

2019 Transparency Report

Deloitte Bedrijfsrevisoren/
Réviseurs d'Entreprises CVBA/SCRL

Date published 30 September 2019



Contents

| | |
|---|----|
| Message from the Managing Partner | 3 |
| Deloitte Network | 4 |
| What Deloitte Audit & Assurance brings to capital markets | 8 |
| External and internal audit quality monitoring | 14 |
| Audit Quality Monitoring & Measurement | 16 |
| Independence, ethics, and additional disclosures | 20 |
| Appendices | |
| EU EEA audit firms | 26 |
| Financial information | 28 |
| Public interest entities | 29 |

Message from the Managing Partner

Being in the lead in the Belgian audit market, makes undisputable quality leadership the core of our ambitions.*

With our financial year 2019 ended on 31 May 2019, we also completed our incremental quality boost program ("Q-Boost program"). The program aimed at strengthening our skills in risk understanding and systems of internal controls with an increased focus on the impact of digitalisation and automation. Better audit risk assessments lead to more effective audits and improved efficiency. This is also key when addressing the increasing cost of technology in our audits.

All our people aspire raising quality and consistency in serving our clients continuously. We invest significant time and effort training our people in what drives quality. It is part of our culture and of our teams' DNA, together with a continued focus on substance over just the form of compliance. This sometimes also leads us to take difficult but rightful decisions in respect of client acceptance or in relation to how we conclude an audit.

The Global, European and Belgian regulatory environment keeps evolving and in certain areas, a further convergence to one another is surfacing.

In 2018 we received a first external inspection which was conducted by the "*College van Toezicht op de Bedrijfsrevisoren*" / "*Collège de supervision des Réviseurs d'entreprises*" ("CTR-CSR"). We consider this an important addition of independent oversight to our own monitoring systems.

We have also started to see the impact of audit firm rotation which will create significant movements in the audit mandates over the years to come. In view of our market position, we have the ability to take on any size of audit engagement across all industries. We have teams available with extensive experience in public interest entities and capital market environments. Moreover, we continue to develop our Assurance services, making use of the profound skills acquainted by our teams in our multidisciplinary model.

Finally, we believe that the Belgian cooling-in rules which prohibit the appointment as statutory auditor in the event that an audit firm has already provided certain non-audit services one or two years prior to the start of a mandate, imply significant constraints in terms of a public interest entity's free market choice in selecting a new statutory auditor. We have seen a number of circumstances where these rules have limited audit firms, including ourselves, to participate in a company audit tender process. It should be clear that we will never decide of our own free will not to participate in a tender process for reasons other than those entailed by these cooling-in rules. This is why we believe that adjusting the Belgian Law in connection to these cooling-in rules according to what is applicable in other (European) countries, will be for the benefit of the free market working in the audit selection process.

Joël Brehmen

Managing Partner

Audit & Assurance

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL



* Throughout this report, the terms "Deloitte, we, us, and our" refer to one or more Deloitte Touche Tohmatsu Limited member firms, its network of member firms, and their related entities. For more information about the Deloitte network, please refer to the related section of this report or to www2.deloitte.com/be/en/pages/about-deloitte/articles/about-deloitte.html.

Deloitte Network

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL: legal structure and ownership

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL, a co-operative company with limited liability, is connected to the Deloitte network through Deloitte North West Europe LLP, a member firm of Deloitte Touche Tohmatsu Limited. Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL can be referred to throughout this report as "Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises" or the "Audit Firm", and Deloitte North West Europe LLP can be referred to throughout this report as "Deloitte NWE". Deloitte NWE holds practice rights to provide professional services using the "Deloitte" name which it extends to Deloitte entities within its territory (comprised of Belgium, the Netherlands, the United Kingdom, Ireland, Switzerland, Denmark, Norway, Finland, Sweden and Iceland), including the Audit Firm. As from 1 June 2019, Deloitte NWE firms combined with Deloitte Central Mediterranean

– covering Italy, Greece and Malta – have become Deloitte North and South Europe (which can be referred to as "Deloitte NSE").

The Audit Firm is authorized to serve as an auditor for clients in Belgium.

