

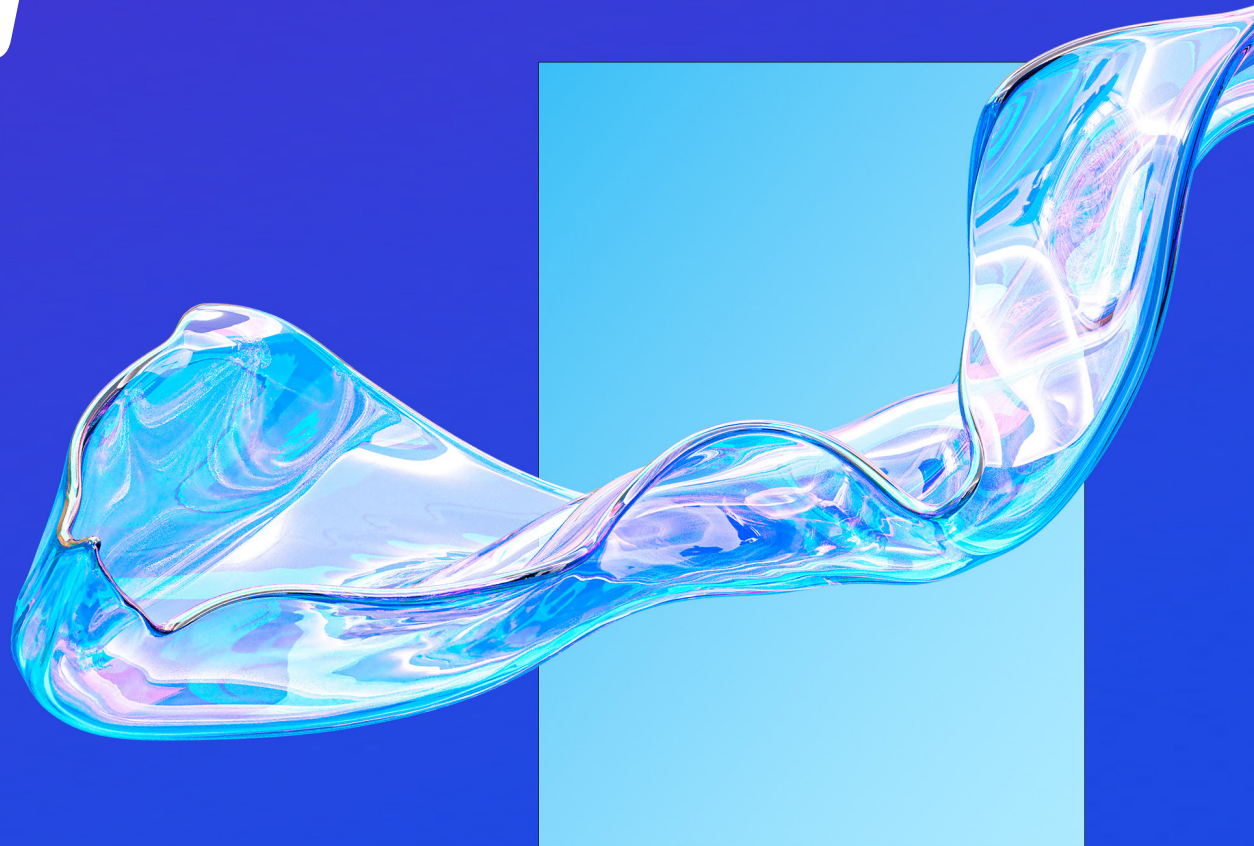


Transparency Report 2023

Quality is how we make a difference.

KPMG in Canada

kpmg.com/ca/audit



KPMG Values

KPMG is committed to quality and service excellence in all that we do, helping to bring our best to clients and earning the public's trust through our actions and behaviours both professionally and personally.

Our Values guide our behaviours day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit, and all of our stakeholders.



Our Values are:



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.

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Committed to delivering quality and earning trust

Thinking about the events of the past year and seeing their impact on people not only here in Canada but all around the world—from geopolitical conflict to the sudden growth of generative AI—we know that holding true to our values and working together, for better, has never been more important.

As a leading professional services firm in Canada, charged with providing assurance to the capital markets, we recognize we are privileged to serve leading organizations, and with that, we have a deep responsibility to many stakeholders. It's a responsibility we take extremely seriously, which is why quality is at the core of everything we do.

As are our commitments—to integrity, to excellence, to having the courage of our convictions and the highest standards of quality and transparency. We stand by

Throughout this document, "KPMG" "we" "our" and "us" refers to KPMG in Canada. Any references to the KPMG global organization mean the member firms of KPMG International Limited, each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients.

No member firm has any authority to obligate or bind KPMG International Limited or any other member firm vis-à-vis third parties, nor does KPMG International Limited have any such authority to obligate or bind any member firm.

KPMG International means KPMG International Limited unless the context requires the reference to mean KPMG International Services Ltd (which provides services, products and support to, or for the benefit of, member firms or KPMG International Limited but not services, products or support to clients) or KPMG International Cooperative (which owns and licenses the KPMG brand).

Throughout this document, references to "Firm," "KPMG firm," "member firm" and "KPMG member firm" refer to firms which are either: members of KPMG International Limited; sublicensee firms of KPMG International Limited; or entities that are wholly or dominantly owned and controlled by an entity that is a member or a sublicensee.

The overall governance structure of KPMG International Limited is provided in the 'Governance and leadership' section of the [KPMG International Transparency Report](#).

those commitments, we measure them, and we report on them. That is the purpose of this document.

Ultimately, we believe trust is paramount, and we are doing everything in our power to uphold the trust of our clients, of investors, of regulators, of the public—and of our own people. As a "people business," everything we do both begins and ends with the professionals who have chosen to build their careers at KPMG in service of the public interest. They are passionate about living by our values and always doing the right thing.

We firmly believe that the capital markets benefit from our ability to bring the best minds and specialized skills from across our firm to deliver on the largest and most complex engagements. Key to this is our focus on ESG and upskilling our teams in assurance reporting. With a rising importance the world over for the future health of our planet and our communities, making good on ESG is the central business imperative of our time.

As expectations grow, we continue to enhance our capabilities and invest in technology to continue to deliver audit quality in a data-rich world. That includes continued enhancements of KPMG Clara, our cloud-based workflow platform that delivers smarter, data-driven outcomes and deeper insights. Our strategic alliance with MindBridge, an Ottawa-based global leader in responsible artificial intelligence, further enables the identification of unexpected or

high-risk transactions and enhances audit quality and public trust.

Our commitment to investing in leading technology to transform the audit experience for both our clients and our people is not new. We are especially proud of KPMG Digital Academy, a program we launched in 2018 with Simon Fraser University's Beedie School of Business. At KPMG Digital Academy, our people build their skills through specialized courses on the latest advancements in data and analytics, preparing them for the rapidly emerging era of machine learning, artificial intelligence, and other digital advances.

At the heart of all of this remains our strong, globally consistent system of quality management that aligns with our Canadian Standard on Quality Management. We take pride in our role in serving the public interest, and our processes reflect the highest degree of independence, accountability, transparency, risk management and firm-wide governance.

We believe you will find that this report clearly demonstrates our enduring focus on audit quality. More than that, we believe it affirms our longstanding commitment to a continuous dialogue with regulators, our clients and our teams toward being the most trusted and trustworthy firm, which is more important than ever in an ever-changing world.



Elio Luongo

Chief Executive Officer
and Senior Partner
KPMG in Canada



Kristy Carscallen

Canadian Managing Partner,
Audit & Assurance
KPMG in Canada



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Audit quality

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

We define “audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality management.

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.



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Our system of quality management is foundational for audit quality

Audit and assurance quality is foundational to instilling confidence and public trust in the capital markets and it remains our highest priority.

Across the global organization, KPMG firms have strengthened the consistency and robustness of their system of quality management (SoQM) to meet the requirements of the International Standard on Quality Management (ISQM) 1, issued by the International Auditing and Assurance Standards Board (IAASB). Foundational for quality management, our globally consistent approach to ISQM 1 drives compliance with the requirements of the standard, and our efforts to strengthen trust and transparency with our clients, the capital markets and the public we serve.

ISQM 1 was adopted in Canada with minimal amendments as Canadian Standard on Quality Management (CSQM 1).

KPMG International's global approach to SoQM and ISQM 1



Sets **policies and procedures** to support KPMG firms' effective SoQM in accordance with ISQM 1 issued by the IAASB



Establishes for each SoQM component, globally consistent **quality objectives, risks and responses**



Provides KPMG firms with a **risk assessment framework** that they have agreed to use in identifying incremental KPMG firm specific quality objectives, risks, and controls



Supports KPMG firms with **guidance, tools and training** to drive consistent and effective firm SoQM operation



Includes **monitoring activities** over KPMG firms' SoQM to drive global consistency



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Our globally consistent approach to ISQM 1 drives the robustness of our responses to the risks of achieving the quality objectives set out in the standard. For each component in the standard, we have established minimum required quality objectives, quality risks and responses for all KPMG firms.

KPMG International has established a risk assessment process required to be used by KPMG firms in identifying additional firm specific quality objectives, quality risks, and responses and requirements for testing and evaluation of their system of quality management together with guidance, tools and templates to support the consistent implementation of ISQM 1 across KPMG firms.

The globally consistent approach is used by all KPMG firms across the global organization. The objective of this centralized approach is to drive consistency, robustness and accountability of responses within KPMG firms' processes.

