWV DUH UHFRJQLVHG RQ WKH

ORDQSULQFLSDOSOXVLQWHUHVW DGYDQFH2Q LQLWLDO UHFRJQLWLRQ ILQDQFLDO DVVHWV DUH VWDWHG DW GLVFRXQWHG FRVW XVLQJ WKH HIIHFWLYH PHDVXUHG DW HDFK UHSRUWLQJ GDWH

GHSRVLWLQFLSDOO\ FRPSULVH PXGDUDQW FRQWUDFWV FRQWRIWRPHUFLDO SURPLVVRU\ OHDVHV WKHUHIRUH DUH VWDWHG DW GLVFRXQWHG

GHULYDWLYHILQDQFLDO LQVWUXPHQWV IRUHLJ[FKDQJH DQG LQWHUHVW UDWH

QHWDVVHW ZDUUDQWLHV REWDLQHG DV SDUW RI DQ DFTXLVLWLRQ WKDW ZDUUDQW\ UHVSRQVHFLWLHV HQWLW\ GDWWKDEXVLQHVV RI VHSDUDWHO\ LGHQWLILDEOH DVVHWV DQG LV PHDVXUHG DW WKH OHVVHU RI WKH

)LQDQFLDOLDELOLWLHV

1RQ FXUUHQW ILQDQFLDO OLDELOLWLHV LQFOXGH EDQNRU RWKHU ILQDQFLDO LQVWLWXWLRQV FHUWDLQ WUDGH DQG RWKHU OLDELOLWLHV &XUUHQW ILQDQFLDO OLDELOLWLHV FRPSULVH GHVFULEHG ZLWK LQ RQH \HDU %RUURZLQJV DUH VWDWHG DW PRUWL]HG FRVW 6XEVHTXHQWO\ DQ\ GLIIHUHQFH EHWZHHQ WKH SURFHHGV DQG WKH UHGHPSWLRQ YDOXH LV UHFRJQLVHG LQ SURILW RU ORVV RYHU WKH SHULRG RI WKH

)LQDQFLDOLQVWUXPHQWV

&DVKDQG FDVK HTXLYDOHQWV FRPSULVH FDVK RQ KDQG GHSRVLWV LQ YHVWPHQWV PDWXULQJ ZLWKLQ WKUHH PRQWKV RU OHVV IURP WKH GDWH RI DFTXLVLWLRQ WKDW DUH UHDGLO\ FRQYHUWLEOH WR NQRZQ DPRXQWV RI FDVK DQG ZKLFK DUH VXEMHFW WR DQ LQVLJQLILFDQW ULVN RI FKDQJHV LQ YDOXH

%DQN RYHUGUDIWV ZKHQ DUH UHSD\DEOH RQ GHPDQG DUH LQWHJUDO SDUW RI WKH *URXS FDVK PDQDJHPHQW DUH FRQVROLGDWHG DV FDVK DQG FDVK HTXLYDOHQWV IRU WKH SXUSRVH RI WKH VWDWHPHQW RI FDVK IORZV DQG FDVK DQG FDVK HTXLYDOHQWV DUH SUHVHQWHG QHW RI EDQN RYHUGUDIWV ZKHUH DSSOLFDEOH

)LQDQFLDOLQVWUXPHQWV

7KH*URXS XVHV GHULYDWLYH ILQDQFLDO LQVWUXPHQWV WR PDQDJH H[SRVXUH WR IRUHLJQ H[FKDQJH UDWH ULVN DQG LQWHUHVW UDWH ULVN 7KHVH ILQDQFLDO LQVWUXPHQWV LQFOXGH IRUHLJQ H[FKDQJH RSWLRQV DQG LQWHUHVW UDWH VZDSV 7KH\ DUH LQLWLDOO\ UHFRJQLVHG DW IDLU YDOXH RQ WKH GDWH RQ ZKLFK D GHULYDWLYH FRQWUDFW LV HQWHUHG LQWR DQG DUH VXEVHTXHQWO\ UHPHDVXUHG DW IDLU YDOXH 7KH PHWKRG RI UHFRJQLWLRQ RI WKH UHVXOWLQJ JDLQ RU ORVV GHSHQGV RQ ZKHWKHU WKH GHULYDWLYH LV GHVLJQDWHG DV D KHGJLQJ LQVWUXPHQW DQG LI VR WKH QDWXUH RI WKH LWHP EHLQJ KHGJHG

&DVKQGEDVK HTXLYDOHQWV

&DVKDQG FDVK HTXLYDOHQWV FRPSULVH FDVK RQ KDQG GHSRVLWV LQ YHVWPHQWV PDWXULQJ ZLWKLQ WKUHH PRQWKV RU OHVV IURP WKH GDWH RI DFTXLVLWLRQ WKDW DUH UHDGLO\ FRQYHUWLEOH WR NQRZQ DPRXQWV RI FDVK DQG ZKLFK DUH VXEMHFW WR DQ LQVLJQLILFDQW ULVN RI FKDQJHV LQ YDOXH %DQN RYHUGUDIWV ZKHQ DUH UHSD\DEOH RQ GHPDQG DUH LQWHJUDO SDUW RI WKH *URXS FDVK PDQDJHPHQW DUH FRQVROLGDWHG DV FDVK DQG FDVK HTXLYDOHQWV IRU WKH SXUSRVH RI WKH VWDWHPHQW RI FDVK IORZV DQG FDVK DQG FDVK HTXLYDOHQWV DUH SUHVHQWHG QHW RI EDQN RYHUGUDIWV ZKHUH DSSOLFDEOH

)LQDQFLDO LQHF[SHQVHQVG

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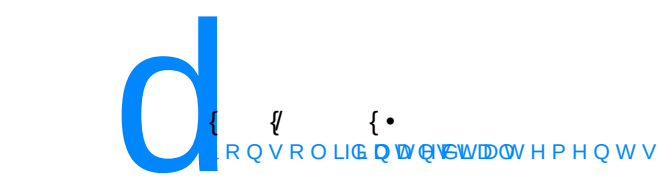

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6HW RXW EHORZ LV LQIRUPDWLRQ RQDFWKH *URXS
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PDQDJLQJVDV ZHOO DVSROLFLHVDSSOLHGWRDO DQG HTXLW\ PDQDJH
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)RUHLJQFXUUHQF\ULVN

5LVNH[SRVXUHV

7KH*URXS LV H[SRVHGWRIRUHLJQ FXUUHQF\ULVN RQ WUDQVDFWLRQV
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IXQFWLRQDO FXUUHQF\ RIWKH*URXS DQG &RPSDQ\ WKH
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WKH6HGROODU

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WLPLQJ WKH FXUUHQF\ LQFRZKLFKGHULYDWLYHV DUH
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LQILOOLRQVRI86	$WL[HG UDWH	
7RWDODQDFLDOLDELOLWLHV		
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E\ 6 3 WR%%% H LQYHVWPHQWZLW KJUDGHVWDWXV DQG WKH*URXS FXUUHQWO\ PDQDJHWKULRXVLKOWZRLGLHWYRO
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727$/	

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2WKHU
727$/

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&DVKRXWIORZV QHW RI FDVK DFTXLUHG RQ EXWKHRXSRRPEXLQDWLRQV DPRXQWVRG EPLOOLRQ

~36* *OREDO 6ROXWLRQVEROVWHUDWLRQ RI 86 b

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DFTXLUHGVRRQ1RYHPEHUIRU DQ DFTXLVLWLRQ 8. IRU D FRQVLGHUDWLR

$W WKHWHDITXLVLWLRQGDWH FDVK PLOOLRQ

HTXLYDOHQWVRXQWLQJ b PLOOLRQ UHVWULFWHG

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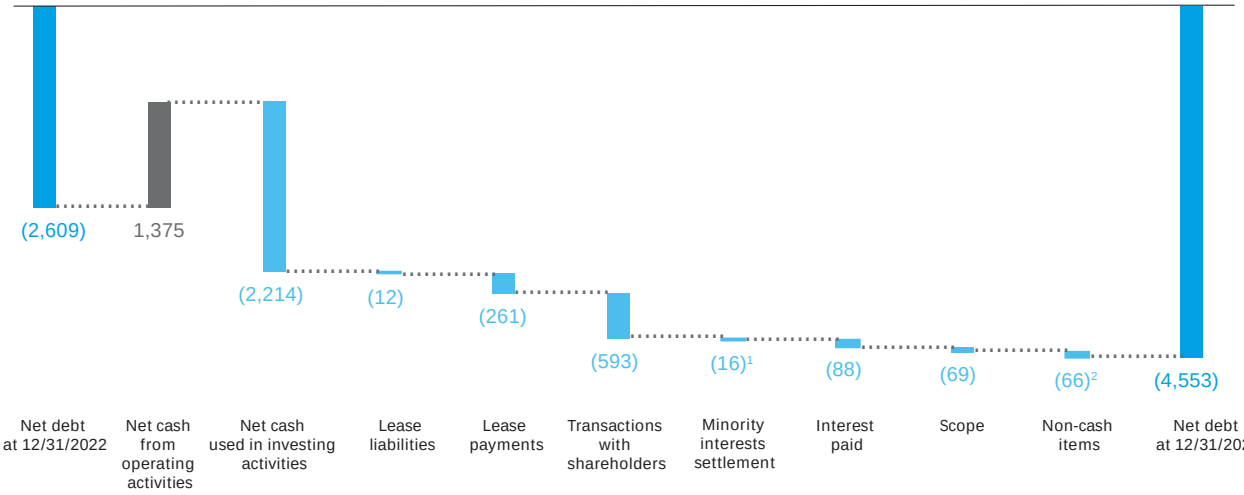
(€ million)



(1) Purchase of the stake of minority shareholders in a Majorel entity in Turkey for an amount of €16.4 million.
(2) Including translation differences of -€54 million.

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&DVKDQGSDQ
1(7&$6+

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1RWH $FFRXQWVSD\DEOHDQGDFFUXHGH[SHQVHV

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1RWH &KDQJHVLQ3URYLVLRQV

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5LVNV				
2WKHULSHQVHV				
727$/				

3URYLVLRQV IRU ULVNV DW 'HFHPEHUb $V OHJDO DXGLWV DQG UHODWHG GLVSXWHV DUH LQKHUHQWO\ XQFHUWDLQ WKH 3UHVLGHQW DQG &KLHI([HFXWLYH 2IILFHU DQG WKH &RUSRUDWH &RQWURO\HU SHUVRQQHO LQ &RORPELD DQG WKH 3UHVLGHQW DQG &KLHI([HFXWLYH 2IILFHU RI &RQWLQHQWDO &RORPELD &RQWLQHQWDO &RORPELD DQG WKH &RUSRUDWH &RQWURO\H

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7KH ZHUHFRUURXOVVHVVPHG DFFRODQFH WKH HQG RI

1RWH /LWLJDWLRQ

$VD UHVXOW RI RQRUPDO FRXUVH RI EXVLQHVV 7HOHSHUIRUPDQFH DQG LWV VXEVLGLDULHV DUELWUDWLRQ RQGLQJV 7KH ULVN RI OVVIURPFRXQWHUFKGSURFHHGLQJV DQG WKHFRQVHTXHQWLDO LPSDFW RQ \RXU EXVLQHVV

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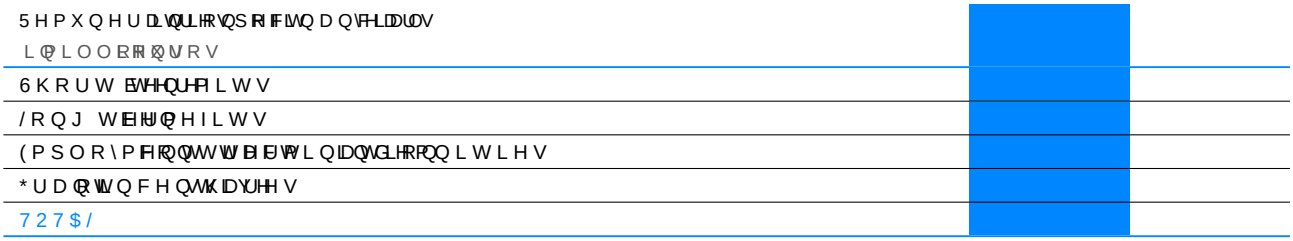

