

Transparency report Deloitte Bedrijfsrevisoren/ Reviseurs d'Entreprises

Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée



Transparency report

As an audit firm that carries out statutory audits of the annual accounts or consolidated accounts of, among others, public-interest entities, we are publishing this annual transparency report in compliance with article 15 of the 22 July 1953 Act creating the Institute of Auditors and organising the public oversight of the profession of statutory auditor, coordinated on 30 April 2007.

All information provided in this report relates to the situation of the Audit Firm on 31 May 2014, except if indicated otherwise.

Legal structure and ownership

Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises (the "Audit Firm") is a civil company under the form of a limited liability co-operative company under Belgian law, with registered office at Berkenlaan 8b, 1831 Diegem and registered in the Brussels Legal Entities Register under 0429.053.863.

The majority of the capital and voting rights of the Audit Firm are held by individuals, who are members of the Institute of Auditors, and the remaining capital and voting rights are held by individuals and by Deloitte Belgium CVBA. The fixed capital of the audit firm is 18,625 EUR and its variable capital is 1,951,775 EUR.

Deloitte Touche Tohmatsu Limited network

Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises is part of the Deloitte network, with other firms in Belgium, as agreed with Deloitte Belgium CVBA, member firm in Belgium of the Deloitte Network. The "Deloitte Network" is comprised of firms that are members of Deloitte Touche Tohmatsu Limited, an English company limited by guarantee ("DTTL").

DTTL does not provide professional services to clients, or direct, manage, control or own any interest in any member firm or any member firm's affiliated entities or entities authorised by the member firm to include Deloitte in their name. Member firms in the Deloitte Network provide services to clients, either directly or through their affiliates (member firms, their affiliates and entities authorised by the member firm to include

Deloitte in their name are collectively referred to herein as "Member Firms"). Member Firms operate under the Deloitte brand and related names, including "Deloitte," "Deloitte & Touche," "Deloitte Touche Tohmatsu," and "Tohmatsu."

Member Firms provide professional services in particular geographic areas and are subject to the laws, regulations and professional requirements of the jurisdictions in which they operate. Each Member Firm is structured differently in accordance with, among others, national laws, regulations and customary practices.

Member Firms are not subsidiaries or branch offices of DTTL and do not act as agents for DTTL or other member firms. Rather, they are locally-formed entities with their own ownership structure independent of DTTL that have voluntarily become members of the Deloitte Network with a primary purpose to coordinate their approach to client service, professional standards, shared values, methodologies, and systems of quality control and risk management. DTTL has adopted certain policies and protocols in each of these areas in an effort to establish a consistently high level of quality, professional conduct and service in all member firms.

This structure confers significant strengths, combining high quality standards and methodologies with a deep understanding of local markets and a sense of responsibility and initiative among professionals who have a direct stake in the integrity and growth of their respective practices.

Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

List of audited public interest entities

List of audited public interest entities	
Ablynx	Garantiefonds Reizen
Argenta Verzekeringen	Greenyard Foods
Argenta Spaarbank	Groupe Bruxelles Lambert (GBL)
Ascencio	Hamon & Cie (International)
ATOS Worldline	Henex
Banco Bilbao Viscaya Argentaria (Belgian Branch)	Intervest Offices & Warehouses
Banco Santander	Keytrade Bank
Bank of Baroda	Medical Device Works
Bank of India Antwerp Branch	Metlife Insurance
Banque de Luxembourg Arlon Branch	Mobistar
Befimmo	Nyrstar
Bekaert	Onderling Beroepskrediet
Belfius Bank	Onderlinge Borgstelling voor Zelfstandigen
Belfius Verzekeringen	Option
Belgacom	Picanol
Beobank	Private Insurer
Binck Bank	Real Dolmen
BKCP	Recticel
BNP Paribas Fortis	Retail Estates
Brouwerij Handelsmaatschappij (Co.Br.Ha)	Roularta Media Group
Campine	RBC Investor Services Bank - Brussels Branch
Cardif Vie	Royal Bank of Scotland - Belgian Branch
Cofinimmo	Santander Benelux
Compagnie de Bois Sauvage	Securex Caisse Commune/Gemeenschappelijke Kas
Compagnie d'Entreprises CFE	Securex Leven
Compagnie Immobiliere de Belgique (Immobel)	Securex Risques Divers/Allerlei Risico's
Connect Group	Sepia
Corona	Shizuoka Bank
Credit Mutuel Nord Europe Belgique	Sioen Industries
Crédit Professionnel	Sipef
Crelan	Solvac
Crelan Verzekeringen	Solvay
Delhaize Le Lion	Ter Beke
Dexia	The Bank of Tokyo - Mitsubishi Bank (Branch)
EBPF	Vandemoortele
Eckert & Ziegler BEBIG	Vastned Retail Belgium
Electrabel CoGreen	VGP
ELINI	Warehouses De Pauw
EMANI	Warehouses Estates Belgium
Europabank	Xerius Onderlinge Verzekeringsvereniging
Fluxys	ZA Solutions
Galapagos	ZA Verzekeringen

