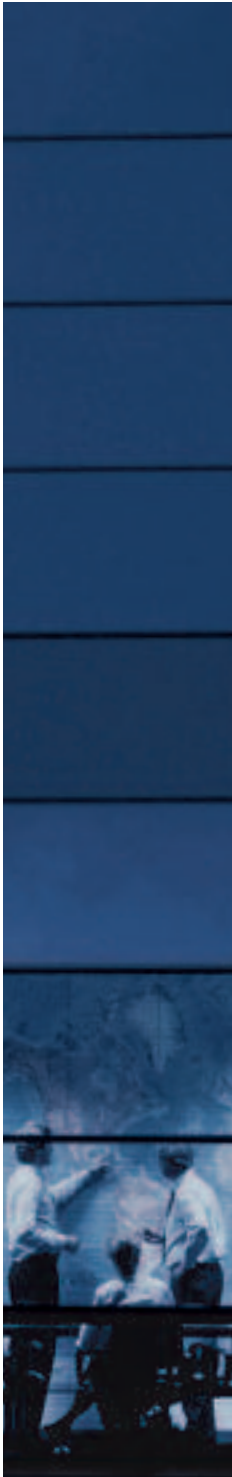




KPMG's Code of Conduct

KPMG LLP





Our Core Values

KPMG LLP's core values, listed below, define our culture and our commitment to the highest principles of personal and professional conduct. They represent how we relate to each other, what we expect of our clients, and what our clients and the marketplace should expect of us. As such, they will continue to be at the heart of how we operate as a firm.

We lead by example. We, as a firm and as individuals, act in a manner that exemplifies what we expect of each other and our clients, and what our clients should expect of us.

We work together. We team to bring out the best from our combined talents, experiences, knowledge, and cultures, thereby creating strong and successful relationships.

We respect the individual. We respect all individuals for their diversity, who they are, and what they bring as individuals and as team members for the benefit of our clients and the firm.

We seek the facts and provide insight. We listen to and proactively challenge different points of view in order to arrive at the right judgments.

We are open and honest in our communication. We encourage timely, clear, and constructive two-way communication.

We are committed to our communities. We, as individuals and teams, use our time and resources to support our local communities.

Above all, we act with integrity. We are professional first and foremost, we take pride in being part of KPMG, and we are committed to objectivity, quality, and service of the highest standards.

Integrity is the KPMG core value that underlies our Code of Conduct.

When making a decision or following a directive, ask yourself:

- Does my action comply with the spirit and letter of the law?
- Is my behavior consistent with KPMG's core values and ethical or professional standards?
- Does my decision reflect the right thing to do?
- Is my decision being driven by responsible professional judgment?
- Would I feel confident that I could explain my decision if it were made public?

Be attentive:

- Stay informed about the ethical and legal standards that apply to your job activities.
- Know whom to ask if you are unsure of the right thing to do.
- Speak up if you have a concern.
- Get help if you need it.



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To KPMG's Partners and Employees:

At KPMG we are committed to a values-based compliance culture. To me, a values-based compliance culture is one that requires “doing the right thing in the right way—the first time” and making tough ethical decisions while maintaining our commitment to outstanding client service and communicating effectively, both internally and externally.

In this culture we all clearly understand the values that guide our actions and that are in compliance with our professional responsibilities. When we see behavior that is inconsistent with our values or professional responsibilities, we feel compelled to raise our concerns. And when we do, we know that the concern will be constructively reviewed and considered, and consistent and appropriate action will be taken. Individuals who raise the concerns are rewarded and recognized for delivering on our *promise of professionalism*—to each other, to our clients, and to the capital markets we serve.

Our core values, listed in the front of this Code of Conduct, are at the heart of our *promise of professionalism* and represent how we conduct ourselves to achieve our strategic priorities of professional excellence, people, and quality growth. Our Code of Conduct demands a commitment to ethics and integrity in everything we do as a firm.

This Code of Conduct defines the standards by which we conduct our business every day. It can be used as a guide for your actions and provides resources that can help you learn more about specific policies and procedures, including whom you can reach out to for information or help. Understanding our standards of conduct empowers each of us to ask questions, to raise issues, and to seek guidance on ethical matters and potential concerns.

The reality of business may mean there could be times when you feel pressured to compromise KPMG's values and ethical standards. Despite how important the matter is, or how high the stakes may be, there never is a situation when compromising our standards is either expected or acceptable.

If you ever feel pressured to do so, I ask that you reach out to those who can help—the firm provides many local, regional, and national channels of communication, including your performance manager, your Human Resources Manager, your Office Managing Partner, and your Professional Practice and Risk Management Partners. In addition, our Ethics and Compliance professionals, our firm Ombudsman, and the Ethics and Compliance Hotline provide anonymous and confidential mechanisms for reporting concerns.

