

MEMORANDUM OF UNDERSTANDING ON ENFORCEMENT COOPERATION

BETWEEN THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD OF THE UNITED STATES AND THE CHINA SECURITIES REGULATORY COMMISSION AND THE MINISTRY OF FINANCE OF CHINA

The Public Company Accounting Oversight Board (“PCAOB”) in the United States and the China Securities Regulatory Commission (“CSRC”) and the Ministry of Finance (“MoF”) in China agree as follows:

Article I. Purpose of Memorandum of Understanding

- (a) The PCAOB in the United States and the CSRC and MoF in China (collectively, the “Authorities” or “Parties”) each seek to improve the accuracy and reliability of audit reports so as to protect investors and to help promote public trust in the audit process and investor confidence in their respective capital markets. Given the global nature of capital markets, the Authorities recognize the need for cooperation to ensure compliance with, and enforcement of, their respective laws and regulations in matters related to the oversight of the auditors subject to their regulatory jurisdictions.
- (b) This Memorandum of Understanding (“MOU”) sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective Laws and Regulations of the jurisdictions of the Authorities. The provisions of this MOU are not intended to create legally binding obligations or, out of respect for the laws and regulations or national sovereignty of each party, supersede domestic laws.

Article II. Definitions

“Party”/“Parties” or “Authority”/“Authorities” means the PCAOB and/or the CSRC and/or the MoF.

“Firm” or “audit firm” means a public accounting firm or statutory audit firm, or an individual public accountant or statutory auditor, that is subject to a Party’s regulatory jurisdiction.

“Laws and Regulations” means any laws or regulations in force in the respective countries of the Parties, including but not limited to the Parties’ authorizing statutes.

“Information” may include but is not limited to (1) documents -including but not limited to electronic or computerized data compilations- sufficient to identify all audit review or other professional services performed by audit firms, including, but not limited to, contracts, engagement letters, or other documents defining the nature and scope of the professional services performed and (2) audit working papers or other documents -included but not limited to electronic or computerized data compilations- held by audit firms, provided that the documents relate to audit work that is subject to the regulatory jurisdictions of the PCAOB and/or the CSRC and/or MoF.

“Investigations” refers to investigations undertaken by a Party of any act or practice, or omission to act, by a public accounting firm or associated person of such firm, that may violate applicable laws, rules or professional standards, pursuant to the *Securities Law of the People 's Republic of China* and *Law of the People's Republic of China on Certified Public Accountants in China* and/or the Sarbanes-Oxley Act of 2002 as amended, or applicable federal securities laws in the United States.

Article III. Mutual Assistance and The Exchange of Information

- (a) The Authorities recognize the importance and desirability of providing mutual assistance and exchanging information for the purpose of enforcing, and securing compliance with, the Laws, rules, or regulations applicable in their respective jurisdictions and agree to cooperate towards this end by responding on a timely basis to requests for assistance.
- (b) A request for assistance may be denied on an exceptional basis by the Requested Party:
 - (i) where the request would require the Requested Party to act in a manner that would violate domestic law;
 - (ii) where the request is not made in accordance with the provisions of this MOU;
 - (iii) on grounds of public interest or essential national interest; or
 - (iv) where the information provided in the request is not sufficient or specific enough for the requested party to provide assistance, the requested party can deny the request or ask the requesting party to provide more information.

- (c) This MOU does not confer upon any Person not a Party the right or ability, directly or indirectly, to obtain, suppress or exclude any information, or to challenge the execution of a request for assistance under this MOU.

Article IV. Scope of Assistance

- (a) The Authorities will, within the framework of this MOU, provide each other with the fullest assistance permissible to secure compliance with the respective Laws and Regulations of the Authorities.

