

**STATEMENT OF PROTOCOL  
BETWEEN**

**THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD  
OF THE UNITED STATES OF AMERICA  
AND  
THE DANISH BUSINESS AUTHORITY  
OF DENMARK**

**ON COOPERATION AND THE EXCHANGE OF INFORMATION  
RELATED TO THE OVERSIGHT OF AUDITORS**

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

and

*the Danish Business Authority ("DBA")*, based on its obligations and authority under the Danish Act on Approved Auditors and Audit Firms, act no. 468 of 17 June 2008, ("the Danish Act on Approved Auditors and Audit Firms") (as based on Article 47 of the Directive 2006/43/EC) and the European Commission Decision referred to in Article 47, paragraph 1(c) of the Directive 2006/43/EC on the adequacy of the competent authorities of the United States pursuant to Directive 2006/43/EC of the European Parliament and the Council (the "Adequacy Decision");

have agreed as follows:

**Article I. PURPOSE**

1. The PCAOB and the DBA each seek to improve the accuracy and reliability of audit reports so as to protect investors and to help promote public trust in the audit process and investor confidence in their respective capital markets.

Given the global nature of capital markets, the PCAOB and the DBA recognize the need for cooperation in matters related to the oversight of the Auditors subject to the regulatory jurisdiction of both the PCAOB and the DBA.

2. The purpose of this Statement of Protocol ("Statement") is to facilitate cooperation between the Parties to the extent permitted by their respective national laws in the oversight, Inspections and Investigations of Auditors subject to the regulatory jurisdictions of the PCAOB and the DBA.

The PCAOB and the DBA believe that it is in their common interest to cooperate in the oversight, including Inspections and Investigations, of Auditors that fall within the regulatory jurisdiction of both Parties to the extent that such cooperation is compatible with the Parties' respective laws and/or regulations, their important interests and their reasonably available resources.

Cooperation is intended to assist the Parties in meeting their respective statutory oversight mandates. Cooperation, including with respect to Inspections, also is intended to assist the Parties in determining the degree to which one Party may rely in the future on the other Party's oversight activities with regard to Auditors that fall within the regulatory jurisdiction of both Parties.

3. This Statement does not create any binding legal obligations or supersede domestic laws.

This Statement does not give rise to a legal right on the part of the PCAOB, the DBA or any other governmental or non-governmental entity or any private person to challenge, directly or indirectly, the degree or manner of cooperation by the PCAOB or the DBA.

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

## Article II. DEFINITIONS

For the purpose of this Statement,

**"Auditor"** means a) a public accounting firm or a person associated with a firm or b) a statutory audit firm or a statutory auditor that is subject to the regulatory jurisdictions of both Parties.

**"Information"** means public and non public information which includes but is not limited to (1) reports on the outcome of Inspections, including the results of firm-wide quality control reviews and engagement reviews, provided that the reports relate to Auditors that are subject to the regulatory jurisdictions of both the PCAOB and the DBA, and (2) audit working papers or other docu-

ments held by Auditors, provided that the documents relate to matters that are subject to the regulatory jurisdictions of both the PCAOB and the DBA.

**“Inspections”** refers to reviews of Auditors to assess the degree of compliance of each Auditor with applicable laws, rules and professional standards in connection with its performance of audits, the issuance of audit reports and related matters, pursuant to the Danish Act on Approved Auditors and Audit Firms in Denmark and the Sarbanes-Oxley Act in the United States.

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

**“Party” or “Parties”** means the PCAOB and the DBA, separately or together.

### **Article III. COOPERATION**

#### *A. Scope of cooperation*

1. Cooperation may include one Party sharing with the other Party Information relating to Auditors that fall within the regulatory jurisdiction of both the PCAOB and the DBA.

Any Information provided shall be used by the requesting Party as permitted or required by their respective authorizing statutes – which include the Sarbanes-Oxley Act in the United States and the Danish Act on Approved Auditors and Audit Firms in Denmark – and any rules or regulations promulgated thereunder.

2. Cooperation may include one Party assisting the other Party in an Inspection or an Investigation by performing activities that may include but are not limited to (i) facilitating access to Information and/or, if requested, (ii) reviewing audit working papers and other documents, interviewing an Auditor’s personnel, reviewing an Auditor’s quality control system and/or performing other testing of the audit, supervisory and quality control procedures of an Auditor on behalf of the other Party.
3. For each Inspection, the Party in whose jurisdiction the inspection is being conducted may choose to lead the inspection, meaning that it will manage communications with the auditor, organize the logistics of the Inspections, and receive all audit working papers and other documents from the auditor in the first instance before transferring them to the other

Party<sup>1</sup>.