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- 0Ub'DQLHO -XOLHQ D SHULRG RI WZR \HDUV IRU ZKLFK KH ZRXOG EHHDHUQHPLWQGHUG WLRQ HVHELV WRRLVHSHFDQLQH PRQWKLFH SHULRG
- 0U2OLYLHU DGSHULRG RI RQH \HDU IRU ZKLFK KH ZRXOG EH HQWLWOHGUHVRQ DPR

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	<SLUHVLD7HOHSHUIRUPDQFH $(3<	)&
,UHODQG	7HOHSHUIR,UPDQFHG WHG	)&
,WDO\	)LQDQG6X W	)&
	,Q 2XW $	)&
	7HOHSHUIR6PDQ6HE	)&
.HQ\D	&6HUYLFHV WHQ\D	)&
.RVRYR	WZHQW\.HVR S N	)&
/HEDQRQ	7HOHSHUIR/PEDQ6HQ	)&
/LWKXDQLD	8$%7HOHSHUIR/PDQFH	)&
/X[HPERXUJ	7HOHSHUIR*PRQF\ O	)&
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0DGDJDVFDU	7HOHSHUIR0PGDQFHV F DU	)&
0DXULWLXV	7HOHSHUIR%20QFXHULWXV	)&
	7HOHSHUIR*PRQEQF6HV WPHQW /WG6XULWLXV	)&
0RURFFR	6RFL«$Q\RQ\PHURFG6Q\LVW&DQHQW 6	)&
1HWKHUODQGV	7HOHSHUIR6HWKHU%2QFKHU%QGVb	)&
	7HOHSHUIR1HWKHUODQGV	)&
	7HOHSHUIR1HW)LQQQ6HLDYLFHVb%	)&
1LJHULD	7HOHSHUIR1LJHQHHG WHG	)&
1RUWKXFHGRQLD	7HOHSHUIR1220/6HRSMH	)&
1RUZD\	7HOHSHUIR1RUDQ6FH	)&

3 R O D Q G	7 H O H S H U I R 8 U R P D Q W F H	) &
	7 3 *. D W R Z L S F H R R	) &
3 R U W X J D O	7 H O H S H U I R 8 U R P D Q W K D O	) &
5 R P D Q L D	6 & X V W R P H U Y 3 U F H Y L G H U	) &
	6 H U Y L F H F H R Q W W D F W Q W G H $ V L J X U D U H 6 5 /	) &
5 X V V L D	' L U H F W D / &	) &
6 D X G L U D E L D	7 H O H S H U I R U P X G L F & R P S D Q L H R P	) &
6 R X W K U L F D	7 3 6 R X W K L F D 7 U D G L Q G	) &
6 S D L Q	7 H O H S H U I R U P S D Q (V S D Ñ R O	) &
	7 H O H S H U I R U P U H G L F H L H R S Q J H Q F L D G H 6 H J X U R V 6 /	) &
	7 H O H S H U I R U P U D G L F D O Y L D U 8 H V	) &
	W Z H Q W \ . + Q H R Z S O H G J H (V H S U Y 3 D F H	) &
6 Z H G H Q	7 H O H S H U I R U P U D G L E F H	) &
6 Z L W] H U O D Q G	6 & 0 * $ *	) &
7 R J R	7 H O H S H U I R U P D Q F H	) &
7 X Q L V L D	6 R F L « 0 W G L W H U U D Q « 7 H Q Q H V H U Y L F H V	) &
	6 R F L « 7 W Q L V L G H Q H H P D U N H W L Q J	) &
7 X U N H \	0 H W % V L O J L V D \ D U 6 L 9 H W L H P O L U L 6 D Q	) &
8 N U D L Q H	/ / & . 1 8	) &
8 Q L W H U E P L U D W H V	7 H O H S H U I R & P D Q F 6 H Q W Y H L E W & V	) &
	7 H O H S H U I R * U P D E Q F H Y L F H V) = / / &	) &
	7 H O H S H U I R U P G Q P W X V L G H V Y L F H V / / &	) &
8 Q L W H G J R P	0 0 * U R X S H O D Q G	) &
	7 H O H S H U I R U P D Q G E Q G V	) &
	7 H O H S H U I R U P G Q F H	) &
8 6 $	7 H O H S H U I R L 6 P 6 Q E H	) &
	1 R U W K R H U L F D $ 3 $ &	
$ X V W U D O L D	7 H O H S H U I R $ U P D Q W D E W W L G	) &
& D Q D G D	0 0 & & 6 R O X W L R Q V F R P S Q D Q \ D	) &
& K L Q D	% H L M L Q J H U & W L Y F H K Q R 6 R U Y / W G	) &
	* X D Q J G R Q R U W K 8 Q L W & H 5 G 7 H F K Q R O R J L H V	) &
	* X D Q J] K R X W H U & W L Y H F K Q R O R J L H V	) &
	+ H Q D Q R U W K 8 Q L W & H 5 G 7 H F K Q R O R J L H V / L P L W H G	) &
	1 D Q Q L Q R U W K 8 Q L W & H 5 G 7 H F K Q R O R J L H V W G	) &
	1 R U W K 8 Q L W & H 5 G 7 H F K Q R O R J L H V W G % H L M L Q J	) &
	1 R U W K 8 Q L W & H 5 G 7 H F K Q R O R D Q Q H V W ; G	) &
	7 H O H S H U I R U P R Q P E 7 W H F K Q R O R J L H V Q J / W & R	) &
+ R Q J R Q J	+ R Q J R Q J $ & 5 D / W G	) &
, Q G L D	7 H O H S H U I R % 8 R R F H L 3 U L Y D W H / W G	) &
	7 H O H S H U I R % R W Q H H V L Q H G L D / W G	) &
	7 H O H S H U I R * U P D E Q D W H V L Q H V V / L 3 U L W Y H D G W H	) &
	7 H O H S H U I R * U P D E Q F H Y L F H V / W G L Y D W H	) &
, Q G R Q H V L D	3 7 7 H O H P D U , Q H G W R Q H J V L D	) &
- D S D Q	7 H O H S H U I R U P S D Q 7 W K R G	) &
0 D O D \ V L D	7 H O H S H U I R U P D Q G V L D % + '	) &
0 D X U L W L X V	7 H O H S H U I R U D D X Q H W L X V & R R P S D Q W Q J	) &
3 K L O L S S L Q H V	7 H O H S K L O , Q S S L Q H V	) &
6 L Q J D S R U H	7 H O H P D U $ V H L W 8 L Q Q J D S R U W G	) &
6 R X W K U H D	7 H O H S H U I R U P D , Q F H	) &
7 K D L O D Q G	7 H O H S H U I R 7 K P D L Q G Q W G	) &
8 Q L W H G J R P	7 H O H S H U I R % 8 R . Q W H G	) &
	7 H O H S H U I R * U P D E Q 3 8 . / W G	) &
	7 H O H S H U I R * U P D E Q F H Y L F / W G 8 .	) &

86$	6HQWX/U&H	)&
	7HOHSHUIRUHDQZFDQHH	)&
	73865$,QF	)&
	/$7$0	
$UJHQWLQD	&LW\\W$HFK	)&
%HOL]H	7HOHSHUIRU%HOHDQ\FH	)&
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&KLOH	73 &K6LOH	)&
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&RVWD5LFD	&RVW$DRQW&DFQW&U&b6 $	)&
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	7HOHSHUIR*UPDQHHDOD	)&
*X\DQD	7HOHSHUIR*UPDQHH	)&
+RQGXUDV	7HOHSHUIR+RQGXHS Vb	)&
0H[LFR	+LVSDQHGHVH0XHDODMD(U9 b6 $	)&
	,PSXOVRUD &RQSHUUDQW6XDQ(Q b	)&
	6HUYLFLRV7HOHFHVH&LFHV	)&
1LFDUDJXD	7HOHSHUIR1LPDQHGXFLGG $QµQLPD	)&
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86$	+LVSDQHGHVH&RPXQLFRV DWLRQ	)&
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	0HUNDIRQ 0DQDJHPHQW &RUSRUDWLRQ	)&
	0DMRUHO	
$UJHQWLQD	)LQGVHQXb6 $	)&
$UPHQLD	0DMRU3HPQL&D	)&
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%UD]LO	)LQGVHQWDLO /WGD	)&
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	+DLQDQ0DMRU3HUPDQHQW&RQ/WG	)&
	0DMRU3RQJLPLWHG	)&
	1HM0DQJRQ,QHUPDWLRQ 7HF/KQRORJ\ &R	)&
	6KDQJKDL&LF KDQJRUPDWLRQ &RVHWHKQRORJ\	)&
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	6KDQJKDL0RE3HOXXLQHVV &R /WG	)&
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	0DMRU%RORPELDb6 $ 6	)&
&RVWD5LFD	)LQGVHQ5LWD/DWGD	)&
&URDWLD	0DMRU0HGOR R	)&
(FXDGRU	)LQGVHQXHGOHGU	)&

(J\SW	(F O L S V H K Q R O R J L H V X V E Q H W V F H V b 6 D (M R U H O	) &
	(J\SW L D Q E Q V H U D W E M W 6 U $ H Q b	) &
	* O R E D H F K Q L H D Y O L F H V // &	) &
	, Q W H U Q D W P E Q Q O K P U H Q H V R X D Q G V 0 D Q D J H P H Q W 6 H U Y L F H V , 0 , 0 D M R U G H (O	) &
	, 6 7 J \ S b 6 (	) &
(V W R Q L D	0 D M R U W H R Z Z L D	) &
) U D Q F H	P H G L 6 $ 5 /	) &
	$ & 5 U D Q F $ 5 b	) &
	$ Q W H 6 $ E V	) &
	$ T X L W $ 6 O	) &
	$ U Y D 6 $ L H	) &
	& D Q Q V X U $ 5 F H	) &
	& D P D U 6 $ 5 /	) &
	& D S & 6 $ 5 D	) &
	& D S G X 6 $ E b	) &
	& H D F H P 5 /	) &
	& R P H W 6 $ 5 /	) &
	' L J L 6 $ E b	) &
	' R F X P H Q W D Q O H b 6 $ 6	) &
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	0 % 0 D M R U H O % X Y H L Q R W H P H Q W b 6 $ 6	) &
	0 6 (0 D M R 6 W H W D L W b ([S H U W L V H V b 6 $ 5 /	) &
	1 R U G 6 $ 5 O	) &
	6 R Q 6 $ 5 /	) &
	7 (& 7 R X U R [F Q H J O & H Q W H U b 6 $ 6	) &
	7 H O 7 H L V H S K R Q X 6 H L Q Y 6 $ E V b	) &
	\ ] H V H U Y L F H V b 6 $ 5 /	) &
* H R U J L D	0 D M R U H R U / & D	) &
* H U P D Q \	& 5 0 + R O 6 P E + J	) &
	, 6 7 * H U P D b Q \ E +	) &
	- X Q R N D L b * P E +	) &
	. : 6 . R Q W R Z H F K V E 6 H U Y L F H	) &
	0 D M R U H O b O P E +	) &
	0 D M R U H D Q G H b P E X + U J	) &
	0 D M R U W b W E E X + V	) &
	0 D M R U H X W V F K O D Q G b * P E +	) &
	0 D M R U H W P b K Q E G +	) &
	0 D M R U H D b J P E +	) &
	0 D M R U H O W P E V +	) &
	0 D M R U H O G H Q J V F K b P E Q + G	) &
	0 D M R U ¼ Q b W P H E J +	) &
	0 D M R U H O G K b P E Q +	) &
	0 D M R 5 H O Q W b * W E +	) &
	0 D M R 5 R Y W, R F E N +	) &
	0 D M R 5 R Y W, P E +	) &
	0 D M R 6 D U E U b ¼ P E H Q	) &
	0 D M R 6 H O Y ¼ F H U P L E Q + b	) &
	0 D M R U H O K H O P W P E ¥ H Q	) &
* K D Q D	0 D M R U K H Q / D P L W H G	) &
* U H H F H	0 D M R U H O H F H / L P D W H G L W \ & R P S D Q \	) &

