

fiduciaire leydet

Transparency Report

Year End 2010

Posted on the website <http://leydet.net/> in compliance with article R.823-21 of commercial French code

Preamble

According to the R.823-21 section of commercial French code, as public company auditors, FIDUCIAIRE LEYDET is required to publish on its website a transparency report. The deadline for e-publishing is the later of three months following the fiscal year ending.

As public company auditors, FIDUCIAIRE LEYDET is dedicated to serving investors, clients, and the public interests and to building confidence in the independent audit process. With this objective in mind, FIDUCIAIRE LEYDET publishes this transparency report, to demonstrate its commitment to audit quality and the culture of integrity, professional excellence, and continuous improvement that underpins its organization.

This report weaves our core values: quality is on top of our agenda and we strive to continuously improve our systems and the quality consciousness of our people based on the feedback that we receive from our quality control procedures.

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1. Legal Structure of FIDUCIAIRE LEYDET

FIDUCIAIRE LEYDET brings together qualified teams to serve and meet the range of services expected by our clients, across industry sectors and services, whatever size, nature and complexity of the client entity's operations.

This transparency report includes information about the governance structure, ethical principles, and quality control procedures of the FIDUCIAIRE LEYDET audit and consulting activities.

1.1. The FIDUCIAIRE LEYDET audit entities

FIDUCIAIRE LEYDET is a simplified joint stock company with a capital of 285.000 €, created in 1991.

FIDUCIAIRE LEYDET has 2 offices:

- The head office, located 47 rue de Liège 75008 Paris, France ;
- A secondary office in Aix en Provence (13100), 120 avenue Bonaparte, France.

FIDUCIAIRE LEYDET is not affiliated to any network (in L820-3 of Commercial French Code meaning).

1.2. Our structure and governance

The company is led by Didier AMPHOUX, chief executive officer (CEO), legal auditor and promoter partner of FIDUCIAIRE LEYDET.

The CEO supervises the senior leadership team, which includes 2 deputy CEOs and senior advisors:

- Cédric BURGUIERE, partner, legal auditor,
- Frédéric MAZEL, partner, legal auditor.

The CEO heads the FIDUCIAIRE LEYDET board of directors. The board oversees the strategy and performance of FIDUCIAIRE LEYDET senior management, as well as reviewing and approving action on a variety of governance, operational and administrative matters.

The Partners are appointed once a quarter to:

- Deliberate and operate the decision made by the executive board.
- Check the general activity and the budget execution,

- Ensure the team management (partners and staff).

2. Quality control and risk management

One of the most important responsibilities of the management of Fiduciaire Leydet is to set a tone at the top, that emphasizes its commitment to the highest levels of ethical behavior and quality. The management is responsible for building an internal culture based on the recognition that ethics and quality are fundamental in performing audits and other professional services, and are essential to the reputation of Fiduciaire Leydet, and the profession as a whole. Quality is at the heart of our organization commitment to client service excellence and continuous improvement. That commitment, across all our service lines, is based on 4 components:

- A technically and professionally qualified and effectively led team
- Responsiveness, timeliness and straight talk on difficult issues
- Strong knowledge of the industry in which the client operates
- Dedication to quality and integrity throughout all the activities

In addition to this report, FIDUCIAIRE LEYDET issued a policy and related procedures against bribery and insider trading. FIDUCIAIRE LEYDET promotes responsible behavior of its professionals, even if it means bringing to light potential failures. In compliance with French regulations, FIDUCIAIRE LEYDET has instituted additional procedures and mandatory trainings that apply specifically to the fight against money laundering and terrorist financing.

2.1. Independence

2.1.1. Independence policies

A distinguishing mark of an auditor is acceptance of responsibility to serve the public interest. Ethical principles apply in taking on, only work that the auditor is competent to perform, performing high-quality work, and following the applicable standards, and preserving auditor independence.

The independence is a strong value for FIDUCIAIRE LEYDET in its relation with the clients. This independence allows FIDUCIAIRE LEYDET to prevent any conflicts of interests or incompatibilities when performing work.

The key points to ensure and maintain independence are as follows:

- A legal and financial independence

Our independence is also economic and financial. FIDUCIAIRE LEYDET's capital structure consists of capital contributed by our partners, individuals involved in the management. In addition to this paid-in partner capital, a portion of our capital structure

consists of long-term privately placed debt. None of our customers accounted for more than 5% of our annual turnover in 2010. The management is also independent. The basis for this independence is ensured by the fact that the members of the governance and management of the Company are elected among the shareholders only.