Governance structure of the Audit Firm

Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises is governed by the Board of Directors, appointed by the Shareholders Meeting and composed of at least a majority of members of the Institute of Auditors, as well as by a Management Committee created by the Shareholders Meeting. The Managing Directors of the Audit Firm are automatically member of the Management Committee. Management Committee members must be members of the Board of Directors of the Audit Firm and a majority must be member of the Institute of Auditors.

The Board of Directors retains competence for the general strategy of the Audit Firm and for establishing its annual accounts and the Management Committee is entrusted with the overall management of the Audit Firm. The Management Committee is assisted by specialised teams that advise on specific matters and/or implement policies including the Practices Standards Group which periodically provides updates on technical matters such as accounting standards and auditing standards, the Practice Protection Group that assists with client and engagement acceptance and continuance matters, among others, and the Learning Group.

The Management Committee members are: Joel Brehmen, Michel Denayer, Rik Neckebroek, Eric Nys, Laurent Vandendooren, Guido Vandervorst (until 1 June 2014) and Dirk Van Vlaenderen, who are also the Managing Directors of the Audit Firm, and Rik Vanpeteghem. The statutory auditor of the Audit Firm is Luc Callaert BV/BVBA, represented by Luc Callaert.

Internal quality control system

The overall quality control system of the Audit Firm includes policies and procedures addressing ethical requirements, client and engagement acceptance and continuance, human resources, engagement performance and monitoring.

Leadership responsibilities for the system of quality control

The Audit Firm maintains policies and procedures to promote an internal culture based on the recognition that quality is our number one priority. The Audit Firm focuses on professional excellence as the foundation for achieving outstanding audit quality on a consistent basis. While the Audit Firm's leadership assumes ultimate responsibility for the system of quality control,

the partners assigned with operational responsibility for the Audit Firm's quality control system have sufficient and appropriate experience and ability as well as the necessary authority to assume that operational responsibility.

Ethics

The Audit Firm maintains policies and procedures that are designed to provide reasonable assurance that it and its partners, professional staff, and administrative staff comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by the Audit Firm include Parts A and B of the Code of Ethics for Professional Accountants ("Code") issued by the International Ethics Standards Board for Accountants ("IESBA"), a standard-setting body of the International Federation of Accountants ("IFAC") and the legal provisions applicable in Belgium (such as the 1953 Law creating the Institute of Auditors and organising public supervision of the profession and the 1994 Royal Decree on ethics of auditors) and the standards issued by the said Institute. When national requirements are more restrictive than the Code, the Audit Firm follows the applicable national requirements.

The Audit Firm has appointed an independent and experienced Chief Ethics Officer who is not a Management Committee Member and who has direct access to the Management Committee and the Board. In addition, the Audit Firm has developed and implemented its own code of conduct that describes, in some detail, critical professional behavior that reflects local customs, regulations, and legal requirements. The Audit Firm provides communication channels through which partners, professional and support staff can consult on and report ethical issues and situations.

The Audit Firm reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems. The Audit Firm requires all partners, professional and support staff to confirm annually that they have read and understood the code of conduct and understand that it is their responsibility to comply with the code.

Human Resources

Hiring

The Audit Firm has established policies and procedures designed to provide reasonable assurance that it has sufficient partners and professional staff with the competencies, capabilities, and commitment to ethical principles necessary to:

- Perform engagements in accordance with professional standards and applicable legal and regulatory requirements; and
- Enable the Audit Firm to issue reports that are appropriate in the circumstances.

Advancement

The Audit Firm's policies and procedures for advancement have been established to provide reasonable assurance that professional staff selected for advancement have the qualifications necessary to fulfill the responsibilities they will be called on to assume. A few of the policies and procedures are identified below.

- Various professional staff levels within the Audit Firm and descriptions of the related competencies required to perform effectively at each level have been established.
- Advancement policies and procedures that identify the experience and performance qualifications for advancement to each level have been established and communicated to the Audit Firm's professional staff.
- Procedures for periodic performance evaluation have been established.
- A counseling program to assist professional staff in identifying realistic career paths and developing action plans to help realize professional goals has been established.

Professional Development

The purpose of the Audit Firm's professional development program is to help partners and professional staff maintain and enhance their professional competence. To supplement on-the-job development, the Audit Firm provides formal continuing professional development programs in relevant subject areas.