- (b) The assistance available under this MOU includes, without limitation:

- (i) providing information and documents held in the files of the Requested Party regarding the matters set forth in the request for assistance;

- (ii) providing information and documents regarding the matters set forth in the request for assistance, including:

- documents sufficient to identify all audit review or other professional services related to matters set forth in the request for assistance performed by audit firms, including, but not limited to, contracts, engagement letters, or other documents defining the nature and scope of the professional services;
- audit working papers or other documents held by audit firms, provided that the documents relate to audit work that is subject to the regulatory jurisdictions of the PCAOB and/or the CSRC and MoF; and
- documents sufficient to identify firms' quality control systems including organizational structures, policies adopted and procedures established to provide assurance of compliance with professional standards.

- (c) Assistance will not be denied based on the fact that the type of conduct under investigation would not be a violation of the Laws and Regulations of the Requested Party.

- (d) Cooperation in the context of this agreement does not cover a request for assistance or information to the extent that it involves a

Requested Party obtaining on behalf of the Requesting Party information to which the Requesting Party is not entitled under its own laws and regulations.

Article V. Requests For Assistance

- (a) Requests for assistance will be made in writing, in such form as may be agreed by the parties from time to time, and will be addressed to the Requested Party's contact office listed in Appendix A.
- (b) Requests for assistance should specify:
 - (i) information requested, which should relate to the matters set forth in the assistance request;
 - (ii) a description of the conduct or suspected conduct which gives rise to the request;
 - (iii) the purpose for which the information is sought (including details of the laws or regulatory requirements pertaining to the matter which is the subject of the request);
 - (iv) the link between the specified laws or regulations and the regulatory functions of the Requesting Party;
 - (v) the persons or entities suspected by the Requesting Authority to possess the information sought, or the place where such information may be obtained, if the Requesting Party is knowledgeable thereof; and
 - (vi) the desired time period for the reply.
- (c) In urgent circumstances, requests for assistance may be effected by electronic means provided such communication is confirmed through an original, signed document.

Article VI. Execution of Requests for Assistance

- (a) Information and documents requested under this MOU will be gathered and provided in accordance with the procedures applicable in the jurisdiction of the Requested Party and by persons designated by the Requested Party.
- (b) The requested party shall not assume any legal liability in the jurisdiction of the requesting party.

Article VII. Permissible Uses of Information

- (a) The Requesting Party may use non-public information and non-public documents furnished in response to a request for assistance under this MOU solely for:
 - (i) the purposes set forth in the request for assistance, including ensuring compliance with the Laws and Regulations related to the request; and
 - (ii) the purpose of conducting administrative enforcement proceedings, conducting any investigation for any charge applicable to the violation of the provision specified in the request where such charge pertains to a violation of the Laws and Regulations administered by the Requesting Party, or for any other purpose permitted or required by the Requesting Party's authorizing statute, regulations or rules. This use may include imposing sanctions on audit firms within either party's jurisdiction; these enforcement proceedings and any resulting sanctions may be made public after notifying and discussing generally with the other party the content to be publicized.
- (b) If a Requesting Party intends to use information furnished under this MOU for any purpose other than those stated in Article VII, it must obtain the consent of the Requested Authority.
- (c) The Requesting Party should inform the Requested Party in a timely manner about the progress and results achieved by using information provided according to the request.

Article VIII. Confidentiality

- (a) Consistent with their respective authorizing statutes, each party will keep confidential requests made under this MOU, the contents of such requests, and any matters arising under this MOU, including consultations between or among the Authorities, and unsolicited assistance. The Requested Party may disclose the fact that the Requesting Party has made the request if such disclosure is required to carry out the request.
- (b) Except as set forth in Art. IX, and consistent with their respective authorizing statutes, each Party shall keep confidential all non-public information received or provided under this MOU. The Requesting Party will not disclose non-public documents and information received under this MOU, except as contemplated by Article IX or in response to a legally enforceable demand. In the event of a legally

enforceable demand, the Requesting Party will notify the Requested Party prior to complying with the demand, and will assert such appropriate legal exemptions or privileges with respect to such information as may be available.