Please join me in reaffirming our commitment to a values-based compliance culture—based on ethical behavior and integrity—by reading this Code of Conduct and dedicating yourself to upholding the values and standards embodied within. By doing so, not only will each of us fulfill our individual responsibility to help mitigate risks to the firm, but each of us will also bring to life our *promise of professionalism*—to each other, to our clients, and to the capital markets we serve.

In closing, I would like to thank each of you for the tremendous work you do every day.

Timothy P. Flynn
Chairman & CEO



About the Code of Conduct

This Code of Conduct (Code) is designed to provide all partners and employees in the U.S. firm with a clear understanding of the standards of conduct that pertain to their roles at KPMG LLP (KPMG or the firm). It is intended to be your road map to help guide your actions and behaviors in your work at KPMG. This Code also introduces the resources available to help you fulfill your personal responsibility to achieve compliance with and to understand the firm's standards.

Although this Code can help answer your questions, it cannot describe all applicable laws, policies, or standards. Where any provision in this Code of Conduct may be interpreted as differing from an applicable law, professional standard, or other firm policy, the more restrictive standard usually should be applied. In these cases, consultation is encouraged.

This Code of Conduct applies to all KPMG partners and employees—regardless of title or tenure. All KPMG partners and employees will be requested to confirm in writing that they have received, read, and agreed to comply with the standards contained in the Code, as supplemented from time to time. **This Code and the policies associated with it are not an employment contract. KPMG does not create any contractual rights by issuing this document or its associated policies.**

All those who conduct business with KPMG, such as suppliers, consultants, subcontractors, affiliates, and agents, should also read and become familiar with this Code. They will be expected to follow the standards contained in the Code when working with KPMG.

KPMG partners and employees will find additional Code of Conduct resources at www.eandc.kworld.kpmg.com/CofC.

External parties will find additional information about KPMG's Code of Conduct at www.us.kpmg.com.



Getting Help

Seeking Advice and Reporting Concerns

You should seek advice when you are unsure about an appropriate legal or ethical course of action. This would include, for instance, situations when:

- Applicable policies seem difficult to interpret under the circumstances
- The relevant laws or professional practice rules are complex
- You have limited experience dealing with the subject matter
- You find yourself in a “gray area” and need guidance

Remember, it is better to ask than to risk the consequences of a wrong decision.

You also should raise any concerns and report potential or suspected violations of KPMG standards. This would include situations when you know or suspect firm partners or employees, clients or parties associated with clients, or suppliers, subcontractors, or other third parties associated with the firm are—or are about to be—engaged in illegal or unethical activity.

While you may not always know for certain whether something is a violation, your concern should always be raised.

Where to Go for Help

There are many avenues available to you for getting help, and you should select the ones you think are most appropriate given the situation. Your supervisor or performance manager is a good place to start.

Other sources you may use to get help, seek advice, or report concerns include:

- Your engagement partner, practice leader, office managing partner, or area managing partner
- Your Professional Practice Partner
- The Firmwide Security Group
- The Department of Professional Practice (DPP)
- The Office of General Counsel (OGC)
- The Ethics and Compliance Group
- The Ethics and Compliance Hotline
- The Firm Ombudsman

You will find useful contact numbers for some of the offices and departments listed above, along with additional reference information on the Code of Conduct site at www.eandc.kworld.kpmg.com/CofC. In addition, you can contact Ethics and Compliance for general assistance, questions, or advice related to KPMG's Code of Conduct at 800-KPMG-HELP, Option 3, Option 3.

Good Faith Reporting

You are encouraged to seek advice or report concerns, and you should not fear retaliation. KPMG prohibits retaliation against anyone who, in good faith, reports a possible violation or participates in an investigation, even if sufficient evidence is not found to substantiate the concern. KPMG will take appropriate action against any individual engaging in retaliatory conduct. When normal channels prove to be ineffective or are impractical under the circumstances, you are encouraged to contact the Ethics and Compliance Hotline if you feel that you have been subjected to retaliation.

KPMG's policy against retaliation does not mean that you can exempt yourself from the consequences of your own improper conduct by self-reporting. However, KPMG does encourage self-reporting and, depending on the specific circumstances, may treat self-reporting as a mitigating factor when assessing disciplinary measures in response to improper conduct.

The Ethics and Compliance Hotline (www.kpmgethics.com and 877-576-4033)

The Ethics and Compliance Hotline is an anonymous reporting mechanism that facilitates reporting of possible illegal, unethical, or improper conduct when the normal channels of communication have proven ineffective or are impractical under the circumstances. The Hotline is available to firm partners and employees as well as clients, contractors, vendors, and others in a business relationship with KPMG, including other member firms whose partners and employees may be working with the U.S. firm on engagements with U.S.-based clients. If you are unsure about where to go with your concerns, feel uncomfortable reporting through normal channels of communication, or wish to raise the issue anonymously, you should access the Ethics and Compliance Hotline.