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,UHODQG	0DMRUUHODQGLGWHG	)&
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,YRU&RDVW	0DMRU&WG,YRU&RDVW5 /	)&
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0H[LFR	)LQGDVH0H[LFR6 GH	)&
	0DMRU&HPH[LFR6 GH & 9	)&
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	0DMRU6PHUU6FHDU Y6F5 /	)&
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	7ZLTQUX6/5 /	)&
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	(0($&50KXEHWKHU9DQGV	)&
	0DMRU%HHQH9X[	)&
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	0DMRUHRG1LQGHU%DQG	)&
	0DMRU,HR9QJ	)&
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3HUX	$UYDGHURU Y6F&V	)&
	)LQGDV3E6&&	)&
3KLOLSSLQHV	0DMR3KLOLS&RQHV	)&
3RODQG	$GPLQVWUHDWRQHQHUYLFHV 6S] R R	)&
	0DMR3RORQLD6S] R R	)&
3RUWXJDO	0DMR&RSRUDWHX6GG D	)&
	0DMR3RUWXJDO 8/GLS HVVRDO	)&
4DWDU	(FFR *XOI	($
5RPDQLD	06(0DMR6WHDDWbH[S HUWLVH 65/	)&
6DXGL$UDELD	,QIRUPDWHURYQHFHVQR&ORRJDQ\	)&
	0DMR6DXGL&RQ%XVLQHVVHVY&RVPL WHG	)&
6HQHJDO	0DMR6HQHG8&5 /	)&
6LQJDSRUH	0DMR6LHQJDSRUH6LZ(J /WG	)&
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	)LQGDVHQSVDH6D8	)&
	)LQGDVH0QYEDC8	)&
	0DMR&H6HUY L,E HV L/P 6	)&
	0DMRUEHO6L D8	)&
	0DMRU$6RO XW6L8Q V	)&
	0DMR6WHRO XWbG8Q V	)&
	0DMR6HVW HSDWbG 8$	)&
	0DMRU7UHD8	)&

&RQVROLGDWLRQ

6XULQDPH	$OHPEL R	)&
7KDLODQG	0DMRU 0 KHDL O&DRQ/GW G	)&
7RJR	0DMRU 0 RNJGR\$ 5 /	)&
7XUNH\	(QWHJUDWHG \URQH7VH NQR70LR\$ML	)&
	0DMRU 0 HDOHNRP¾QLNDV\RLQR\$+L]PHWOHUL	)&
8QLW.HQGJGRP	,677(/.WG	)&
8UXJXD\	0DMRU 8 HXOJX6\$\b	)&
86\$	0DMRU 8 6HS\$OR OGL,QF\$	)&
	0DMRU 8 6HS\$O, QF	)&
63(&,\$/,=6'(59,&(6		
	7/6FRQWDFW	
\$OEDQLD	7/6FRQW\$VODEDQLD 6S K N	)&
\$OJHULD	6\$57/6&RQWDFW	)&
\$UPHQLD	7/6FRQW\$VOD/F&W	)&
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)UDQFH	7/6*URX6S\$b	)&
	7/6FRQW\$VODJF«WJLH	)&
	7/6FRQW\WUDDFQWF H	)&
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.HQ\D	7/6FRQW\EHQWDW G	)&
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0DXULWLXV	7/6FRQW0DK\W G	)&
0RQJROLD	7/6&RQW0DRFQW RWL3	)&
0RQWHQHJUR	//&7/6FRQWGD R\$R GJRULFD	)&
0RURFFR	7/6FRQW0DUFR\$5/\$8	)&
1DPLELD	7/6&RQW1DFFW E3D RSUL#LW\$WDW-G	)&
1HWKHUODQGV	7/6FRQW1HDW KH U\$9D QGV	)&
1LJHULD	7/6FRQW\$UFFW V6HLUQY/W\$V	)&
3KLOLSSLQHV	7/6FRQW\$KDLFW S&\$RQ\$R\UDWLRQ	)&
3RODQG	7/6FRQW\$RDGFDQG	)&
3RUWXJDO	7HOHFRQW DFW\$Q3R\$UHW\$RDDO	)&
5XVVLD	//&7/6FRQW5D FW	)&
5ZDQGD	7/6FRQW\$ZDFQWGLP L W H G	)&
6HQHJDO	7/6FRQW\$V«DQF«WJ DO 68\$5/	)&
6HUELD	7/6FRQW\$R\$R%WR\$WHRJUDG 6WDUL *UDG	)&

6LHUUHQH	7/6&RQWUDFWLPLWHG	)&
6RXWKULFD	7/6FRQWUDFWXDOKULE7</WG	)&
6SDLQ	7/6FRQWUDFWXDOSDWD 6/	)&
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7KDLODQG	7/6FRQWQDFWUS7KDHU&RQG/WG	)&
	7/6FRQWQDFWUQD&WRG DO	)&
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	7/6&RQW7DXQLVLH	)&
7XUNH\	7/6'DQLVPD+9/N	)&
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8NUDLQH	7/6FRQWUDFW&H	)&
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	7HOHSHUIR&RQWUDFW	)&
	7/6FRQW'DFW	)&
	7/6FRQW&RQWUDFWLPLWHG	)&
86$	7/6FRQW6DF\Q F	)&
8]EHNLVWDQ	7/6&RQW&W	)&
9LHWQDP	7/6FRQW9LHW&RQP &RW6DQ\	)&
	$OOEH2QH	
&DQDGD	$OOLDQFH2QH	)&
-DPDLFD	2XVRXUHQJHP,HQWHUQDLRQDO	)&
86$	$OOLDQF2QH	)&
	$OOLDQ5HZEHY DE4EVHP,HQW	)&
	/DQXDJH/LQR2XWLRQV	
8QLW.HGJGRP	/DQJXD/LQ,PLWHG	)&
	/DQJXD/LQ,/PLWHG[G&DS7UWQVOD,QWHUQSUHWLQJ	)&
86$	/DQJXD/LQHRGLQJ	)&
	+HDOWKY RFDWH	
86$	+HDOWK RF:DHW/Q F	)&
	36**ORE6RO XWLRQV	
3KLOLSSLQHV	)LQGXPDQHVRXUEHV	($
	36**ORE6DRO XW,QFQV	)&
86$	36**ORE6DRO XW/L&QV	)&
27+(5		
)UDQFH	7HOHSHUIRUPQQJHPHQW 6HUYLFHV	)&
/X[HPERXUJ	/X[HPERXUJ &&RHQWWHFW	)&
1HWKHUODQGV	'XWR&RQW&DHQW'&&V 9%	)&
86$	7HOHSHUIR*UPRXQFH	)&

)&)XFHQVROLGDWLRQ ($ (TXLW\ DFFRXQWHG

6WDWXWRU\6WDWHPHQWVRI&RQVROLGDWHG)LQDQFLDO

)RUWKH\HDUHQGHG)HEUXDU\

7KLV D IUHH WUDQVODWLRQ DQG LV QRW D OHJDOO\ VLJQLILFDQW YHUVLRQ RI WKH HSRUW LVVXHG LQ)UHQFK DQG LV SURYLG
XVHUVWKLV VWDWXWRU\ DXGLWRUV UHSRUWEW (XQLFRSXHGDQVOD DQVILRQP DDVQGRXFKHHDFXLQDBUPDWLRQ DEP
DSSRLQWPHQWV VWDWXWRU\ DXGLWRUV RU YHULILFDWLRQ RI WKH PDQDJHPHQW UHSRUWW VDKQGK
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7RWKHQX*DQHUDOHWLQJ
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UX%DO]DF
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2SLQLRQ

,QFRPSOLDQFH ZLWK WKH HQJDJHPHQW HQWUXVWHHGWLQRJ XWHEKDRXUDSKGQWDHG *WHQHUDFFRPSDQ
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,QRXU RSLQLRQ WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQW HJLYLHWLHVUDSGRGDUGLQRGLWMQKHU ILYQLDHQ
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%DVIRUØSLQLRQ

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2XUUHVSRQVLELOLWLHV XQGHU WKRVH VWDQGDUGVDUH VXUWKHU GHVFULEHGLQ WKH $XGLWRUV UHVSRQVLELOLWLHV IRU W
)LQDQFLDWDWHPHQWVRI WRRUHPSRQV

,QGHSHQGHQFH

:H FRQGXFWHG RXU DXGLW HQJDJHPHQW LQ FRPSOLDQFHWKZLWKHQFGH&RPPRQGHQFH DQG WKHQFRGH (WKLFVGHF&RGH
VSHFLILFHDGLQGRW SUHQVLGHUDWLRQV DSSOLFDEOH WR RXU DXGLW RI WKH ILQDQFLDO VWDWHPHQWV LQ)UDQFH
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$FFRXQWLQJ 0DWWHUVLGHQWLILHGGXULQJ

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,GHQWLILHG

7KH*URXS UHJXODUO\ SHUIRUPVWKLFFTKXLWVVWSRGQLVHG %QX1LRQHVV FRPERLQDWLRQV I
VWDWHPWKQDFXLVLWLRQ PHWKRG LQ DFFRUGDQFH ZLWKH,FRGQL]LHQYLVHG W7KHLVDFFRQWLWWLVR
FRUUHVSRQGLQJH VXPRQVIWGKHUDWLRQ WUDQVIHUUHG SXUFKDVH SULFHH QHW QRQXQQWHRQ
JHQHUDWHGIDLXH IRU WKH LGHQWLILDQGOHLDEVLWXH :KHUH DWKH WUHRXSHGFRHLVW
LHVSSOLHNDUVERGZHWKRQVLVWLQJ LQPPHDFXQLRQOLQSUROQWVWR WKH LGHQWLDEL LDEHVV
7KHLQLWLDO PHDVXUHPHQW RI WKH FRQVLGHUDWLRQ WUDQVIHUUHG DQG WKH IDLU YDOXHV R
WZHRXEWRYOORVZKQFTXLVLWLRQ GDWH DQG DQ\ DGMXVWWUHQVSWFLWLVHFRQQLHFGVDRQRI JRRGZLOO
7KHSHULRGV SUHHEHQFDWWFWKLWLRQ RQ 1RYHPEHU RI 0DMRUHO *URXS /[HPERXUJ 6$ 0
SXUFKSDVLHFHORFDVWSRQRHBRXWLRTQVLUHG LQ
$VPHQWLRQLQRGWHVJKOLJKWVDQG $FTXLVLWLRVKLHQFRQVROLGDWHG ILQQRHFLDMRVWDWHPHQWV
EDODQFKHW ZDV SDVHSDIURYGHPEHU DQGDWKRFSDWRLYRQVRHQDKHRSXUFKDVHSWLFHQVIHUUHG F
RI PLOOLRQ UHVXOWHG LQ WKH UHFRJQLWLRQ RISDQYDLFTXRQDHG JRRGZDVVHWRIRI PLOOLRQ
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DOORFDQWKHRQWKV IROORZLQJ WKH WDNHRYHU

)XUWKHUPRUH WKH *URXS¶V KLHUDUFKLFDO VWUXFWXUH RI DVVHVVPHQW DQG WUHDWPHQW RI 36* *ORE
IHDWXUHV ZKLFK DUH GHVFULEHG EHFDXVH WKH\ VLJQLILFDQWO\ FRQWULEXWH WR WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV
UHFRJQLWLRQ DQG]HHG GLVFORVXUH JRRGZLOO DFTXLUHG UHPDLQLQJ RQ DVVHWV DFTXLUHG DQG OLDELOLWLHV
DVVXPHG SUHVHQWHG VHSDUDWHO\ WR RUPHOUDWLRQVKLSPLRO L8F6Q 7KH GHILQLWHOLYH WUDQVDFWLRQV DOVR
*LYHQ KH PDWHULDOLW\ DQG LQWHU DFTXLVLWLRQ RI 0DMRUHO DQG LWV VLJQLILFDQW LPSDFW RQ WKH ILQ
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VWDWHPHQWV HIIHFWLYHQHVV RI LQWHUQDO FRQWUROV RYHU ILQDQFLDO UHSRUWLQJ

2XU DXGLW SURDFK

:H LQWHUYLHZHG WKH)LQDQFH DQG /HJDO 'HSDUWPHQW KHDGV WR REWDLQ DQ XQGHUVWDQGLQJ
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EDVHGQ WKH PDLQ FRQWUDFWXDO GRFXPHQWV DQG HDQDOSHWWDEHRXKLWKH VPHFLILFLWLHV
WKHWUXFWRXKLHQWDQVDFWLRQ LQFOXGLQJHQGUDQVIHUUHGLDWHQWRZKHWKHU

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~ UHYLHZLQJ WKH UHJXODWHG GRFXPHQWDWLRQ SUHSDUHG3XEOLF RQQHQHGHWULRQ ZLWKH2ILHOLQJZLW
DQGJUHQFHV)VWRPPDNUNDWXWKRULWLHV