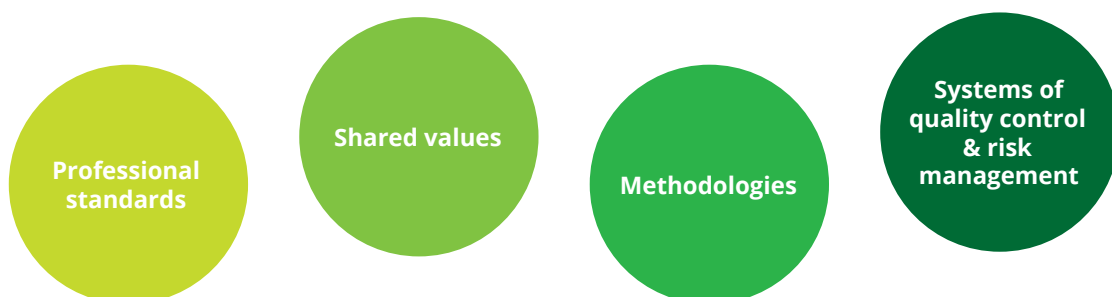
The majority of the capital and voting rights of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises are held by individuals who are members of the Institute of Auditors ("Instituut van de Bedrijfsrevisoren" / "Institut des Réviseurs d'Entreprises"), and the remaining capital and voting rights are held by individuals and by Deloitte Belgium CVBA. The fixed capital of the audit firm is 18,625 EUR and its variable capital is 2,669,112.50* EUR.

All information provided in this report relates to the situation of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises on 31 May 2019, except if indicated otherwise.

Network description

The Deloitte network

The Deloitte network is a globally connected network of member firms and their affiliates operating in more than 150 countries and territories across the world. These separate and independent member firms operate under a common brand.



Deloitte Touche Tohmatsu Limited ("DTTL" or "Deloitte Global")

DTTL is a UK private company limited by guarantee. DTTL serves a coordinating role for its member firms and their affiliates by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct and service across the Deloitte network. 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.

For more information about the Deloitte network, please see:

www2.deloitte.com/be/en/pages/about-deloitte/articles/about-deloitte.html

* Please note that this variable capital must still be approved by the General Meeting of the partners of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises which is expected to take place on 18 November 2019.

The Audit Firm*: governance – leadership in action

The Audit Firm operates as a co-operative company with limited liability, established under Belgian law, with registered office situated at Gateway building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, and registration number 0429.053.863.

The Audit Firm Board of Directors retains competence for establishing the annual accounts of the Audit Firm and the Audit Firm Management Committee is entrusted with the overall management of the Audit Firm, including the governance and oversight of the audit practice. The Management Committee is assisted by specialized teams, like for example National Office that advises on specific matters and/or implement policies including periodical updates on technical matters such as accounting standards and auditing standards. Other examples are the Practice Protection Group, which assists with client and engagement acceptance and continuance matters, among others, and the Learning Group in charge of all learning programs within the Audit Firm.

The Board of Directors, as well as the Management Committee created by the General Meeting of the partners, are composed of at least a majority of members of the Institute of Auditors. The Managing Directors of the Audit Firm are automatically members of the Management Committee. The Management Committee members must be members of the Board of Directors of the Audit Firm.

The management bodies and the General Meeting of the partners exercise their responsibilities within the Audit Firm as defined and attributed according to the Articles of Association of the Audit Firm.

The Chairman of the Board of Directors is Michel Denayer.

The following are the members of the Management Committee:

The Audit Firm – Management Committee

Joël Brehmen, Chairman of the Management Committee, also Managing Director

Rik Neckebroeck, also Managing Director

Eric Nys, also Managing Director, until 31 May 2019

Kathleen De Brabander, also Managing Director, as from 1 June 2019

Yves Dehogne, also Managing Director, as from 1 June 2019

Piet Vandendriessche


Geert Verstraeten, until 31 May 2019

The Audit Firm Management Committee develops and implements the strategy for the Audit & Assurance practice, including related policies and procedures. In all of their activities, the Audit Firm partners are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. The Audit Firm strategy is developed in alignment with the overall strategic direction established for the Deloitte network.

The Audit Firm Audit & Assurance Management Committee and partners participate in Deloitte network groups that set and monitor quality standards, and from which a number of audit quality initiatives emanate.

* This report sets out the practices and processes that are currently employed by Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises, in accordance with the requirements of the European Union's Regulation 537/2014 (EU Audit Regulation) on specific requirements regarding statutory audit of public-interest entities and in compliance with article 23 of the law of 7 December 2016 organizing the profession and the public oversight of statutory auditors.





Our purpose and commitment: instilling trust and confidence

At the Audit Firm, our purpose is to make an impact that matters. For Audit & Assurance, this means a focus on delivering independent high quality audits and instilling confidence and trust in the capital markets through our reports. This requires us to continuously build capabilities to support the delivery of high quality audits and make leading contributions to shaping the future of the audit profession.

