



Crowe Horwath®

Smart decisions. Lasting value.

2017 Transparency Report

Audit | Tax | Advisory

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A Message from Leadership

To clients and stakeholders:

Crowe Horwath International's core purpose is to develop and support a global network of highly regarded member firms working together to satisfy the audit, tax, advisory and risk needs of national and multinational organizations. To achieve this, the member firms of Crowe Horwath International are held accountable to delivering high quality audit, tax, advisory and risk services to clients.

As a top 10 professional services network, we recognize how important it is to have an unwavering commitment to quality. Delivering impeccable professional services enhances the credibility of our member firm clients' global financial reporting and builds confidence and trust in our independent audit process.

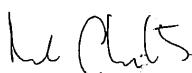
The Crowe Horwath International 2017 Transparency Report demonstrates to clients and stakeholders our dedication and commitment to audit quality. In it, you will find information about the network including:

- The ways Crowe Horwath International ensures its members achieve the audit quality standards expected of a member in a leading global professional services network;
- The legal structure and governance of Crowe Horwath International;
- The support Crowe Horwath International provides individual member firms of the network in their delivery of high quality audit services;
- Details of quality control, independence and education support services that are provided by Crowe Horwath International; and
- Details of our 2016 financial performance, including latest statistics on number of member firms, business associates, and global head count.

Regards,



Kevin McGrath
CEO
Crowe Horwath International



David Chitty
International Accounting & Audit Director
Crowe Horwath International

About Crowe Horwath International

Crowe Horwath International is one of the world's top 10 leading professional services networks. With operations in 129 countries across 764 offices, we have a vast global footprint that allows us to consistently deliver high-quality audits, both domestically and globally.

Our member firms are leaders in their market—known for providing impeccable service, exhibiting the highest quality standards of operation and delivery and are serving as valued corporate citizens in their business communities. Our more than 35,000 people, a network of business experts, all

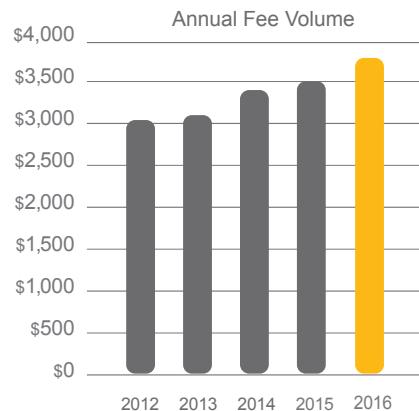
share a commitment to delivering technical and client service excellence.

For calendar year ending 31 December 2016, Crowe Horwath International's global revenue was US\$3.7 billion. In 2016, audit represented 45% of the total fee income.

9% growth in local currency leads to global revenues of



Growth: Annual Fee Volume (in Millions of US Dollars)



Revenue breakdown among core services:



45%
Accounting & Audit



30%
Advisory



25%
Tax

Legal and Constitutional Structure

Crowe Horwath International is an international network of independently owned and managed accounting and advisory firms that may be licensed to use the “Crowe,” “Crowe Horwath” or “Horwath” brand in connection with the provision of accounting, auditing, tax, advisory and other professional services to their clients.

Crowe Horwath International is commercially organized under the laws of Switzerland as a Verein (Association) and is a non-practicing entity, and does not provide professional services in its own right. Crowe Horwath International is wholly owned by its member firms. Crowe Horwath International operates through a wholly-owned subsidiary incorporated under the laws of the State of New York in the United

States of America where it is headquartered.

Crowe Horwath International is considered a “network” as defined under the Code of Ethics of the International Ethics Standards Board of Accountants (IESBA) and by virtue of its membership of the Forum of Firms.

Leadership, Governance and Management

The Board of Directors (“Board”) is responsible for the governance of Crowe Horwath International. The Board is charged with overseeing the activities of the network, including setting strategy and policy. With the exception of the Chief Executive Officer, the Board is made up of individuals representing member firms in Crowe Horwath International.

The Management Committee operates according to the responsibilities and authority that

is delegated to it by the Board and oversees the daily management of the network’s operations. It consists of the Chief Executive Officer, Chief Operating Officer, the network’s regional executives, International Accounting & Audit Director and the International Tax Director.