The Audit Firm has developed a competency model, specific to each function, used to express the areas of personal capability for partners and professional staff.

The competency model has two main components: technical competencies which are functionally specific and for audit cover technical competencies, and shared competencies which are common across the functions.

The competency model is a combination of knowledge, skills, and attitudes that are necessary to perform the various roles within the Audit Firm. As such, this competency model forms the basis for structuring the continuing professional development program.

All partners and professional staff take personal responsibility to ensure that their own continuing professional development and education is appropriate to their roles, responsibilities, and professional requirements. However, the Audit Firm establishes minimum levels of continuing professional development to be undertaken by partners and professional staff within a specific period of time. These levels include a minimum of 20 hours of structured learning per year and 120 hours of structured learning in every three-year period (i.e., an average of 40 hours per year). To achieve these levels of development, the Audit Firm offers structured, formal learning programs such as internal or external courses, seminars, or e learning covering all areas of the competency model (e.g., shared competencies, functionally-specific technical competencies, and competencies in areas of specialization).

Client and engagement acceptance and continuance

The Audit Firm has rigorous policies and procedures in place for accepting prospective clients and engagements and assessing engagement risk, regardless of the proposed services to be rendered.

These policies and procedures are designed to provide the Audit Firm with reasonable assurance that it will only accept engagements where it:

- Is competent to perform the engagement and has the capabilities, including time and resources, to do so
- Can comply with relevant ethical requirements, including independence and conflicts of interest assessments and considerations
- Has considered the integrity of the client, and does not have information that would lead it to conclude that the client lacks integrity.



Engagement risk classification associated with accepting an engagement is assessed as “normal”, “greater than normal” or “much greater than normal” and is completed prior to the commencement of work. The engagement risk assessment process includes approval by the recommending partner and concurrence by at least one other Audit Firm partner that the Audit Firm may accept the client and the engagement.

On international engagements, engagement acceptance and continuance procedures are performed at the member firm level. The Audit Firm does not assume the acceptability of a client and/or the engagement merely because it has been referred from another member firm.

In assessing acceptability of an engagement, we consider client and professional service risks, which generally include the following factors:

- Management characteristics and integrity
- Organization and management structure
- Nature of the business
- Business environment
- Financial results
- Business relationships and related parties
- Prior knowledge and experience

The Audit Firm’s engagement risk assessment procedures identify related risks and provide a basis for tailoring the audit approach in order to address engagement-specific risks.

The engagement risk assessment begins during the engagement acceptance/continuation process, and is an ongoing process that continues throughout the engagement. Risk assessment tools and programs are encompassed in the audit approach and common documentation to facilitate the comprehensive risk assessment for planning the audit once the engagement is accepted.

On an annual basis, engagements in process for more than one year are evaluated to determine if the Audit Firm should continue the engagement. Factors discussed above are revisited to ascertain whether the relationship should continue.

In addition, any time an entity undergoes a significant change (e.g., change in ownership or management, financial condition, or nature of entity’s business), continuation of the relationship is reevaluated. Decisions of engagement continuance are concurred by one other partner.

The Audit Firm maintains policies and procedures for the resolution of differences of opinion among partners and others who are assigned to the engagement team, including those who are in a consultative capacity.

Engagement performance

Assignment of Partners and Professional Staff to Audit Engagements

The Audit Firm assigns responsibility for each audit engagement to an audit engagement partner. The Audit Firm's policies define the responsibilities of the audit engagement partner and those responsibilities are communicated to that partner. As well, the identity and role of that audit engagement partner is communicated to key individuals of the client's management team and those charged with governance at the client.

The Audit Firm also has policies and procedures in place so that partners and professional staff assigned to all audit engagements have the appropriate degree of proficiency for their role and the responsibilities to be performed.

An engagement team ordinarily includes one or more of each of the following: audit engagement partner, audit manager and staff. However, the engagement team will be developed based on the size, nature, and complexity of the entity's operations. Every audit engagement team is under the control and supervision of the audit engagement partner to whom responsibility for the conduct of all audit services on the engagement is assigned. The audit manager assigned to the engagement is responsible for providing primary supervision and direction to the professional staff in the execution of the audit plan and in the performance of the audit engagement. The audit manager, together with the seniors, where relevant, are responsible for the day-to-day supervision of the other members of the engagement team.