What Deloitte Audit & Assurance brings to capital markets

Audit & Assurance Transformation

Being a relevant profession of the future and a sustainable practice that evolves with the pace of change in technology and society is critical. Driving this goal is the Deloitte Audit & Assurance Transformation initiative, which is currently being developed and deployed across the Deloitte network, including our Audit Firm.

Audit & Assurance Transformation is an important shift across the network in the way Deloitte professionals work and includes:

The Deloitte Way:
standardization of audit
processes supported by
our global technology
suite

**Real-time audit quality
monitoring**

**Enhanced talent model
which includes learning,
rewards and recognition,
centers of excellence, and
delivery centers**

**Agile deployment of
tools and technologies
to respond to changing
environments**

Deloitte Global leadership

The Global Audit & Assurance Leadership Team is led by Jean-Marc Mickeler, Global Managing Director Audit & Assurance. Global Audit & Assurance responsibilities include:

- Developing and driving Audit & Assurance strategy;
- Setting audit methodology standards and approving audit policy and methodology changes with the objective of enhancing audit quality across the Deloitte network;
- Driving key audit quality initiatives and policies across the Deloitte network.

Audit engagement acceptance and continuance

As a part of Transformation efforts, global initiatives are underway to foster a standard approach to audit engagement acceptance across the Deloitte network, resulting in consistent decisions and consideration of risks.

The Audit Firm has detailed policies and procedures in place for accepting prospective clients and engagements and assessing engagement risk. These policies and procedures are designed with the objective that the Audit Firm only accepts engagements where it:

- Is able to perform the engagement and has the capabilities, including time and resources, to do so;
- Can comply with all relevant ethical requirements and professional standards, including independence and conflicts of interest assessments and considerations;
- Considered the integrity of the potential client's management team.

Audit innovation *

With The Deloitte Way, Deloitte is bringing innovation into the core of how we audit: with automation that improves routine tasks, analytics that yield a deeper and more insightful view into the data, and artificial intelligence that enhances human discovery and problem-solving. As a result, clients get an experience that is less burdensome, with more transparency and deeper insight.

Innovation is an expectation in today's fast-changing business environment, and this expectation holds true for the audit profession as well. Today's complex business environment requires that the audit be dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and clients expect audits to evolve as they innovate their businesses and processes. While traditional procedures still have a place in auditing, the auditors of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises are enhancing procedures by making more use of technology-based analytics, cognitive & cloud-based technologies, etc. This is due in part to the increased automation and effectiveness that tools like data analytics may provide, but also to the need for the Audit Firm to stay in front of technological advances used by the entities that we audit.

Innovation is an integral part of the entire audit delivery process.

Deloitte is committed to the continued investment in emerging technologies and diversity of thought that enables the delivery of enhanced quality, insights, and value to our clients and the markets. This includes Illumia, our global analytics platform, as well as an integrated suite of enabling innovation tools all connected in the cloud. We are also developing our next-generation cloud-based audit delivery platform, Omnia.

Existing global enabling tools include:

- Deloitte Connect – Online communication, information sharing, and progress tracking
- Icount – Mobile-enabled inventory counts (release H2 FY20)
- Reveal – Sophisticated regression analysis
- Signal – Comprehensive risk analytics
- Audit Online – Interface with delivery centers and support of guided risk assessments

* For more information about Deloitte audit innovation, please refer to www2.deloitte.com/content/campaigns/global/global-report/index.html.

Learning and development initiatives

Central to the Audit & Assurance Transformation initiative are various enhancements to the Deloitte talent and learning experience.

Deloitte's transformed approach to audit delivery is enabling our professionals to use more advanced analytics, apply the latest tools, technologies and more critical thinking, spend more time applying professional judgment, and gain a deeper understanding of a client's business and industry — all contributing to enhanced audit quality and an improved experience for our people.

Deloitte has made substantial investments in our talent and learning strategies and transformed our technical audit curriculum to build the proficiency required by level.

At the core, we have a single, global mandatory Audit technical learning curriculum for auditors, targeting learners by level, using a dynamic blend of live instructor-led, and digital on-demand courses and on-the-job activities.

The Audit Firm establishes minimum levels of continuing professional development to be undertaken by partners and other professionals 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, function-specific technical competencies, and competencies in areas of specialization). Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. Advanced project management, a key capability for executing audit engagements, has been included in annual development programs.

The objective of the Audit Firm professional development program is to help partners and other professionals maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, the Audit Firm provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit Curriculum.