- *Rigorous standards for the acceptance and continuance of clients*

Our procedures for assessing whether to accept a new client are rigorous and comply with the deontology rules of our profession to protect the public interest. Thus, they allow the identification of possible conflicts of interest, based on a client list, regularly updated.

- *An annual and individual independence declaration*

All personnel are required to provide an annual ethics and independence representation to confirm that they have read, understood, and complied with all applicable provisions of the deontology rules of our profession, as well as the independence policies and guidance.

Every employee, when he is taken on, must sign up an engagement letter which encloses the list of society for those FIDUCIAIRE LEYDET is legal auditor. This process confirms our compliance with the regulatory policies of our profession.

The independence declaration is set up every year and renewed by every employee performing audit work and all the partners.

2.1.2. Internal monitoring.

These processes described above are checked under the board supervision.

Any matters regarding independence, conflict of interest assessments and considerations including violations of policy and discipline are reported to senior management.

Communication and consultation are in fact shared among shareholders and employees. This deeply rooted culture provides a real guarantee to our independence in collective decision making.

2.2. Quality control

2.2.1. Internal quality system Description

At FIDUCIAIRE LEYDET, we are keenly aware of the important role we play in the proper and efficient functioning of the capital markets and of our need to instill confidence in the integrity and reliability of the independent audit process. In 2010, related audit software was implemented to take one more step in furtherance of that objective.

The internal quality system is based on the followings items.

- The teams compositions and competence level

Among the 10 persons attached to the audit team, 5 are French Chartered Public Accountant and legal auditor and 2 are preparing the Chartered Public Accountant and legal auditor certificate. This high qualification level guarantees the quality and the efficiency of the supervision.

- A global audit methodology

FIDUCIAIRE LEYDET has instituted policies and systems that focus on the key components of the delivery of high-quality audit services, including a fully integrated audit methodology, IT tools, related audit software, and common documentation.

This approach promotes the efficient execution of high-quality audits for multinational clients and is a key factor in delivering high-quality auditing services and to comply with applicable professional standards, regulatory and legal requirements.

The related audit software, Auditsoft, settled in 2010, provides the audit team tailored guidelines in each step of the audit approach.

It helps understand the entity and its environment and to define an audit approach tailored to the specific risks identified for each client. It also allows compiling and synthesizing the audit work and helps working out the legal reports.

Quiz, checking lists and models memorandum are regularly updated to comply with the moving doctrine and new standards.

- Acceptance and continuance of clients

For any new audit contract, an acceptance worksheet is completed, which lists all the related obligations and especially about the specific risks identified and the professional ethics rules. Similarly, each year, the client continuance assessment is documented.

- Engagement supervision and review

The engagement partner or director is responsible for the overall conduct of the audit, including supervision of the engagement team, so that professionals at each successive level receive the guidance and coaching necessary to perform their work effectively.

- Independent review and audit partner rotation

In addition to the engagement partner or director, every audit engagement with public companies, is assigned an independent reviewer, who is independent of the engagement. The independent review consists of a careful and critical consideration of the audit report and the financial statements (or other presentation) that are the subject of the audit report. The reviewer performs a review of all reports related to the audit prior to issuance.

In accordance with the requirements of the SEC and the [L. 822-14](#) section of French commercial code, on audit of public companies, the audit engagement partner and the partner performing the engagement quality assurance review may not function in those roles for more than five consecutive years. A “time-out” period of at least five years is required before either partner may return to the audit engagement.

The signature rotation has been set up at FIDUCIAIRE LEYDET for both senior managers and partners.

2.2.2. Declaration of the board about the internal monitoring

Our Internal inspection examines compliance with our policies and reinforces our commitment to quality. The internal inspection has not detected any significant weakness.

2.2.3. Quality control : last inspections

The French commercial code specifies that all legal auditor must submit to regular external inspections of Audit quality, organized by the high council of legal audit (H3C). The controls are made either by a regional legal audit organization or by a national legal audit organization.

The last control processed on our legal audit files by the statutory audit organization was:

- May 2006 : Quality check CENA (National examination)
- June 2005: Examination made by the regional legal audit organization.

2.3. Policy against money laundering and terrorist financing

In compliance with professional standard n° 9605 approved by order of April 20, 2010 (JO No. 0101 dated April 30, 2010), FIDUCIAIRE LEYDET set up procedures related to the fight against money laundering.