The audit engagement partner considers many factors to determine that the engagement team collectively has the appropriate capabilities, competencies, and time to perform the audit engagement. Factors considered in this determination include, among others:

- The size and complexity of the entity's business
- The applicable financial reporting framework used in preparing the financial statements
- Applicable independence considerations, including any possible conflicts of interest
- The qualifications and experience of professional staff

Audit Approach

The Audit Firm utilises a proprietary tool known as AuditSystem/2 which includes the audit approach, common documentation, and enabling software technology. The audit approach includes requirements and guidance to assist in the planning and performance of audit engagements and is based on the International Standards on Auditing issued by the International Auditing and Assurance Standards Board of IFAC. The Audit Firm has further supplemented these requirements and guidance to reflect local requirements as applicable. The common documentation and the enabling software technology are tools that enhance the consistent implementation of the audit approach and promote effectiveness and efficiency. The following are the main elements of the audit approach:

Understanding of the entity and its environment

An understanding of the entity and its environment, including its internal controls, to assess the risks of material misstatement at the financial statement and assertion level is vital to performing an effective audit. The Audit Firm's audit teams develop this understanding and assess financial statement risks in a number of ways, including analyzing financial information to identify trends and unusual balances; holding in-depth discussions with management and those charged with governance; considering the inherent nature of each financial statement component and the risks associated with that component; evaluating the reliability of internal controls; assessing the extent to which technology is used in the financial reporting process; and, if applicable, reviewing internal audit findings.

As necessary, based on the nature of the entity's information systems and the extent to which technology plays a role in the transaction processing and financial reporting processes, information technology specialists may be involved in the audit engagement.

Testing the operating effectiveness of controls

The audit engagement team obtains an understanding of the entity's internal controls in each audit engagement. For certain engagements, when required by local auditing standards or when included as a component of the financial statement audit procedures, engagement teams may also test the operating effectiveness of the entity's internal controls in preventing or detecting and correcting material misstatements.

Audit procedures

Engagement teams tailor the audit plan to address the risks associated with the entity, the audit engagement, and the financial statements as a whole. Throughout the audit, engagement teams continually assess risk and how audit findings bear on the audit procedures. The audit approach allows our partners and professional staff to modify the audit procedures to address issues that arise in the course of the audit.

Use of Experts

While the engagement partner retains responsibility for all aspects of the engagement, there are instances when the engagement team utilizes an expert. In such instances, an engagement team evaluates whether the expert has the necessary competence, capabilities and objectivity.

In evaluating whether or not the expert's work constitutes appropriate audit evidence in support of the financial information, the engagement team considers:

- The source data used;
- The assumptions and methods used and, if appropriate, their consistency with those used in the prior period; and
- The results of the expert's work in light of the engagement team's overall knowledge of the business and of the results of its audit procedures.

Engagement Documentation

The Audit Firm maintains policies and procedures to support the assembly and archiving of audit files whereby the audit engagement team submits the audit files for archiving within the shorter of: (1) 60 days from the date of the report; or (2) the period set out in applicable professional standards and regulatory and legal requirements. The Audit Firm's policies and procedures address the retention of documents (in paper and electronic form), including procedures that address the confidentiality, safe custody, integrity, accessibility and retrievability of archived documentation.

Engagement Team Reviews

A review of the audit documentation is required to be performed by a member of the engagement team who has more experience than the preparer. In some cases, elements of audit documentation may be reviewed by several team members.



Engagement quality control review

An engagement quality control review is performed for all audit and related assurance services, in a manner that is appropriate for the size and complexity of the engagement and its risk level, with certain pre-approved exceptions. The review is performed by a partner, director or a manager who is not directly involved in the engagement and who has the appropriate experience and knowledge about applicable accounting and auditing standards and regulations. The engagement quality control reviewer is not part of the engagement team and is not portrayed in fact or appearance as a member of the engagement team. Appropriate experience and knowledge includes experience and knowledge of the entity's industry, economic environment, and accounting principles. For all public interest entities and all high risk engagements, the review is performed by a partner with sufficient and appropriate experience and professional qualifications to act as an engagement partner on these types of audits.

The reviewer is appropriately briefed by the engagement team and conducts the review in such a manner that sufficient knowledge and understanding is obtained in order to reach conclusions. The reviewer's responsibility is to perform an objective review of significant auditing, accounting, and financial reporting matters, to document the procedures the reviewer performed and to conclude, based on all the relevant facts and circumstances of which the reviewer has knowledge, that no matters that have come to his or her attention would cause the reviewer to believe that the significant judgments made and the conclusions reached were not appropriate in the circumstances.

Special Reviews

For engagements relating to public interest entities ("PIEs") and/or that have been identified as having greater than normal engagement risk, a special review partner is assigned to provide an additional level of competence and objectivity in planning and performing the engagement. The special review partner is independent of the engagement. Normally this partner possesses specialized industry and technical skills applicable to the engagement and, in certain situations, is independent of the practice unit to enhance objectivity or to provide specialized resources.