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 organized learning sessions as well as external learning, organized by the Institute of Auditors and the ICCI ("Informatiecentrum voor het bedrijfsrevisoraat - Centre d'information du révisorat d'entreprises") 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 personalize 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 must update and deepen their technical and industry knowledge. Developing management and interpersonal skills also gain importance for this group. According to their capacities, some individuals are also given the opportunity to follow long term courses, such as management courses organized by reputable schools.

In addition, auditors working on audits of SEC registrants or subsidiaries of SEC registrants (Securities and Exchange Commission) are required to be US accredited under firm policies. Specific trainings on the standards of the PCAOB (Public Company Accounting Oversight Board) need to be followed every year to be accredited.

The Audit Firm establishes minimum levels of continuing professional development to be undertaken by partners and other professionals 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, function-specific technical competencies, and competencies in areas of specialization).

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 must update and deepen their technical and industry knowledge. Developing management and interpersonal skills also gain importance for this group. According to their capacities, some individuals are also given the opportunity to follow long term courses, such as management courses organized by reputable schools. In addition, auditors working on audits of SEC registrants or subsidiaries of SEC registrants (Securities and Exchange Commission) are required to be US accredited under firm policies. Specific trainings on the standards of the PCAOB (Public Company Accounting Oversight Board) need to be followed every year to be accredited.

Deloitte University*

Deloitte actively cultivates the collective knowledge and skills of its professionals globally through continuing to invest in Deloitte Universities (DU). These are state-of-the-art learning and development centers focused on Deloitte culture, and rooted in the principles of connectedness and leadership in a highly inclusive learning environment.

Deloitte. University

Partner remuneration

Execution of high quality audits is expected from all professionals and is embedded across the Deloitte network. Audit quality is built into performance standards at every level, against which professionals' overall evaluations are measured.

In accordance with global policies, the Audit Firm's partners are evaluated on a yearly basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Specifically, partner evaluations take the following factors into account: quality, expertise, integrity, professionalism, entrepreneurship, independence and compliance.

* For more information about Deloitte Universities, please refer to www2.deloitte.com/content/campaigns/global/global-report/index.html.



A grayscale photograph of a person with long hair, wearing a dark shirt, leaning over a desk. They are looking at a laptop screen on the left and have their hand near some papers on the right. The background is out of focus, showing what appears to be an office or laboratory setting with some equipment. A thin green horizontal line is positioned above the text.

The high quality audits we deliver

The experience of a high-quality audit, delivered well, will provide the audit committees, investors, and other stakeholders of the companies with (but not limited to):

- An audit report that is appropriate to the circumstances;
- Innovation in how we do the audit;
- More insights about their company than they had at the outset of the process.

External and internal audit quality monitoring

Audit Quality Monitoring & Measurement

A continued focus on audit quality is of key importance to the Deloitte brand. It is critical that a Deloitte audit is consistently executed and of high quality, wherever in the world it is performed.

The objectives of the Global Audit Quality Monitoring & Measurement ("AQMM") program are to:

- Transform the way audit quality is monitored and measured and audit deficiencies are resolved; and
- Enhance the internal system of quality control which all Deloitte network firms follow.

The AQMM program is focused on driving:

- Continuous, consistent, and robust monitoring of completed and in-flight engagements;
- Fundamental understanding of deficiencies and timely execution of corrective actions by all member firms consistently;
- Greater transparency and consistency in reporting key measures of audit quality.

The Audit Firm maintains policies and procedures to promote an internal culture based on the recognition that quality is the number one priority. The Audit Firm focuses on professional excellence as the foundation for achieving audit quality on a consistent basis.

The system of quality control of the Audit Firm is comprehensive and has the overall objective of providing reasonable assurance that our professionals and personnel comply with applicable professional standards and member firm's standards of quality, and that the reports issued by the member firm are appropriate in the circumstances.

Our quality control policies and procedures encompass the following 6 elements:

- Leadership responsibilities for quality within the member firm ("tone at the top");
- Relevant ethical requirements, including independence;
- Acceptance and continuance of clients relationships and specific engagements;
- Human resources (talent);
- Engagement performance;
- Monitoring.

Our system of quality control has been designed and tailored to operate effectively within the structure, size, and complexity of our firm. The foundation of our system of quality control are the issued policies, procedures, manuals, and guidance for partners and other professionals and employees of the firm to ensure that our practice is conducted in accordance with professional and regulatory standards and rules and legal requirements. This foundation is supported by an organizational structure at national management level that provides leadership, supervision, and monitoring over the services we perform and various other aspects of our system of quality control.

In addition, the member firm's multiple functions (i.e. audit, advisory, tax, consulting... see below the multidisciplinary model), have an effect on the organizational structure as well. In addition to the member firm board of directors, policies, procedures, processes and systems for the independence element of the system of quality control exist across all functions in recognition that services performed by another function or actions by employees of another function can affect the determination of independence of our audit services. As a result, our policies and procedures, including applicable systems, associated with maintaining auditor independence, are significant and extensive.