~ DQDO\]LQJHR QVLVWHQF\DFFRXQWLQJ SHLWDUHSUHVHQWDWLRQ XSLDFWLFHV

~ UHYLHZLQJ SURFHVVEHVDVHWDWHPHQW WR DQDOWKHDQGRXSHQW RI 0DMRUHO LQ SDUWLFXOD
DQGWKLPSDRQWKH LQFRPH VWDWHPHQW IRU WKH SHULRG VXEVHTXHQW WR LWV DFTXLVLWLRQ

~ FRQGXFWLQJRQHGXUHV RQ WKH 0DMRUHO FRQVROLGDWHG PEDMORQ WKEHWURQWWRKHGDFXELJULRXL
SURFHVV

~ DVVHVWKWKWUDQVIHUUHG FRQVLGHUDWLRQ ZDV FRUUHFWO\ORHWURQ WRDQGGRQGZOQJ W

~ DVVHVWLQJ SSURSULDWHQHVV RI WKH0DMRUHO 1HWTXLVLWLRQV WR WKH FRQ
WDWHPHQWV

5HJDUGLQFTXLVLW16*Q*ORED 6RSXWHRQXUHVFRQVLPLDQOLPLQGLQ\

~ REWDLQQXQGHUVWDQGLQJ GRFXPHQWWDWLRQ GHJO

~ UHYLHZLQJ SURFHVVWHWEHWDQGJHQW WR DQDO\]H DQG UHFRJQL]HRWKHUWLQWSLDRQWRFLXLGJ'U
EDODQFHHW

~ DQDO\]LQJRUNRQGXEWHGQDJHPHQW DVORQHGGHWHUPLQDWLRQ PHWKRGLQRXHWKHVHPDOLFDWD
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RXVRIVXFKVVHWV

~ DVVHQVWKHSSURSULDWHQHVV RI WKH DGHTXLUHWLWRQWKLHQFRQVRWHG ILQDQFLDO VWDWH

*RRGZLOPSDLUPHQWVW

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,GHQWLILHG

$SRI 'HFHPEHU JRRGZLOOFRQVURHGGWHGLQWKHPHQW RI ILQDQFLDRI SRVLWLPLRQ D
L H RWRWDVWHV

,QD EXVLQHVV FRPELQDWLRQ JRRGZLOO LV FDOFXODWHG HQLWQHG FLFRQVLGHUDWLRQ WKHVZLPKPEVLKHDWURQ
DOORFWRWKHGVK *HQHUDW&*J RQRXSV RI &*8V ZKLFK FRUUHVSRQG WR WKH VPDOOHVW LGHQWLF
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7KHV&*8V LQFOXGH VXEVLGLDULHV WKDW KDYH VLJQLILFDQW LQWHU UHODWLRQVKLSV IRUPHG
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EDVHGQ LWV LYQDWXH DVVHVVHG XVLQFJDWKKHOGEZVFRRXQWWRG)XXUH FDVK IORZV DUH GHWHUPI
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DVVHWV

,QRUGHU WR LGHQWLI\ VHQVLWLYH &*8 RU JURXS RI &*8V DQDO\VHV DUH SHUIRUPHG E\ WK
DPRXQWKURXJK DQ LQFUHDVHGIRFXVRQQV WKHVH LQ WKH WHUPLQDO YDOXH L:KHQWLISRGVHQVWLWKHVHDQ
SHUIRUPHRG DVWKHVHVHQVLWLYLW\ WR FKDQJHV LQ RSHUDWLRQDO DVVXPSWLRQ%V7 \SXFWHDV UH
DVVHWb RXW LQRLRWKH FRQVROLGDWHGWDWHPHQWDPHQWDWLRQ RQO\ WKH ,QGIA DQG +HOWK \$GYR
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\$QLPSDLUPHQWQW UHFRJQL]HG LQ 3 / LI WKH FDUU\LQJ DPRXQW RI D &*8 RU JURXS RI &*8V WR
UHFRYHUDE RXHWKHLPSDLUPHQWV FRQVLGHUHGHPEHU RI JRRGZLOO LPSDLUPHQ
&*8LQWKHPRXQW PLOOLRQZHOO DV WKH \$UJHQWLQD &*8 IRU PLOOLRQ

:H FRQVLGHUHG YDOXDWLRQHRRYHUDEOH DPRXQWRI JRRGZLOO DRFGLZLPDWWRRHDHGXHLDWRLW\ RI WKHXFK LWHP
*URXSFRQVROLGDWHG ILQDQFLDO VWDWHPHQWV LL WKH VHQVLWLYLW\ RI WKHDEDXWL
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2XUDXGLWSURDFK

)RUWKH VLJQILFDQW &*8V RU JURXSV RI &*8V WR ZKLFK JRRGZLOOPLSVDLUPHQWDWHVWHGH
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- H[DPLQHGWKH HIQEWWOHDWDORFHWLRQGZHOWDWDORFHWLRQ &*8WRWKHRXSV RI &*8V
- DVVHVVHGKQHJ PHDVXUHV DGRSWHG E\ \RXU *URXS WR LGHQWLI\ LQGLFDWLRQV RI LPSDLUPHQW
DSSURYKHHVWLPDWHV
- REWDLQHG DQ XQGHUVWDQGLQJ RI ZKLFK WKH LPSDLUPHQWHWHVWVDWHVDSSHUURSULHGWDQGVV
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- UHFRQFLOHGWKHQW FDUU\LQJWHYDOXHV RI J&*8V WR RXSVHG IRU LPSDLUPHQWZLWKHFRQQLQOSGDWHVHGVLQDQ
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- DVVHVVHGKQHJ UHDVRQDEOHQHVV RE\IXWHKYULHZEDQJKNHOORGZD DQGXVHVVPSWLRQVGLHRQVUPLQH WKH UH
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&*8RUURXS&*8VEXGJHWV DQG IRUHFDVWV XVHG WRFOGZZWKKPLKRHVWKCPSXUROHG EDVKURXS PDQDJ
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&*8VZLWKKHVVLVWRQFUHYDOXDWLRQ H[SHUWV
- SHUIRUPHGZQHVVHQVLWLYLW\ DQDO\VHV
- DVVHVVHGWKH DSSURSULDWHQHVRIWKHGLVFORVXUHVWR WKH FRQQLQOSGDWHVWDWHPHQWV UH
VHQVLWLYLWQLYDWHV

6SHFLDOFRQVLGHUDWLRQV

:H KDYH DOVR SHUIRUPHG LQ DFFRUGDQFH ZLWK SURIHVVLRQDO VWDQGDUGV DSSOLFDEOH
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:HKDYHRPDWWHUHVSRUW DV WR LWV IDLU SUHVHQWDWLRQ DQG LWWWDRQHVPLHQWHQF\ ZLWK WKH FR

:H DWWHVW WKDW WKH FRQVROLGDWHG QRQ ILQDQFLDO VWDWHPHQW UHTXLUHGFEXGHUGWLEQOW
*URXSPDQDJHPHQW UHSRVSWHFLLWHGHWLQDW LQ DFFRUGDQFH ZLWK WKH SURYLVLRQV RI \$UWLF
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UHSRUW

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RIWKH)UHQFKWDU\ DQG)LQDQFLDO &RGGHDFRLGHU PRSQWHSDLUHHGHXQGHU WKH UHVRQVLELOLW\ I
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\VbLWb UHODWHV WR FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV RXU ZRUN LQVFWWHPHQWV
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'XH WR WHFKQLFDO OLPLWV UHODWHG WR WKH PDFUR WDJJLQJ RI WKHWKRQVXRUSGHDQHGVLQJ
HOHFWURQLFW WKH FRQWHQW RI VPHFLILF WDJV RI WKH QRWHV WR WKH FRQVROLGDWHG IL
UHSRUW

,QDGGLWLRQ ZH KDYH QR UHVSRQVLELOLW\ WR YHULI\WKWKWZLWKH XFRQVROLGDWHGWEHE LQFDQXGLH
LQWKHQQXDQDQFLSDRUWWHGWK \WKXHLQ DJUHHPHQWKWKZKH KDYH SHUIRUPHG RXU ZRUN

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:H ZHUH DSSRLQWHG DV VWDWXWRU\ DXGLWRUV RI WKH &RPSDQ\ E\ WKH $QQXDO*HQHUDO 0HHWLQJ RI WKH 6KDUHKROGHUV
DQG&RQVXOL IR3UL FHZDWHUKRXVH&RRSHUV

$V DW 'HFHPEHU $VVRFLDWHV3 3UL FHZDWHUKRXVH&RRSHUV $XGLWRUVZHUHHQG XQLQWHUUXSWHGWHQXUH

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,QSUHSDULQJ WKH FRQVROLGDWHGILQDQFLDO VWDWHPHQWV PDQDJHPHQW LV UHVSRQVLEOH IRU DVVHVVLQJ WKH &RPSDQ\ V DELOLW\ WR FRQWLQXH DV D JRLQJ FRQFHUQ GLVFORVLQJ DV DSSOLFDEOH PDWWHUV UHODWLQJ WR JRLQJ FRQFHUQ DQG XVLQJ WKH JRLQJ FRQFHUQ EDVLV RI DFFRXQWLQJ XQOHVV PDQDJHPHQW HLWKHU LQWHQGV WR OLTXLGDWH WKH &RPSDQ\ RU WR FHDVH RSHUDWLRQV

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7KHFRQVROLGDWHGILQDQFLDO VWDWHPHQWV\HHQGWKH %RDUGHFWRUV

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2XUREMHFWLYHV VVXH D UHSRUW RQ WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV 2XU REMHFWLYH
FRQVROLGDWHGILQDQFLDO VWDWHPHQWV IUHH IURP PDWHULDO PLVVWDWHPHQW 5HDVRQDEOH DVV
QRW D JXDUDQWHHDQG LW FRQGXFWHG LQ DFFRUGDQFH ZLWK,6$V PDWHULDO PLVVWDWH
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H[SHFWHGLQGLYLGXDOO\ RU LQ WKH DJJUHJDWH WKDW

$VVHFLILHG LQ $UWLFOH / RI WKH)UHFK &RPPHUFLDO&RGH DQG RXUVXUDQFHRSLQLRQ
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$VSDUW RI DQ DXGLW FRQGXFWHGLQDFFRUGDQFHZLWK,6$V WKH
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- ,GHQWLILHVDVVHVVHV WKH ULVNV RI PDWHULDO PLVVWDWHPHQW RI WKH FRQVROLGDWHG ILQ
DQGSHUIRUPV DXGLW SURFHGXUHV UHVSRQVLYH WR WKRVH ULVNV DQG REWDLQV DXGLW HYL
DEDVLV IRSLKQLQJ 7KHRWLGHQWLFDWLRQ RI D PDWHULDO PLVVWDWHPHQW UHVXOWLQJ IURP IUDX
DVWUDWHJLHV\LQYROYLQJ FROOXVLRQ IRUJHU\ LQWHQWLRQDO RPLVVLRQV
- 2EWDLQV XQGHUVWDQGLQJ RI LQWHUQDO FRQWURO UHOHYDQW WR WKH DXGLW SURFHGXUHV
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- $VVHVVWHKVH DSSURSULDWHQHVV RI PDQDJHPHQW V XVH RI WKH JRLQJ FRQFHUQ EDVLVRIDFF
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FRQGLVPLDORQVDXVH WKH &RPSDQ\ WR FHDVH WR FRQWLQXH DV D JRLQJ FRQFHUQ ,I WKH VWD
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LI XFKLVFORVXUHVDUHLQDGHTXDWH WR PRGLI\ RXU RSLQLRQ H[SUHVVHG WKHUHLQ
- (YDOXDWHWKHV RYHUDOO SUHVHQWDWLRQ VWUXFWXUHDQG FRQWHQW RI WKH &RPSDQ\ V
XQGHUVWDQGLQJ VDFFRXQWLQJ PDWWHUV DQG WKH EDVLV RQ WKDW DFKLHYHV IDLU SUHVHQWDWLRQ
- 2EWDLQVXIILFLHQW DSSURSULDWH DXGLW HYLGHQFH UHJDUGLQJ WKH ILQDQFLDO LQIRUPDWLRQ
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VWDWHPHQWV

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:H VXEPLW WR WKH $XGLW 5LVN DQG &RPSOLDQFH&RPPLWWHH

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2XUHSRUW WR5WKH DXGL&RPPLWWHRILQDQFH &RPPLWWHHRI WKH %RDUG RI 'LUHFWRUV DQG WKH &RPSDQ\ RIILFHUV DUH WKHUHIRUH