Article IX. Exceptions to Confidentiality

- (a) Before publicly announcing any sanctions imposed on an auditor or audit firm that is located in the Requested Party's jurisdiction and subject to the Requested Party's authority, the Requesting Party shall give reasonable advance notice of the publication to the Requested Party. The Requested Party may inform the Requesting Party if inclusion of information in the intended publication would be inconsistent with its laws and regulations.
- (b) A Party may share non-public information obtained in connection with cooperation under this MOU with certain law enforcement or regulatory authorities within its jurisdiction. The PCAOB may share such information only with those entities identified in section 105(b)(5)(B) of the Sarbanes-Oxley Act, as amended which states that these entities shall maintain such information as confidential and privileged. The CSRC and/or MoF may share such information with Chinese enforcement or regulatory authorities, as long as the intended recipient is legally obligated and has agreed to maintain the information as confidential.
- (c) A Party that intends to transfer to other authorities within its jurisdiction any non-public information received in the course of cooperation shall request the prior written consent for such transfer of the Party that provided the information, and the Party that intends to transfer this information shall indicate, in a notice requesting consent, to whom, and the reasons and the purposes for which, the information is to be transferred, except as provided below:

Where the PCAOB is required or otherwise determines to share non-public information obtained under this agreement with the SEC, the PCAOB will notify the Chinese side in advance.

Article X. Consultation Regarding Mutual Assistance and the Exchange of Information; and Reservation of Rights

- (a) The Authorities will consult periodically with each other regarding this MOU about matters of common concern with a view to improving its operation and resolving any issues that may arise. In particular, the Authorities will consult in the event of:

- (i) a significant change in market or business conditions or in legislation where such change is relevant to the operation of this MOU;
 - (ii) a demonstrated change in the willingness or ability of an Authority to comply with the provisions of this MOU; and
 - (iii) any other circumstance that makes it necessary or appropriate to consult, amend or extend this MOU in order to achieve its purposes.
- (b) The Requesting Authority and Requested Authority will consult with one another in matters relating to specific requests made pursuant to this MOU, e.g., where consent for onward sharing or a request may be denied, in whole or in part.
- (c) The Parties acknowledge that, if the requested information and/or consent is not provided by a Party to this agreement, based upon a conflict of laws, the Parties should endeavor to find a solution by consultation.

Article XI. Unsolicited Assistance

Each Party will make all reasonable efforts to provide, without prior request, the other Party with any information that it considers is likely to be of assistance in securing compliance with Laws and Regulations applicable in the other Party's jurisdiction.

Article XII. Effective Date

Cooperation in accordance with this MOU will begin on the date of its signing by the Authorities.

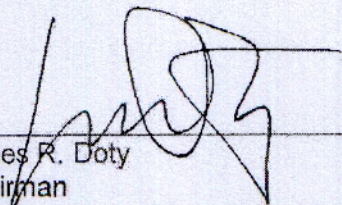
Article XIII. Termination

- (a) A Party may terminate its participation in this MOU at any time by giving at least 30 days prior written notice to the other Party or Parties.
- (b) In the event that a Party gives written notice to terminate its participation in this MOU, cooperation and assistance in accordance with this MOU will continue until the expiration of 30 days. If any Authority gives a termination notice, cooperation and assistance in accordance with this MOU will continue with respect to all requests for assistance that were made, or information provided, before the date of the termination notice.

(c) In the event of the termination of a Party's participation in the MOU, information obtained under this MOU will continue to be treated confidentially in the manner prescribed under Article VIII.

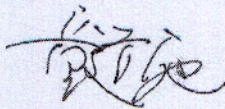
Article XIV. Others

This MOU is made in duplicate in the Chinese and English languages, and both versions being equally authentic.



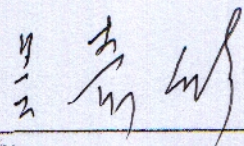
James R. Doty
Chairman
Public Company Accounting Oversight Board

Date: 5.7.13



TONG Daochi
Director-General of Department of International Affairs
China Securities Regulatory Commission

Date: 2013.5.7



WU Qixiu
Director-General of Supervision Bureau
Ministry of Finance of People's Republic of China

Date: 2013.5.10