Multidisciplinary model

Audit is the foundation of the Deloitte brand. In addition to Audit & Assurance, Deloitte in Belgium has Consulting, Financial Advisory, Risk Advisory, Tax & Legal and Accountancy practices. The diversity of six different businesses under one umbrella (multidisciplinary model, taking into account the legislation applicable to the regulated activities) is one of the key differentiators of high-quality audits.

Among the benefits of the multidisciplinary model for audit:

- It is possible to develop industry insights through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audits.
- The audit practice has immediate access to specialized resources and expertise in other business lines. It promotes audit quality because auditors can tap the expertise of advisory professionals who are skilled in subjects that often are not native to auditors.
- A diverse organization helps attract and retain premier talent.
- Intellectual capital is available within the network to innovate audit processes, technologies, etc.

Negative quality events have the potential to impact the Deloitte brand as a whole significantly. As such, each non-audit Deloitte business has a shared and vested interest in supporting audit quality initiatives.

Audit Quality Monitoring & Measurement





In-flight monitoring

Continuous audit quality monitoring by the Audit Firm drives a faster response to audit issues on “in-flight” engagements, driving identification, timely solutions, and real time corrective actions achieved by:

- Deployment and monitoring of a series of core Diagnostics, enabling engagement partners and teams, as well as the Audit Firm audit quality leaders, to continuously monitor audit quality and take immediate action;
- A program of subject matter specific “health checks”, to assist the Audit Firm audit quality leaders in assessing progress and identifying potential issues on in-flight engagements.



Engagement reviews

Key components of engagement reviews (internal practice reviews) include:

- Risk-based engagement selection and consideration of all major industries served by the Audit Firm;
- Mandatory moderation panel to drive consistency in findings and engagement ratings;
- External partners and deputies who oversee practice reviews to increase global consistency;
- Identifying appropriate resources (from within the Audit Firm as well as from other Deloitte geographies) with the right experience and industry expertise, including establishing central review teams.



System of quality control (SQC)

SQC includes numerous elements, such as documenting key areas of the SQC processes and controls, and performing procedures for testing the operating effectiveness of the SQC, including execution of a comprehensive SQC review program.

Used in conjunction with other metrics, Audit Quality Indicators (AQIs) further assist the Audit Firm in developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey. AQIs are integrated with ongoing AQMM activities.

In addition, proper timing and sequencing of audit activities, including timely reviews of work performed and the resolution of matters identified, are closely associated with high quality audits.

Audit Quality Milestones are intended to drive consistency of engagement teams in project management, timing of when work is done, and necessary focus on engagement staffing, including sufficiency and expertise of assigned resources.



Causal factor analysis and remediation

Focusing on continuous improvement is essential to driving improvements in audit quality. Understanding why audit deficiencies occur in a causal factor analysis is essential to the design of effective actions to remediate findings. Further, actions are taken when audit deficiencies in the performance of an audit engagement are identified. Engagement level remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An Audit Quality Plan is prepared by the Audit Firm and provides for effective implementation and monitoring of key audit quality priorities.



External inspections

In addition to the Audit Firm own monitoring of audit quality, we are subject to external reviews by the Belgian Audit Oversight body (“*College van Toezicht op de Bedrijfsrevisoren*” / “*Collège de Supervision des Réviseurs d’entreprises*”, “CTR-CSR”). A first inspection by CTR-CSR was started-up in December 2017. Next to the review of the systems of quality control, with a focus on engagement quality control review (EQCR) and monitoring activities (including practice reviews), a number of public interest entities (PIE) and non-PIE engagements have also been reviewed. CTR-CSR issued its final inspection report in October 2018 on which we provided our feedback and action report mid-February 2019.

Statement on the effectiveness of the functioning of the internal quality control system

We confirm that we are satisfied that our internal quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our system of quality control.





The organizational capabilities we build

Deloitte culture and the design of our learning programs place our people at the forefront. Deloitte professionals are technically proficient with high levels of ethics, integrity, professional skepticism, and objectivity, and continuously enhancing.

Deloitte is committed to developing its people and accelerating their careers by creating a life-long learning environment. We are advancing audit education, skillsets, and flexible career options that appeal to future auditors.

In addition, operational discipline, effective management of our business, and the development of a singular approach to doing audits known as The Deloitte Way, provide the foundation for our commitment to bring consistency to our audits.