Remember, it is better to ask than to risk the consequences of a wrong decision.

The Ethics and Compliance Hotline operates 24 hours a day, seven days a week, and is run by an independent third-party provider to help preserve anonymity. The Hotline provides a Web-based reporting capability as well as a toll-free telephone-based service. Regardless of how a report is made, KPMG prohibits retaliation against anyone who, in good faith, reports a possible violation or who participates in an investigation, even if sufficient evidence is not found to substantiate the concern. KPMG will take appropriate action against any individual determined to be engaging in retaliatory conduct.

You can access the Ethics and Compliance Hotline at www.kpmgethics.com or 877-576-4033.

Firm Ombudsman

The National Partner in Charge of Risk Management—Audit also serves as KPMG's Ombudsman. In this role, Michael C. Plansky oversees the investigation, documentation, and resolution of issues involving the audit of SEC audit clients of KPMG LLP, including the audit of foreign operations of those SEC audit clients. The Ombudsman reports directly to the Chairman of KPMG and operates under the firm's principles of confidentiality and non-retaliation. Any reports filed using the Ethics and Compliance Hotline that involve an SEC audit client will be directed to the Ombudsman for investigation. In addition, you may contact the Ombudsman directly at 212-872-4458 or mplansky@kpmg.com.



Our Shared Responsibilities

Individual Responsibilities

You are responsible for becoming familiar with and following the legal, professional, and ethical standards that apply to your job and level of responsibility. You are also responsible for seeking advice when needed, raising concerns, and reporting to management potential violations of KPMG's standards of conduct.

You will be doing your part when you:

- **Stay Informed.** You are expected to be familiar with the laws, professional standards, and firm standards that apply to your specific job function and level of responsibility, participate in training sessions offered by KPMG that deal with ethics and compliance issues, take time to read e-mail and newsletter updates sent to you, and seek further information through KWorld.
- **Stand Firm.** Although you may receive routine messages about the importance of meeting performance goals, or feel performance pressure from colleagues, clients, or others, you should not interpret this to mean that you are expected to compromise KPMG's values or standards to meet goals or expectations.
- **Take Ownership.** You should care about this Code because KPMG's reputation for integrity impacts everyone. Adherence to this Code is endorsed and monitored by KPMG's Board of Directors. It is your job to incorporate the Code into your daily activities, knowing that you have the full support of KPMG's leadership in doing so.
- **Surface the Issues.** Your voice counts. If you are ever unsure of the right thing to do—ask. Speak up if something doesn't seem right. Offer suggestions that will improve the work environment at KPMG.

Management Responsibilities

Those with management responsibilities are expected to make ethics and integrity a cornerstone of our business conduct. If you lead or manage others, you should:

- Be a positive role model by showing what it means to act with integrity.
- Take care that those you supervise have the knowledge and resources they need to adhere to KPMG's standards.
- Set clear, measurable, and challenging goals—but only if they can be achieved without encouraging others to compromise KPMG's values and standards.
- Enforce KPMG's standards consistently and fairly, and monitor compliance of those you lead.
- Respond appropriately to those who raise questions and concerns in good faith.
- Be prepared to be held accountable for your own integrity shortcomings as well as those of the people you lead.

Enforcing KPMG's Standards

An Ethics Committee of the KPMG Board of Directors will ensure the consistent enforcement of this Code of Conduct. Those who violate KPMG standards, regardless of title or tenure, may be subject to disciplinary action, up to and including termination of employment or partnership resignation.

The following are some examples of conduct that may result in a response by the firm:

- Violating laws or KPMG's standards
- Directing or encouraging others to violate laws or KPMG's standards
- Failing to report known or suspected violations of laws or KPMG's standards
- Interfering with or being uncooperative during an investigation
- Retaliating against others for reporting a concern or violation

An Ethics Committee of the
KPMG Board of Directors will
ensure the consistent enforcement
of this Code of Conduct.

You should also be mindful that violations of laws or KPMG's standards could trigger external legal actions against you, your colleagues, and the firm, its affiliates, and clients. Criminal or government enforcement actions can include suspension or revocation of licenses, debarment, sanctions, monetary fines, criminal penalties, and imprisonment.

Additional Resources

KPMG Partners and Employees

To access resource and policy links as well as information for all areas of the KPMG Code of Conduct, including how to order additional copies, please visit www.eandc.kworld.kpmg.com/CofC.

