

Welcome to PwC - we are very excited that you will be joining us and want you to be ready for your "Day One" with the firm!

As you know, PwC has an excellent reputation as a professional services firm through our Assurance, Advisory and Tax practices. As a regulated firm, your personal financial independence from our audit clients, your ethics, and your compliance with various regulatory and firm policies contributes to our reputation and our clients' trust in us. Each person that joins PwC, from executive assistants to partners, has a personal responsibility to support and participate in our ethics and compliance activities. For you, that responsibility begins now.

Key Points

- Start your clearance as soon as possible -- take time to answer your questions accurately and completely.
- Your clearance is tailored to your role, so depending on your compliance requirements, it could take you 15 to 90 minutes to complete. Your responses to questions determine the next set of upcoming questions, so that you are required to answer only those relevant to your situation.

Submitting your Clearance

- Before signing and submitting your clearance, all sections must be complete and all required questions must be answered.

Completing the following sections will lead you through the "clearance" process

- **Getting Started:** Introduction to personal independence at PwC
- **At Work:** Discover how your role and the clients you serve impacts your personal independence responsibilities
- **At Home:** Learn how personal independence impacts your immediate family
- **My Relationships:** Non PwC business, professional or Board leadership roles can impact personal independence
- **My Finances:** Some common financial arrangements and relationships need to be recorded in your PwC portfolio
- **My Role:** Compliance with additional firm policies and credential information may be required for your role
- **My Next Steps:** What to expect as you complete your clearance process

What is Personal Independence?

Personal independence rules apply to all client service staff and need to be upheld in both fact and appearance. Personal independence rules also apply to those contracts working on restricted entities (an audit or attest client).

Why is Personal Independence important?

PwC operates in a highly regulated environment and personal independence is a requirement of regulators including the SEC, PCAOB and AICPA. Equally important to us as a firm is that personal independence is critical to our maintaining the public's trust in our firm's audit reports and all other firm services. Personal independence supports PwC's brand as a trusted advisor. Our clients, the markets and our regulators expect it of us.

Does Personal Independence affect me?

Personal independence affects everyone at PwC. Your personal independence responsibilities can be impacted by events at work (for instance, the types of services you provide and your role) and at home (such as your financial arrangements and those of your immediate family members).

What happens if I don't follow PwC's Personal Independence rules?

You put yourself and PwC at risk. And face the risk of sanctions, loss of trust and clients, and damage to both PwC's and your own personal brand.

In addition, if you violate PwC's personal independence policy, you will have a personal independence exception that will need to be resolved promptly and that will also have negative consequences for you up to and including separation from the firm.

We all share in the responsibility of protecting the PwC brand and the trust the markets place in us. Maintaining your personal independence and complying with our rules helps you fulfill an important part of your role as a PwC professional.

A few common terms to become familiar with:

Restricted entity

An audit or attest client and its affiliates. This means that all PwC audit clients are restricted entities, AND any of their affiliates are also considered restricted entities.

Restricted Person (also referred to as a "covered person")

You may be considered a restricted/covered person if you are on an audit engagement team, in the chain of command, or if you provide 10 or more hours of non-audit services to an audit client or any of its affiliates. A restricted/covered person is subject to more restrictive personal independence requirements.

Immediate family member(s)

A spouse or spouse equivalent, dependents (whether or not related) and any individual who receives substantial (50% or more) financial support from the PwC partner or staff member and over whom significant influence is exercised.

Your clients and where you work impact your Personal Independence responsibilities

One of the most important things to ask yourself before providing services at PwC is: **"Before I work on it, do I own it?"** This means that if you own stock or are invested in or have a financial arrangement (loan, credit card, etc.) with a client that you are providing services to, you must be VERY mindful of personal independence rules.

Generally speaking:

- If you are working with a restricted entity (a PwC audit client or an affiliate) you cannot have any investments or prohibited financial arrangements with that client.
- If you are working with an unrestricted entity, you may be able to work on a client that you are already invested with provided you do not buy additional shares, sell shares or otherwise trade in that security during the project and for a period of six-months thereafter.

At PwC, we use the term "restricted person" (or "covered person") to identify individuals who (usually because of their role and the clients they serve) have additional personal independence responsibilities. Understanding your restriction status ("Am I a restricted/covered person?) is one of the keys for you to be able to maintain personal independence compliance throughout your career. You may be a restricted/covered person if you are on an audit engagement team or if you provide 10 or more hours of non-audit services to an audit client or any of its affiliates (restricted entities). Before providing services to any restricted entities check to see if you have any financial arrangements (own stock, have a loan, credit card or bank account) with the client or any of its affiliates. Call the Compliance Resource Center (CRC) to discuss whether or not you can provide services.