The main points of these procedures are:

- FIDUCIAIRE LEYDET sets up and regularly updates a related risk classification involved in accepting and retaining clients. This classification is designed to evaluate the risk, client by client, according to their degree of exposition to those risks, and especially, to their location, legal form, size, and range of activities. The audit engagement risk assessment begins during the client

acceptance/continuation process and is designed to continue on an ongoing basis throughout the engagement.

- Besides, the reliance of internal control is regularly assessed through interviews and tests (IT data tests to estimate the quality of information and audit file tests to insure the appropriateness of testing and reliance on controls.)
- FIDUCIAIRE LEYDET provides to partners and employees, upon hiring and periodically thereafter, information and trainings related especially to updated regulations, to commonly used laundry technics, to prevention and detection, and set up policies and procedures. Thereby, partners and employees are aware of their responsibilities and of the wakefulness that should prevail in all business relationship.

CEO *Didier AMPHOUX*, trained on this issue, is responsible for the setting and following up of the risk assessment and the related procedures. He is appointed as the observer and would report to TRACFIN if necessary.

3. Customer

3.1. Turn Over

For 2010, the turn over is 3.710 K€, against 3.756 K€ for 2009

The turn over breaks down as follows:

(K€)	Ex. 2010	Ex. 2009
Accounting	1 485	2 043
Audit	1 339	1 276
Advice	75	211
Due diligence	681	105
Reinvoicing fees	130	121
Total	3 710	3 756

3.2. List of public interest entities audited

Listed company on C segment of Euronext :

- GECI INTERNATIONAL
- LE TANNEUR ET COMPAGNIE

Listed company on Alternext :

- GECI AVIATION
- AEROWATT

Listed company on a free stock exchange:

- GENERAL RECYCLAGE

4. Human Resources

The reputation of FIDUCIAIRE LEYDET and the quality of services rely essentially on its human resources. As a matter of fact, FIDUCIAIRE LEYDET strives to develop ethical principles and professional technical excellence. We proactively seek diversity among new employees because we believe that a variety of backgrounds and perspectives enhances audit quality.

4.1. Professional Headcount and other information

2010	
Personnel	
Partners/Directors	7
Senior managers	5
Staff	18
Total Personnel	30
Other statistics	
Personnel Mix-Percent Women	40%
Women Partners/Directors	1
Number of CPAs	5

4.2. *Audit team*

10 people participate to the audit activities.

4.3. *Earnings of partners*

The compensation practices of FIDUCIAIRE LEYDET are designed to comply with applicable independence requirements; to emphasize the shared values of quality, integrity, and technical excellence; and to assess the characteristics and skills outlined in our human resources competency model.

Each partner is allocated a base salary and at the end of the fiscal year, an earnings allocation based on the global performance of FIDUCIAIRE LEYDET.

4.4. *Development and training*

4.4.1. Company policies

FIDUCIAIRE LEYDET policies require our professional to maintain their technical competence and comply with applicable regulatory and professional development requirements.

Training programs are designed annually, according to the company goals and professional needs.

Technical training is provided in combination with skills training where appropriate. The contents of the courses are regularly reviewed and updated to reflect the ongoing technical competency needs of the professionals and feedback received from course participants. An online system (Experts Infos) helps professionals monitor to comply with their ongoing professional development requirements.

4.4.2. Mandatory training declaration

The R.822-4 and R.822-61 section of French commercial code points out: “all legal auditors must attend mandatory professionals training courses and to report about it to the regional audit board”.

The term and modalities training respect the IFAC standard updated IES 7 (International Education Standard for Professional Accountants) which mention that 120 hours must be attended in 3 years with an annual minimum of 20 hours/year. 60 hours out of these 120 must be spent specifically on audit courses. The courses can be technical meetings, conference working or seminary.

The section 7 of deontology code emphasis on a fact that “Staff and managers attend training designed for their level of experience”.

Based on these items the board attests that the partners and the staff comply with the training obligations under the French commercial code and the deontology code.

5. Financial Information

For fiscal year ended December 31, 2010, the revenue was 3.766 K€, against 3.756 K€ in 2009.

The owners equity in a December 31, 2010 was about 800 K€ before general meeting decision.

Paris, January 11, 2011

Didier AMPHOUX
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Certified Public Accountant
Leagl Auditor