External Parties

For more information on KPMG's Code of Conduct, including how to order additional copies, please visit www.us.kpmg.com/About.



Our People

Our Commitment

KPMG is committed to treating everyone with respect and dignity. Hostility, harassment, or unwelcome sexual advances are offensive and are not tolerated in our firm. We will strive to provide a safe and secure work environment, respect and protect the personal information of our partners and employees, and offer assistance when needed.

Equal Opportunity

KPMG is an equal opportunity employer, committed to ensuring that its diverse workplace is free from discrimination. As such, KPMG will recruit, hire, train, and promote individuals in accordance with all applicable laws and regulations, without regard to a person's race, color, creed, religion, age, gender, national origin, citizenship status, marital status, sexual orientation, disability, veteran status, or other category protected by federal, state, or local law.

KPMG is an equal opportunity employer, committed to ensuring that its diverse workplace is free from discrimination.

For additional information, contact your Human Resources (HR) Manager, the Human Resources Service Center (HRSC), or the Office of General Counsel.

Harassment-Free Work Environment

KPMG partners and employees must guard against other unprofessional behavior that compromises trust, the quality of the work environment, or the integrity of decision making. KPMG prohibits behavior that harasses a partner, employee, or applicant on the basis of his or her race, color, creed, religion, age, gender, national origin, citizenship status, marital status, sexual orientation, disability, veteran status, or other category protected by federal, state, or local law. Forms of such harassment can include physical, verbal, and nonverbal behavior that harasses, disrupts, or interferes with a partner's or an employee's work performance or in any way creates or contributes to an intimidating, hostile, or offensive work environment. This behavior includes, by way of example only, off-color jokes, threats, and derogatory e-mails or drawings. Similarly, favoritism, belittling others, and verbal outrages undermine the dignity and respect due to everyone at KPMG.

Sexual harassment is one form of partner or employee conduct that undermines the integrity of the partnership or employment relationship. For the purposes of KPMG policy, sexual harassment is defined as sexual behavior that is unwelcome, is personally offensive, and creates a hostile, intimidating, or offensive work environment. KPMG will not tolerate sexual harassment of its applicants, partners, or employees by anyone—partners, employees, vendors, or clients.

For additional information, contact your HR Manager, the HRSC, or the Office of General Counsel.

Health and Safety

Providing KPMG partners and employees with a safe and secure work environment is fundamental. KPMG partners and employees are responsible for complying with applicable health and safety rules. Accordingly, each should take appropriate measures to protect his or her physical security and observe safe and responsible work practices, such as adhering to local building access security procedures, promptly reporting to management any job-related injury or illness, and following security guidelines when traveling. Moreover, violence or threats of violence by any KPMG individual against any other individual will not be tolerated. Likewise, weapons of any kind must never be brought to KPMG offices or client locations.

For additional information, contact Firmwide Security or your HR Manager.

Partner and Employee Privacy

KPMG strives to respect and protect the privacy of personal information of KPMG partners and employees in all formats, and takes reasonable precautions to protect such personal information from misuse and unauthorized access, alteration, disclosure, or destruction. Under law, KPMG partners and employees are entitled to certain privacy rights with regard to the processing of their personal information in KPMG's information systems. Access to personal information processed by KPMG is limited to authorized individuals with a valid business or legal need for the information.

For additional information, contact Ethics and Compliance or your HR Manager.

KPMG strives to respect and protect the privacy of personal information of KPMG partners and employees.

Substance Abuse

Being under the influence of alcohol or illegal drugs or improperly using medications can diminish one's ability to do his or her job, and can compromise the safety of others. You should not work in an impaired state or allow substances to interfere with the safety or productivity of those around you. KPMG's policy prohibits the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance on KPMG premises, in KPMG vehicles, or while conducting KPMG business. You should be aware that KPMG offers a free, confidential Employee Assistance Program through LifeWorks® that provides counseling and referrals for substance abuse issues, not only for our partners and employees but also for their immediate family members.

For additional information, contact LifeWorks or your HR Manager.



Our Firm

Our Commitment

KPMG will pursue sound growth and earnings objectives, balancing short- and long-term business goals. KPMG will be vigilant about applying its risk management policies, will be open and honest about its operations and performance, and will exercise care in the use of assets and resources.

Risk Management

You are responsible for understanding the KPMG risk management policies applicable to your job function. Maintaining compliance with KPMG risk management policies and associated procedures is required. When necessary, obtain guidance from your Professional Practice Partner and Risk Management—Audit, Tax, or Advisory.

For additional information, contact Risk Management—Audit, Tax, or Advisory or the Office of General Counsel.