2017 Board of Directors



Charles Allen
Co-Chairman
Oak Brook, United States



David Mellor
London, United Kingdom



Christophe Rocard
Dijon, France



Yang Jiantao
Co-Chairman
Beijing, China



Mok Wai Ling
Kuala Lumpur,
Malaysia



Kuang Hui Tan
Singapore



Jorge Castelblanco
Bogota, Colombia



Spiro Paule
Melbourne, Australia



Vijay P. Thacker
Mumbai, India



J. Kevin McGrath
CEO
New York, United States



Jim Powers
Indianapolis, United States

A Member of the Forum of Firms

Crowe Horwath International is a full member of the Forum of Firms. The Forum of Firms is an association of networks of international accounting firms that perform transnational audits. The objective of the Forum is to promote consistent and high quality standards of financial reporting and auditing practices worldwide. As a member, Crowe Horwath International is required to implement and monitor quality control standards that the Forum has prepared. We prepare an annual declaration that our members adhere to the Forum's standards.

The Transnational Auditors Committee of the International Federation of Accountants governs the Forum of Firms. The International Accounting & Audit Director of Crowe Horwath is an elected member of the Committee.



Membership Standards

Crowe Horwath International Membership Standards

The vision of Crowe Horwath International is to create a global network of firms embracing a common brand recognized by national and multinational organizations as essential to their need for audit, tax and advisory services. Achieving our vision of becoming the premier network is directly dependent on Crowe Horwath International's ability to attract and/or develop dynamic and high-quality member firms with top 10 ranking in their jurisdictions.

Having the right firms in the right markets is a critical success factor in achieving our vision. This would implicitly mean that firms should commit resources and deliver a timely and quality service to international businesses. It is expected that firms should invest in the future for growth, robust quality standards, and methodologies to build the profile of Crowe Horwath International in their jurisdictions.



Membership Standards (cont'd.)

The following represents criteria for membership to which we benchmark potential new firms and evaluate existing firms:



Professional registration
and recognition



Commitment to a
common brand



Civic operation



Commitment to growth



Participation in Crowe
Horwath International events



Commitment to Crowe
Horwath International



Market influence



Cross border business



Compliance with Crowe
Horwath International regulations
and standards



Financial strength



Leadership and
succession plan



Delivering high quality
professional services

Client Service Standards

Crowe Horwath International members are committed to providing an exceptional and consistent client service experience. Our client service standards are:



We Understand

Having a thorough understanding of the client's business, current situation, needs, and expectations such that there should be no surprises.



We Communicate

Communication before, during, and after an engagement—open and consistent communication at the right time to the right people.



We Collaborate

Collaborating across Crowe Horwath to bring together the right experts to meet the client's needs.



We Deliver

Delivering what we promise and addressing issues that arise—on time, on budget and with the highest quality.

Independence Standards

Member firms of Crowe Horwath International should have policies and methodologies that allow them to perform audit services in conformity with applicable national ethics and independence standards. Member firms should have policies and methodologies for the conduct of transnational audit engagements that conform, to the extent practicable and applicable, and subject to national interpretation and application, to the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (“the Code”), as well as applicable national codes of ethics.

Individual Crowe Horwath International member firms should be independent of the audit clients of other member firms.

Crowe Horwath International provides support to member firms in complying with the international Code's independence provisions.

Crowe Horwath International Audit Methodology

Crowe Horwath International has an audit methodology that complies with the International Standards on Auditing issued by the International Audit & Assurance Standards Board. Members of Crowe Horwath International are expected to apply this methodology on all international audit engagements.

Audit Practice Review

Rigorous review procedures are required to ensure that practice and quality standards are adhered to by member firms. Crowe Horwath International has an established Quality Assurance Review (“QAR”)

process led by the International Accounting & Audit Director. All member firms receive periodic reviews of their audit practice. The International Accounting & Audit Director selects reviewers from partners of member firms and the network's accounting and audit professionals. Reviews are performed using an approach that reflects global best practice.

Annually 30 to 40 reviews are performed on member firms as well as firms applying to join Crowe Horwath International. The review is an opportunity to share experiences, best practices, and the application