:H DOVR SURYLGH WKH $XGLW 5LVN DQG &RPSOLDQFH &RPPLWWHH ZLWK WKH GHFODUDWLRQ FRQILUPLQJ LQGHSHQGHQFH ZLWKLQ WKH PHDQLQJ RI W)KHHQFK &RPPHUFLDO &RGH RI (WKLFDX GHUVWDQGLQJV DSSURSULDWH ZH $XGLWDQG&RPSOLDQFH WKH ULVNV WKDW PDWHULDOO\ DIIHFW RXU LQGHSHQGHQFH

1HXLOXU 6HQLQGH 3DU«LWHQW 0DUFK

7KH 6WDWXWRU\ $XGLWRUV

3UHZDWHUKRXVH&RRSHUV $XGLW 'HORLWWH $VVRFL«V
(GRXD'UHP DUFT 3DWULFN9LVVD

81$8',7(352b)250$),1$1&,$/ ,1)250$7,21

QWURGXFWLRQ

7KHXQDXGLWHG $FFRXQWDQWV¶ 5HYLHZ5HSRUW &RPSDQ\ ,QF5HYHQXHVDQG([SHQVHV%\&RPSDQ\&RPSDUDWLYH VHWV RXW WKH LQGHSHQGHQW ZKLFK &RPSDQ\ RXWHVWDEOLVKHG &RPSDUDWLYH VURbIRUPD VWDWHPHQWURP WKH DFTXLVLWLRQ RI FRQWUROOLQJ LQWHUHVW LQ \HDUHG 'HFHPEHUb 7KHQRWHV WKH 7UDQVDFWLRQ WKH 7UDQVDFWLRQ $JUHHPHQW DFFRPSDQ\LQJ WKH IROORZLQJ 3UHSDUDWLYH &RPELQHG)LQDQFLDO ,QIRUPDWLRQ ZLWK 5HVSHFW WR WKH 7UDQVDFWLRQV 3UHSDUDWLYH &RPELQHG)LQDQFLDO ,QIRUPDWLRQ 3UHSDUDWLYH FRQQHFWLRQ ZLWK WKH DFTXLVLWLRQ RI 7HOHSKXLUPUDQFH WKH 7UDQVDFWLRQV /X[HPERXUJ 6$ 0DMRUHO WKLV XQDXGLWHG SURbIRUPD)LQDQFLDO

6XPPDU\ 6WDWHPHQW RI 7UDQVDFWLRQ

7KH VXFFHVVLYH LQWHUHVW DFTXLVLWLRQ RIXQGHUO\LQJ &RPSDQ\ H[SORLWDWLRQ 7HOHSKXLUPUDQFH KH 0DMRUHO VKDUHV UHSUHVHQWLQJ

~ $SUbO 7HOHSKXLUPUDQFH DQQRXQFHG LWV LQWHQWLRQ WR ODXQFK D FKXEOLF WDNHRYHU ELG SD\DEOH LQ VKDUH FDVK 2Q 'HFHPEHU LQ VKDUHV RI WKH SXEOLF DFTXLVLWLRQ WKH HQWLUH VKDUH FDSLWDO /X[HPERXUJ 6$ 0DMRUHO DFTXLUHG WKH WHQGHU RIIHU SHULRG DUWLFOH RI WKH VDPH FRQGLWLRQV WKHUHDIWHU &RPSDQ\ PDQDJHPHQW

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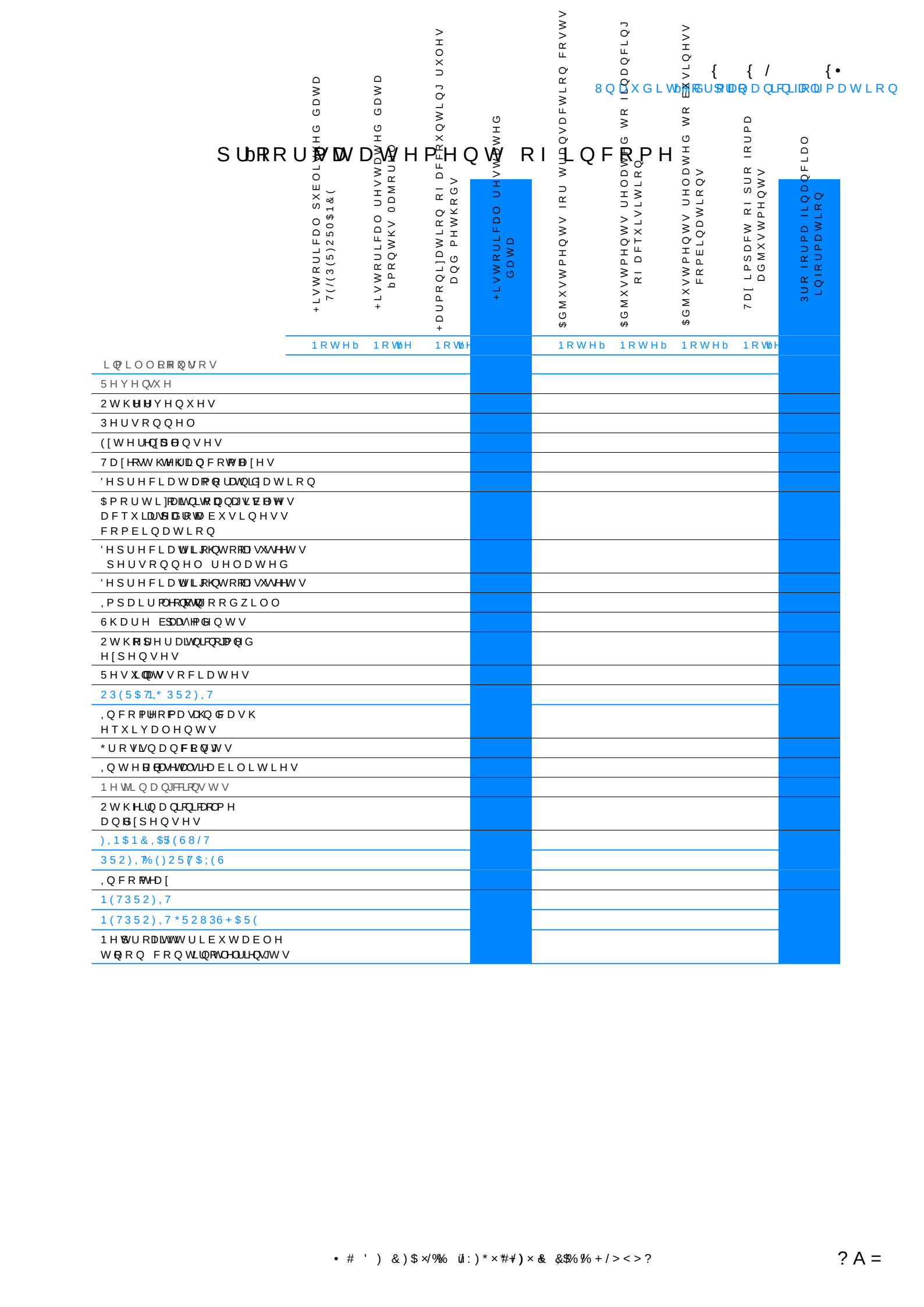
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1 R W W K H D U H F R P P S D Q \ I L Q D Q F L D O V W D W H P H Q W V

& R Q W H Q W V

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127(,QYHVWPHQWVLQDVVRFLDWHVDQGMRLQWYHQWXUHV
127(5HFHLYDEOHVDQGSUHSDLGDQGRWKHUDVVHWV
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127(&HQWUDOL]HGDFFRXQWLQJDQGSD\PHQW
127(,QFHQWLYHSODQVDQGVKDUHEDVHGSD\PHQW
127(2ZQVKDUHV
127(7$1*,%/($1',17$1*,%/($66(76
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127($FFXPXODWHGGHSUHFLDWLRQDQGDPRUWL]DWLRQ
127(([SHFWHGIXWXUHFDVKIORZV
127( ),1$1&,$/,167580(176
127(,QYHVWPHQWVLQDVVRFLDWHVDQGMRLQWYHQWXUHV
127(5HFHLYDEOHVDQGSUHSDLGDQGRWKHUDVVHWV
127(2:1 6+$5(6$1' 0$5.(7%$6('&203(16$7,21
127(2ZQVKDUHV
127(0DUNHWDEOHFXUULWLHV
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127(0$785,7<5(9(1 5(&(,9$%/(6
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127(%RQGVVXEVLGLDULHVDQG IUDQFKLVHV
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1RWH$FFRXQWSLUQLJQFLUSXOOHHV DQGbPHWKRGV

7KH VWDWXWRU\ VWDQGDUGHPLDQWV RI 7HOHSHUIRUPDQFH6(Q
WKH&RPSDQLHV EDVHG RQ LDQYIRUPDEWRQPW RVKH
SUHSDUDWLRQ RI FRQVROLGDWHG LQ FRPSOLDQFH QRb WKHHQHUDOBWDFFRXQWV
7KHDFFRXQWLQJ SULQFLSOHV DQG PHWKRGV SUHSDUDWLRQ VWDWHPHQWV LV
EDVLVVUHSRUWLQJ SULQFLSOHV

1RWH +LJKOLJKWKWKLQDQFLDO \HDU

$FTXLVLWLRQRI0DQRUHO 1RYHPEHUb

2Q$SULOb 7HOHSHUIRUPDQFHb6WDQGDUGVODXQFKHGDQHZ
ODXQFKOXQWDUWDSXEOLVKHGLQ WKH 1HWKHUODQGV
DFTXLVLWLRQRI WKH HQWLUH VKDUH FDSLWDO /X[HPERXUJ 0DMRUHO DFFXPXODWLQJ
WKHHRIGXVWRFDUH PDQDJHPHQW
8QGHUWKH WHUPVRI WKHDJUHHPHQWV DQ23$ 23(0DMRUHO
VKDUHKFRQVLGHUDWLRQ HLWKHU
~ WRUHFHLSWPHQWFDVK RI IRU HDFK VKDUH GLYLGHQG
~ WRUHFHLYH 7HOHSHUIRUPDQFH VKDUHFKDQJH UDWLR RI IRU HDFK VKDUH WHQGHUHGb 7HOHSHUIRUPDQFH VKDUH FDSLWDO WR D PD[LPXP QXPEHU RI FDSLWDOVWRFN RXOG ULHQ XDOLPXP SRWHQWLDO
RIb b 7HOHSHUIRUPDQFH VKDUHV bDMRUHO

7KH PDMRUVWDUHKROGHUVDMRUHO%HUWHOVPDQQ /X[HPERXUJ55/%HUWHOVPDQQ DQGb LL b 5HODWLRQVQYKLSWPHQWV /LPLWHG DQG 6DKDP /X[HPERXUJ55/ WRJHWKDP ZKLFKK FRQWUROOHG RI 0DMRUHOFDSVLWDOH KDG LUUHYRFDEO\ WKHRIIHU ULHQSHFWKRIU HQWHUHVWHO VKDUHKROGLQJV LQH[FKDQJH IRU 7HOHSHUIRUPDQFH VKDUHV ZLWKVKDHE\ PHQWLRQHG
7KEELGDVQLWLDWXVHRb
2Q 2FWREHU WKH RIHSULG\DWKDYLQJ REWDLQHG DSSURYDORV WKHOHYDQW DXWKRULWLHV 7HOHSHUIRUPDQFH GHFODUHG XQFRQGLWLRQDO WKH VKDUHKDG EHWHQ GHUHGWXKGRU\KH SRYDFFHSWHGb ZKLFK UDQ IURP 2FWREHU WKH 1RYHPEHU LQFOXVLYH 7HOHSHUIRUPDQFH DFTXLUHGSHUIRUPDQFH 0DMRUVHDUH FDSLWDO DQG YRWLQJ ULZKHWHUSURWHOHSHUIRUPDQFH RQ 1RYHPEHUb WUDQVIWRU7HOHSHUIRUPDQFH RQ 1RYHPEHUb H[HUFLVHTRHD]H RXW SURFHGXUH XQGHU /X[HPERXUJ WDNHRYHU ODZ