Records Management

KPMG partners and employees should do their part to see that business information is accurate and appropriately maintained. This includes client engagement documents and deliverables as well as payroll records, performance evaluations, time and expense reports, and other KPMG records. Such information should be retained in accordance with KPMG's document retention standards and other standards required by law.

Documents that are material evidence in a lawsuit or government investigation (cited collectively here as "litigation") are preserved and retained after the commencement of actual litigation or receipt by the firm of a subpoena or request for information related to litigation. In addition, such documents should be preserved and retained in the period before actual litigation has commenced when KPMG personnel reasonably should know that the evidence might be relevant to anticipated litigation.

See also, "Responding to Government and Other Regulatory Investigations" on page 17 of this document. For additional information, contact Ethics and Compliance or the Office of General Counsel.

Safeguarding Physical and Intellectual Property

How KPMG assets are used directly impacts the profitability of our organization. KPMG partners and employees should therefore use such assets responsibly, protecting them against misuse or theft. You also should treat a client's assets with the same high level of care with which you treat KPMG's assets.

KPMG's growth and success depends on the ability to develop "intellectual capital" gained from experience, research, and innovation. Intellectual capital includes the collective experience, skill, and knowledge of KPMG and its partners and employees. Some examples of intellectual capital are concepts, marketing strategies, methodologies, proposals, templates, techniques, models, software, tools, and designs. Such property, with few exceptions, remains the property of KPMG when it is used or developed in the course of conducting business.

It is important for you to protect such properties through appropriate copyrights and trademarks and safeguarding confidential information when applicable. In addition, you must be respectful of the intellectual property rights of others (including clients, competitors, suppliers, and alliance partners) by not acquiring or using that property inappropriately.

See also, "Confidentiality" on page 12 and "Gathering Competitive Intelligence" on page 14 of this document. For additional information, contact Firmwide Security or Brand & Regulatory Compliance.

Computer and Network Security

You should remain vigilant, protecting and maintaining the confidentiality, integrity, and security of KPMG's communications and computer systems as well as information used to access data networks (including IDs and passwords) and building-access key cards. Because KPMG's computer systems and data are under constant threat from viruses and other malicious software, you should treat data or software received from external (and sometimes internal) sources, on disk or via the Internet, as inherently suspect. In addition, please ensure that your laptop is secured by a cable lock during working hours and locked in a desk drawer or other secure environment at other times. If you leave your laptop computer in an automobile, it must be locked out of sight and should be placed in the trunk, if one is available.

You should remain vigilant,
protecting and maintaining
the confidentiality,
integrity, and security of
KPMG's communications
and computer systems.

Because records of electronic communications may be sent to unknown users, or otherwise misdirected, you should exercise discretion and professional judgment when sending sensitive or confidential information electronically. Exercise care and judgment in using electronic mail and Internet applications, and be aware that there can be little to no expectation of privacy attached to the use of KPMG information systems. Electronic communications that (1) contain threats, defamatory material, pornography, hoax virus alerts, or unsolicited commercial or political messages; (2) constitute racial and sexual harassment; (3) circulate chain letters; or (4) promote unlawful or otherwise improper activities are all prohibited and may not be sent, received, downloaded, displayed, printed, or otherwise disseminated. Be aware that KPMG reserves the right to monitor how its computers are being used and to review information contained in these systems.

For additional information, contact Firmwide Security or Risk Management—Audit, Tax, or Advisory.



Clients and the Marketplace

Our Commitment

KPMG is committed to acting both lawfully and ethically. KPMG's core values are founded on open and honest dealings with others—and delivering quality service to clients through teamwork and collaboration. KPMG is committed to delivering on what it promises, and not promising a level of service it cannot genuinely deliver.

Work Quality

KPMG partners and employees are part of a shared effort to provide quality services to clients, both internal and external. These services should comply with the spirit and letter of the law as well as standards of professional practice. At all times, services provided by KPMG partners and employees are to be carried out with integrity, professional competence, and due care. This means being aware of the legal, professional, and organizational standards that apply to our work and being alert and vigilant in complying with those standards. All contributions are a part of this effort, and partners and employees should take care to provide quality work in client-related as well as non-client-related areas.

The conduct and skills of engagement teams—the techniques they employ; their objectivity, skepticism, and probity in performing the work; and their appropriate use of professional consultation—exemplify the quality of KPMG's client service delivery. In making staffing decisions, providing quality service to clients should be the paramount consideration. You should strive to staff KPMG engagements with people qualified for the assignment. Be mindful that the quality of the work performed on each engagement reflects on the entire firm.

For additional information, contact the Department of Professional Practice.