4. Cooperation in the context of an Inspection or Investigation does not cover a request for assistance or Information to the extent that it involves a Party obtaining on behalf of the other Party Information to which the requesting Party is not entitled under its own laws or regulations.
5. Cooperation in the context of an Inspection also may include the exchange of each Party's respective inspection guides.
6. Cooperation, which includes Investigations, Inspections, reviewing engagement files and any other exchange of Information, is limited to Auditors as defined in Article II.
7. The Parties may at the request of either Party consult on issues related to the matters covered by this Statement, and otherwise exchange views and share experiences and knowledge gained in the discharge of their respective duties to the extent consistent with their respective laws and regulations.

*B. Request for Information*

1. Each Party may provide the other Party with Information upon request.
2. Request should be made in writing (including e-mail) and addressed to an appropriate contact person of the requested Party.
3. The requesting Party should specify the following, to the extent appropriate:
  - (a) The Information requested;
  - (b) The purposes for which the Information will be used;
  - (c) The reasons why the Information is needed and, if applicable, the relevant provisions that may have been violated;
  - (d) An indication of the date by which the Information is needed and, if applicable, the need for expedited treatment due to exceptional circumstances;
  - (e) To the best of the knowledge of the requesting Party, an indication of whether the Information requested might be subject to further use or transfer under Article IV (6) - (8).

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<sup>1</sup> Both Parties confirm that they will not use their leadership role to prevent the other party from taking necessary steps to meet its inspection objectives.

4. Other than in the case of routine requests such as for payment of annual fees and in connection with registration and annual or special reporting requirements, or except as otherwise agreed by the Parties, requests for non-public Information from an Auditor in the other Party's jurisdiction shall be sent to the other Party, who will pass on the request (in the form provided by the requesting Party) to the Auditor.<sup>2</sup>
5. While the Parties may transfer Information received in the course of cooperation to other entities in accordance with Article IV (6) - (8) below, the Parties themselves may use such Information only as required or permitted by their respective authorizing statutes, i.e., for the purposes of Inspection, Investigation and oversight of Auditors.

If any Party intends to use Information received in the course of cooperation for any purpose other than that stated in the original request under Article III, B, 3(b), it must obtain the prior written consent of the requested Party on a case by case basis. If the requested Party consents to the use of Information for any other purpose, it may subject it to conditions. The requesting Party's written acceptance of the conditions must be provided prior to the requested Party's final consent.

*C. Execution of requests for Information*

1. Each request for Information shall be assessed on a case by case basis by the requested Party to determine whether Information can be provided pursuant to this Statement and applicable law.
2. If a Party denies a request in part or in full or withholds any requested Information (either on its own initiative or at the request of an Auditor), the requested Party shall inform the requesting Party of the nature of the Information being withheld and the reasons for its denial. In the event a Party or Auditor under inspection or investigation refuses to provide requested Information, the Parties will consult to determine if there are alternative ways to meet the requirements of the requesting Party. If a Party or Auditor refuses to provide the requested Information, and the requesting Party determines that it cannot satisfy its regulatory obligations without the requested Information, the requesting Party may take certain actions as allowed by its domestic laws, rules and regulations against the relevant Auditor(s) for refusing to provide the requested Information.

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<sup>2</sup> The DBA has informed the PCAOB that according to the Danish Act on Approved Auditors and Audit Firms, Danish Auditors are not permitted to transfer audit working papers and other documents directly to the PCAOB, but must only transfer such information via the DBA. The PCAOB has informed the DBA that it would be willing to pass on requests from the DBA to an auditor but that the DBA may make requests for information directly to any auditor without sending the request to or through the PCAOB.

#### *D. Inspections*

1. If consistent with each Party's respective national laws, including the Sarbanes-Oxley Act for the PCAOB and the Danish Act on Approved Auditors and Audit Firms, Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 and the Adequacy Decision for the DBA, and in order to assist the Parties in determining the degree to which one Party may rely in the future on the other Party's Inspections of Auditors that fall within the regulatory jurisdiction of both Parties, the Parties may cooperate in Inspections of Auditors that are subject to the regulatory jurisdiction of both Parties. Each Party may decline to carry out inspections jointly.
2. For each Inspection carried out, the Party in whose jurisdiction the Inspection is conducted may choose to lead the Inspection, meaning that it will manage communications with the Auditor, organize the logistics of the Inspections, and receive all audit working papers and other documents from the Auditor before transferring them to the other Party.
3. Before an Inspection is carried out, the Parties shall consult on a work plan for the Inspection, which may include, in general, the steps and procedures expected to be performed during the Inspection, including the audit engagement(s) to be reviewed and the work that each Party expects to perform.

A Party may ask for and obtain copies of Information held by an Auditor in the other Party's jurisdiction which will be provided to it in accordance with this Statement.

The Party may transfer from the other Party's jurisdiction to its own jurisdiction these copies in order to comply with its documentation requirements, support its Inspection findings or for purposes of an Investigation. The requesting Party will identify the documents copied for the requested Party before transferring them to its own jurisdiction. The arrangements established between the Parties with respect to the transfer of personal data in accordance with Article V must be observed.