Your "work office" may also impact your personal independence. If you are a manager or above, you may not own a security (stock, bond, mutual fund, etc.) with any restricted entity (a PwC audit client or affiliate) that is audited out of your office. Don't worry, we have tools to help you "pre clear" investments that will help you if this "manager in office" rule applies to you!

Know your Clients

Personal independence is concerned with the relationship between your financial arrangements and our clients. It's critical that you know your client (and any affiliates) and especially whether or not they are a restricted entity. Understand your personal independence before you provide any services:

- Before you start working on a client, always ask if it is a "restricted entity." (You can also check the Central Entity Service (CES) to see if your client is restricted AND remember to always contact the Compliance Resource Center (CRC) with any questions you may have).
- Ask your client engagement manager or partner for a list of your client entity names and their affiliates.
- If you have a prohibited financial arrangement (stock, credit card, loan, bank account) with one of your restricted clients or any of their affiliates, inform your engagement manager or partner immediately.
- If you are working with an unrestricted entity, do not buy additional shares, sell shares or otherwise trade in that security during the project and for a period of six months thereafter.

PwC's Personal Independence rules apply to you and your immediate family members

Certain life events, like moving in with a significant other or getting married, will change your personal independence responsibilities.

Personal independence rules apply to your immediate family members (spouse/spouse equivalent or dependents) even if their financial arrangements are maintained and/or managed separately from yours. To maintain your personal independence responsibilities, consider their financial arrangements as if they were your own.

It's critical to talk to your immediate family members about their financial arrangements so that you can understand the impact on your personal independence. For example, if you are providing services to a restricted entity that an immediate family member has an investment in, you may have an independence exception once you start.

Keep the conversation going so that you are aware each time an immediate family member makes a change to their financial arrangements. Make sure that you discuss any changes with your spouse/spouse equivalent or dependents before they make any changes and let them know how important this is to your career and to the firm!

If you discover that you are providing services to a restricted entity that you or a member of your immediate family has investments in, tell your engagement manager and partner immediately.

Personal Independence is also concerned with external business or volunteer relationships outside of the firm.

This section will help us determine whether any of your external relationships need to be changed before your first day with the firm.

External relationships are positions held outside of your employment at PwC, such as serving as an employee, officer or director with a for-profit or not-for-profit entity or an adjunct faculty position. This includes certain positions you may hold as part of a family business or foundation.

Generally, an association with a **for-profit** organization is not permitted. While most not-for-profit organization positions are acceptable, you may have some that are not permitted.

And regardless of the nature of the organization, PwC staff members are not permitted to accept opportunities for employment or profit from activities outside the firm unless the position is pre-approved.

Just as in the case of their financial arrangements, your immediate family member's external relationships also have an effect on your personal independence. This would include positions held in **family businesses**.

Close personal relationships are relationships where you routinely spend time with someone in leisure or social activities. If you have a close personal relationship with an individual in specific roles with a restricted entity (PwC audit client or affiliates) for which you are doing work, you may have an independence issue. Your relationship should be reported to the lead audit engagement partner.

At the end of this clearance process you may be told that certain external positions you have are "approved." While your association with an organization may be allowed -- you may be prohibited from having certain roles within that organization. For example, you should not have authority over investment decisions, and there may be limitations with respect to having signatory authority over a bank account if the organization invests in or has banking relationships with a PwC audit client or affiliate.

So, make sure that you consult with the Compliance Resource Center if you have any concerns before accepting new external positions.

My Role at PwC

Trust is a cornerstone of PwC's culture. Our clients and markets place their trust in us as we are an organization of integrity and distinction. Adhering to our ethics and compliance responsibilities is one way that we demonstrate that trust. We must make every effort to comply with both the letter and the spirit of all applicable laws, regulations, professional standards and firm policies.

The My Role at PwC section focuses on the following areas:

Ethics and Business Conduct- we are committed to providing high quality professional services and to conducting our business ethically. Our good name and reputation are the cumulative product of the conduct, dedication, and quality of our people.

Information Protection and Privacy- everyone at PwC is responsible for protecting the privacy and confidentiality of the information that our colleagues and our clients entrust in PwC, as well as complying with the laws, regulations and firm policies around that information.

Credentials- compliance with firm credential policies and State Board rules is required when working with clients. Additionally, Continuing Professional Education (CPE) compliance helps the firm achieve compliance with requirements at a learner and course level.

Firm Policies- our compliance with firm policies such as prohibitions against sharing inside information, maintaining appropriate insurance limits when driving on firm business, and cooperating as needed with compliance investigations.