Independence and Conflicts of Interest

The ability to be objective and independent is the cornerstone of the accounting profession. Independence is not only a question of perception, characterized by professional integrity and impartiality, but also a requirement of legal and professional standards. Because professional integrity depends in large part on individual adherence to the standards of independence, you should be aware of and follow KPMG's independence policies.

You should also avoid real and perceived conflicts of interest. A conflict of interest is any circumstance or situation that has, or may be perceived to have, an impact on KPMG's ability to perform or act objectively. Personal conflicts of interest may occur, for example, because of personal investments, employment of family members, or former employment relationships. You can do your part by avoiding conflicts of interest and maintaining your independence at all times, and by completing KPMG's independence training and independence affidavit, if required by the firm.

For additional information, contact the DPP—Independence Group for independence issues and Ethics and Compliance for conflict of interest issues.

Confidentiality

Professional standards and the contract terms associated with most engagements require that the confidentiality of a client's nonpublic information be maintained. You should not disclose confidential client information to outsiders, and you should exercise due care to avoid inadvertent disclosures. The sharing of confidential client information with other KPMG partners and employees should be conducted only on a need-to-know basis and in compliance with applicable standards.

The sharing of confidential client information with other KPMG partners and employees should be conducted only on a need-to-know basis and in compliance with applicable standards.

You must never purchase or sell securities (e.g., stocks, bonds, options) while in possession of inside information, or provide this information to others for that purpose. Inside information includes information not generally available to the public that could influence the decision to purchase or sell securities. Examples of inside information include, but are not limited to, tender offers, anticipated acquisitions, earnings forecasts, unannounced dividends, bankruptcies, regulatory approvals, joint ventures and licensing agreements, and the results of labor negotiations.

For additional information, contact Risk Management—Audit, Tax, or Advisory; Ethics and Compliance; or the Office of General Counsel.

Known or Suspected Illegal Client Activity

Certain client acts may come to your attention that appear to be in violation of laws or regulations. If a client asks you about the legality of particular acts or decisions, you should not put yourself in the position of providing legal advice. Rather, you should encourage clients to seek qualified legal counsel. Ultimate determination as to whether a particular act is illegal is based on a final determination by a court of law or regulatory body. Nevertheless, you should remain mindful of possible client improprieties and consult with the Department of Professional Practice and the Office of General Counsel if you suspect an illegal act has occurred, unless such illegal act is clearly inconsequential. What is consequential, however, should be interpreted broadly when determining whether to consult.

Examples of possible illegal acts by client employees that might be deemed clearly inconsequential include littering, speeding, or other matters relating to personal conduct only. However, a possible illegal act that might impact our decision on whether or not to rely on a particular employee should ordinarily be discussed with the Department of Professional Practice and the Office of General Counsel.

Occasionally, firm partners and employees are contacted about providing information in legal proceedings or government or regulatory investigations. If you are requested to provide information with respect to work performed by the firm, guidance from the Office of General Counsel is required.

For additional information, contact the Department of Professional Practice or the Office of General Counsel.

Professional Licenses and Continuing Education

KPMG partners and employees who hold certified public accountant (CPA) or other professional licenses are responsible for maintaining them in good and current standing as detailed in firm policy. KPMG partners and employees also are responsible for being informed of the latest standards, technologies, and developments in their field of employment. This includes, where applicable, meeting the necessary continuing education and other training requirements as determined by KPMG or the appropriate regulatory authority.

KPMG partners and employees also are responsible for being informed of the latest standards, technologies, and developments in their field of employment.

For additional resources, contact Ethics and Compliance regarding licensing issues, and the Center for Learning and Development regarding continuing professional education issues.

Client and Engagement Acceptance

Acceptance of a prospective client or continuing work with an existing client is a business decision that must be carefully considered. You should follow client and engagement evaluation policies and procedures to identify and control risk and assess KPMG's ability to perform the work objectively. Alertness and vigilance are essential in evaluating whether the risk associated with a client engagement exceeds the level of risk KPMG is prepared to accept. An assessment of KPMG's ability to perform the work with objectivity and skepticism also may be required.

For additional information, contact Risk Management—Audit, Tax, or Advisory or the Office of General Counsel.

Marketing and Business Development

You should engage only in marketing, advertising, and business development efforts that promote KPMG's services fairly, candidly, honestly, and in a manner that complies with all applicable laws and regulations. Newly developed services or tools must be reviewed and approved prior to marketing them. You should not issue proposals or provide services that you are not qualified to perform or that KPMG is prohibited from performing by law or contractual agreement.

KPMG partners and employees should not misrepresent KPMG services to current or potential clients or the public at large. They should also avoid the use of terminology or statements that might be misleading, or lead a reasonable person to have unjustified expectations of favorable results.

For additional information, contact Brand & Regulatory Compliance.