We are driving a sustainable audit and assurance business that compensates its people fairly and funds ongoing investment in our business.

Independence, ethics, and additional disclosures

Deloitte Global Independence



Sets **independence policies and procedures** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board. Performs full reviews of independence quality controls on a three-year cycle; annual focused reviews for the off-cycle years; and in-depth follow-up reviews as needed.



Performs **on-going monitoring** activities of firms—enabling continuous enhancements to global policies, quality controls, tools, and practice support activities.



Delivers **global systems** to provide professionals with entity information to support compliance with personal and professional independence requirements, including financial interests and scope of service approvals.



Supports **independence awareness** across the Deloitte network through active engagement with independence and business leadership groups, periodic communications and alerts, and development of guidance, learning and instructions.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises - Independence

The Audit Firm has policies and procedures designed to address compliance with applicable professional standards that relate to independence. These policies and procedures are based on the Deloitte Global Independence policy, and are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. The 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, other professionals and support staff have been adopted, emphasizing each individual's responsibility to understand and meet the independence requirements.

The key elements of the system of quality control that the Audit Firm implemented in accordance with global policies include the following:

- Engagement acceptance and monitoring;
- Monitoring of rotation requirements;
- Business relationship assessments and monitoring;
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Global Independence Monitoring System (GIMS), annual independence confirmations, and consultation procedures, to monitor compliance with independence requirements;
- Procedures to identify and analyze non-compliance with independence requirements and apply related disciplinary measures and actions;
- Independence-related learning and communications;
- Assignment of responsibility for independence systems and controls;
- An internal review of independence compliance was conducted in July 2018 by independence specialists from Deloitte Global. The final report has been issued in October 2018.

DESC

Deloitte Entity Search and Compliance

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions.

GIMS

Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators.

Rotation of key audit partners and professionals

We have established practices for the assignment of audit partners to engagements, including consideration of partner rotation requirements. The national Audit & Assurance Management Committee is accountable for the assignment of engagement/signing partners to the engagements, whereas the audit risk leader keeps an overview of all partner rotation requirements. An annual workload analysis and monitoring of partners serving in clients and EQCR (engagement quality control review) roles is done by audit leadership, partially based upon input received from the annual portfolio reviews.

For PCAOB (US Public Company Accounting Oversight Board) audits, in accordance with our policies, partners or persons serving in an equivalent position should not serve for more than five years in the position of lead audit engagement partner or EQCR, or in another partner role for more than seven years. For Belgian public interest entities (including their significant Belgian or foreign subsidiaries), partners should not serve as the audit firm's permanent representative for more than six years, and key audit partners including EQCR should not be involved for more than seven years. In addition, the auditor has to establish an appropriate gradual rotation mechanism for the most senior personnel involved in the statutory audit, including at least the persons who are registered as "bedrijfsrevisor" / "réviseur d'entreprises" (certified auditor registered in Belgium).

We have established rotation policies as well as threats and safeguards analysis for most senior personnel involved in audit engagements for PIEs. These procedures encompass both the Belgian legal requirements and the requirements of the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the "IESBA Code"), a standard-setting body of the International Federation of Accountants (IFAC). It also includes cooling-off periods, generally for a period of three years, during which the individual may not serve the PIE audit client in any capacity.

For all other engagements, there are no rotation requirements.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises - Ethics

The Audit Firm maintains policies and procedures that are designed to provide reasonable assurance that its professionals comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by the Audit Firm are in accordance with the legal provisions applicable in Belgium (such as the law of 7 December 2016 organizing the profession and the public oversight of statutory auditors, the Code of Companies and Associations and the related implementing decrees) and the standards issued in Belgium. The Audit Firm also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the IESBA Code. When the national professional requirements are more restrictive than the Deloitte Global policies and procedures, the Audit Firm follows the applicable national requirements.

The Audit Firm has appointed an Ethics Officer who is an experienced senior director with direct access to the CEO and the member firm's governing body. In addition, the Audit Firm has developed and implemented its own code of conduct, which incorporates the Deloitte Global Principles of Business Conduct and describes critical professional behavior that reflects local customs, regulations, and legal requirements.

The Audit Firm provides communication channels through which partners, professionals 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. In addition, the Audit Firm requires all partners, professionals and support staff to confirm annually that they have read and comprehended the code of conduct and understand that it is their responsibility to comply with it.

Deloitte Global Ethics and Integrity Imperative

Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behavior.

Deloitte's Global Principles of Business Conduct ("Global Code") outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 286,000 people, giving a strong, principled foundation. The Deloitte Integrity Imperative amplifies the Global Code across the network by empowering leaders to set a strong tone from the top; encouraging people to speak up when they witness anything that runs counter to the Global Code; and helping Deloitte act quickly and appropriately in the face of misconduct.