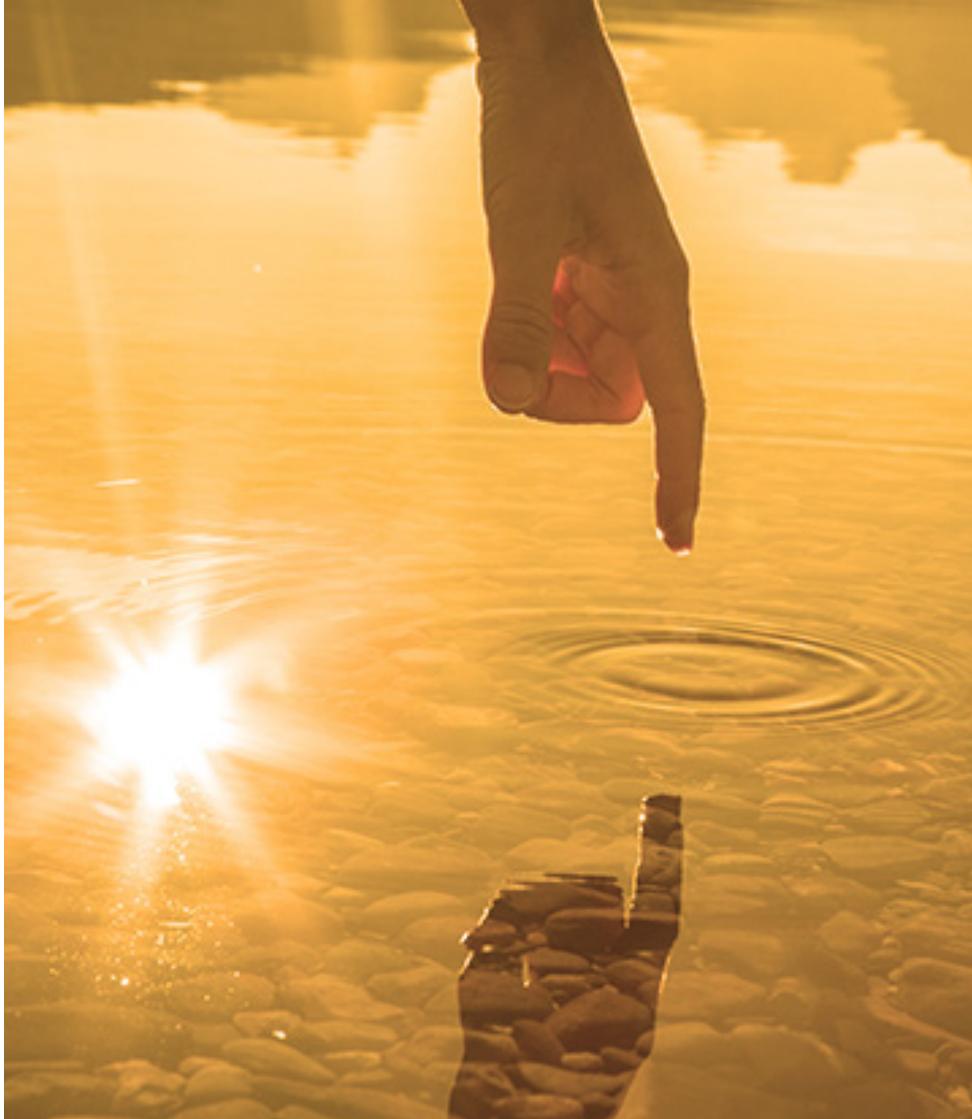
of professional standards. Each firm then receives an individual report letter, including actions from the review being agreed on.

Presentations about the overall results of QARs and suggestions for the improvement of audit quality are regularly given at members' meetings.

Learning and Development

The International Accounting & Audit Director of Crowe Horwath International facilitates the organization of a global program of professional education for member firms. This program covers training and support in International Financial Reporting Standards, International Standards on Auditing and the International Code of Ethics. Events are held throughout the year, in all regions. Distinguished external guest speakers, from international and national regulatory, standard setting and professional bodies regularly contribute to the program.

In addition, members have access to professional support materials including manuals and guides, and recorded presentations, to assist them with the application of global professional standards. Members receive regular newsletters updating them about developments in regulation and standards.





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About us

Crowe Horwath International is ranked among the top 10 global accounting networks with more than 200 independent accounting and advisory services firms in over 129 countries around the world. Crowe Horwath International's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily. Each firm is well established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Horwath International member firms are known for their personal service to privately and publicly-held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.

www.crowehorwath.net

Crowe Horwath International is a leading international network of separate and independent accounting and consulting firms that may be licensed to use "Crowe," "Crowe Horwath" or "Horwath" in connection with the provision of accounting, auditing, tax, consulting or other professional services to their clients. Crowe Horwath International itself is a non-practicing entity, and does not provide professional services in its own right. Neither Crowe Horwath International nor any member is liable or responsible for the professional services performed by any other member. © 2017 Crowe Horwath International.