Fair Competition

Antitrust, as a concept, stands for strict laws that protect free trade and competition. In many jurisdictions these very complex laws prohibit agreements and practices that reduce marketplace competition.

Under no circumstances should you enter into agreements or informal discussions with KPMG competitors regarding any of the following topics:

- Pricing, profitability, or billing terms and conditions of the work you perform
- Sales and marketing plans
- A bid or intent to bid on a contract
- Agreements to divide clients by geography, industry, or type of work
- Supplier terms and contracts

It is essential that you seek advice if you are ever unsure of the appropriateness of any interactions with competitors, clients, or suppliers.

You should avoid creating even the appearance of impropriety, and use care when having discussions with KPMG competitors. Also, certain restrictions may exist on reciprocal (*quid pro quo*) business dealings with clients and suppliers. Because antitrust laws are complex and apply to a number of situations, it is essential that you seek advice if you are ever unsure of the appropriateness of any interactions with competitors, clients, or suppliers.

Disparaging Competitors

You should not disparage KPMG's competitors or make any false or inappropriate statements about their products or services. You may, however, with care and prudence, make fair and fact-based comparisons on attributes, such as industry experience and client satisfaction data.

Gathering Competitive Intelligence

In the course of your activities, you may acquire information about competitors and their products, services, and methodologies. While it is proper to accumulate *public source* information (e.g., newspaper articles, external brochures, trade association data) about competitors, you should not improperly seek any nonpublic information about their products, prices, terms, methodologies, internal structures, or marketing plans. In some instances, such as during peer reviews or on engagements that require KPMG to examine prior work performed by competitors, you may come into possession of a competitor's proprietary information. You should handle this information with care—solely for the purposes of performing work related to a specific engagement and not to aid KPMG's market position inappropriately.

You must never obtain information about a competitor through the use of unlawful or unethical means, such as misrepresentation, deception, theft, espionage, bribery, or by requesting improper disclosure by a competitor's employees, suppliers, or clients.

For additional resources, please contact the Office of General Counsel.

KPMG partners and employees are required to truthfully charge all time and expenses incurred to the appropriate engagement or internal charge code—no more and no less.

Meals, Gifts, and Entertainment

Exchanging social or business courtesies, such as occasional gifts, meals, and entertainment, is a common way to encourage social interaction and develop business relationships. KPMG partners and employees should reference the supplement to the Code of Conduct on meals, gifts, and entertainment to determine whether their actions and activities are in line with firm policies. With limited exception, when giving to or receiving from clients, prospective clients, vendors, and other external parties, the cost of gifts should not exceed \$100, the cost of meals should not exceed \$150 per person, and the cost of entertainment should not exceed \$250 per person. Both the supplement and the firm's expense reimbursement policies provide details regarding meals, gifts, and entertainment to and from KPMG partners and employees.

See also, "Independence and Conflicts of Interest" on page 11 and "Bribery and Corruption" on page 18 of this document. For additional information, contact Ethics and Compliance.

Time and Expense Charges

KPMG partners and employees must truthfully and accurately record their time and expenses. Sending a client an invoice based on inaccurate time or expenses is not only unprofessional but also may constitute a fraudulent act carrying criminal sanctions. Therefore, KPMG invoices, including invoices for fixed-fee contracts, should be accurately prepared in conformity with the terms of the governing engagement letter or contract.

KPMG partners and employees are required to truthfully charge all time and expenses incurred to the appropriate engagement or internal charge code—no more and no less. KPMG employees should also be prudent and exercise good judgment when incurring work-related expenses. KPMG has policies and procedures related to travel and other expenses, and you should follow them carefully.

For additional information, contact the Dallas Accounting Service Center.

Doing Business with Governments

Providing products and services to government entities presents unique challenges to KPMG. Procurement laws and regulations vary from state to state, and business conducted with the U.S. government is subject to numerous statutes, including those that protect proposal, source selection, and classified information; restrict post-government employment; and require accurate presentation of proposal information and data. If you do business with governments, be mindful of the rules that apply and seek guidance as appropriate.

For additional information, contact the Department of Professional Practice or the Office of General Counsel.



Public and Community

Our Commitment

KPMG is committed to its public responsibility of being a good citizen. KPMG will follow the more stringent standards when KPMG policy and local law differ. KPMG partners and employees also are encouraged to participate in or volunteer for initiatives that help improve their local communities.

Media and Public Relations

Contacts with the media (e.g., interviews and authoring articles) must be conducted with the assistance and approval of the Corporate Communications and Media Relations Group. If you are contacted by the media, you must immediately refer the call to your office Communication Liaison or the Corporate Communications and Media Relations Group. It is important that Corporate Communications also be informed of any story, event, or media inquiry that may generate national coverage. Additionally, you should contact the group to discuss interest in, or plans to, author an article or story.