The Deloitte Global Ethics team and member firm ethics officers work closely with senior Deloitte leaders to build and enhance the foundations of the network's ethics program, which is comprised of the following elements:

Elements of the Deloitte Ethics Program







Shaping the future of the audit profession

Management teams, audit committees, investors, regulators, and standard setters all play critical roles in shaping the environment in which audits are performed. We strive to engage with these parties, both formally and informally, to share, offer and debate ideas with the objective of ensuring the relevance of audit and assurance to the capital markets.

Appendix A

EU EEA audit firms

Disclosure in accordance with Article 13.2 (b)(ii)-(iv) of the European Union's Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities ("EU Audit Regulation")

EU/EEA Member State (Article 13.2 (b)(iii) EU Audit Regulation: the countries in which each audit firm that is a member of the network is qualified as a statutory auditor or has its registered office, central administration or principal place of business)

Name of audit firms carrying out statutory audits in each Member State (Article 13.2 (b)(ii) EU Audit Regulation: the name of each audit firm that is a member of the network)

| EU/EEA Member State | Name of audit firms carrying out statutory audits in each Member State |
|---------------------|--|
| Austria | Deloitte Audit Wirtschaftsprüfungs GmbH |
| | Deloitte Burgenland Wirtschaftsprüfungs GmbH |
| | Deloitte Niederösterreich Wirtschaftsprüfungs GmbH |
| | Deloitte Oberösterreich Wirtschaftsprüfungs GmbH |
| | Deloitte Salzburg Wirtschaftsprüfungs GmbH |
| | Deloitte Tirol Wirtschaftsprüfungs GmbH |
| | Deloitte Wirtschaftsprüfung Styria GmbH |
| Belgium | Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL |
| Bulgaria | Deloitte Audit OOD |
| Croatia | Deloitte d.o.o. za usluge revizije |
| Cyprus | Deloitte Limited |
| Czech Republic | Deloitte Audit s.r.o. |
| Denmark | Deloitte Statsautoriseret Revisionspartnerselskab |
| Estonia | Deloitte Audit Eesti AS |
| Finland | Deloitte Oy |
| France | Deloitte & Associés |
| | Deloitte Marque & Gendrot |
| | Deloitte Marque Gendrot |
| | Audalian Commissaire |
| | BEAS |
| | Cisane |
| | Constantin Associés |
| | Constantin Entreprises |
| | Consultants Auditeurs Associés |
| | DB Consultants |
| France | Durand & Associés |
| | ECA Audit |
| | Jacques Serra et Associés |
| | Laurens Michel Audit |
| | Opus 3.14 Audit Et Conseil |
| | Pierre-Henri Scacchi et Associés |
| | Revi Conseil |

| EU/EEA Member State | Name of audit firms carrying out statutory audits in each Member State |
|---------------------|---|
| Germany | Deloitte GmbH Wirtschaftsprüfungsgesellschaft |
| | Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft |
| | SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft |
| Greece | Deloitte Certified Public Accountants SA |
| Hungary | Deloitte Könyvvizsgáló és Tanácsadó Kft. |
| Iceland | Deloitte ehf. |
| Ireland | Deloitte Ireland - Republic of Ireland |
| Italy | Deloitte & Touche S.p.A. |
| Latvia | Deloitte Audits Latvia SIA |
| Liechtenstein | Deloitte (Liechtenstein) AG |
| Lithuania | Deloitte Lietuva, UAB |
| Luxembourg | Deloitte Audit |
| Malta | Deloitte Audit Limited |
| Netherlands | Deloitte Accountants B.V. |
| Norway | Deloitte AS |
| Poland | Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa |
| | Deloitte Audyt spółka z ograniczoną odpowiedzialnością |
| Portugal | Deloitte & Associados, SROC S.A. |
| Romania | Deloitte Audit S.R.L. |
| Slovakia | Deloitte Audit s.r.o. |
| Slovenia | Deloitte Revizija d.o.o. |
| Spain | Deloitte, S.L. |
| Sweden | Deloitte AB |
| United Kingdom | Deloitte LLP |
| | Deloitte Gibraltar Limited |
| | Deloitte NI Limited |

Disclosure in accordance with Article 13.2 (b)(iv) of the EU Audit Regulation

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: € 2 billion*.

* Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective Member States provide statutory audit services as well as other audit, assurance and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2019, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than Euros is used in the Member State, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2018 to 31 May 2019.