Consultation Network & Differences of Opinions

The Audit Firm has established a consultation network to assist in resolving issues identified by the engagement team. Consultations include technical accounting and auditing questions regarding the application and interpretation of applicable standards and reporting issues or on any other matter pertaining to an audit engagement that requires specialized knowledge.

To facilitate the technical consultation process, the Audit Firm has a national accounting and auditing consultation structure. A National Professional Practice Director with specialized technical skills and experience is supported by experts in areas such as regulatory filing requirements; technical auditing requirements; and complex accounting matters. The Audit Firm maintains policies and procedures for the resolution of differences of opinion among partners and others who are assigned to the engagement team, including those who are in a consultative capacity.

Practice review

In accordance with DTTL policies, the Audit Firm is subject to a quality assurance review, or “practice review” as it is commonly referred to, at intervals not to exceed three years. Compliance with this policy is achieved by an annual practice review covering the audit practice over a three-year cycle.

The annual practice review program is designed to cover a number of partners each year. Every partner is subject to a practice review at intervals not to exceed three years. Consideration is also given to assessing the performance of managers and directors, particularly those managers and directors who are partner candidates in the short term.

The Audit Firm is responsible for the practice review.

DTTL provides guidance and oversight regarding the practice review plans and procedures. The general coordination and administration of the practice review program is the responsibility of the Audit Firm’s practice review director, in conjunction with the regional practice review director.

The practice review plan, process, and results are reviewed and concurred by a partner from another member firm (the “concurring partner”) every year, subject to due respect of client confidentiality and other legal requirements. The concurring partner who is assigned this responsibility works closely with the Audit Firm’s practice review director and the regional practice review director in overseeing the planning and performance of the practice review.

Types of Engagements Reviewed

The engagements selected for review include national engagements and inbound/outbound transnational engagements (audits of financial statements that are or may be used across national borders), including public interest entities, as well as a number of high risk audit engagements. Some sensitive and complex engagements (e.g., first-year engagements, situations where there is a change in control, or deteriorating financial condition) are also selected. All major industries served by the Audit Firm are considered.

Scope of Practice Reviews

Reviewers are chosen from regional or international pools. The assignment of reviewers is based on skill level, industry knowledge, and experience on transnational engagements. The reviews of individual engagements consist of discussions with the partner, director and/or manager responsible for the engagement and a review of related reports, selected working papers, and, where appropriate, correspondence files.

Engagements are reviewed to:

- Determine whether quality control procedures have been properly applied to such engagements,
- Assess the adequacy of implementation of the audit approach, including compliance with the policies and procedures contained in the Audit Firm’s policy manuals,
- Monitor compliance with applicable local laws, and
- Assess the overall quality of service provided to clients.

The overall risk management and quality control policies and procedures within the Audit Firm are also reviewed, including the following:

- Risk management program, including engagement acceptance and continuance
- Independence
- Recruitment and advancement
- Professional development
- Public filings in other countries
- Information technology specialist reviews
- Assignment of professional staff to audit engagements
- Consultation with Audit Firm experts
- Consultation with outside specialists
- Engagement quality control reviews

Results of Practice Reviews

The findings and recommendations resulting from the practice reviews are presented in a practice review report and management letter to the Audit Firm’s Management Committee. The purpose of the management letter is to provide suggestions for improvement in response to findings noted. The Audit Firm addresses findings in the practice review management letter by drawing up a detailed action plan setting out the action to be taken, the person(s) responsible, and the timing to implement the recommendations contained in the practice review management letter, where applicable.

In addition, the Audit Firm communicates to the relevant partner and other appropriate personnel deficiencies (if any) noted as a result of the practice review and recommendations for appropriate remedial action. The Audit Firm also on an annual basis communicates the results of the practice review and ongoing consideration and evaluation of its system of quality control to its partners and other appropriate individuals within the Audit Firm.

Regulatory requirements

The Audit Firm has assigned a partner to follow and address legislative initiatives and public policy issues that may affect audit.

Complaints and Allegations

The Audit Firm's policies and procedures are designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations that the work performed by the Audit Firm failed to comply with professional standards, regulatory and legal requirements, and allegations of non compliance with the Audit Firm's system of quality control.

Management Committee statement

The Management Committee of Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises is satisfied that the internal control system as described above is effective in providing reasonable assurance that the Audit Firm and its personnel comply with applicable professional standards and regulatory and legal requirements.