Communications with the public should be honest and fairly represent the facts. Firm personnel are encouraged to address civic and business organizations, industry groups, accounting societies, and similar organizations. Personnel who accept out-of-town speaking engagements are encouraged to notify the functional Professional Practice Partner in the location of the speaking engagement. Additionally, KPMG partners and employees should take care that their public statements made on behalf of KPMG are consistent with KPMG's published positions and policies and that standards regarding individual and client confidentiality are maintained at all times.

For additional information, contact Corporate Communications and Media Relations on media issues or Brand & Regulatory Compliance on public speaking issues.

Political and Other Public Activity

KPMG encourages active, responsible, and voluntary public or community activities. Such activities are beneficial to the community and enhance the image of the participating individuals and, indirectly, the firm. However, you should be alert and vigilant in avoiding activities where, despite your best efforts to keep the activity on a personal basis, you may appear to be acting on behalf of the firm. Your volunteer activities must occur strictly in an individual and private capacity, and not while using the KPMG name. Furthermore, you should never pressure or direct your colleagues to join you in such activities, or penalize them in any way as a result of their decision not to participate in or make personal financial contributions to such activities.

The nonprofit community relies heavily on volunteer leadership, and KPMG encourages employees to participate in this capacity.

Because the laws governing contributions to political parties, political action committees, and federal, state, and local candidates are diverse, you are expected to be aware of and abide by all relevant laws when making political contributions. You can elect to make political contributions as a private citizen. Please note that under federal and state campaign finance laws, you may never be reimbursed directly or indirectly for the contributions that you make to candidates for elected office. Contributions of services, property, money, or other items of value may not be made by the firm to any political party or committee, or to any candidate for political office, or to any person or organization for any political purpose or use unless allowed by federal, state, and local law and first cleared by the partner in charge of government affairs.

The nonprofit community relies heavily on volunteer leadership, and KPMG encourages employees to participate in this capacity. A distinction should be made, however, between community activities generally and those that occur in a political context or in a politically charged environment. Because your political and community activities may potentially affect KPMG, you should seek prior approval from your business unit partner in charge before accepting high-profile community service roles.

For additional information, contact the Office of Government Affairs or Risk Management—Audit, Tax, or Advisory.

Responding to Government and Other Regulatory Investigations

It is KPMG's policy to cooperate with government and other agencies in their investigations. KPMG partners or employees who are contacted regarding a current, pending, or contemplated litigation or investigation relating to KPMG or its clients should immediately contact the Office of General Counsel. KPMG partners and employees should keep in mind that the destruction or alteration of documents may be perceived as interfering with a current, pending, or contemplated litigation or investigation and can have severe consequences.

Government agencies apply a variety of methods to investigate potential cases of wrongdoing. These methods may include search warrants, subpoenas, electronic surveillance, informants, interviews, and requests for documents. The government may also contact you at work or during off-hours at home. Because government investigations can raise complicated legal issues, you should not attempt to assist the government on your own. You should immediately contact the Office of General Counsel for assistance.

See also, "Records Management" on page 9 of this document. For additional information, contact the Department of Professional Practice or the Office of General Counsel.

Bribery and Corruption

Countries, including the United States, maintain anti-bribery and anti-corruption laws that prohibit bribes to government officials. Such laws may forbid offering or giving anything of value to a government official with the intention of influencing official policy (e.g., to influence an official to commit an unlawful act or to refrain from carrying out his or her duties). You should never be a party to any arrangement that may result in such prohibited acts, and you should consult with the Office of General Counsel for guidance on this issue.

For additional information, contact the Office of General Counsel.

Social and Environmental Responsibility

Always remember that your activities can have impacts, both large and small, outside the firm. Individually and collectively, we can all play a part in safeguarding the public trust, preserving natural resources, and helping local communities.

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KPMG is a proud member, sponsor, or signatory to a number of organizations dedicated to advancing social, economic, and environmental progress at home and around the world, including the United Nations Global Compact, the Prince of Wales International Business Leaders Forum, Business for Social Responsibility, the Center for Corporate Citizenship at Boston College, the U.S. Chamber of Commerce Center for Corporate Citizenship, Business Strengthening America, the Points of Light Foundation, the Athena Foundation, Students in Free Enterprise, Corporate Voices for Working Families, and The White House Project.

All partners and employees can do their part by upholding KPMG's standards, contributing to their professions and the future generations that will inherit them. For example, you may wish to consider serving on committees of professional associations, teaching, or simply lending your knowledge to those who need it. KPMG encourages employees to be involved in charitable giving and volunteerism, and the *Involve* program is a good place to find out how you can make a difference.