1RWH ,QYHVWPLHQWVXEVLGLDULHVOLDWHV

,QYHVWPHQWVXEVLGLDULHVOLDWHVUHFRJQL]HGIXUH JURZK DQGWSHURMXGEHGWRDEEOH IRU DFTXLVLWLRQVRWKHUHQWLWLHV FRQVVWHEHSURMXGEHGWRDEEOH
7KH&RPSDQ\ FDUULHV RXW LPSDLUPHQW WHVWV RI LWV LQYHVWPHQWV EDVHG RZVWKHUHQWLWLHV DQG DIILOLDWHV DW HDFK UHSRUWLQJ GDWH 7KH UHFRYHUDEOH
DPRXQW LQYHVWPHQWV LQ VXEVLGLDULHV DQGG KDOHZVWKHQHQWLW\ QHWSHW 7KH FDVK IORZV RI WKH ILUVW \HDU EXGJHW ZKHRLVH RI WKH WZR VXFFHHGLQJ\HDUV EDVHG RQ WKHVH IURPWKH WKUHH\HDU SODQV SUHSDUHG E\ WKH PDQDJHPHQW $W HFHPEHUb LPSDLUPHQW WHVWLQJ UHVXOWHG VXEVLGLDULHV DQG &RPSDQ\ &DSLWDO &RUSRUDWLRQ &RPSDQ\ &DSLWDO &RUSRUDWLRQ &RPSDQ\ &DSLWDO &RUSRUDWLRQ

1RWH 5HFHLYDUEROHWXEVLGLDULHV DQG DIILOLDWHV

/RQGVDGH WR JURXS FRPSDQLHV DUH SUHVHQWHG XQGHU WKH DKHLDGLQDWH
:KHQGHQRPLQDWHGFXUUHQF\ RWKHU DWKDQQDQWKHEWXEHGR FWRWLQJ UDWHV

1RWH ,QWHDEWWF KDQUHPDQDJHPHQW

7KH&RPSDQ[SRVHG[WRKDQJH DQG RU LQWHUHVWHQWDQG
WKURWKHRROWQJVDQGVDFWLRQV

~ ORDQVG ERUURZLQJV ZLWK LWV VXEVLGLDULHV DQG FXUUHQWDQG
FXUUHQF\ IRUPWUDQVDFWLRQV

~ UHFHLYDEOHVDQGDQGV ZLWK LWV VXEVLGLDULHV DQG
FXUUHQF\ IRUPWUDQVDFWLRQV

~ FHQWUDO]HG FDVK SRROLQJ DFFRXQWV GHQRPLQDWHG

~ ORDQVWRFLQDQFLQJVWLWXWLRQV

7KH&RPSDQ\ XVHV GHULYDWLYH ILQDQFLDO
DQXPEHULQ&RPSDQ\ DQG ZKHQ
H[SRVXW WKHVH ULVNV 7KHVH ILQDQFLDO
SULQFLSXUUHQF\ FXUUHQF\XDUHKDV
H[FKDQJHWLRQV LQWHUHVWUDWHV

,QFRPSOLDQFHWHJXODWRUb$1& GDWHG -XOb
WK&RPSDQ\ DSSOLHV KHGJH DFFRXQWLQJ ZKHQ
KDVEHHQ LGHQWLILHG LQ WKH PDQDJHPHQW
TXDOLILFUQJWHULD DUH&RPSDQ\ HFKHGL]HV

1RWH &HQWUDFWXDOJHDQGQDJHPHQW

$GYDQFHV IURP WKH &RPSDQUHFRDLWWQJVXERVWKHDFWLYHSWRKHUDUHFHLYDEOHQWR LQ
LQWKHRUDQQGL QDQFLEDEOLWLHV

1RWH ,QFHQWKLDYHZDUSGDQV

:KHQLQFHQWLYH VKDUHV YHVW EHQHILFLDU\UHFHLYHU WKURXWKHVVXH RI QHZ VKDUHV RU WKH WRUDQVIHUWKH &RPSDQ\ PD\ HEHRIWDQVILFHUV
$VDXWKRUL]HG E\ WKH %RDUG RI 'LUHFWRUV
-XQ\ DQG -XO\ QR SURYLVLRQ LV UHFRJQLVHG
SRWHQWLDOV[XOWRQ WUDQVIHU RI LQFHQWLYH
$ WRWDO RI VKDUHV PD\ EH LVVXHG
WKHXUHT XLUHRFQWUEQWG SODQV

,QFHQWLYH VKDUH DZKDHXG\SODQV SODQ

8QGHUWKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUV
RI$SDLO DQG VXEMHFW WR D FHLOLQJ RI
RIWKH &RPSDQ\ DW WKH JUDQWLQGDWHRUWKHP%RDUGLQJ RI

(IIHFWLYDHUG

2UJDQLHY QXRZK	/HVV WKDQ	+LJKHU WKDQ WR b	+LJKHU WKDQ WR b	+LJKHU WKDQ WR b

7KHYHFRSHGUIRUPHDQLFWHZLLVRQ D ZHLJKWLQJ RI LV EDVHG RQFDWKH I'URRZXSWRFIX'HHFDHPEHUVH IUHH

(IIHFWLYDHUG

)UHHDVKRZ	/HVV WKDbELOOLRQ	%HWZHHQ DQGHWZHHQ EILOOLRQUV	%HWZHHQ DQGHWZHHQ EILOOLRQUV	+LJKHU WKDQ WR bELOOLRQ

7KHWKLUG SHUIRUPDQFH WHULUKFDLZHLUKWQJEHRQH FKLHYbQJDQGRSHRSHQKRXVH JDV UHGXFWLRQV RI
SHUHPSOR\EHEVHG RQ WKH QXPEHU IXOO WLPH HTXLHYDOHQGQWV EHWZHQHEQSDWKZQQG DSSURYH
6FLHQ%DVHGUJHWV LQLWLDWLYH 6%7L

(IIHFWLYDHUG

(QYLURQPHQWUEWDN&HSRQ	/HVV WKDQ	%HWZHHQ DQGG	%HWZHHQ DQGG	+LJKWKDQ RUHTXDO WRb

7KHRXUWK SHUIRUPDQFH FULWHULRQ ZLWK D ZHLJKWLQJ RIVWDILVWLFDOO\ VLJQLILFDQW
-DQXDU\ WRHFHPEHU

(IIHFWLYHDUG

,Q KRXVHSURPRWLRQV	/HVV WKDQ	%HWZHHQ DQG	%HWZHHQ DQG	+LJKHUWKDQ RU HTXDO WR

7KHILIWK SHUIRUPDQFH FULWHULRQ LVZLWKVWDQGLQJWKHOLQHDULWRI SHUIRUPDQFHbRIVWKUHH7SHOHFHU
FRPSHQVDWLWKKRWWKH &$&b LQGH[RYHU HDFK RI WKH WKUHH \HDUV RI WKH SODQ

(IIHFWLYHDUG

5HODWLYHUPRUPEQFWKH SVKLFUHH	/HVV WKDbEDVLV SRLQWVbbEDVLV SRLQWVbbEDVLV SRLQWV	%HWZHHQ	%HWZHHQ	+LJKHU WKDQ

7ZRDGGLWLRQRQDOLFRQGLWLRQVWURHUJDQLF UHLYHQXH OHUDWZWK DQGIOWKZDWKRXHG FQRVW EH OHV
bELOOLRQ

,QFHQWLWKDHDZDUSGDQ7KH -XO\b DQG -XO\b SODQV

8QGHUWKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUV PHHWLQJ RI SHUIRUPDQFH VKDUHV DQG VXEMHFW WR D FHLOLQJ RI SHUIRUPDQFH VKDUHV
RIWKH &RPSDQ\ DW WKH JUDQWLQGDWH RUWKH HTXLYDOHQW RI VKDUHV
-XO\ DSSURYHG IUHH DZDUGV RI LQFHQWLYH SODQ VK
WRWDOPRXQW RI b VKDUHV WR JURXS SHUVRQQHO LQFOXGLQJ
FRPSDQLHV
(IIHFWLYH WUDQVIHUHU VKDUHKROGHUV WR SHUIRUPDQFH
FRQGLWLRQDOHQHILFLDOZQHUVKLSXHVGHQFH
7ZRDGGLWLRQDO LGLQJ FRQGLWLRQV JDQF
JURZWK DW OHDVW DQG WKDW IUHH FDVK
WKDQbELOOLRQ
8QGHUWKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUV *HQHUDO 0HHWLQJ
RI0D DQG XEMHFW WR D FHLOLQJ RI RI WKH VKDUH FDSLWDO RI
2WKHUJQLILFDQWRUHVKDUHKROGHUDQ DRGHOLYV

(IIHFWLYH WUDQVIHUHU VKDUHKROGHUV WR SHUIRUPD
FRQGLWLRQDOHQHILFLDO RZQHUVKLSXHVGHQFH
7ZR DGGLWLRQDO RYHUGLQJ FRQGLWLRQV DUH W
LQW OHDVW DQG WKDW IUHH FDVK
RIIILFHU ZLWK WKH DOORFDWLRQ RI bSHUIR
VDPH RHDWXUHVDEVRYH PHUHDWLRQGHG
RI WKH YHDUV *HQHUDO 0HHWLQJ
RI WKH VKDUH FDSLWDO RI

	7KH 3ODQ	7KH 3ODQ	7KH 3ODQ
'DWHRIEDUGHWLDQOORFDWHGZKHQGUGV			
/HQJWKRKYHVWSHULRG	b\HDUV	b\HDUV	b\HDUV
*UDQGDWH			
'DWHRIYHVWLQJ			
,QLWLDOXPEHRIVKDUHGV			
LQFOXGEHRJPDQ\ILFHUV			
1XPEHRUVKDUHVWHOLQJ\			
1XPEHRUFDQFHOHGGUGV			
%DODQRIRXWVWDQGLQJHDUGWKHHSRUWDQJH			
)DLUYDORIHDFKSHUIRUPDQFH VKDUH JUDQW GDWH WDNLQJLQWRFRQVLGHUDWLRQ			
)DLUYDORIHDFKSHUIRUPDQFH VKDUH JUDQW GDWH ZLWKRXWLQWRFRQVLGHUDWLRQ			
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(%,7'$JLQ	$W WHQG RI'HFHPEHUb		
)UHHDVKORZ		)URP WR	)URP WR
3HUIRUPDQFKWKDSUHLFH LQ H[FHVV RI WKH UHIHUHQFH LQGH[	2YHUHDUV &$&b	2YHUHDUV &$&b	2YHUHDUV &$&b
(QYLURQPHQWLEWDWHGRQ		2YHUHDUV	2YHUHDUV
5DWLRQ KRXVHDII SURPRWLRQV			)URP WR
H[SHQVLPLOOLRQXUV			

,QFHQWLYH VKDUH DZDUG SODQV 7KH G[WHQVLRQ QDQWVSODQ

8QGHU WKH DXWKRUL]DWLRQ JLYHQ DW WKH 6KDUHKROGHUV 0HHW RI 0D\b DQG VXEMHFW WR WKH &RPSDQLHV &UHDWH WKH %RDUG RI 'LUHFWRUV PHHWLQ Rb WKH &RPSDQLHV &UHDWH WKH %RDUG RI DSSURYHG VKDUH DQG LQFHQWLYH WUDQVIHU RI W Rb XD\ DSSURYHG

~ IUHEZDUGV WR WRWDO DPRXQW RI SODQb VKDUHKROGLYH WRRURXSHUVRQQHOCKRSDQ\ RIILFHUV DQG

~ WKHHWWLQD XSRQ WHUP LQFHQWLYH SODQ RILFHZLWK WKH IURHH DZDUSHUFRUPDQFH VKDUHV WKHDPHHWXVHWKH DERYH IRHQZDUSHUFRUPDQFH VKDUHV

(IIHFWLYH WWXBIIHUHZDFRQGLWLRQDO RQ SHUFRUPDQFH FRQGLWRRb WKHLU UHDOL]DWLRQ %HQHILFLDRUQWVXHG SUHVHQFH ZDV DOVR UHTXLUHG HQGHXb\ 7KHQXPEHUDQGFULJRVDHUWUDQVIHUUHG ZDV