Date of last quality assurance review

A quality assurance review of the Audit Firm and a selection of partners has been carried out in 2010 by the Institute of Auditors under the supervision of the public oversight authority, the Referral Chamber ("De Kamer van Verwijzingen en instaatstelling" / "La Chambre de renvoi et de mise en état") and the 2013 quality assurance review by the same body and authority is being finalised.

Statement on independence practices

The Audit Firm has policies and procedures that are designed to provide reasonable assurance that it complies with applicable independence standards. These policies and procedures are based on the Code and DTTL policies, and are enhanced to reflect the legal provisions applicable in Belgium and the independence standards set by the Institute of Auditors, where more restrictive.

The Audit Firm's systems and controls related to independence are categorized into the following areas:

- Independence policies and procedures
- Compliance systems, including the Deloitte Entity Search and Compliance system, the Global Independence Monitoring System and Confirmations
- Business relationship assessments and monitoring
- Independence learning
- Monitoring of independence systems and controls relating to personal independence, and engagement and practice reviews
- Disciplinary measures and actions
- Assignment of responsibility for independence systems and controls
- "Tone-at-the-top" culture relating to independence

Procedures are in place at the engagement level to have the audit engagement partner consider independence matters during the course of the audit engagement and to address the completeness of communications with the audit committee or those charged with governance, where required.

1. Independence Policies and Procedures

The Audit Firm's independence policies and procedures cover the Audit Firm, and the Audit Firm's partners, professional staff, administrative staff, and certain relatives thereof, where applicable, as well as the affiliated entities of the Audit Firm and other Belgian entities that are authorised to include "Deloitte" in their name. These policies and procedures are, in some instances, more restrictive than the independence standards in the Code and contain specific independence requirements that are applicable when the Audit Firm is to maintain independence with respect to an audit or attest client ("restricted entity") and the client's affiliates. Policies require that the Audit Firm, its partners and professional staff determine, among other things, whether an entity is a restricted entity before they, their spouse, spousal equivalent, and dependents engage in certain transactions with the entity. Partners and managerial personnel enter their financial interests and accounts into a tracking system (the "Global Independence Monitoring System" or "GIMS"). GIMS enables an electronic review of financial interests and accounts to help identify if independence restrictions may affect an individual's ability to hold such items.

The Audit Firm annually obtains confirmations from its partners, professional staff, and administrative staff that such individuals are in personal compliance with independence policies. The Audit Firm's independence policies and procedures are made available electronically to the Audit Firm's partners, professional staff, and administrative staff. Updates to these policies and procedures are also made and communicated electronically to the Audit Firm's partners, professional staff, and administrative staff. Moreover, other independence-related materials are available on an independence website. Reminders on policy and other matters are published routinely as part of communications showing changes to entities that are internationally restricted entities, as relevant.

Procedures are in place at the engagement level to have the audit engagement partner consider independence matters during the course of the audit engagement and to address the completeness of communications with the audit committee or those charged with governance, where required.

2. Deloitte Entity Search and Compliance System ("DESC") system, the Global Independence Monitoring System ("GIMS"), and Annual Confirmations

There are three related aspects of the Audit Firm's systems and controls related to the Audit Firm's independence and the personal independence of its partners, professional staff and support staff: DESC, GIMS, and the Confirmation process. These three aspects support each other in that (1) partners and professional staff search DESC, (which includes a database of internationally restricted entities) and/or GIMS (which has a database of financial interests and accounts), to identify if an entity or its financial interests or accounts are restricted before acquisition; (2) partners and managerial personnel record their financial interests and accounts in their portfolios in GIMS; and (3) the Audit Firm periodically confirms to DTTL its compliance and the compliance of its partners, professional staff, and administrative staff with the Audit Firm's independence policies.

Deloitte Entity Search and Compliance (DESC) system

DESC is operated by DTTL on behalf of the DTTL member firms. Each DTTL member firm reports the names of its clients and their affiliates that meet the definition of an international restricted entity. The policy definition of an international restricted entity includes public audit clients, as well as other entities that are of public interest. Such restricted entity information is recorded in the DESC system. The entity information provided by the DTTL member firms is continuously updated to help ensure its accuracy and completeness, including periodic validation processes performed by engagement teams or a DTTL member firm. Updates to DESC's entity information are made daily based upon these processes. The Audit Firm's partners and staff access DESC on-line.

DESC also has features that are used to request and document approvals related to providing services to an internationally restricted entity. In many jurisdictions, a restricted entity's audit committee or others charged with governance must pre approve services that will be delivered within the restricted entity group. Where such features are enabled for the restricted entity and its corporate group, DESC's features establish a standard business process among the DTTL



member firms whereby service requests are submitted to the lead client service partner, who is responsible for obtaining and documenting such appropriate third-party authorizations prior to approving the service request. In addition, the Audit Firm has local risk management tools that are systematically used in relation to the Belgian market.