#### **Article IV. CONFIDENTIALITY**

With respect to any non-public Information provided to another Party, the Parties agree that:

1. The requesting Party has established and will maintain such safeguards as are necessary and appropriate to protect the confidentiality of the Information, including storing the Information in a secure location when not in use.

2. The requesting Party has provided to the other Party a description of its applicable information systems and controls and a description of the laws and regulations of the government of the requesting Party that are relevant to information access.
3. The requesting Party will inform the other Party if the safeguards, information systems, controls, laws or regulations referenced in Art. IV, (1) and (2), above, change in a way that would weaken the protection for the Information provided by the other Party.
4. Except as set forth below, each Party shall keep confidential all non-public Information received in the course of cooperating. This applies also to Information received under this Statement that is reflected in documents created by either Party. The obligation of confidentiality shall apply to all persons who are or have been employed by the Parties, involved in the governance of the Parties or otherwise associated with the Parties.
5. A Party may issue public inspection reports as permitted or required by the law of that Party's jurisdiction, including reports that identify the Auditor inspected and the Inspection results. A Party may also publicly announce sanctions imposed upon Auditors as permitted or required by the law of that Party's jurisdiction. Before publicly announcing any sanctions imposed on an Auditor that is located in the other Party's jurisdiction and subject to the other Party's authority, the Party shall give advance notice of the publication to the other Party.
6. The PCAOB may share with the U.S. Securities and Exchange Commission ("SEC") non-public Information that the PCAOB has obtained from the DBA, or from an Auditor with the approval of the DBA, in the course of cooperating under this Statement, as follows:
  - (a) Upon the PCAOB's own initiative, any Information obtained in connection with the PCAOB's audit regulatory functions, i.e., Auditor oversight, quality assurance (including inspections), and investigations and discipline of Auditors that it considers relevant to (i) the SEC's oversight of Auditors, or (ii) the SEC's oversight over the PCAOB.
  - (b) Upon request by the SEC, Information shared for purposes of: (i) the SEC's oversight of Auditors or (ii) the SEC's oversight over the PCAOB; and
  - (c) For Information not available to the SEC under (a) or (b) above, the PCAOB shall follow the procedures set forth in paragraph 8 of this Article IV below.
7. The DBA may share with the Ministry of Business and Growth non-public Information that

the DBA has obtained from the PCAOB in the course of cooperating under this Statement, as follows:

(a) Upon request by the Ministry of Business and Growth, Information shared for purposes of the Ministry's oversight over the DBA.

8. Except as set out in paragraphs 6(a) and (b) and paragraph 7 of this Article IV above, a Party that intends to transfer to a third party any non-public Information, including any professional secrets and commercially sensitive information, comprising industrial and intellectual property, of the audited entity or of the audit firm, received in the course of cooperation shall request the prior written consent of the Party which provided the Information as follows:

(a) The Party that intends to transfer this Information shall indicate the reasons and the purposes for which the Information is to be transferred.

(b) The PCAOB may share such Information only with those entities identified in section 105(b)(5) of the Sarbanes-Oxley Act, which states that these entities shall maintain such information as confidential and privileged.

(c) The DBA may share such Information only with those entities identified in section 48, no. 7 of the Danish Act on Approved Auditors And Audit Firms, as long as the intended recipient is legally obligated to maintain such information as confidential.

(d) A Party shall respond within ten working days upon receiving notice from the other Party that it seeks to transfer Information to a third Party. Where the Party receiving notice concludes that it cannot give consent, it shall set out its reasons to the other Party. The Party seeking to transfer Information shall consider the other Party's objections and will consult further with the other Party before deciding whether it will transfer the Information, despite the objections of the other Party.

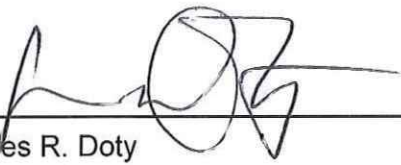
## **Article V. THE TRANSFER OF PERSONAL DATA**

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



**Article VI. ENTRY INTO EFFECT, EXPIRATION AND TERMINATION**

1. This Statement comes into force from the date of signature but will have effect only during the period that the Adequacy Decision of the European Commission is also in force.
2. The Parties may consult and revise the terms of this Statement in the event of a substantial change in the laws, regulations or practices affecting the operation of this Statement.
3. This Statement may be terminated by either Party at any time. After termination of this Statement, the Parties shall continue to maintain as confidential, consistent with Article IV, any Information provided under this Statement.



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James R. Doty  
Chairman  
Public Company Accounting  
Oversight Board



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Victor Kjær  
Deputy Director General  
Danish Business Authority

Date: November 28, 2016

Date: November 29, 2016