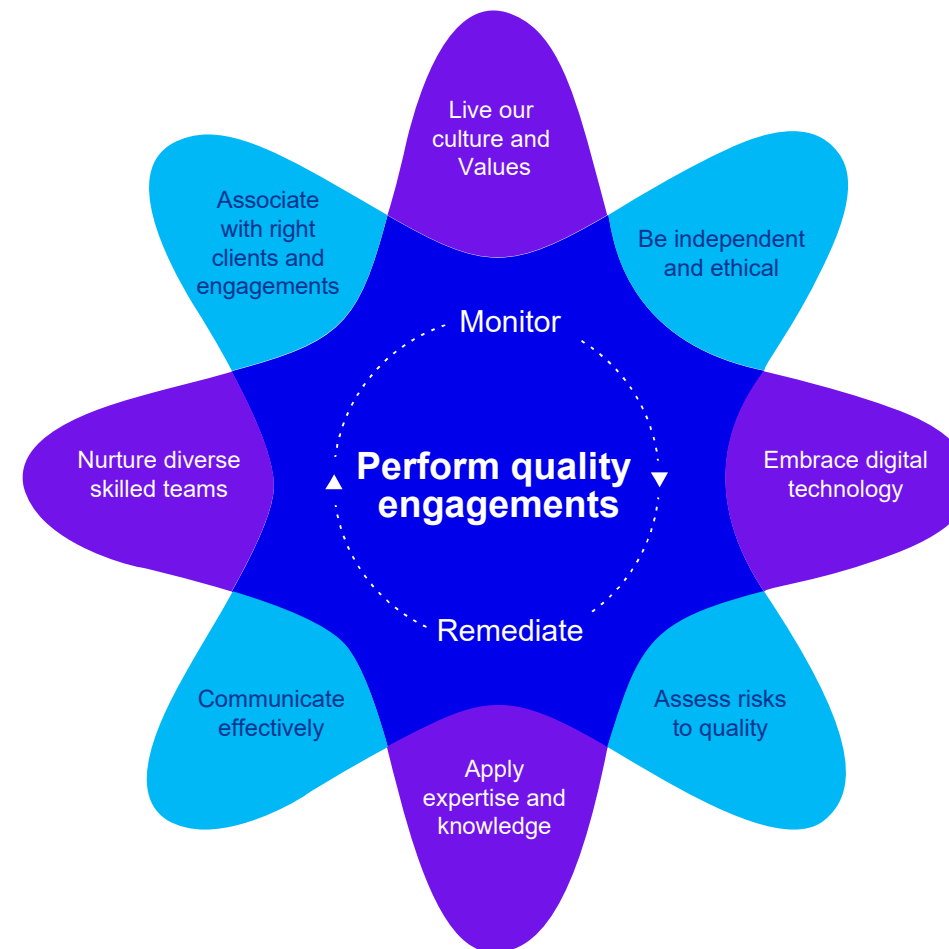
To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contributes to its delivery.

The drivers outlined in the framework are the 10 components of our KPMG SoQM. In line with ISQM 1, our SoQM components also aligns with requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which apply to professional services firms that perform audits of financial statements.

Pages 8 - 40 of the Transparency Report describe how we effectively operate each SoQM component.

Combined with our firm's [Statement on the effectiveness of the System of Quality Management](#), this Transparency Report summarizes how our SoQM effectively supports the consistent performance of quality engagements. This report may also be useful for stakeholders interested in KPMG firms' Tax and Advisory services, as certain aspects of our firm's SoQM are cross-functional and apply equally as the foundation of quality for all services offered.

KPMG's Global Quality Framework



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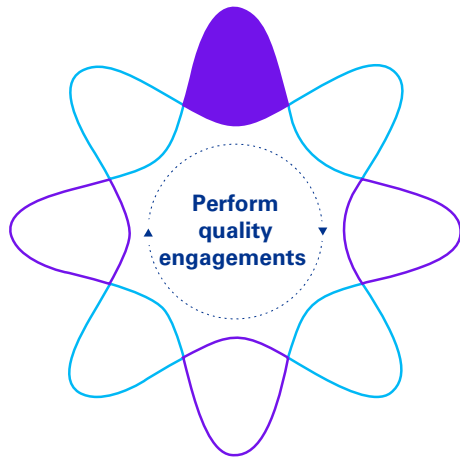
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Live our culture and Values

- **Foster the right culture, starting with tone at the top**
- **Clearly articulated strategy focused on quality, consistency, trust and growth**
- **Define accountabilities, roles and responsibilities related to quality and risk management**
- **Robust governance structures**

It’s not just what we do at KPMG that matters, we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviours. Shared across all personnel and in every country, jurisdiction and territory in which we operate, they are the foundation of our unique culture.

Foster the right culture, starting with tone at the top

Tone at the top

KPMG International’s leadership, working with regional and KPMG firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organization that carries out audits and other professional services on which stakeholders and investors rely.



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At KPMG, our [Values](#) lie at the heart of the way we do things. To do the right thing, the right way. They form the foundation of a resilient culture ready to meet challenge with integrity, so we never lose sight of our principal responsibility to serve the public interest. And they propel us forward – through our work and the example we set – as we inspire confidence and empower change throughout the world.

We are committed to the highest standards of personal and professional behaviour in everything we do. Ethics and integrity are core to who we are and within our [Global Code of Conduct](#), we outline the responsibilities all KPMG people have to each other, our clients and the public. It shows how our Values and Purpose inspire our greatest aspirations and guide all of our behaviours and actions. It defines what it means to work at and be part of the KPMG organization, as well as our individual and collective responsibilities.

In addition, we have a [Canadian Code of Conduct](#) that applies to all our Partners and employees — regardless of title or position — and serves to provide clear guidance to help them make sound choices, exercise good judgment and highlights resources available to help uphold those principles.

Everyone at KPMG can expect to be held accountable for their behaviour, consistent with the Code and is required to confirm their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or that is not in compliance with the Code or our Values.

Everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, KPMG policies, applicable laws, regulations or professional standards.

To safeguard this principle of holding each other accountable, each KPMG firm has agreed to establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in relation to, provide feedback on, and notify reportable matters without fear of reprisal in accordance with applicable law or regulation.

Our firm maintains an Ethics and Compliance hotline that allows reports to be made through an independent third- party provider.

The firm encourages use of the Hotline when KPMG partners and employees feel uncomfortable reporting concerns about possible illegal, unethical, or improper conduct through normal channels or when the normal channels of communication are impractical or perceived as ineffective.

The hotline is available to external parties as well, and any person, including clients, vendors, and professionals from other KPMG firms working on any KPMG engagements, may file reports in three ways:

By calling the dedicated toll-free number,
1- 833-554-5107

By accessing a web-based reporting system at:
www.clearviewconnects.com or by mailing directly to
ClearView Connects at the following address:

ClearView Connects
P.O. Box 11017
Toronto, Ontario, Canada
M1E 1N0

Reports filed through the hotline are directed to our Canadian Managing Partner, Quality and Risk Management (CMP QRM) for review and, if necessary, assignment of appropriate firm resources for investigation and resolution. Reports are handled confidentially and anonymously to the extent allowable by law and consistent with the needs of a thorough investigation.



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The [KPMG International hotline](#) is another mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to KPMG International, activities of KPMG firms or KPMG personnel.

The KPMG International hotline is also operated by ClearView Connects and can be reached toll-free from Canada by calling +1 866-246-9224.

Reports received by the KPMG International and KPMG Canada hotlines are taken seriously, and for each of them KPMG International or KPMG Canada will consider how to respond and where necessary, investigate and take appropriate action.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code and any person who takes retaliatory action will be subject to their firm's disciplinary policy.

In addition to the processes outlined above, the Global People Survey provides our leadership and KPMG International leadership with results related to upholding the KPMG Values.

The KPMG multidisciplinary model

Today's organizations face complex problems that require the best, most integrated thinking. At KPMG, we firmly believe that our multidisciplinary model is the best way to serve our clients and is essential to delivering the highest levels of quality on the largest and most complex audit, tax and advisory engagements. It allows us to be agile and resilient from a business perspective and means we can more easily respond to market conditions. And it makes KPMG a more interesting and exciting place to work.

Clearly articulated strategy focused on quality, consistency, trust and growth

Our business

Our firm is a professional services firm that delivers Audit, Tax and Advisory services. We operate out of more than 40 offices across the country and had more than 10,000 partners and employees for the year ended September 30, 2023 (2022: 10,000).

Our audit services in Canada are delivered through KPMG LLP. Full details of the services we offer can be found on our [website](#).

Our strategy

Our strategy is set by our Management Committee and approved by our Board and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution.

Defined accountabilities, roles and responsibilities, related to quality and risk management

Leadership responsibilities for quality and risk management

Our leadership team is committed to building a culture based on integrity, quality, objectivity, independence and ethics, demonstrated through their actions.

Our firm has agreed to seek input from the Chair of the relevant Global Steering Group or their delegee

on the performance of certain leaders within the firm whose role most closely aligns with the activities of the Global Steering Group. Input is sought as part of the annual performance process and is based on an assessment of the leader's performance, which includes matters of public interest, audit quality and risk management activities.

The following individuals have leadership responsibilities for quality and risk management in our firm.

Chief Executive Officer and Senior Partner

In accordance with the principles in ISQM 1, our Chief Executive Officer and Senior Partner (CEO/SP), Elio Luongo, is the leader who has ultimate responsibility for our SoQM.

Details of some of the measures they and the rest of the Board have taken to ensure that a culture of quality prevails within our firm are set out in the [Perform quality engagements](#) section.

Quality and Risk Management Partner

Our firm's Canadian Managing Partner, Quality and Risk Management (CMP QRM) is responsible for the firm's direction and execution of risk, compliance and quality. The CMP QRM is a member of the Management Committee, has a direct reporting line to our CEO/SP, and consults, as appropriate, with the CEO/SP, the Regional Risk Management Partner, Global Quality & Risk Management resources and General Counsel or external counsel.

The seniority of the CMP QRM position and the reporting lines are indicative of the importance that the firm places on risk management and quality. The CMP QRM is supported by a team of partners and professionals in each of the functions.

Ethics and Independence Partner

Our firm's Ethics and Independence Partner (EIP) has primary responsibility for the direction and execution of ethics and independence policies and procedures in our firm and reports on ethics and independence issues to the CMP QRM.

The Audit, Tax and Advisory functions - Functional Managing Partners

The Canadian Managing Partners of our three client service functions (Audit, Tax and Advisory) are each accountable to the CEO/SP for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality management procedures for their specific functions within the framework set by the CMP QRM. These procedures make it clear that, at the engagement level, risk management and quality management is ultimately the responsibility of all professionals in the firm.

Our Canadian Managing Partner of Audit (CMP Audit) is responsible for the effective management and control of the Audit function. This includes:

- Setting a strong tone and culture supporting audit quality through communication, engagement support and commitment to the highest standards of professional excellence, including professional skepticism, objectivity, ethics and integrity;
- Developing and implementing an audit strategy that is aligned with the firm's audit quality requirements;
- Working with the CMP QRM to monitor and address audit quality and risk matters as they relate to the Audit practice.