~ bQHZKDHUV

~ bWUHDWKDUHV

1RWH 2ZQVKDUHV

6KDUHKROGHUV LQWHQGHG WR EH UHVROXWLRQ LQWHQGHG WR EH UHVROXWLRQ DVVLQDQFHb WKHLU HIIHFWLYH

2ZQVKDUHOVRQZQWDVHDXU\ VKDUHV DOLHTXLGHQRQGLVHUHZDUHV DJUHHPHQWKHDQGWKHDUH SUICH RU VHSHFLILFV\SODQ DV ZHOO DV RZQ VKDUHV KHO DOORFDWRYHGDWLVI\ WKH IXWXUH UHTXLUHPHQWRQWKHDWH EXUHLWKWKHRV W H[HHGVSUICHWKHRWH GDWH

1RWH7DQJLEOHQHW LQWDQJLEOHVHWWLQHG

LQVWUXPHQWGHVFULSWLRQ	$FFXPXODWHGRWKHU &RPSUHKHQVLYHLQFRPHORVV1HW
,QWDQJLEOHDVVHWV	
7DQJLEOHQHWDVVHWV	
~ODQG	
~EXLOGLQJV	
~RWKHU	
727$/	

1RWH &RVW

LQVWUXPHQWGHVFULSWLRQ	$W	,QFUHDVHV'HFUHDVHV$W
,QWDQJLEOHDVVHWV		
7DQJLEOHQHWDVVHWV		
~ODQG		
~EXLOGLQJV		
~RWKHU		
727$/		

1RWH $FFXPXODWHGRWKHU&RPSUHKHQVLYH,QFRPH DQG'LVFORVXUHRI&HUWDLQ &RPPRQ &RQWUROOHG &RPSDQLHV

LQVWUXPHQWGHVFULSWLRQ	$W	,QFUHDVHV'HFUHDVHV$W
,QWDQJLEOHDVVHWV		
7DQJLEOHQHWDVVHWV		
~ODQG		
~EXLOGLQJV		
~RWKHU		
727$/		

1RWH ([SHFWHG XVHIXO OLYHV

$OWDQJLEOH DQG LQWDQJLEOH IL[HG DVVHWVDUHGHSUHFLDWHGRQDVWUDLJKWOLQHEDVLVRYHUWKHLUHVWLPDWHGXVHIXOOLYHVDVIROORZV DQG H[SHFWHGXVHIXOOLYHVDUHDVIROORZV

	([SHFWHGXVHIXO OLIH
,17$1*,%/(,;(' $66(76	
~VRIWZDUH	b\HDUV
7$1*%/(,;(' $66(76	
~EXLOGLQJV	b\HDUV
~EXLOGLPSURYHPHQWV	b\HDUV
~,7HTXLSPHQW	b\HDUV
~RWKHU	b\HDUV
BPLVFHOODQHRXVHPHQWV	b\HDUV
BDXWRPRELOHV	b\HDUV
BRIILFHXQLWXUH	b\HDUV

$FFRUGLQJO\QRJDLQRUORVVKDVEHHQUHFRJQLVHGLQUHVSHFWRI FRPSRQHQW

1 R W H) L Q D Q FIL[DHGV V H W V

&267

LQVWUXPHQWV	$W	,QFUHDVHV'HFUHDVHVW
,QYHVWPHQWVLGDQGLHVOLDWHV		
5HFHLYDEOHVXEVLGLDULHV DQG DIILOLDWHV		
2WKHU		
727$/		

6HHQRWH

$&&808/$7(,'03$,50(17 /266(6

LQVWUXPHQWV	$W	,QFUHDVHV'HFUHDVHVW
,QYHVWPHQWVLGDQGLHVOLDWHV		
5HFHLYDEOHVXEVLGLDULHV DQG DIILOLDWHV		
2WKHU		
727$/		

1 R W H , Q Y H V W PLHQQ WXE V LDGL UHLVO L D W H V

*URVVPRXQWDQXU\ LQ WKRXVDQGV RI HXURV	
6XEVFULSWLRQRUGLQDU\VKDUHVSLWQDUHV $FTXLVLWLRQV	
$FTXLVLWLRQRWKHU	
2WKHUHTXLVLWLRQV	
7HOHSHUIR1URPDQFHKDQJHV	
'LVSRVDOVKDUHVGDTXLRQV	
*526662817$7'(&(0%(5	

7KHWUDQVDFWLRQVDPRQQWDQXU\ LQ WKRXVDQGV RI HXURV DFTXLVLWLRQ FRVW

7KH LPSDLUPHQWQWLQJ UHVXOWHG LQ WKH IROOORZLQJ FKDQJHVRQWKHRVQW RI DFFXPXOD

LQVWUXPHQWV	,QFUHDVH 'HFUHDVH
7HOHSHUIR(UPSDQFH	
'LUHFWDWD5UXVVLD	
7HOHSHUIR,QPDQFHGLDWLRQ	
7HOHSHUIR)UPDQFH	
7HOHSHUIR1URPDQGLFH	
7HOHSHUIR7UFKDQJHH	
7HOHSHUIR0DQDQFH 6HUYLFHV	
7HOHSHUIR0DQDQFHV FDU	
7HOHSHUIR*UHPDQ[HPERXJ	
727$/	

7KHSULQFLSDOVRXQWSDWHGHFILF WR HDFK JHRJUDSKLFDO]RQH DUH DV

- 8QLWHGJRP
- &HQWUDO(XURSH
-)UDQFH
- 1RUWKHUQ(XURSH
- 6RXWKHUQ(XURSH
- ,WDO\
- 6SDLQ

,QFUHDVHV DQG GHFUHDVHV LQ SURYLVLRQV OLDELOLWLHV DQG DIILOLDWH[HSHQVHV DQG VXEVLGLDULHV DQG DIILOLDWHV LQFOXGHG

1RWH 5HFHLYDEOHV DQG DIILOLDWHV

7KH&RPSDQ\ KDV PDGH D QXPEHU RI ORDQV WR DIILOLDWHG FRPSDQLHV LQ UHODWLRQ WR WKHLU LQFRUSRUDWLRQ RI bPLOOLRQ FRQYHUWLEOH

~ 7HOHSHUIRUPDQFH6 / b&R* RI bPLOOLRQ

2Q 1RYHPEHUb 0DMRUR S /X[HPERXUJb6$ LQWHUHVW DORQJ WLWK 7HOHSHUIRUPDQFH6 .* LQ RUGHU SURGXFH PHQWDU\ bPLOOLRQ DQG bPLOOLRQ

VDOHDSSURSULDWHO WKH VKDUH FDSLWDO RI 'HXWVFKb*PE+ E\ 0DMRUR S /X[HPERXUJb6$ 7HOHSHUIRUPDQFH6 2Q'HFHPEHUb WKHRDUG RI GLUHFWRUV /X[HPERXUJb6$ GHFODUHG DQ LQWHULP GLYLGHQG bPLOOLRQ WR 7HOHSHUIRUPDQFHb6(7KHGLYLGHQG ZDV SDLG RQ 'HFHPEHUb RILWV UHFHLYDEOH GXH IURP 7HOHSHUIRUPDQFH .* WR

~ 7HOHSHUIRUPDQFH6 / b&R* RI bPLOOLRQ

2Q 1RYHPEHUb 0DMRUR S /X[HPERXUJb6$ LQWHUHVW DORQJ WLWK 7HOHSHUIRUPDQFH6 .* LQ RUGHU SURGXFH PHQWDU\ bPLOOLRQ DQG bPLOOLRQ

VDOHDSSURSULDWHO WKH VKDUH FDSLWDO RI 'HXWVFKb*PE+ E\ 0DMRUR S /X[HPERXUJb6$ 7HOHSHUIRUPDQFH6 2Q'HFHPEHUb WKHRDUG RI GLUHFWRUV /X[HPERXUJb6$ GHFODUHG DQ LQWHULP GLYLGHQG bPLOOLRQ WR 7HOHSHUIRUPDQFHb6(7KHGLYLGHQG ZDV SDLG RQ 'HFHPEHUb RILWV UHFHLYDEOH GXH IURP 7HOHSHUIRUPDQFH .* WR

~ 'XWVFKH7HOHSHUIRUPDQFH6 / b&R* RI bPLOOLRQ

~ 0DMRUR S /X[HPERXUJb6$ LQWHUHVW DORQJ WLWK 7HOHSHUIRUPDQFH .* LQ RUGHU SURGXFH PHQWDU\ bPLOOLRQ

~ /X[HPERXUJb6$ LQWHUHVW DORQJ WLWK 7HOHSHUIRUPDQFH6 / b&R* RI bPLOOLRQ

LQVWUXPHQW	$W	,QFUHDVHV'HFUHDVHV	$W	$PRXQW GXH DIWHU RQH \HDU
/X[HPERXUJ&RUSRUDWH6HFWRUV				
//68.				
7HOHSHUIRUPDQFH6				
6HUYLFH5RXPDQLD				
/LRQHOHVH&ODVVLFHV				
7HOHSHUIRUPDQFH				
7HOHSHUIRU-DSDQ				
7HOHSHUIR&DPERGLD				
7HOHSHUIR0DUNHWDFFHVV				
:LELORQJ				
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0DMRUHX[HPERXUJXSb6$				
0HWLV				
7HOHSHUIR%URDGQLFD				
7HOHSHUIR*HRUJHWRZQ. & R				
7HOHSHUIR*URXSHH				
7HOHSHUIR,QIRGRQHVLD				
7HOHSHUIR,QWHUQDWLRQDO				
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,QDFFRUGDQFH ZLWK WRKH SUHWLXFLQHPHQWV DQG 5 RI WKH)UHQWKR &RKPHHMUFLVLDWLRQ DVVHVVPZHQWEVLQJ \RXUDRWKHQWLRQDXGLUV UHOBWLQHUL DQLVVWDWHPHQW WKDW LQ RXU ZHURHPRVWLJQILLQQFHU DXGLW RI WKH ILQDQFLDO VWDWHPHQWV 7KHVHDWWHUV ZHUHLQGWKUHHPRQWKRXU[DXGLW RIVWKHHLHQWDQWZLKROH DQG LQ IRUPLQJ RXU RSLQLR GRQRSWURYLGHSDUDWHRSLQLRQVRQWKHVHLILF LWHPV RI WKH ILQDQFLDO VWDWHPHQWV

$FTXLVLWLRQ RI 0DMRUHO

1RWHV 0DMRU\HDUHQWV RQ WKHVHWPHQWV LQ VXEVG&KLDQJLHV LQ DQG DUHLKORODWHUW HTXLW\ WR WK

,GHQWLILHG

$VLQGLFDWHG LQ 1RWH 0DMRU HYHQWV RI WKH \HDU 7HOHSHUIRUPDQFH DFTXLVLWLRQ RI0DMRUHO *URXS /X[HPEXUJ IRU D WRWDO DFTXLVLWLRQ FRVW RI PLOOLRQ QOLRQ GHULFWV WHUPV WKXEOLF 2IIHU WKH FRQWULEXWHG VHDQWRBUHHGVKDQG VRDUPHQW DQG YLD WKH LVVXH 7HOHSHUIRUPDQFH DFTXLVLWLRQ DOVR LQFOXGLQJ WKH LVVXH PREHPL

&RQVLGHUWKHJPDWHULDOLW\ RI WKH 0DMRUHO DFTXLVLWLQQRQ7HLHBHEBHQDQRQDQWHPHQ ZHF RQVLGWKHDFFRXQWLQJ WUWRQVEHNWLRQDXGLWHU

2XUDXGLWSURFHVV

2XUFRPPLWPHQWV

- REWDLQLQJXQJHUVWDQGLQJ RI WKH GHFLVLRQV DQG GRFXPHQWV RQ EHKDOI RI WKH
- DVVHVVLQJ DFFRXQWLQJ WUHDWPHQW RI WKH 0DMRUHOLVWHG %HUWHOVPDQQ &RQWLQHQWDO 6DKDP &XOWHPHVUP EHQGDVW /XEHURXJ 6DU O 6DKDP &XOWHPHVUP EHQGDVW /XEHURXJ 6DU O DQG 0DMRUHOLVWHG %HUWHOVPDQQ &RQWLQHQWDO 6DKDP &XOWHPHVUP EHQGDVW /XEHURXJ 6DU O DQG WKH LPSDFW RI WKH GHFLVLRQV
- YHULILQJ WKH RZQHUVKLS RI DVVHWV
- DVVHVVLQJ WKH JRRGZLOO DQG WUHDWPHQW RI WKH WUDQVDFWLRQ
- YHULILQJ DSSURSULDWHQHVV RI WKH GLVFORVXUHV LQ WKH QRWHV WR WKH ILQDQFLDO VWDWHPHQWV