Global Independence Monitoring System (GIMS) for financial interests and accounts

As a part of the same business processes used for DESC, each DTTL member firm identifies and reports the publicly-available securities and certain types of accounts that are associated with an international restricted entity. Such securities and accounts are recorded in GIMS. GIMS is operated by DTTL on behalf of the DTTL member firms, and each DTTL member firm administers the related monitoring processes related to its partners and professional staff. Partners and professional staff search DESC for an entity, and/or GIMS for a security or account, before acquiring a financial interest or account to determine if restrictions apply that affect them. This includes investments for or on behalf of a spouse, spousal equivalent, and dependent. Partners and managerial personnel enter defined types of such financial interests and accounts into their individual portfolios in GIMS for monitoring purposes. GIMS assists partners and managerial personnel by identifying situations which may not comply with the Audit Firm's policies so that the item may either be reviewed or

corrected. When such a situation is detected, the system advises the individual that an independence-impairing situation may exist, and poses questions which aid the individual to determine whether or not the item is permitted in the particular circumstances. This includes generating notices to the individual in situations where a once-permissible holding becomes restricted, so that appropriate and timely actions can be taken. The Audit Firm monitors and follows-up on such notices until the individual resolves the item.

Confirmations

The Audit Firm obtains annual confirmations from its partners, professional staff, and administrative staff. Annually, the Audit Firm reports to DTTL that the Audit Firm has taken appropriate steps to obtain sufficient evidence that it and its partners, professional staff and administrative staff comply with applicable independence requirements (including that the Audit Firm itself is independent of restricted entities).

Consultation Network

The Audit Firm communicates with its partners and employees regarding the consultation policies for independence matters and identifies the individuals who are to be contacted. Additionally, the Audit Firm consults with DTTL's independence group and other member firms when the Audit Firm determines that additional input or advice is needed under the circumstances.

3. Business relationship assessments and monitoring

The Audit Firm has a business relationships assessments and monitoring process. The objective of such process is to ensure that prior to entering into any business relationship with a restricted entity or its management or substantial stockholders, a determination is made to ensure such a relationship does not impair independence with respect to that restricted entity. Ongoing business relationships are also monitored annually.

4. Independence Learning

The Audit Firm provides independence learning to its partners and professional staff.

5. Monitoring of Independence Systems and Controls Relating to Personal Independence, Engagement and Practice Reviews

Inspection of Personal Independence

On a periodic basis, the Audit Firm inspects for compliance with the Audit Firm's independence policies and procedures. The objective of the inspection and testing program is to determine whether the representations and information submitted by partners and managers (directors are included in one of these two categories, depending upon the relevant circumstances) relating to independence matters and the information contained in GIMS are accurate and complete.

Inspection of Audit Firm's Compliance

The Audit Firm is subject to a practice review at intervals not to exceed three years. Compliance with independence policies at both a firm level and at a client level is reviewed. See further details of engagement and practice reviews in the Internal Practice Review section above.

6. Disciplinary Measures and Actions

The Audit Firm has disciplinary procedures in place to address non-compliance with the Audit Firm's independence policies and procedures. These disciplinary procedures are designed to provide an appropriate response to breaches of such policies and procedures by partners, professional staff and administrative staff.

7. Assignment of Responsibility for Independence Systems and Controls

The Audit Firm has assigned a Director of Independence who has the responsibility to implement and maintain quality controls over independence. More specifically, the Director of Independence is responsible for taking the lead on all significant independence issues within the Audit Firm, including the implementation and maintenance of the Audit Firm's business processes related to: (1) independence consultations, (2) independence learning programs, (3) restricted-entity information in DESC, (4) use and monitoring of the features of DESC, (5) use and monitoring of GIMS, (6) annual confirmations, (7) testing and inspection programs, and (8) disciplinary processes. Communication channels exist between the Audit Firm's Director of Independence, Audit Firm management and DTTL's independence group. DTTL has assigned a senior leader and independence team that provides access to timely and accurate information designed to facilitate the independence function at the Audit Firm level.

8. "Tone-at-the-Top" Culture Relating to Independence

Audit Firm leadership reinforces the importance of compliance with independence and related quality control standards, thereby setting the appropriate "tone-at-the-top" and instilling its importance into the professional values and culture of the Audit Firm. Strategies and procedures to communicate the importance of independence to partners, professional staff, and administrative staff have been adopted, emphasizing each individual's responsibility to understand the independence requirements. A review of independence compliance is conducted as part of the practice review.