The Management Committee

The Management Committee consists of the CEO/SP, the Canadian Managing Partners, and such additional partners as may be determined from time to time by the CEO/SP. The Management Committee has the overall responsibility for managing KPMG in Canada, including the quality, strength and profitability of the firm's operations.

Members of the Committee are appointed for an indefinite term until removal by the CEO/SP.



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National Audit Leadership Team

The National Audit Leadership Team consists of the CMP Audit and the Audit Business Unit Leaders for each of the six business units across the country. The team is accountable for the management of the Audit practice in Canada including implementing a strategy and plan that demonstrate a strong tone and culture supporting audit quality and ensuring the practice has appropriate capability and capacity to manage the audit client portfolio.

The National Audit Leadership Team is accountable for ensuring the Audit practice adheres to quality management policies and procedures and sponsors the adoption of new approaches to improve audit quality including the adoption of new methodology and technology tools.

Audit Quality Council

In addition, within the Audit function, our Audit Quality Council considers matters relating to maintaining and improving audit quality, including the detailed findings (and related actions) from our SoQM evaluation, external regulatory reviews, the internal Quality Performance Review program and other quality management programs, as well as papers on a range of issues designed to allow us to challenge ourselves in various aspects of audit quality and improvement.

Robust governance structures

Our legal and governance structure

The Canadian firm of KPMG LLP (KPMG in Canada) is a limited liability partnership formed under the laws of Ontario. It is wholly owned by its partners. During the year ended September 30, 2023, there was an average of 961 partners in KPMG in Canada (2022: 890 partners).

Our firm has two principal governing documents: a Partnership Agreement and Operating Procedures.

Together, these documents establish the structure and principal procedures of governance for our firm. The key governance and management bodies of our firm are the Management Committee and the Board.

The CEO/SP is a member of the Board and the Chair of the Management Committee. The CEO/SP is responsible for the direction of the activities and policies of KPMG in Canada, appoints the members of the Management Committee and recommends to the Board the allocation of profits to members of the Management Committee. The initial term of the CEO/SP is five years, with eligibility for reappointment for one additional term of three years.

The Board

KPMG in Canada's business, property and affairs are managed under the direction of the Board. The Board is responsible for the firm's stewardship, including oversight of strategic planning, risk management and succession planning, as well as the appointment of the Chair and the Deputy Chair of the Board.

The Board is comprised of the CEO/SP and 17 individual partners. Except for the CEO/SP, upon the appointment of any member of the Board to the Management Committee, such person shall automatically cease to be a member of the Board. The CEO/SP initial term is five years. All other members of the Board are appointed for a three-year term and are nominated by the Nominating Committee. Board members are eligible for election for two full consecutive terms only.

Key governance committees

There are seven board committees that deal with key aspects of the governance that report into the Board. These are the:

- Public Trust & Quality Committee,
- Succession Committee,
- Operations & Finance Committee,
- Partner Compensation Committee,
- Communications & Governance Committee,
- Partner Rights Committee,
- Partnership Admissions, Acquisitions and Alliances Committee

Details about the role and responsibilities and composition of each of these key bodies are set out as follows.



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Public Trust & Quality Committee: The role and responsibility of the Public Trust & Quality Committee is to assist the Board of Directors to provide direction and oversee the firm’s commitment to quality and integrity, recognizing that it is the Board as a whole which has final authority in such matters. The Committee determines the matters to be brought forward for discussion at the Board, examples of which include:

- Audit Quality, including internal and external inspection results, implementation of system of quality management, audit transformation and priorities
- Tax Quality and Transparency, including internal inspection results, Principles for a Responsible Tax
- Advisory Quality, including internal inspection results
- Ethics & Independence
- Code of Conduct
- Compliance, including results of the KPMG Quality and Compliance Evaluation, Global Quality & Compliance Review, and Independence audits
- Reputational Risk

This Committee is comprised of seven members of the Board of Directors (excluding the CEO/SP) one of whom shall be Chair of the Committee. Committee members and the Chair are appointed by the Board of Directors on the recommendation of the Board Chair.

Succession Committee: The role and responsibility of the Succession Committee is to review the processes and procedures regarding the development of future leaders, including client service leaders, industry leaders and firm management. This Committee is comprised of seven members, or such other number of members as shall be specified by the Board, who are appointed by the Board for a one-year term.

Operations and Finance Committee: The role and responsibility of the Operations and Finance Committee is to review the strategic direction set by the Management Committee and to ensure the annual business plan and the financial plan of the firm reflect these strategies. This Committee is comprised of seven members, or such other number of members as shall be specified by the Board, who are appointed by the Board for a one-year term.

Partner Compensation Committee: The role and responsibility of the Partner Compensation Committee is to review the Management Committee’s annual recommendations for compensation to all partners, the Management Committee, and the CEO/SP, in accordance with the Partnership Agreement and Operating Procedures. This Committee is comprised of seven members, or such other number of members as shall be specified by the Board, who are appointed by the Board for a one-year term.

Communications and Governance Committee: The role and responsibility of the Communications and Governance Committee is to provide direction and oversee our firm’s approach to governance matters, including recommendation to the Board of

appropriate governance processes and structures, reviewing the requirements for committees of the Board and monitoring compliance with recognized governance guidelines. This Committee is comprised of six members, or such other number of members as shall be specified by the Board, who are appointed by the Board for a one-year term.

Partner Rights Committee: The role and responsibility of the Partner Rights Committee is to assist the Board by reviewing appeals by partners related to such matters as compensation, termination and disciplinary actions. This Committee is comprised of six members, who are appointed by the Board for a one-year term.

Partnership Admissions, Acquisitions and Alliances Committee: The role and responsibility of the Partnership Admissions, Acquisitions and Alliances Committee is to review the recommendations of the Management Committee for the admission of internal and direct entry candidates to the partnership, after giving due consideration to the process undertaken and the needs of the firm to admit new partners in relation to succession planning, demographics, diversity and growth. The Committee also reviews the recommendations of the Management Committee related to business acquisitions as well as strategic alliances. This Committee is comprised of seven members, or such other number of members as shall be specified by the Board, who are appointed by the Board for a one-year term.

See page 43 for information on the KPMG legal structure and page 44 for information on the KPMG International Governance structure.



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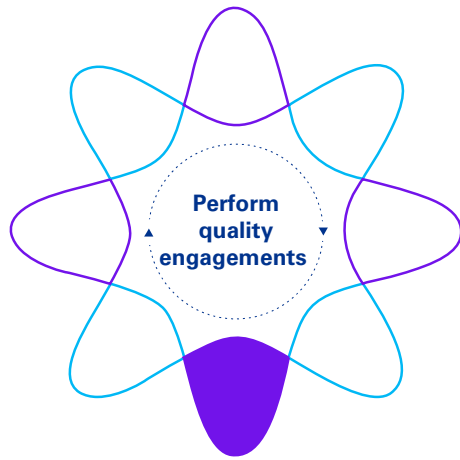
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Apply expertise and knowledge

- **Methodology aligned with professional standards, laws and regulations**
- **Standardized methodology and guidance**
- **Deep technical expertise and knowledge**
- **Quality and risk management policies**

We are committed to continue to build on our technical expertise and knowledge recognizing its fundamental role in delivering quality audits.

Methodology aligned with professional standards, laws and regulations

Consistent audit and assurance methodology and tools

We use KPMG International's audit and assurance methodology, tools and guidance to drive a consistent approach to planning, performing and documenting audit procedures over key accounting processes.

Key elements include:

- Meeting the applicable standards, including International Standards on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB), and the American Institute of CPAs (AICPA), and Canadian Auditing Standards (CAS);
- Identifying risks of material misstatements and the necessary audit response;



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- The methodology, tools, and guidance are embedded in the practice of our audit and assurance professionals;
- Alignment to the International Standard on Assurance Engagements (ISAE) in response to the growth of ESG reporting;
- Consistent interpretation of how to apply ISAs and ISAEs.

Our audit and assurance methodologies emphasize applying appropriate professional skepticism in the execution of audit procedures and require compliance with relevant ethical requirements, including independence.

Standardized methodology and guidance

The KPMG standardized methodology and guidance are embedded within KPMG Clara, our smart audit platform, and assist our engagement teams in meeting the ever-changing landscape of corporate reporting.

Deep technical expertise and knowledge

Access to specialist networks

Specialist expertise is an increasingly important part of the modern audit and is a key feature of our multi-disciplinary model. Our engagement teams

have access to a network of KPMG specialists to consult — either within our firm or in other KPMG firms. These specialists receive the training they need to ensure they have the competencies, capabilities and objectivity to appropriately fulfill their role on our audits. They also receive a global annual update on global quality performance issues.

The need for specialists to be assigned to an audit engagement in areas such as information technology, tax, treasury, actuarial, forensic and valuations is considered as part of the audit engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

Our commitment to audit quality by responding to significant external events and conditions

Significant external events and conditions, such as the impacts arising from climate change, geopolitical events, volatile interest rates and elevated levels of inflation, may have significant financial statement implications, increasing complexity, subjectivity, and uncertainty for matters such as management's going concern assessment, asset impairments and asset valuations. KPMG International issues extensive guidance to assist engagement teams in our firm addressing the financial reporting, auditing and reporting related matters arising from the impacts of these significant external events and conditions.

We also have access to an online financial reporting resource centre maintained by KPMG International that highlights the potential financial statement

implications of matters arising from these significant external events to assist financial statement preparers and other stakeholders to understand the potential accounting and disclosure implications of the impacts arising from these significant external events and conditions.

KPMG International's guidance is continually updated as new significant accounting, auditing and reporting issues emerge.

We are a technology-enabled organization, with technical accounting and auditing resources, guidance, platforms and tools available digitally, which enables our engagement teams to effectively operate in office and remote-working environments.

ESG Assurance quality

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

We believe the same level of professionalism, quality, consistency and trust should apply to ESG reporting as to financial data. We are making significant investments in putting ESG at the heart of the organization.

During 2023, as part of the global organization's commitments to serving the public interest, KPMG International:

- Released a revised methodology for ESG assurance designed to be flexible and scalable, while enabling high-quality, globally consistent assurance engagement delivery that complies with assurance standards and aligns with our financial statement audit methodology. The scope of the execution guide is broader than ESG assurance and is also applicable for all ISAE 3000 assurance engagements;
- Delivered guidance to be used in conjunction with the methodology that is supported by standardized risks and procedures for Greenhouse gas assurance engagements;

- Released cloud-based ESG assurance workflow compliant with the revised assurance methodology, built on our smart technology platform — KPMG Clara — that provides our teams, and our clients, with a consistent user experience;
- Released learning curriculum to increase the foundational ESG literacy of KPMG professionals and enable upskilling on the new methodology and KPMG Clara workflow — Assurance.

Quality and risk management policies

KPMG International has global quality and risk management policies that all KPMG firms have agreed to apply to themselves and their personnel and are consistent with ISQM 1, where applicable.



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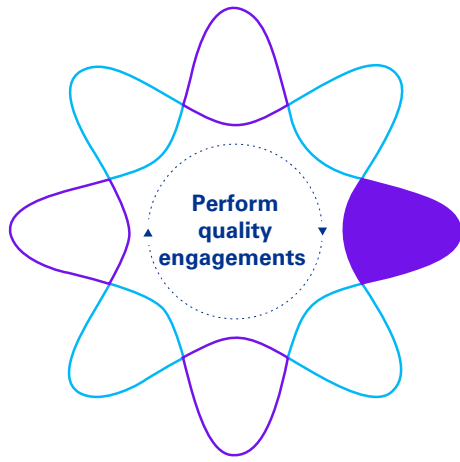
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Embrace digital technology

- **KPMG Clara**
- **Intelligent, standards-driven audit and assurance workflows**
- **Digital data and emerging technologies**

At KPMG, we are anticipating the technologies that will shape our near future and are driving an ambitious innovation agenda. We have transformed the audit experience for our professionals and clients. The alliances and leading technologies used across the KPMG global organization are enhancing audit quality by increasing our ability to focus on the issues that matter.

KPMG Clara

An intelligent audit and assurance technology platform, KPMG Clara integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation and data visualization. It brings new insights by helping auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply adding up the accounts.

A fully digital audit approach is integral to how KPMG firms perform quality audit and assurance engagements and interact with their clients. Policies and guidance are in place to establish and maintain appropriate processes and controls regarding the development, evaluation and testing, deployment and support of technology in our audits.



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Intelligent, standards-driven audit and assurance workflows

At our firm, all professionals are expected to adhere to KPMG International and our firm's policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations. Our policies and procedures set for audit and assurance engagements incorporate the relevant requirements of accounting, auditing, assurance, ethical and quality management standards and other relevant laws and regulations.

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG firms. It enables delivery of KPMG audit and assurance methodologies, through data-enabled workflows, that are aligned with the applicable standards, providing an improved experience to auditors.

Digital data and emerging technologies

Our vision of the future

KPMG Clara was developed to be a foundational technology platform to deliver audit quality. It evolves with technologies such as artificial intelligence (AI), data & analytics and cognitive capabilities transforming how audits are delivered.

AI plays an increasingly significant role in delivering audits; for example, the alliance with [MindBridge](#) is helping to better identify high-risk transactions, allowing us to obtain audit evidence and insights into client data.

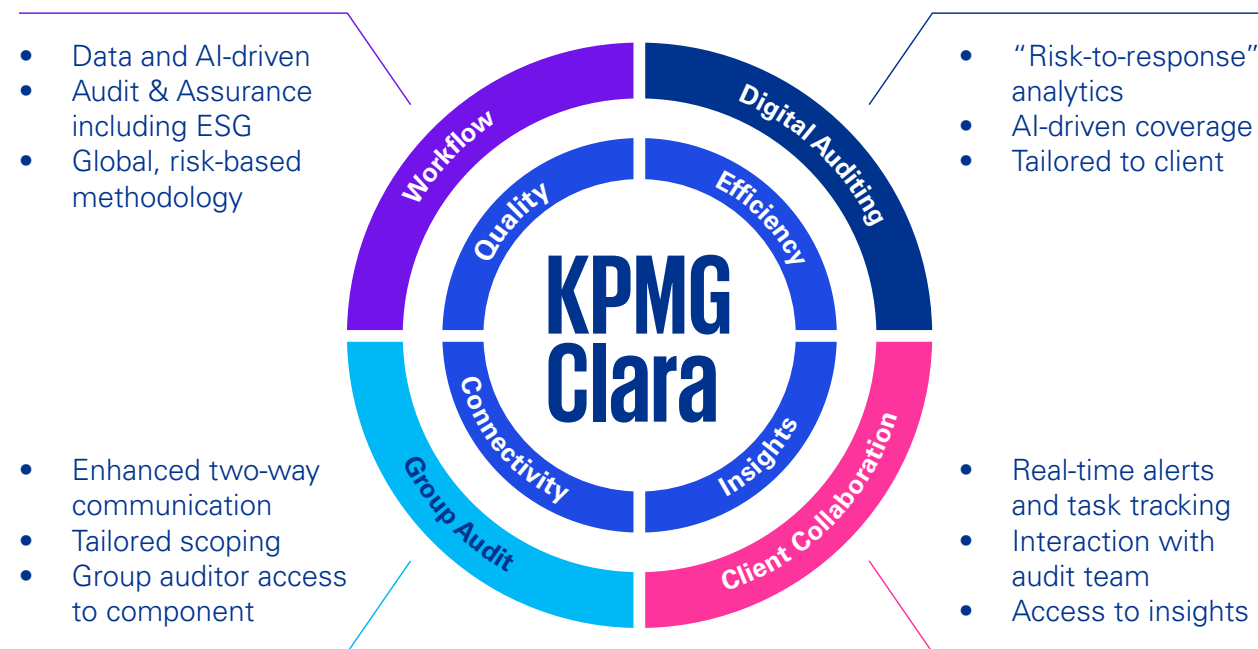
The KPMG organization's procurement and global alliance relationships with Microsoft were recently renewed and expanded. The multi-year agreement further integrates data, automation and AI enablement into KPMG Clara to develop deeper, increasingly relevant insights, freeing up KPMG teams to focus on higher-risk areas of audit.

Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the KPMG Global and our firm's Code of Conduct.

We have policies on information security, confidentiality, personal information and data privacy. We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with applicable laws, regulations and professional standards.

We provide training on confidentiality, information protection and data privacy requirements to all KPMG personnel annually.



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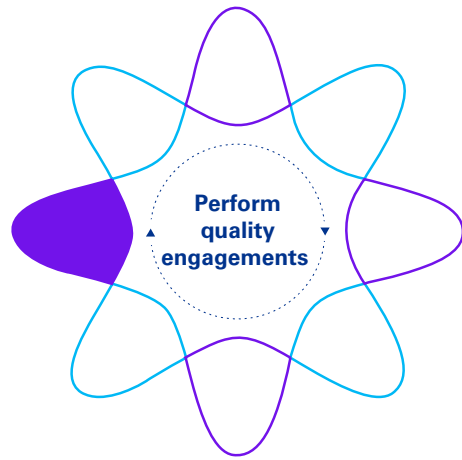
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Nurture diverse skilled teams

- **Recruit appropriately qualified and skilled people with diversity of specialist skills, perspective and experience**
- **Assign appropriately qualified team**
- **Invest in data-centric skills — including data mining, analysis and visualization**
- **Focus learning and development on technical expertise, professional acumen and leadership skills**
- **Recognize quality**

Our people make the real difference and are instrumental in shaping the future of audit at KPMG. We put quality and integrity at the core of our audit practice. Our auditors have diverse skills and capabilities to address complex problems.

To invest in the building of skills and capabilities of KPMG professionals, KPMG in Canada promotes a continuous learning environment and supports a coaching culture.

Recruit appropriately qualified and skilled people, with diversity of specialist skills, perspective and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose to deliver high-quality audits. This requires the right recruitment, development, reward, promotion, retention, and assignment of professionals.

Recruitment

We have invested in understanding how we can attract the talent we need now and in the future across our firm. This includes building an extraordinary people experience for all current and prospective partners and employees.



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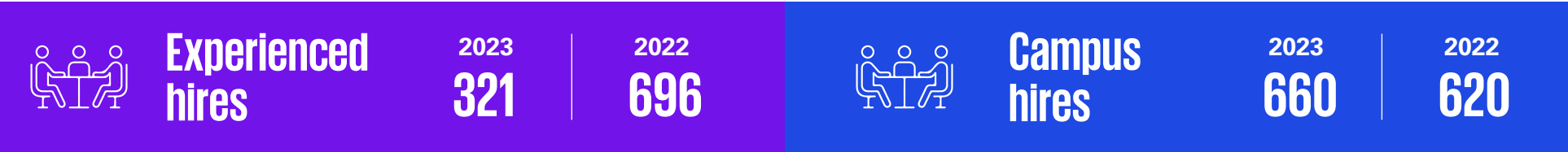
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Our recruitment strategies are focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age. We also recruit significant numbers at an experienced hire and partner level.

All candidates apply and are employed following a variety of selection processes, which may include application screening, competency-based interviews, and qualification/reference checks. These leverage fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform competently, are suitable and best placed for their roles.

When individuals are recruited for senior level positions, a formal independence discussion is conducted by the Ethics and Independence Partner or a delegate. We do not accept any confidential information belonging to the candidate’s former firm/employer.

Hires in the year ended September 30, 2023 (Audit practice)



Profile of KPMG in Canada Audit personnel

	Partner	Senior Manager	Manager	Senior Accountant	Staff Accountant
Number as at September 30, 2023	378	525	381	1,045	1,424
Average length of tenure at the firm (years)	18.9	9.1	4.8	3.1	1.4
Retention rate	98.7%	87.3%	75.9%	60.7%	84.3%



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Inclusion, diversity and equity programs

At KPMG, we are committed to building a diverse and equitable firm that is inclusive to all. Inclusion, diversity and equity (IDE) underpins our [Values](#) and is vital to our Purpose.

It leads to better decision-making, drives greater creativity and innovation, and encourages us to stand up, live our [Values](#) and do what is right.

We recognize the KPMG organization's global position working with clients around the world affords us a privileged place. With that comes an opportunity and responsibility to achieve more and push for a fairer, more equitable society.

The KPMG Global Inclusion, Diversity & Equity Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity and equity across all KPMG firms.

For more about Inclusion & Diversity at KPMG, read [here](#).

Reward and promotion

Reward

We have compensation and promotion policies that are informed by market data, clear, simple, fair and linked to the performance review process. This helps our partners and employees know what is expected of them, including audit quality accountabilities outlined in globally consistent audit role profiles and the audit quality goal. The connection between performance and reward is achieved by assessing performance across a peer group to inform reward decisions. Reward decisions are based on consideration of both

personal and individual firm performance. The extent to which our people feel their performance has been reflected in their reward is measured through the Global People Survey, with action plans developed as required.

Promotion

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

The process for admission to partnership is rigorous and thorough, involving appropriate members of leadership and Board members. The criteria for admission to the KPMG in Canada partnership are consistent with our commitment to our Values and being an employer of choice. A Partnership Admissions, Acquisitions and Alliances Committee is responsible for reviewing the internal and direct entry candidates proposed by the Management Committee before approval is requested from the Board.

Our audit partners are prohibited from being evaluated on or compensated based on their success in selling non-assurance services to audit clients. See [Partner remuneration](#).

Assign an appropriately qualified team

At KPMG we have policies, procedures and controls in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement.

Business Unit Leaders, working with Professional Practice Partners are responsible for the partner assignment process. Key considerations include partner experience and capacity — based on an annual partner portfolio review — to perform the engagement taking into account the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement). The Department of Professional Practice (DPP) monitors the partner assignment process of for each business unit.

Audit teams generally comprise an audit partner, manager, an in-charge senior accountant and junior team members. Larger engagements often have more than one audit partner to support the signing partner. With multinational audits, appropriately capable audit partners and staff are assigned from the relevant KPMG firms.

Audit partners are responsible for determining their engagement teams have appropriate competencies, training and capabilities, including time to perform audit engagements in accordance with our methodology, professional standards, and applicable legal and regulatory requirements. This may include involving specialists from within our own firm, other KPMG firms or external experts.

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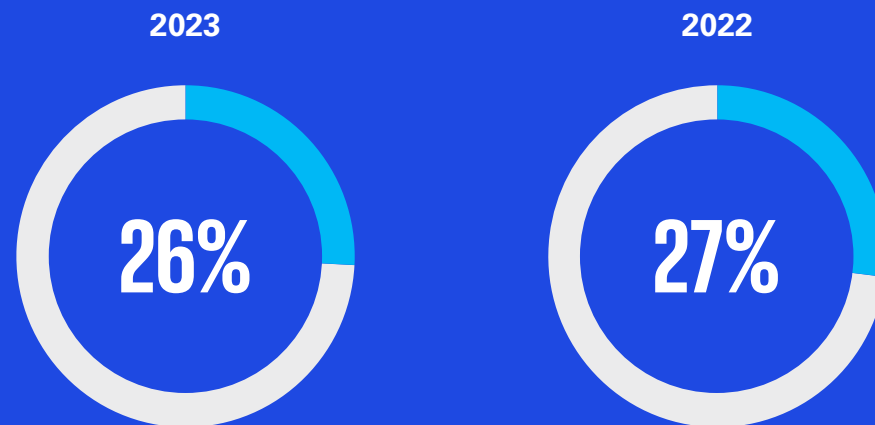
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When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner’s considerations may include the following:

- Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- Understanding of professional standards and legal and regulatory requirements;
- Appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- Knowledge of relevant industries in which the client operates;

- Ability to apply professional skepticism;
- Understanding of KPMG’s quality management policies and procedures;
- Quality Performance Review (QPR) results and results of regulatory inspections.

Partner and manager hours as a percentage of total audit hours for the year ended September 30:



Invest in data centric skills, including data mining, analysis and visualization

The KPMG organization is strategically investing in prospective talent by partnering with world-class institutions to sustain our strong leadership, while also looking forward to cultivating the skills and capabilities that will be needed in the future. In our firm, we are recruiting and training professionals who specialize in software, cloud capabilities and AI and who can bring leading technology capabilities to the smart audit platform that we use.

We provide our professionals with training on a wide range of technologies to help ensure that our field professionals not only meet the highest professional standards but are also upskilled in new technology. With this approach we are bringing together the right people with the right skills and the right technology to perform quality audits.

We are committed to advancing the audit profession by offering the training and experience our people need to accelerate their careers in a data-driven world.



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We recognize that serving today’s global companies requires more than a deep knowledge of accounting and auditing. Harnessing the power of data requires industry professionals that are savvy about data and analytics and have the critical thinking skills needed to translate data patterns and anomalies into higher quality audits, all while providing relevant and meaningful business insights.

Offered through Simon Fraser University – Beedie School of Business KPMG Digital Academy is an industry-leading program that provides our audit professionals the opportunity to build their skills for the future through specialized courses on the latest advancements in technology and data and analytics, and prepares them for an era of machine learning, artificial intelligence, and other digital advances.

Participants earn a Graduate Certificate in Accounting with Digital Analytics. Following successful completion of the Graduate Certificate program, students are able to continue their learning to earn a Master of Science Degree in Accounting with Cognitive Analytics. Working in teams, students develop advanced and innovative applications of data analytics in the Audit practice.

Focus learning and development on technical expertise, professional acumen, and leadership skills

Commitment to technical excellence and quality service delivery

All of our professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists

and partners in DPP who have extensive experience in audit, reporting and risk management, for consultation. Where the right resource is not available in our firm, we access a network of highly skilled professionals in other KPMG firms.

At the same time, audit policies require all KPMG professionals to have the appropriate knowledge and experience for their assigned engagements.

Lifetime learning strategy

Formal training

Annual training priorities for development and delivery are identified by the Audit Learning and Development groups at global, regional and KPMG firm level.

Minimum mandatory learning requirements for audit professionals across the KPMG organization are established annually. Training is delivered using a blend of learning approaches and performance support.

We deploy a variety of learning solutions that are designed to reinforce the KPMG Values and ensure our audit professionals get the fundamentals right, develop the necessary skills and attitudes to make appropriate judgments and apply professional skepticism that enhance audit quality and the value of audit.

Mentoring and on-the-job coaching

Learning is not confined to a single approach – rich learning experiences are available when needed through instructor-led and virtual classroom training, performance support tools, coaching and just-in-time learning, and aligned with job specific role profiles and

learning paths. We also provide courses to enhance personal effectiveness and develop leadership and business skills.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgment, technical excellence and instinct.

We support a coaching culture as part of enabling KPMG professionals to achieve their full potential and instill that every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences.

Our partners and employees are further developed for high performance through stretch assignments and the ability to participate in country rotational and global mobility opportunities.

Licensing

All KPMG professionals in our firm are required to comply with applicable professional licensing rules and satisfy the Continuing Professional Development requirements of the Chartered Professional Accountant body in the Province where they practice. KPMG’s policies and procedures are designed to facilitate compliance with license requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the financial reporting framework applicable to the engagement.



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Mandatory requirements - U.S. GAAP engagements

KPMG has specific assignment requirements for engagements where the financial statements or financial information is prepared in accordance with U.S. GAAP and/or audited in accordance with U.S. auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR). These require that at a minimum, all partners, managers, engagement in-charges, and if appointed, Engagement Quality Control (EQC) reviewers assigned to such engagements have completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

Recognize quality

Personal development

Our approach to performance development, 'Open Performance Development', is built around the 'Everyone a Leader' performance principles which are supplemented by the *global audit technical core competencies* to provide a holistic view of expectations. The performance development approach includes:

1. Globally consistent audit role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
2. A goal library (including a mandatory audit quality

goal applicable to everyone covered by the globally consistent audit role profiles and additional optional audit quality content); and

3. Standardized review forms (with provision for audit quality ratings).

Open Performance Development is linked to the KPMG Values and designed to articulate what is required for success — both individually and collectively. We know that by being clear and consistent about the behaviours and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on quality.

At the same time, we are driving a shift in our performance-driven culture, supported by and enacted through leading technology made available by KPMG International that allows us to embed audit quality into the assessment of performance and the decisions around reward, as well as drive consistency across the global organization.

We consider quality and compliance metrics in assessing the overall evaluation, promotion and remuneration of partners. These evaluations are conducted by performance managers and partners who are able to assess performance.

Commit to creating a workplace where our people can thrive

Together through our people's diverse perspectives and experiences, we make a meaningful difference for our clients, people and communities. We're proud of the continued recognition of our dedication to creating an inclusive and diverse community of culture and believe these milestone accomplishments contribute to our overall success as a firm.

We are proud that our culture has been recognized by many organizations, including:



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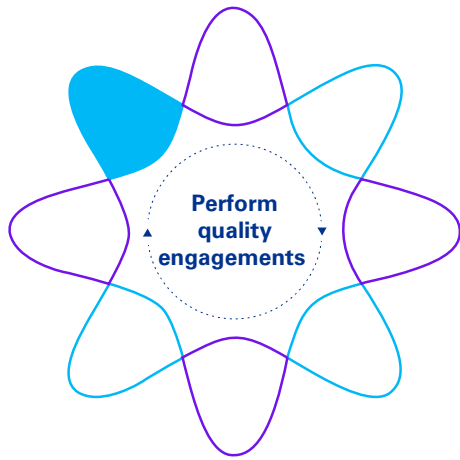
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Associate with the right clients and engagements

- **Global client acceptance and engagement and continuance policies**
- **Accept appropriate clients and engagements**
- **Manage portfolio of clients**

Rigorous global client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

Global client and engagement acceptance and continuance policies

KPMG International's global client and engagement acceptance and continuance systems and processes are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG firms evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.



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Accept appropriate clients and engagements

Client evaluation

Our evaluation of a prospective client includes an assessment of the client's risk profile and background information on the client, its key management, directors and owners. If necessary, the evaluation includes obtaining and assessing additional information required to satisfy applicable legal/regulatory requirements. To maximize objectivity, a centralized team has been established in Risk Management to carry out these due diligence procedures on behalf of engagement teams.

A second partner, as well as the evaluating partner, approves each prospective client evaluation. Where the client is considered to be high risk the Risk Management Partner or a sufficiently skilled and experienced delegate is involved in approving the evaluation.

Engagement evaluation

We consider a range of factors when we are evaluating each prospective engagement including:

- Potential independence and conflict of interest issues;
- Intended purpose and use of engagement deliverables;
- Public perception;
- Whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit engagement includes an assessment of the competence of the client's financial management team and the skills and experience of KPMG professionals.

Where we are providing audit services for the first time, additional independence evaluation procedures are performed, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Any potential independence or conflict of interest issues are documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

Continuance process

We undertake an annual re-evaluation of all audit clients to identify risks in relation to continuing association and mitigating procedures that need to be put in place.

In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change to the risk profile.

Withdrawal process

When we come to a preliminary conclusion that indicates we should withdraw from an engagement or from a client relationship, we consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. We also consider further communications with those charged with governance and any other appropriate authority as required under professional obligations.

Manage portfolio of clients

KPMG International and KPMG firms have policies and procedures to enable our firm to monitor the workload and availability of engagement partners, managers and staff, and personnel to provide sufficient time to complete their responsibilities.

Our firm's engagement partners are responsible for determining that members of the engagement team collectively have the appropriate competence and capabilities, including sufficient time, to successfully perform the engagement in accordance with professional standards and regulatory and legal requirements. For more information, see section [Assigning an appropriately qualified team](#).



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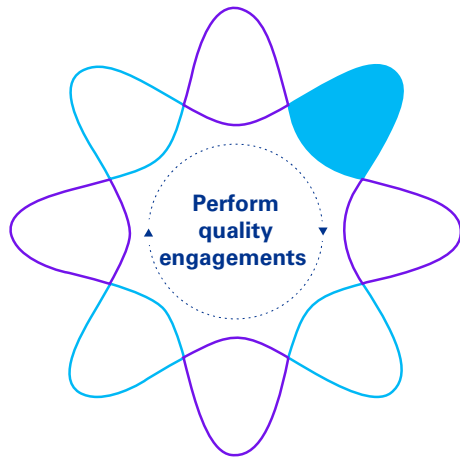
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Be independent and ethical

- **Act with integrity and live our Values**
- **Maintain an objective, independent and ethical mindset**
- **Have zero tolerance of bribery and corruption**

Auditor independence is a cornerstone of international professional standards and regulatory requirements.

Act with integrity and live our Values

We know that trust is earned by doing the right thing. We are committed to the highest standards of personal and professional behaviour throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our [Code of Conduct](#), we outline the responsibilities KPMG people have to each other, our clients and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions.



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Maintain an objective, independent and ethical mindset

KPMG International's independence policies and procedures incorporate the IESBA Code of Ethics, covering areas such as firm and personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

Policies are supplemented to help ensure compliance with Canadian professional standards and regulations as well as the requirements of the United States Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB), as applicable.

Our Ethics and Independence Partner (EIP) is responsible for communicating and implementing KPMG policies and procedures and ensuring that any additional local independence policies and procedures are established and effectively implemented.

Automated tools identify potential independence and conflict of interest issues and facilitate compliance with these requirements. KPMG firm compliance with independence requirements is part of the global KPMG Quality & Compliance Evaluation program.

Personal financial independence

KPMG firms and KPMG personnel are required to be free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm audit and assurance clients (by definition, 'audit client' includes its related entities or affiliates), their management, directors and, where required, significant owners. All KPMG partners — irrespective

of their firm or function — are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system to assist KPMG professionals in complying with personal independence investment policies. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e. late reporting of an investment acquisition).

We monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals. KPMG International provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG independence policies. This includes sample selection criteria and the minimum number of professionals to be audited annually.

In 2023, 418 KPMG in Canada personnel were subject to these audits (381 in 2022), including 23% of our partners (24% in 2022).

Employment relationships

Any KPMG professional providing services to an audit or assurance client irrespective of function is required to notify the firm's EIP if they intend to enter into employment negotiations with that client. For partners, this extends to any audit client of any KPMG firm that is a public interest entity. Specific prohibitions, and in some instances, cooling off periods, apply to accepting certain roles at audit and assurance clients.

Firm financial independence

KPMG firms are also required to be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

KPMG's independence compliance system records direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities or funds. This includes investments held in associated pension and employee benefit plans.

All KPMG firms borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets must also be recorded.

On an annual basis, we confirm compliance with independence requirements as part of the global KPMG Quality & Compliance Evaluation program.

Business relationships/suppliers

We have policies and procedures in place to ensure our business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the SEC.

These include establishing and maintaining a process to evaluate potential third-party arrangements with particular regard to whether they have a bearing on auditor independence.



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All prospective business relationships with audit clients are evaluated to identify potential auditor independence and conflicts of interest issues. A relationship involving a third-party service provider – that a KPMG firm may use to assist with client engagements or other purposes – is also required to be evaluated to determine whether the third party has the competence to provide the relevant services. The individuals providing the services are required to confirm they understand and will comply with applicable ethics and independence requirements, and they are also required to complete ethics training. Third parties providing services to audit or assurance clients are required to complete independence training.

Business acquisitions, admissions and investments

Any acquisition of, or investment in, a business or another firm, requires sufficient due diligence procedures to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with KPMG International are required to enable independence and other issues to be addressed when integrating the business into the wider global organization.

Independence training and confirmations

All KPMG partners and client-facing professionals, as well as certain other individuals, are required to complete independence training upon joining KPMG and on an annual basis thereafter, and must sign an annual confirmation of compliance.

We also provide all partners and employees with annual training on our firm's [Code of Conduct](#).

Non-audit services

All KPMG firms have agreed, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

KPMG's mandatory conflicts and independence checking system supports our compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees, are required to be entered as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the submission.

Lead audit engagement partners are required to maintain group structures for their publicly traded and certain other audit clients including their related entities/affiliates. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

KPMG firms are prohibited from evaluating or compensating audit partners on selling non-audit services to their audit clients.

Fee dependency

KPMG firms have agreed to consult with their Regional Risk Management Partner where total fees from an audit client are expected to exceed 10 percent of the annual fee income of the KPMG firm for two consecutive years. If the total fees from a public interest entity audit client and its related entities were to represent more than 15 percent of the total fees received by a particular KPMG firm in a single year, this would be disclosed to those charged with governance at the audit client. Where the total fees continue to exceed 15 percent for two consecutive years, we would engage a partner from another KPMG firm as the engagement quality control (EQC) reviewer and the fee dependency would be publicly disclosed.

Avoiding conflicts of interest

All KPMG firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have an impact on a firm's and/or its partners' or employees' ability to be objective or otherwise act without bias.

KPMG firms use the mandatory conflicts and independence checking system for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG personnel are prohibited from offering or accepting inducements, including gifts and hospitality to or from audit clients, unless the value is trivial and inconsequential.

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Independence breaches

All KPMG personnel are required to report an independence breach as soon as they become aware of it. All breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements must be reported to those charged with governance.

We have a disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations.

Partner and firm rotation

Partner rotation

Our partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International policy. These requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a 'time-out' period during which time these partners are restricted in the roles they can perform.

Firm rotation

In certain jurisdictions, KPMG firms are only permitted to act as an auditor for a specific audit client for a defined period of time and then are not to act as auditor for that client for a specified period of time thereafter. KPMG firms in these jurisdictions are required to have processes in place to track and manage compliance with audit firm rotation requirements.

Have zero tolerance of bribery and corruption

We have zero tolerance of bribery and corruption.

All KPMG firms' partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

Further information on KPMG International anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#).



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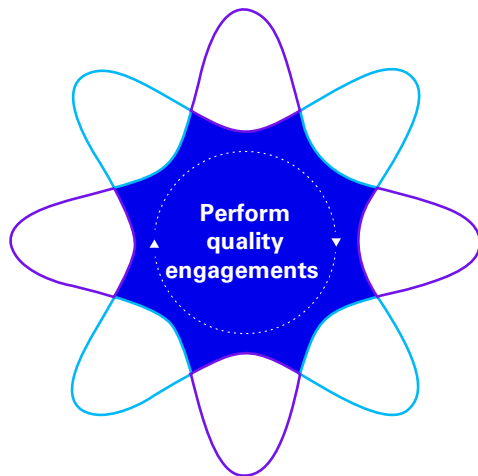
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Perform quality engagements

- **Consult when appropriate**
- **Critically assess audit evidence, using professional judgment and skepticism**
- **Direct, coach, supervise and review**
- **Appropriately support and document conclusions**

How an audit is conducted is as important as the result. Everyone at KPMG is expected to demonstrate behaviours consistent with our Values and follow policies and procedures in the performance of effective and efficient audits.

Consult when appropriate

Encouraging a culture of consultation

KPMG encourages a culture of consultation to support our engagement teams throughout their decision-making processes and is a fundamental contributor to audit quality. At KPMG, we promote a culture in which consultation is recognized as a strength and that encourages all KPMG professionals to consult on difficult or contentious matters.



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To help with this, our firm has established protocols for consultation and documentation of significant matters, including procedures to facilitate the resolution of differences of opinion on engagement issues. In addition, KPMG audit, assurance and risk reporting manuals also include required consultations on certain matters.

Technical consultation and global resources

Technical accounting, auditing and assurance support is available to all KPMG firms through a number of subject matter expert global teams.

Global Audit Methodology Group (GAMG)

Develops KPMG International's audit and assurance methodology based on the requirements of the applicable audit and assurance standards of the IAASB, PCAOB and AICPA.

KPMG Global Solutions Group (KGSG)

Develops and deploys global audit and assurance solutions, including new technology and automation innovations.

The GAMG and KGSG teams bring diverse experiences and innovative ways of thinking to further evolve KPMG firms' audit and assurance capabilities.

International Standards Group (ISG)

Promotes consistency of interpretation of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards by KPMG firms and develops global audit guidance in response to emerging issues and to promote global consistency.

PCAOB Standards Group (PSG)

Promotes consistency in the interpretation of PCAOB auditing standards in KPMG firms' audits of non-US components and foreign private issuers and non-US components of SEC issuers, as defined by SEC regulations. The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates delivery of such training.

KPMG firm professional practice resources

Provide consultation support on auditing and technical accounting matters to their audit professionals involving regional or global teams when required.

Our Department of Professional Practice (DPP) plays a crucial role in supporting the Audit function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local issues and Canadian professional standards, and disseminates international guidance on IFRS and ISAs.

Through liaisons with various subject matter expert global teams, as well as active participation in Canada's standards setting processes, DPP professionals develop and represent KPMG's positions on current topics being addressed by regulatory and other standard-setting bodies. In addition, DPP professionals actively liaise with the ISG, located in London, on international accounting and auditing standards matters, and with professionals in the Department of Professional Practice, located in New York, on accounting and auditing standards matters related to the Financial Accounting Standards Board (FASB), the Public Company Accounting Oversight Board (PCAOB), the Emerging Issues Task Force (EITF) and the Auditing Standards Board of the AICPA.

Critically assess audit evidence, using professional judgment and skepticism

On all KPMG audits, the nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all audit evidence obtained during the course of the audit, including contradictory or inconsistent audit evidence.

Each team member needs to exercise professional judgment and maintain professional skepticism throughout the audit engagement. Professional skepticism involves a questioning mind and remaining alert to contradictory, or inconsistencies in, audit evidence. Professional judgment encompasses the need to be aware of and alert to biases that may pose threats to sound judgments.



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Direct, coach, supervise and review

Embedding ongoing coaching, supervision and review

We promote a coaching culture as part of enabling our professionals to achieve their full potential. We support a continuous learning environment where every team member is responsible for building the capacity of the team, coaching other team members, and sharing experiences while directing, supervising and reviewing their work.

Engagement quality control (EQC)

The EQC review is an important part of our approach to quality. We have agreed to appoint an EQC reviewer for each audit engagement, including any related reviews of interim financial information, of all listed entities, non-listed entities with high risk or a high public profile, and other engagements, including certain assurance engagements as designated by our CMP QRM or CMP Audit.

An EQC review is an objective evaluation of the significant judgments made by the engagement team and the engagement team's related conclusions, performed by the EQC reviewer, and completed on

or before the date of the report. The EQC reviewer's evaluation of significant judgments includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate. The EQC review is complete only when the EQC reviewer is satisfied that all significant matters they raised have been resolved. The partner, who signs the audit report, is ultimately responsible for the resolution of accounting and auditing matters.

EQC reviewers must meet training, knowledge, and experience criteria to perform the EQC review for a particular engagement. Reviewers must be objective, cannot be members of the engagement team and must be independent of the audit client.

KPMG is continually seeking to strengthen and improve the role that the EQC reviewer plays in audits and has taken a number of actions to reinforce this, including issuing leading practice guidance, incorporating specific review requirements into our audit workflow, developing policies relating to recognition, nomination and development of EQC reviewers and ensuring that sufficient time has been allocated to the role within the partner's workload forecast as part of the annual portfolio review.

Appropriately support and document conclusions

Reporting

Engagement leaders form all audit opinions based on the audit performed and the evidence obtained.

In preparing auditors' reports, engagement leaders have access to extensive reporting guidance and technical support through consultations with our Department of Professional Practice, especially where there are significant matters to be reported to users of the auditors' report (e.g., a modification to the opinion or through the inclusion of an 'emphasis of matter' or 'other matter' paragraph).

Engagement documentation

Our firm's audit documentation is completed and assembled in accordance with KPMG International policy and applicable auditing standards. We have implemented safeguards to protect the confidentiality and integrity of client and firm information and we have reduced the time period permitted to assemble audit documentation.



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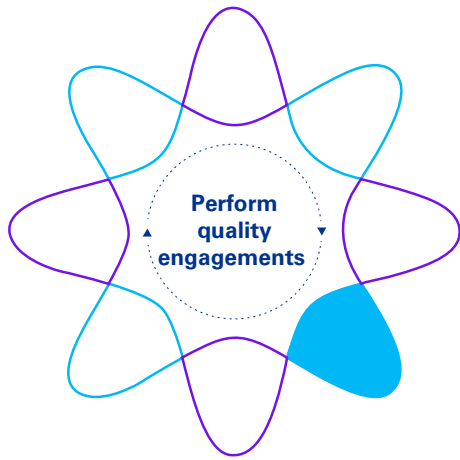
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Assess risks to quality

- **Identify and understand risks to quality and implement effective responses**

The quality of a KPMG audit rests on the SoQM and our approach to ISQM 1 emphasizes consistency and robustness of controls within our processes.

Identifying risks to quality and implement effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, process risk points and controls (responses to those risks) that all KPMG firms agree to adopt. KPMG firms also perform their own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to their firm's facts and circumstances.

The consistent global approach:

- Sets the minimum controls to be implemented within all KPMG firms' SoQM processes in response to globally identified risks to meeting SoQM quality objectives.
- Defines the SoQM methodology used by KPMG firms in their annual evaluation of SoQM to demonstrate the SoQM controls are implemented and operating effectively.

In our firm, we also perform our own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to our firm's facts and circumstances.



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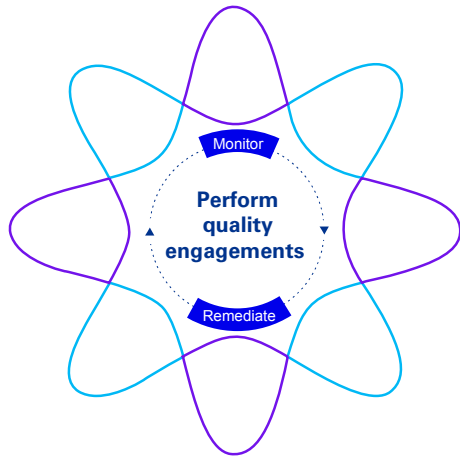
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Monitor and remediate

- **Rigorously monitor and measure quality**
- **Obtain evaluations and act on stakeholder feedback**
- **Perform root cause analysis**

Integrated quality monitoring and compliance programs enable KPMG firms to identify quality deficiencies, to perform root cause analysis and develop, implement and report remedial action plans, both in respect of individual audit engagements and the overall SoQM.

Rigorously monitor and measure quality

Commitment to continuous improvement

KPMG firms have committed to continually improving the quality, consistency and efficiency of their audits. The quality monitoring and compliance programs are globally consistent in their approach across all KPMG firms, including the nature and extent of testing and reporting. In our firm, we consider the results of our internal monitoring programs with the results of external inspection programs and take appropriate action.

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Internal monitoring and compliance programs

Quality monitoring and compliance programs that are created by KPMG International are used by KPMG firms to identify quality issues, perform root cause analysis and develop remedial action plans, both for individual audits and for their overall SoQM.

The programs evaluate:

- Engagement performance in compliance with the applicable professional standards, applicable laws and regulations and key KPMG International policies and procedures.
- Our firm’s compliance with key KPMG International policies and procedures, and the relevance, adequacy and effective operation of key quality control policies and procedures.

The internal monitoring and compliance programs also contribute to the evaluation of our SoQM operating effectiveness. These programs include:

- Audit Quality Performance Review (QPR)
- The global KPMG Quality & Compliance Evaluation (KQCE)
- Global Quality & Compliance Review (GQCR)

The results and lessons from the integrated monitoring and compliance programs are communicated and we establish action plans to make improvements where needed. Results are also considered by KPMG International.

Audit Quality Performance Review (QPR)

The Audit QPR program assesses engagement level performance and identifies opportunities to improve engagement quality.

Risk based approach

Each engagement leader in every KPMG firm is reviewed at least once in a four-year cycle. A risk-based approach is used to select engagements.

We conduct the annual QPR program in accordance with KPMG International QPR instructions which promote consistency across the KPMG organization. Reviews are overseen by an independent experienced lead reviewer from another KPMG firm. QPR results are reported to KPMG International.

Evaluations from Audit QPR

Across the global organization, consistent criteria are used to determine engagement ratings and KPMG firm Audit practice evaluations. Audit engagements selected for review are rated as ‘Compliant’, ‘Compliant Improvement Needed’ or ‘Not Compliant’.

For the five-year period ended September 30, 2023, our program has not identified any issues considered to have a material effect on the conduct of the firm’s audit practice. Like most companies with quality review programs, we identify areas for continuous improvement. Where warranted we conduct formal root cause analysis over audit quality issues and design remedial actions that are responsive to the underlying root causes. These actions include the enhancement of policies and guidance, communications and training for our partners, managers and staff.

	2023	2022	2021
Total QPR audit & assurance reviews performed*	126	92	84
Percentage of engagement leaders reviewed	30	23	26
Number of reviewers from outside of Canada	10	5	10
Percentage of reviewers from outside of Canada	11	8	12

*Includes other related services engagements consistent with ISQM 1



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KPMG Quality & Compliance Evaluation program (KQCE)

The KQCE program encompasses the testing and evaluation requirements of a KPMG firm's SoQM which are necessary to support their compliance with ISQM 1, and compliance with quality and risk management policies. KQCE program requirements are to be completed by all KPMG firms.

The 2023 KQCE program covered the period from October 1, 2022, to September 30, 2023, and helps support our conclusion on the operating effectiveness of our SoQM as of September 30, 2023, and compliance with quality and risk management policies.

Global Quality & Compliance Review (GQCR)

A GQCR is carried out by a KPMG International team and firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of monitoring programs and people surveys, with each firm subject to a GQCR at least once in a four-year cycle.

The GQCR team comprises partners and managers who are independent of the firm subject to review. The overall objective of the GQCR program is to assess the firm's compliance with selected KPMG International policies, including those related to governance and SoQM.

Internal monitoring and compliance program reporting

Findings from the monitoring and compliance programs are disseminated to our professionals through written communications, internal training tools, and periodic meetings with leadership.

Findings are also emphasized in subsequent monitoring and compliance programs to gauge the extent of continuous improvement.

Engagement leaders are notified of Audit QPR not compliant ratings if relevant to their respective cross-border engagements.

Remediation and monitoring

In our firm, we develop remedial action plans to respond to findings identified through our monitoring and compliance programs. Progress on action plans is monitored and results are reported, as appropriate, to regional and global leadership.

Obtain, evaluate and act on stakeholder feedback

Regulators

On October 12, 2023, the Canadian Public Accountability Board (CPAB) released its 2023 Interim Audit Quality Insights Report. This report summarized the year-to-date results of engagement file inspections and observations related to the progress Canada's four largest public accounting firms, including our firm, have made on implementing the new quality

management standards, auditor independence and objectivity. A copy of this report is available on CPAB's website at <http://www.cpab-ccrc.ca>

We share with CPAB the common goals of improving audit quality and maintaining the public's trust in the capital markets. The inspection of public accounting firms represents an important element of this initiative and we fully support CPAB's responsibility.

CPAB inspects our firm on an annual basis and issues a confidential report on the results of its inspection. Under CPAB's rules, inspection results and the recommendations or other comments contained in these reports may not be made public by either CPAB or the inspected firms. We have not yet received CPAB's 2023 final inspection report, but fully intend to implement any recommendations for improvements that CPAB may have related to our system of quality management and engagement performance.

We issue audit opinions on the financial statements of registrants with the U.S. Securities & Exchange Commission (SEC). As a result, we are also registered with the PCAOB, and have been inspected annually by the PCAOB from 2005 to 2017, and every two years since then.