0HDVXUHPHQW LQ VXEVLGLDULHV

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,GHQWLILHG

$SRI 'HFHPEHU LQYHVWPHQWV LQ VXEVLGLDULHV ZHUH UHFRUGHG LQ WKH EDODQFH VK RIWRDVVHWV

<RX&RPSDQ\ DVVHVVHV WKH YDOXH LQ XVH RI LWV LQYHVWPHQWV LQ VXEVLGLDULHV DW HDFK &RPSDQ\ KDV EHHQ HTXLW\ LQ HDFK LQYHVWPHQW SRVVLEO\ UHYDOXHG RU RQ WKH EDVLV RI GLV GHEWXUH FDSK IORZV DUH GHWHUPLQHG RYHU D \HDU SHULRGV H[WUDSRODWHG WKURXJKRXW HQGHG WKH FDSK IORZV IRU WKH \HDU HQGHG < DQG < DUH EDVHG RQ WKH WKUHH \HDU SO DSSURYHG GURXS PDQDJHPHQW WKURXJKRORZZLQJ WR \HDUVWKHUHDIWHUGHDU SODQ RQ WKH ED SURILWDWHV FRQVHDGHUDEOH IRU WKH UHODWHG VXEVLGLDULHV 7KH WHHDVWLQDWHG VXEXPHV DV ED SHUSHWXDO WR LQIODWLRQ

,I WKH YDOXH LQ XVH RI LQYHVWPHQWV LQ VKHZEVLGLDULHV DLPRXOWHUDQHRZHUKPSDWKPHQW ORVV 'HFHPEHU WKH LPSDLUPHQW WHVWLQJ RI LQYHVWPHQW RZQHUVKLS LQWHUHVWV DQG ILQDQFLDO

:H FRQVLGHUHG WKH PHDVXUHPHQW RI LQYHVWPXQGLWW PDWWXEXKHGLDULHV DQG DIILOLDWHV &RPSDQLHV DQG &RPSDQ\ VKHHW RI EDODQFH VKHHW DVVHWV LL0DQDJHPXRQWHQW &RPSDQ\ GLVFRXQWHVXSWLRQV LLL WKH VHQVLWLYLW\WRKHWDGHRBWHDGXPXPWLRQV

2XUDXGLWSURFHVV

)RUWKHJIQILFDQWLQYHVWPHQWXEVLGLDULHV ZKLFK D VHFLILF UKDVN ERHLQJ LQFOXGHG RXU ZRUN F

- 2EWDLQLQJXQJHUVWDQGLQJ RI WKH YDOXHLQQYHVWPHQWV E\ ZKLFK WKH YDOXH &RPSDQ\ HVWLPDWHG
- DVVHVVLQJ WKH UHDVRQDEOHQHVV RI DQG GDWD XVHG WR DSSURYLGH WKH &RPSDQ\ V
- :KHWKHU DOLQHVHKDEHHQ VHOHFWHG &RPSDQ\ V &RQWHPSRUDU\ DGMXVWHG DV
- BDUHFRQFLOLDWLRQWKLRQ HTXLW\ XVHG IRU LPSDLUPHQWWHVWLQJ DQG WKH UHODW
- BDQDVVHVVPHQWH DSSURSULDWHQHVV RI DQ\ UHYDOXDWLRQ PDGH
- :KHWKHU DOLQHVHKDEHHQ XVLQJ WKH &RPSDQ\ V &RQWHPSRUDU\
- BE[DPLQLQJ WKH GLVFRXQW KDWHV HQG XVHG WRGLVFRXQW WKH HVWLPDWHG
- BDVVHVVLQJ WKH DSSURSULDWHQHVV RI WKH &RPSDQ\ WR HVWLPDWH IXWX
- BUHFRQFLOLQJ WKH GLVFRXQW UDWHV DQG LLL GLVFRXQW UDWHV
- BUHFRQFLOLQJ WKH GLVFRXQWHGFDVKIORZ LPSDLUPHQW PRGHO WR WKH
- YHULIWLQJ SURSULDWHQHVV DQG DFFXUDF\ RI DQ\ DGMXVWPHQWV

6SHFLYIHLFILFDWLRQV

:HKDYHQRWIRUPHGFRQGDQFH ZLWK SURIHVVLRQDOVWDQGDUGVFDSSOLFDEOHUHTXLUHG E

9HULILFDWLRQRIKRQPDQDJHPHQW UHSRUW DQG RI WKH RWKHU GRFXPHQWV ZLWK UH DQGWKHLQDQFLDOVWDWHPHQWV SURYLGHG WR WKH VKDUHKROGHUV

:H KDYH QR PDWWHUVWRVKUHSRUW SDUWWKHRQDWLWKQDFQGZLWK WKH ILQDQFLDO PDQDJHPHQW UHSRUW RI WKHQ%RDQGGWKH 'LUHFWRUVFXPWKQWVVLQDWWKFLDOVSRWWWRQ DQG WKH ILSURYLGWKHKDUHKROGHUV

:H DWWWKVW IDIU SUHVHQWDWLRQ DQG WKH FRQVLVWHQF\ ZLWK WKH ILQDQFLDO VWDWHPHQ XQGHUWLW'FOHRIWKH)U&RFFKUFLDO &RGH

5HSRUWLQJ RUSRUDWH JRYHUQDQFH

:H DWWHVW WKDW WKH %RDUG RI 'LUHFWRUV UHSRUW RQ FRUSRUDWH JRYHUQDQFH VHWV R
DQG RIWKHU HQWLWLHV &RPPHUFLDO

&RQFHUQLQJ LQIRUPDWLRQ JLYHQ LQ DFFRUGDQFH ZLWK WKH UHTXLUHPHQWV RI $UWLFOH /
UHPXQHUDWLRQ GLVFORVXUHV IRU WKH GLUHFWRUV DQG DQ\ RWKHU FRPPLWPHQWV PDGH
WKHLQ DQVZHULQJ UHVROXWLRQV RQ WKH DFFRXQWLQJ UHFRUGV XVHG IRU WKH SUHSDUDWLRQ RI WKH IL
LQIRUPDWLRQLVHG E\ \RXU &RPSDQ\ IURP FRPSDQLHV FRQWUROOHG E\ LW WKDWZRXOWH ZLWKL
ZHDWWWHVWHDFFXUDQFHGDLQHVLRIRUWKDWLRQ

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H[FKDQJHU SURYLGHG SXUVXDQW WR)SHQVFKRPPHUFLDOI &RPPLWPHQWKHWHDWKUHHVHXUH GRF
FRPPXQLFDWLRQVHGDVHQRXURN ZH KDYH QR REVHUYDWLRQV PDWLRQ NH RQ WKLV

2WKHUQIRUPDWLRQ

,QDFFRUGDQFH ZLWK)UHQFK ODZ ZH KDYH YHULILHG WKHWHVFRKWUHQLHGLQWHUHVWVWLRQ GF
VKDUHKDQGHOGHUVGHWKHRWLQJKWV KDV EHHQ SURPHUO\ GLVFHSRVHG LQ WKH PDQDJHPHQW

2WKHUJDQ6HJXODWRU\ 9HULILFDWLRQV

)RUPDWS UHVHQWDWLRQLQDWLRQOLQWDQEOPHQWV LQWHQGHG WRQEHDQEXQGHGLQ UWKHUPDWLRQ

:H KDYH DOVR YHULILHG LQ DFFRUGDQFH ZLWK WKH SURIHVVLRSDUHVRXUFHGEEC
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%DVHGQ WKH ZRUN ZH KDYH SHUIRUPHG ZH FRQFOXGH WKDW WKH SUHVHQWDWLRQ RI WKH IL
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:H KDYH QR UHVSRQVLELOLWWKDW WKH ILQDQFLDO VWDWHPHQWV WKDW ZLQQDXDQDWLFLDOHUHSRU
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$SSRLQWPHQW RI WKH 6WDWXWRU\ $XGLWRUV

:H ZHUH DSSRLQWHG DV VWDWXWRU\ DXGLWRUV DQQXDO 7HQHSHULRUHPDQFH 6KDEDG'WRQRLXQWH $VVRF
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$VWHFHPEHU 'HORLWWH $VVRFL«V DQG 3UFHZDWKWHWKRXVH&RRSHUV DZLHDHQGLQLVW \HDU F
HQJDJHPHQWSHFWLYHO\

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IUHHRPDWHULDOPLVVWDWHPHQWV

,QSUHSDULQJ WKH ILQDQFLDO VWDWHPHQWV WKHLU &RPPLWWHH LV UHVSRQVLEOH &RQWLQXLQJ
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WK&RPSDQ\WRRDVHUDWLRQV

7KH$XGLW 5LVN DQG &RPSOLDQFH &RPPLWWHH LV UHVSRQVLEOH IRU KHPRQLWRULQJ RI
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2EMHFWLQDQGGLSURDFK

2XUROH LV WR LVVXH D UHSRUW RQ WKH ILQDQFLDO VWDWHPHQWV 2XU REMHFWLYH LV W
VWDWHPHQWVQDVZKROH DUH IUHH IURP PDWHULDO PLVVWDWHPHQW 5HDVRQDEOH DVVXUDQFH
DXGLERQGXFWHG LQ DFFRUGDQFWLDQGVUVRZLHVVLRQDOLDGHPLFFWWDWHPHQW ZKHQDQWDLLVWV
IURPUDXG RUDEGUURUH FRQVLGHUHG PDWHULDO LI LQGLYLGXDOO\ RU LQ WKH DJJUHJDWH W
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$VVSHFLILHG LQ $UWLFOH / RI WKH)UHQFK &RPPHUFLDO&RGH WKH DXGLWRU KDV
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- ,GHQWLIIHVVHVV WKH ULVNV RI PDWHULDO PLVVWDWHPHQW RI WKH ILQDQFLDO VWDWHP DXGLWRFHGXUHV UHVSRQVLYH WR WKRVH ULVNV DQG REWDLQV DXGLW HYLGHQFH FRQVLGHU RSLQLRKUHWXUQRW GHWHFWLRQ ULVN RI PDWHULDO PLVVWDWHPHQW UHVXOWLQJ IURP HUU LQYROYHOXQWDULO\RPLVUHSUHVHQWDWLRQV
- 2EWDLQV XQGHUVWDQGLQJRIQWHUQDO UHOHYDQWRUWRDXGLW SURFHGXUHV WKDWDUH DSSURSULDWH LQ WKH FLUFXPVWDQFHV
- (YDOXDWHV DSSURSULDWHQHVV RI DFFRXQWLQJ SROLFLHV XVHG DQG WKH UHDVRQDEOHQHVV E\PDQDJHPHQWV DQG
- $VVHVVWKHV DSSURSULDWHQHVV RI PDQDJHPHQW V XVH RI WKH JRLQJ FRQFHUQDVLV ZKHWKHUDWHULDO XQFHUWDLQW\ H[LVWVZLWKUHJDUGWRHYHQWVRUFRQGLWLRQV WKDWPD\ KHDYH D JRLQJ FRQFHUQDVVHVVPHQWV WKHDXGLW HYLGHQFH REWDLQHG XS WR WKH GDWH RI KLV FRQGLWLRQV FRXOGFDXVH WKH &RPSDQ\ WR FHDVH WR FRQWLQXH DV D JRLQJ FRQFHUQ ,I WKH VWD H[LVWWKHUH LV D UHTXLUHPHQW WRDXGLWZUHSRUWRQWKHDGHTXDF\GLVFORVXUHV LQ WK GLVFORVXUHURSRUWRUHGHQGDHTXDWHRRSLQLRQWHUPVWRRSLQLRQWKHDWHG GLVFORVXUHV
- (YDOXDWHV RYHUDOO SUHVHQWDWLRQ RI WKH ILZKHWKHUFLEOH WWKHDWHPHQWV UHSUHVHQWDWLRQV WUDQVDFWLRQVDQGHYHQWV IDLU SUHVHQWDWLRQ

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:H VXEPLWUHSRUW WR WKH $XGLW 5LVN &RQWUROSDQHO &RPPLWWHH WKHDXGLW SURJUDP LPSOHPHQWDWLRQ DQG WKHDFFRXUDWHSRUW LGHQWLFLHGLQWHUQDO FRQWUROLQHIIHFWLYHQHVV DQG

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1HXLOO\ VXUQG1DQWHUUHVH 0DUFK

7KH6WDWXWRUV

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(GRXDUGHP DUFT 3DWU(LFXLVVD