Conflicts of Interest

Potential conflicts of interest are considered on all prospective engagements and prior to the Audit Firm entering into a financial or business relationship with a third party. The Audit Firm has policies and procedures in place to identify potential conflicts of interest in connection with the Audit Firm either (i) accepting a prospective engagement or (ii) entering into certain business or financial relationships with another entity.

The Deloitte Conflict Checking System (DCCS) is designed to support the Audit Firm's conflict checking business process to identify and manage potential conflicts relating to prospective engagements, business or financial relationships. For each new engagement or relationship opportunity, DCCS captures the principal parties to the engagement, the scope of work, engagement team, and specific questions which are driven by the proposed service offering. As part of each conflict check recorded in DCCS there is an automated search of DESC to identify any potential audit/attest relationships. DCCS also provides an automated means of cross-border conflict checking. Overall DCCS provides a record of existing engagement, business, and financial relationships which is automatically searched when proposing for new engagements or relationships.

Continuing education

Continuing education is a key priority of the Audit Firm, as it is an important means of developing knowledge, maintaining and improving the quality of our services. The learning plan offers a variety of topics, including technical matters (GAAP, GAAS, professional rules, taxation, company law, labour law, IT systems, internal controls), management and interpersonal skills, business economics and industry specific courses. The continuing education program is comprised of both Deloitte-organised learning sessions as well as external learning, organized by the Institute of Auditors among others. Next to this, a variety of e-learning sessions are available to deepen certain skills. Certain courses are mandatory and others are optional, such that each auditor or trainee auditor can personalise his or her learning programme to the specific needs.

During the first years with the Audit Firm, training is predominantly comprised of mandatory courses on technical topics, including Deloitte methodologies and processes. For more experienced people, the optional part of the learning plan increases given that individual needs become more diverse. More experienced auditors are expected to update and deepen their technical and industry knowledge. Developing management and interpersonal skills also gain importance for this group. Selected high potential individuals are also given the opportunity to follow long term courses, such as management courses organized by reputable schools. In addition, auditors working on certain U.S. Securities and Exchange Commission ("SEC") registrant engagements are required to be SEC accredited under firm policies. A minimum number of specified training sessions on US GAAP/Public Company Accounting Oversight Board standards, and SEC regulation need to be followed every year to be accredited.

The learning curriculum for each professional is monitored using an automated monitoring system. This allows the Audit Firm to monitor compliance with DTTL policies on learning as well as with rules imposed by the Institute of Auditors. It also allows us to monitor the learning needs and track record of each individual. Continuing education is also a factor taken into account for the yearly evaluation of audit staff and the assessment of their growth potential within the Audit Firm.

The Audit Firm's internal learning programme has been accredited by the Institute of Auditors.

Financial information

The total turnover of Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises for the financial year ending on 31 May 2014 amounted to 117,866,642 EUR which can be broken down into:

- fees for statutory audit work and other legal missions for statutory audit clients 49,971,662 EUR
- fees for non statutory audit clients and other professional work: 67,894,980 EUR

The net turnover of the network to which Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises belongs in Belgium, per sector of activity, and including that of Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises, is the following (in millions of EUR):

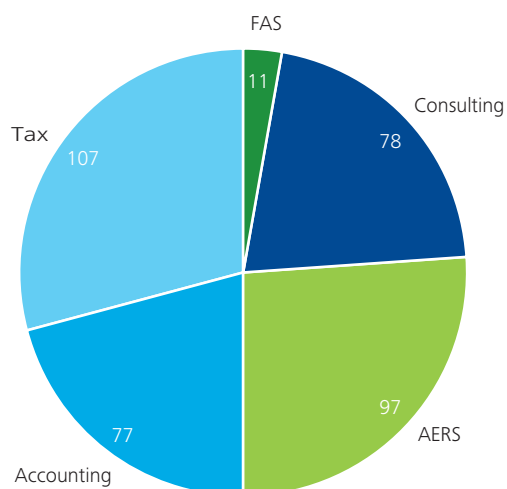
Audit and Enterprise Risk Services	97
Accounting	77
Tax	107
Financial Advisory Services	11
Consulting	78

Basis for partner remuneration

The remuneration of each equity partner is comprised of a share in the net profits to be distributed, in proportion to his or her respective shareholding in the Audit Firm.

Partners are evaluated on a yearly basis and depending on the outcome of the evaluation, the respective shares in the audit firm of equity partners and the remuneration of other partners may increase or decrease. Partner evaluations take the following factors into account: quality, expertise, integrity, professionalism, entrepreneurship, independence and compliance.

Revenue 2014 (in mio of EUR)



(Source: Deloitte Belgium Annual report 2014)

Michel Denayer
Managing Director

Dirk Van Vlaenderen
Managing Director

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