For each inspection, the PCAOB uses a risk-based method to select audit engagements to review and performs certain procedures relating to our quality systems. On November 7, 2022, the PCAOB released its 2021 inspection report for our firm.



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The PCAOB’s reports are presented in two parts. Part I is a public document containing observations relating to specific engagements reviewed by the PCAOB. Part II is a private document containing the PCAOB’s observations regarding our quality control systems related to audit performance and firm-wide functions. This part of the report will be made public only to the extent that any of the PCAOB’s comments and observations have not been adequately addressed within 12 months of the date of the report.

We are committed to responding to all reports on a timely basis. The inspection reports for KPMG in Canada are available on PCAOB’s website at www.pcaobus.org.

We are also registered with the UK Financial Reporting Council, the Germany Auditor Oversight Commission, the Luxembourg Commission De Surveillance Du Secteur Financier, and the Norway Financial Supervisory Authority.

We are not aware of any inquiry or investigation by governmental or regulatory authorities against the firm or any of its partners that may adversely affect the firm’s operations or its ability to fulfill its obligations as an independent auditor to its clients.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through its Global Audit Quality Working Group (GAQ WG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues.

Every KPMG firm is expected to maintain professional and respectful relationships with applicable regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

Client feedback

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered.

Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed on our [website](#).

Perform root cause analysis

In our firm, our SoQM provides the foundation for consistent delivery of quality engagements and our Root Cause Analysis (RCA) program is an integral element of the monitoring and remediation component of the SoQM, driving enhancements to audit quality. Leveraging inputs from internal monitoring programs, external inspections and other activities, we identify audit quality issues and undertake root cause analysis corresponding to the nature and severity of the issues. Firms design their RCA program in accordance with the KPMG International’s RCA Guide.

Upon completion of the root cause analysis, we design and implement remedial actions that respond to the underlying cause of the audit quality issues and subsequently monitor the effectiveness of such actions. The RCA remedial action plans and monitoring results are reported to regional and global leadership.

Our CMP Audit is responsible for audit quality, including the remediation of audit quality issues. Our firm’s CMP QRM monitors the remediation plan(s) implementation.

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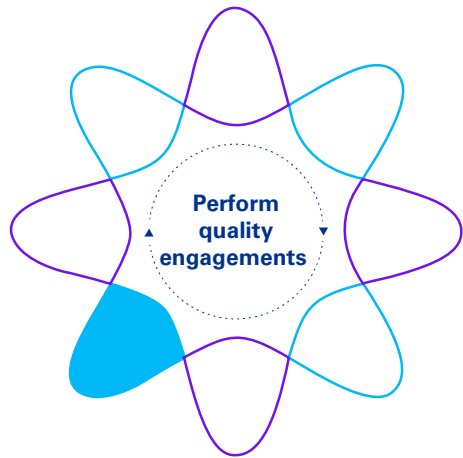
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Communicate effectively

- **Provide insights, and maintain open and honest two-way communication**
- **Conduct and follow-up on the Global People Survey**

We recognize that another important contributor to upholding audit quality is to obtain and promptly act upon feedback from key stakeholders.

Provide insights, and maintain open and honest two-way communication

We stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings and ongoing informal discussions with management and members of the audit committee.



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The role of audit committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

KPMG Board Leadership Centre

The demands facing Boards have never been so great. In today’s world, more is expected of directors and audit committee members than ever before. Our firm’s [Board Leadership Centre](#) provides perspectives, insights and tools needed to help directors deliver on their mandate and provides resources for audit committees focused on strengthening the oversight of financial reporting and audit quality.

Global IFRS Standards Institute

The [KPMG Global IFRS Institute](#) provides information and resources to help board and audit committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial and sustainability reporting frameworks.

Conduct and follow up on the Global People Survey

Only with engaged, talented people can we deliver audits in line with our audit quality expectations. Annually, our personnel are invited to participate in KPMG’s Global People Survey (GPS) to share their perception on their experience of working at KPMG.

Results can be analyzed by several factors, including functional or geographic area, grade and gender to provide additional focus for action.

Through the GPS, our firm measures our people’s engagement and gains additional insight about what drives engagement for KPMG people. The GPS includes specific audit quality questions for those individuals who participated in an audit in the previous 12 months, giving us a particular data set for audit quality related matters.

The survey also provides our leadership and KPMG International leadership with insights related to quality and risk behaviours, audit quality, upholding the KPMG Values, and employee and partner attitudes to quality, leadership and tone at the top.

We participate in the GPS, monitor results and take appropriate actions to communicate and respond to the findings of the survey. The results of the GPS, and the appropriate follow up actions, are also aggregated for the entire global organization and are presented to the Global Board each year.

Audit-specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for consideration of appropriate remedial action, if needed. A global GPS action plan for audit is also communicated annually.

	 KPMG’s commitment to quality is apparent in what we do on a day-to-day basis.	 The people I work for demonstrate honest and ethical behaviour.	 I believe I can report unethical practices without a fear of negative impact on me.
2023	89%	91%	83%
2022	88%	95%	85%
2021	89%	93%	83%

Source: 2023 KPMG GPS (Canadian firm respondents, Audit practice)



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The following financial information relates to KPMG in Canada’s fiscal year ended September 30, 2023. All amounts are stated in millions of Canadian dollars.

Aggregated revenues from the audit of financial statements* of non-EU/EEA companies with transferable securities trading on regulated markets in the EU	21.6
Aggregated revenues from permitted non-audit services** of non-EU/EEA companies with transferable securities trading on regulated markets in the EU	4.2
Aggregated revenues from the audit of financial statements* of non-UK companies with transferable securities trading on regulated markets in the UK	37.8
Aggregated revenues from permitted non-audit services** of non-UK companies with transferable securities trading on regulated markets in the UK	7.9
Aggregated revenues of KPMG in Canada from the audit of financial statements	690
Aggregated revenues of KPMG in Canada from permitted non-audit services	2,015
Total gross revenues*** of KPMG in Canada, including the amounts disclosed above	2,705

* Revenues from the audit of financial statements of \$19.9 are included in both non-EU/EEA and non-UK revenues above.

** Revenues of \$3.4 from permitted non-audit services are included in both non-EU/EEA and non-UK revenues above.

*** Gross revenues include amounts paid to other KPMG firms who have assisted in the performance of statutory audits.



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Partner remuneration

Partners are remunerated out of the distributable profits of KPMG in Canada (such profits being determined in accordance with KPMG in Canada’s accounting policies and as approved by the Canadian Board) and Partners are personally responsible for funding their own retirements and most other benefits.

The final allocation of profits to partners is made by KPMG in Canada after assessing each partner’s performance for the year. The Canadian Management Committee sets and oversees the process, and approves the allocations to Partners; the Partner Compensation sub-committee of the Canadian Board reviews the process and its application; and the Canadian Board approves the process and its application.

There are two elements to partner remuneration:

- A proportion of KPMG in Canada’s budgeted profits are allocated to partners as base compensation. The amount of base compensation reflects the role, sustained performance and expectations of each partner; and
- A variable compensation component, based on actual profits, rewards a partner for their performance in the fiscal year and the overall performance of the firm. Our compensation program for the variable component of partner remuneration takes into account a number of factors including, but not limited to, public trust and quality, clients and markets, operations, and people and knowledge. Included as part of the public trust and quality measure is audit quality, assessed separately, based on their ability to deliver audit quality. Audit partners are not permitted to have objectives related to, or receive any remuneration from, selling non-audit services to their audit clients.



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Legal structure

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms do not, and cannot, operate as a multinational corporate entity. KPMG member firms are generally locally owned and managed. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If that is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Our firm, and all other KPMG firms are party to membership and associated agreements, the key impact of which is that all KPMG member firms in the KPMG global organization are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

KPMG is the registered trademark of KPMG International and is the name by which KPMG member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the legal and governance arrangements for the KPMG global organization can be found in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

The name of each audit firm that is a member of the organization and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available [here](#).

Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements*

Aggregated revenues generated by KPMG firms from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was 2.4 billion euros during the fiscal year ended September 30, 2023. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended September 30, 2023.

*The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.



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Responsibilities and obligations of KPMG firms

Member firms have agreed with KPMG International to comply with KPMG International's policies and regulations, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability, and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values.

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to member firms. A firm's status as a KPMG member firm and its participation in the KPMG global organization may be terminated if, among other things, it has not complied with the policies, procedures and regulations set by KPMG International or any of its other obligations agreed with KPMG International.

Professional indemnity insurance

Insurance coverage is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

Governance structure

KPMG International's governance bodies are comprised of the Global Council, the Global Board (including its committees), the Global Management Team and Global Steering Groups. Further details on KPMG International's governance structure can be found in the 2023 [KPMG International Transparency Report](#).



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Statement on the effectiveness of the System of Quality Management of KPMG LLP as at September 30, 2023

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1) and policy of KPMG International, KPMG LLP ("KPMG in Canada" or the "Firm") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm.

The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

- a) The Firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG in Canada outlines how its System of Quality Management supports the consistent performance of quality engagements in the Transparency Report 2023.

Integrated quality monitoring and compliance programs enable KPMG in Canada to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG in Canada performs its annual evaluation of the System of Quality Management, KPMG in Canada evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of September 30, 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Toronto, Canada, November 30, 2023



Elio Luongo
Chief Executive Officer
and Senior Partner
KPMG in Canada



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Appendix A: EU/EEA or UK Public interest entities

The list below includes the firm's relevant audit clients whose transferable securities are admitted to trading on regulated markets within the European Union/European Economic Area or the United Kingdom as of September 30, 2023.

European Union/European Economic Area:

- The Bank of Nova Scotia
- Hydro-Quebec

United Kingdom:

- Bank of Montreal
- The Bank of Nova Scotia
- Gran Tierra Energy Inc.
- Taseko Mines Limited



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kpmg.com/ca/audit



KPMG LLP, a limited liability partnership, is a full-service Audit, Tax and Advisory firm owned and operated by Canadians. For over 150 years, our professionals have provided consulting, accounting, auditing, and tax services to Canadians, inspiring confidence, empowering change, and driving innovation. Guided by our core values of Integrity, Excellence, Courage, Together, For Better, KPMG employs more than 10,000 people in over 40 locations across Canada, serving private- and public-sector clients.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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