Appendix B

Financial information

Disclosure in accordance with Article 13.2 (k)(i)-(iv) of the EU Audit Regulation

The breakdown of the Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises's 2018-2019 turnover*:

| Turnover | EUR |
|--|-------------------|
| Revenues from the statutory audit (PIEs or PIE subsidiaries) | 31,765,723 |
| Revenues from the statutory audit (non-PIEs or non-PIE subsidiaries) | 28,249,671 |
| Revenues from permitted non-audit services to audited PIEs or PIE subsidiaries | 8,640,062 |
| Revenues from permitted non-audit services to other audited entities | 7,556,834 |
| Revenues from non-audit services to other entities | 12,728,316 |
| Total billing | 88,940,606 |
| WIP variances and others | 1,155,123 |
| Total turnover | 90,095,729 |

* Please note that this total turnover must still be approved by the General Meeting of the partners of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises which is expected to take place on 18 November 2019.

Appendix C

Public interest entities

Disclosure in accordance with Article 13.2 (f) of the EU Audit Regulation

Public Interest Entities Audited for Statutory Purposes by Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises in the Financial Year 2018:

| Name | FYE |
|--|------------|
| AB InBev | 31-Dec-18 |
| ABN AMRO Private Banking Belgium (previously Société Générale Private Banking) | 31-Dec-18 |
| Alliance Développement Capital SIIC | 31-Dec-18 |
| Argenta Assuranties / Assurances / Versicherungen | 31-Dec-18 |
| Argenta Spaarbank | 31-Dec-18 |
| Ascencio | 30-Sept-18 |
| Association Mutuelle Médicale d'Assurances (AMMA Assurances) | 31-Dec-18 |
| Aviabel (Compagnie Belge d'Assurances Aviation) | 31-Dec-18 |
| Bekaert | 31-Dec-18 |
| Belfius Assurances / Verzekeringen | 31-Dec-18 |
| Belfius Bank | 31-Dec-18 |
| Beobank | 31-Dec-18 |
| Biocartis Group | 31-Dec-18 |
| Bone Therapeutics | 31-Dec-18 |
| Campine | 31-Dec-18 |
| Cofinimmo | 31-Dec-18 |
| Compagnie d'Entreprises CFE | 31-Dec-18 |
| Compagnie du Bois Sauvage | 31-Dec-18 |
| Connect Group | 31-Dec-18 |
| Corona | 31-Dec-18 |
| Crescent | 31-Dec-18 |
| Dexia | 31-Dec-18 |
| Euroclear | 31-Dec-18 |
| Euroclear Bank | 31-Dec-18 |
| Euroclear Belgium (C.I.K.) | 31-Dec-18 |
| European Liability Insurance (ELINI) | 31-Dec-18 |
| European Mutual Association For Nuclear Insurance (EMANI) | 31-Dec-18 |
| Exmar | 31-Dec-18 |
| Fluxys Belgium | 31-Dec-18 |
| Galapagos | 31-Dec-18 |
| Garantiefonds Reizen / Fonds de Garantie Voyages | 31-Dec-18 |
| Greenyard | 31-Mar-19 |
| Groupe Bruxelles Lambert (GBL) | 31-Dec-18 |
| Hospitaal Plus VMOB | 31-Dec-18 |
| Immo Moury | 31-Mar-19 |
| Immobel | 31-Dec-18 |
| Intervest Offices & Warehouses | 31-Dec-18 |
| MOB Verzekeringen CM-Vlaanderen | 31-Dec-18 |

| Name | FYE |
|--|-----------|
| North Europe Life Belgium (NELB) | 31-Dec-18 |
| Nyrstar | 31-Dec-18 |
| Private Insurer | 31-Dec-18 |
| Protect | 31-Dec-18 |
| Proximus | 31-Dec-18 |
| Recticel | 31-Dec-18 |
| Roularta Media Group | 31-Dec-18 |
| Shizuoka Bank (Europe) | 31-Mar-19 |
| Sioen Industries | 31-Dec-18 |
| Sipef | 31-Dec-18 |
| Sofina | 31-Dec-18 |
| Solvac | 31-Dec-18 |
| Solvay | 31-Dec-18 |
| Ter Beke | 31-Dec-18 |
| TEXAF | 31-Dec-18 |
| Vandemoortele | 31-Dec-18 |
| VGP | 31-Dec-18 |
| Warehouses De Pauw | 31-Dec-18 |
| Xerius Onderlinge Verzekeringsvereniging / Association d'Assurances Mutuelle | 31-Dec-18 |



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 312,000 professionals are committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2019. For information, contact Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises.