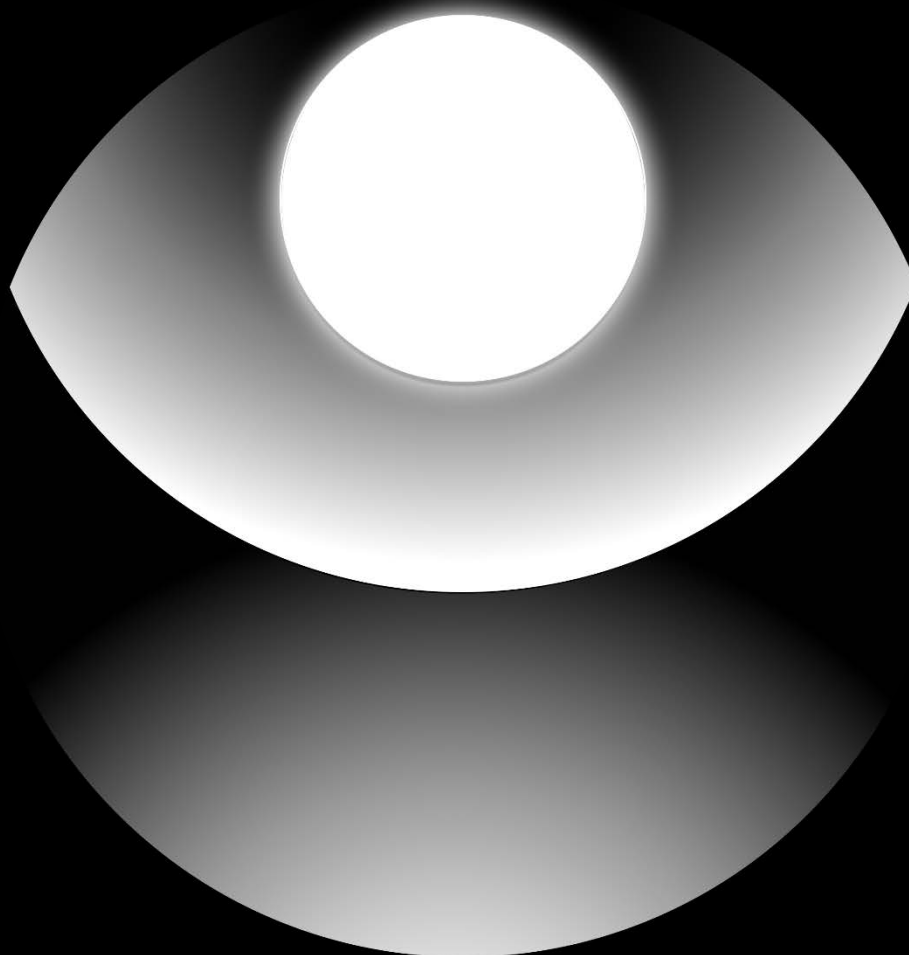


Deloitte.



2018 Transparency Report
Deloitte Audit

Aspire with assurance

Date published 28 September 2018

Audit & Assurance



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Leadership message¹

Christiane Chadoeuf, Audit Business Leader

On behalf of Deloitte Audit, société à responsabilité limitée, an authorized audit firm in Luxembourg (cabinet de révision agréé), I am pleased to present the ninth edition of our annual Transparency Report. This report refers to the financial year ended on 31 May 2018 and has been prepared pursuant to Article 13 of the Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts as well as to the Luxembourg law of 23 July 2016 concerning the audit profession which will be applicable to our 2018 Transparency Report, according to the transitional provisions.

As the world transforms in front of our eyes, Audit has never been more essential. Amidst increasing complexity, we deliver the acumen that supports smart, sure decision-making for our clients, our talent as well as society at large.

Yet, the trust given to us by our stakeholders cannot be seen as static, never-changing—it requires us to stay abreast of developments in today's complex environment. We need to look ahead, embrace change and be those who instigate a transformation not only of the tools we use, the mindset we employ but also on the insights we deliver that informs future action.

I am proud and honored to be able to present this report attesting our commitment to audit quality and our rock-solid culture of integrity, professional excellence and accountability that guides our profession and underpins our organization.

For Deloitte Audit, société à responsabilité limitée, cabinet de révision agréé



Christiane Chadoeuf
Partner

¹ Throughout this report, the terms "Deloitte, we, us, and our" refer to one or more of Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities. For more information about the Deloitte network, please see p. 3 or <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/about-deloitte.html>

Deloitte network

Deloitte Audit: legal structure and ownership

Deloitte Audit, *société à responsabilité limitée* is a private limited liability company under Luxembourg law registered at 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under the number B 67 895. Deloitte Audit, *société à responsabilité limitée* is also referred to throughout this report as “Deloitte Audit”.

Deloitte Audit is an authorised audit firm (*cabinet de révision agréé*). Deloitte Audit is also registered with the PCAOB (the Public Company Accounting Oversight Board) and with the JFSA (the Japan Financial Services Authority).

The share capital of Deloitte Audit amounts to €35,000. 51% of the capital and voting rights of Deloitte Audit are held by authorised statutory auditors (*réviseurs d’entreprises agréés*) and 49% by the Luxembourg private limited liability company DELOITTE TOUCHE TOHMATSU, *société à*

responsabilité limitée, in the abbreviated form ‘DTT’, registered at 560 rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B. 60.927. (DELOITTE TOUCHE TOHMATSU, *société à responsabilité limitée* is referred to throughout this report as “DTT S.à r.l.”),

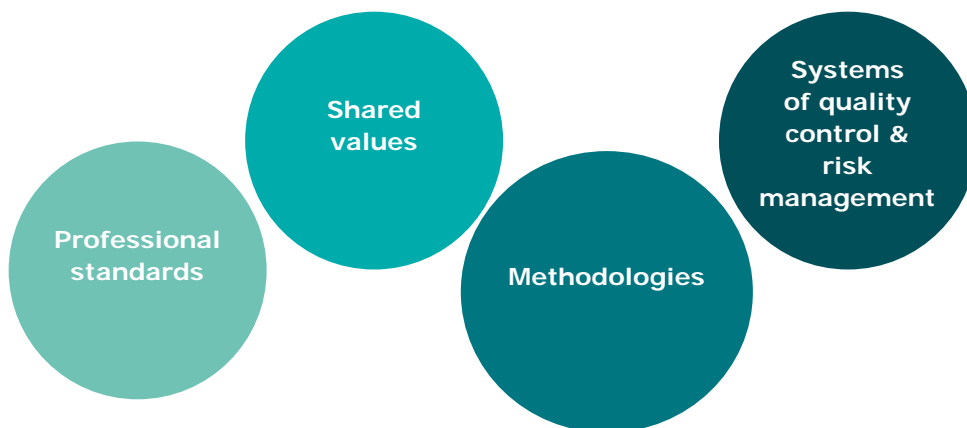
Within Deloitte Audit, partners are natural persons who are employed by Deloitte Audit with the grade of partner (Partners). Equity partners are those Partners who are furthermore shareholders of DTT S.à r.l. (Equity Partners).

Deloitte Audit is connected to the Deloitte network through DTT S.à r.l. which is the Luxembourg member firm of Deloitte Touche Tohmatsu Limited. DTT S.à r.l. holds practice rights to provide professional services using the “Deloitte” name which it extends to Deloitte entities within Luxembourg, including Deloitte Audit.

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)

Deloitte Touche Tohmatsu Limited 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: [About Deloitte](#).

Deloitte Audit: governance – leadership in action

Deloitte Audit is part of the Deloitte Luxembourg group (hereinafter referred to as “the Deloitte Luxembourg Group” or the “Firm”) which refers to the group of operational subsidiaries of DTT S.à r.l. DTT S.à r.l. is exclusively owned by shareholders who are individuals providing audit, tax or consulting services. The Deloitte Luxembourg Group is managed by a Chief Executive Officer elected by the Partners for a term of four years and by an Executive Committee composed of Equity Partners representing the main functions existing within the Deloitte Luxembourg Group.

The following are the members of the Deloitte Luxembourg Group Executive Committee:

Deloitte Luxembourg Group – Executive Committee

Mr John **PSAILA** – Managing Partner

Mrs Christiane **CHADOEUF** – Audit Business Leader

Mr Benjamin **COLLETTE**
– Strategy, Clients & Industries Leader

Mr Bernard **DAVID**
– Cross-Border Relations Leader

Mr Vincent **GOVERNEUR**
– Managed Services and Transformation Leader

Mr Raymond **KRAWCZYKOWSKI**
– Tax Business Leader

Mr Patrick **LAURENT**
– Technology & Innovation Leader

Mr Jérôme **LECOQ** – Reputation and Risk Leader

Mrs Sophie **MITCHELL** – Operations Leader

Mr Stephan **TILQUIN** – Talent Leader

Mr Joel **VANOVERSCHELDE**
– Advisory and Consulting Business Leader



The Deloitte Luxembourg Group provides a range of services including audit, tax, financial advisory, risk advisory, and consulting services.

The Deloitte Luxembourg Group also has an oversight body (the Supervisory Board). The Supervisory Board can have a maximum of eight members and is currently composed of five members elected among and by the Equity Partners. The primary role of the Supervisory Board is to act as the primary policy and oversight body of the Firm. The Supervisory Board also serves as a counterweight to the executive bodies of the Firm (Executive Committee, Chief Executive Officer) in matters of long-term business and financial strategy.

The Firm has a Chairman who is elected among and by the Equity Partners for a term not exceeding three years. The Chairman is ex-officio a member of the Supervisory Board. The Chairman also chairs the general meetings of the Equity Partners and attends the meetings of the Executive Committee upon invitation of the Chief Executive Officer.

The following are the members of the Supervisory Board:

Deloitte Luxembourg Group – Supervisory Board

Mr Martin **FLAUNET** – Chairman

Laurent **BERLINER**

Michael **BLOOM**

Thierry **FLAMAND**

Jean-Philippe **FOURY**

Deloitte Audit is governed by a board of managers appointed by the partners' meeting and composed of authorized statutory auditors (*réviseurs d'entreprises agréés*) and supported by the Audit Executive Committee that consists of partners representing key streams of the Audit and Assurance practice; Clients & Industries, Talent, Technology and Innovation, Risk and Quality. The board of managers is responsible for the governance and oversight of the Audit & Assurance practice. The board of managers prepares the annual accounts of Deloitte Audit.

The following are the members of the Deloitte Audit board of managers who were appointed by the Shareholders for an undetermined period of time:

Deloitte Audit – Board of managers

Mrs Christiane **CHADOEUF**

Mrs. Sophie **MITCHELL**

Mrs. Christiane CHADOEUF, Audit Business Leader, is appointed by the DTT S.à r.l.'s CEO. She has taken over the role from Mrs Sophie MITCHELL as of 1 June 2018.

The Board of Managers with the support of the Audit Executive Committee develop and implement the strategy for the Deloitte Audit practice, including related policies and procedures.

Deloitte Audit's strategy is developed in alignment with the overall strategic direction established for the Deloitte network and for the Firm.

Deloitte Audit Partners participate in Deloitte network groups that set and monitor quality standards, and from which a number of audit quality initiatives emanate. They are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements.

Authorized audit firm of Deloitte Audit

The authorized audit firm auditing Deloitte Audit is BDO Audit, *société anonyme*, with its registered office at L-2350 Luxembourg, 1 rue Jean Piret and registered with the Luxembourg Trade and Companies Register under number B 147570.

Our purpose and commitment: audit quality

At Deloitte Audit, our purpose is to make an impact that matters. For Audit & Assurance, this means a focus on delivering independent high-quality audits and dedication to continuously pursuing opportunities to support auditors' role in capital markets. 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.



Our purpose and commitment: audit quality

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 Deloitte Audit.

Training our teams is essential in this transformation journey.

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

Deloitte Way: standardization of audit processes supported by 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 Panos Kakoullis, 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 part of the ongoing 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 risk.

The 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 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.

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 accepting a client and engagement. The engagement risk assessment process includes approval by the recommending Partner and concurrence by the Client Acceptance Committee (under the leadership of the Reputation and Risk Leader) to assess whether Deloitte Audit may accept the client and the engagement. In addition, the decision to accept appointment is approved by Deloitte Audit's Risk Leader if engagement risk is assessed as 'greater than normal' or 'much greater than normal'.

Deloitte Audit 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, client and professional service risks are considered, 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
- AML/TF risk exposure

Deloitte Audit’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 reevaluated to determine if Deloitte Audit 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 Deloitte Audit’s Risk Leader.

Audit innovation²

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, Deloitte Audit practitioners are enhancing procedures by making more use of technology-based analytics, Artificial Intelligence (AI), cognitive & cloud-based technologies, etc. This is due in part to the increased automation and effectiveness such data analytics and other tools may provide, but also the need for Deloitte Audit 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, which is supported through Deloitte’s three leading platforms: Cognia, Illumia, and Magnia.

Deloitte Audit practitioners are using a mix of global innovation tools developed by the Deloitte network and local tools developed by our own teams.

By growing a local audit dedicated IT team and including in our audit teams mixed profiles with business, IT as well as engineering backgrounds, we are in a position to address all industries and to leverage the skills of our talented people to pursue a threefold objective of quality, value added for our clients and efficiency.

In parallel, our Audit Innovation Labs help to boost the ideation process and the evolution of the audit mindset to perform the audit of the future.

² For more information about Deloitte audit innovation, please refer to [Global Impact Report](#).

Talent

Hiring

Deloitte Audit 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
- Enable Deloitte Audit to issue reports that are appropriate in the circumstances

Advancement

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

- Various professional staff levels within Deloitte Audit 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 Deloitte Audit's professional staff
- Procedures for periodic performance evaluation have been established
- A counselling program to assist professional staff in identifying realistic career paths and developing action plans to help realize professional goals has been established

Learning and development initiatives

Central to the Audit & Assurance Transformation initiative are various enhancements to the Deloitte talent model:

- A single, global Audit Learning Curriculum for auditors (supplemented based on local requirements as needed).
- Specific learning opportunities for traditional auditors (e.g. on big data) and specialists (e.g. audit skills). Mixed composition of traditional audits and specialists on engagement teams provides complementary skillsets, but also the need for different learning offerings.
- Enhanced project management, which is viewed as a key capability for the auditor of the future, and as such, is being integrated into talent strategies (e.g. recruitment and learning).

The objective of the Deloitte Audit 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, Deloitte Audit provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit Curriculum.

Deloitte Audit provides a wide range of trainings to professional staff on audit methodology and practice, project and people management, as well as industry specific matters to ensure an efficient development and continuous growth of our professionals.

Certain courses are mandatory (as established by Deloitte Global Audit Curriculum) and others are optional (local industry trainings, soft skills etc). Through a learning monitoring system, each professional follows the status of his/her learning and takes the responsibility to ensure own continuing professional development. In addition to this possibility to individually follow the learning plan, the central Audit Learning Team monitors the completion of mandatory trainings via the central learning platform.

Deloitte Audit 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, Deloitte Audit 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).

The statutory auditors, authorized statutory auditors and audit trainees follow the trainings as required by the CSSF according to the Law of 23rd July 2016 on the audit profession and the CSSF Regulation n°16-10 organizing the continuing education of authorized statutory auditors as further explained by the CSSF Circular 13/578.

Statement on policy followed by Deloitte Audit concerning the continuing education of the statutory auditors

Deloitte Audit believes that the organization described above is appropriate in order to provide reasonable assurance that sufficient training is given to professional staff in audit, accounting and industry specialist issues to continuously increase their capabilities, experience and competence.

Deloitte University

Deloitte University is committed to delivering world class learning experiences. In our case, we participate to leadership, professional and industry programs within the Deloitte University EMEA. As Deloitte firms look to deepen their connections and work together, DU EMEA is a platform for supporting this collaboration and growth.

The mission of Deloitte University is to develop our culture, develop our skills to serve clients better and develop our people. DU strives to be a strategic enabler, allowing Deloitte professionals to connect across borders, expand their capabilities, expertise and insights. DU EMEA contributes towards a stronger business that makes an impact that matters for our people, our clients and society.



Partners 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.

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

- For Equity Partners, the system is an earnings allocation process. Typically, each Equity Partner is allocated interests in the Deloitte Luxembourg Group, known as units, under recommended guidelines related to their level, role in the Deloitte Luxembourg Group, responsibilities and overall performance appraisal (including results of practice reviews), which is tied to a goal-setting process. At the end of the financial year, units are valued based on the performance of the Deloitte Luxembourg Group. The earnings of Equity Partners are determined by their number of units at the applicable unit value.
- Non-Equity Partners' remuneration comprises a fixed salary and a variable performance related component determined upon overall performance appraisal geared to a goal-setting process and taking into account their role and responsibilities.

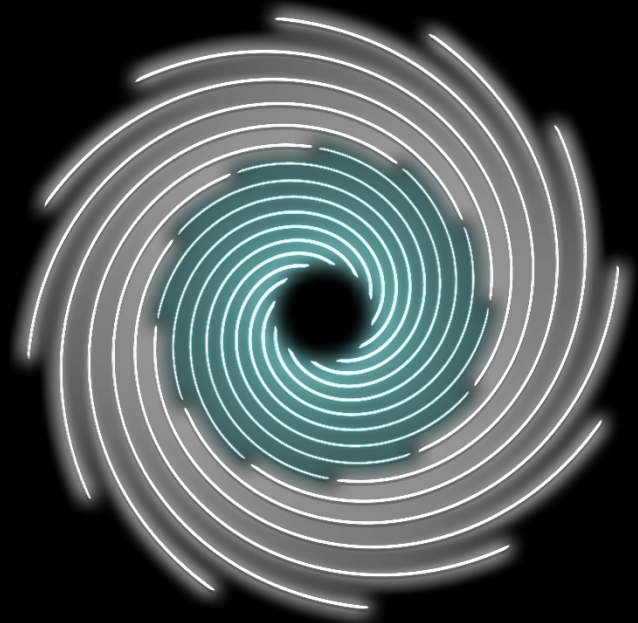
To ensure that Partners of Deloitte Audit focus on their primary responsibility to provide audit services of the highest quality, the policies of Deloitte Audit, which are consistent with regulations in Luxembourg, forbid them from receiving compensation, bonuses, or other direct financial incentives for selling products or services, other than audit, review, or assurance-related services, to the audit clients they serve. Moreover, in determining the remuneration of Deloitte Audit Partners, due consideration is given in their performance evaluations to the results of practice reviews and external inspections of their engagements.

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.

Deloitte is proud of its role supporting capital markets, protecting investors and the public trust. Deloitte Audit is “more than numbers”.



Engagement performance

Assignment of Partners and professional staff to audit engagements

Deloitte Audit assigns responsibility for each audit engagement to an audit engagement Partner. Deloitte Audit's policies define the responsibilities of an audit engagement Partner and those responsibilities are communicated to Partners. The identity and role of the audit engagement Partner is communicated to key individuals of the client's management team and those charged with governance at the client. Deloitte Audit 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, field senior 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 field senior is responsible for the day-to-day supervision of the other members of the engagement team. Specialists and other experts are also involved as needed. 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

Deloitte Audit's 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 as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Deloitte Audit has further supplemented these requirements and guidance to reflect local requirements, as applicable. Common documentation and the enabling software technology are tools that enhance the consistent implementation of Deloitte Audit's audit approach and promote effectiveness and efficiency.

The following are the main elements of Deloitte Audit's 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. Deloitte Audit's engagement teams develop this understanding and assess risks of material misstatement 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 design of relevant internal controls and determine if they have been implemented; 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.

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. Deloitte Audit's audit approach allows Partners and professional staff to modify the audit procedures to address issues that arise in the course of the audit.

Audit procedures to address risks of material misstatement include substantive procedures, which comprises tests of details and substantive analytical procedures, and tests of the operating effectiveness of controls.

Use of experts

While the audit 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. Competence and capability of the internal expert is covered centrally.

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, 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

Deloitte Audit 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. Deloitte Audit's policies and procedures address the retention of documents (in paper and electronic form), including those 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 reviews

Statutory audit reports on the annual accounts or consolidated accounts and all other engagements reserved by the Law of 23rd July 2016 on the audit profession as amended, for authorized statutory auditors (*réviseurs d'entreprises agréés*) are signed by Partners who are authorized statutory auditors (*réviseurs d'entreprises agréés*).

An engagement quality control review is performed for all audit and related assurance services for which such a review is required, engagements which are not subject to such an independent review have been granted exemption based on approved established criteria.

The quality review is performed by a Partner 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. Appropriate experience and knowledge includes experience and knowledge of the entity's industry, economic environment, and accounting principles.

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. For all public interest entities and all high-risk engagements, the review is performed by a director or a Partner with sufficient and appropriate experience and professional qualifications to act as an engagement Partner on these types of audits.

The reviewer 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.

Consultation network and differences of opinions

Deloitte Audit 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, Deloitte Audit has a national accounting and auditing consultation structure. A Member Firm Professional Practice Director with specialized

technical skills and experience is supported by subject matter resources in various areas such as regulatory filing requirements; technical auditing requirements; and complex accounting matters. Deloitte Audit 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.

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

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

Multidisciplinary model

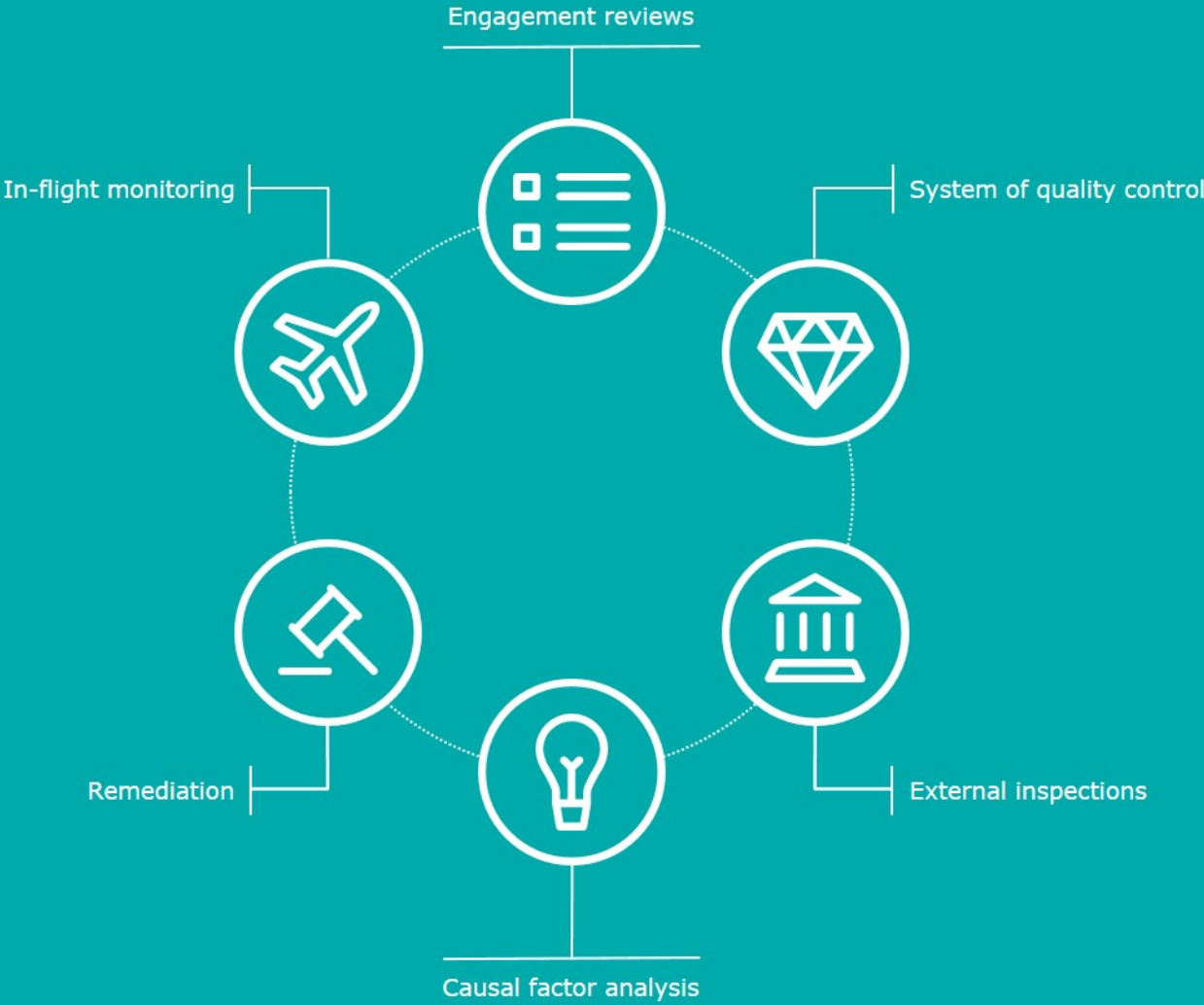
Audit is the foundation of the Deloitte brand. In addition to Audit & Assurance, Deloitte Luxembourg group has Consulting, Financial Advisory, Risk Advisory, and Tax practices. The diversity of five different businesses under one umbrella (multidisciplinary model) is one of the key differentiators of 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. 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 Deloitte Audit 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 Deloitte Audit audit quality leader(s) to continuously monitor audit quality and take immediate action.
- A program of subject matter specific “health checks” to assist Deloitte Audit audit quality leader(s) in assessing progress and identifying potential issues on in-flight engagements.
- An integrated approach to monitoring and measuring execution of the audit methodology enhancements.



Engagement reviews

In accordance with DTTL policies, the audit practice of Deloitte Audit is subject to an annual quality assurance review, commonly referred to as a ‘practice review’.

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

- Risk-based engagement selection and consideration of all major industries served by Deloitte Audit.
- 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 Deloitte Audit as well as from other Deloitte geographies) with the right experience and industry expertise, including establishing central review teams.

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 1) the system of quality control, which includes an evaluation on whether all new or significantly changed DPM policies listed have been effectively implemented. In addition, the practice review team will corroborate the evaluation of the different elements of the system of quality controls. These review procedures will be performed over a three-year cycle, 2) the review of one third of the engagement Partners. The audit Partners with engagement responsibilities ordinarily have a sample of their engagements reviewed at intervals not to exceed three years.

Consideration is also given to assessing the performance of managers and directors. Candidate for Partner nomination would ordinarily be expected to have been covered in recent practice reviews prior to their expected nomination.

Deloitte Audit 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 Deloitte Audit’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 of another Member Firm (the ‘external partner’) every year. The external partner who is assigned this responsibility works closely with the Deloitte Audit’ practice review director and the regional practice review director in overseeing and challenging 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 practice are considered.

Scope of practice reviews

Reviewers are chosen from local and international pools within the Deloitte network. 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 and/or manager responsible for the engagement and a review of related reports, working papers, and, where appropriate, correspondence files. The Deloitte Audit practice review is an important part of the system of quality control.

Engagements are reviewed to:

- Determine whether quality control procedures have been properly applied to such engagements, so that reports that are issued by Deloitte Audit are appropriate in the circumstances

- Assess the adequacy of implementation of the audit approach, including compliance with the policies and procedures contained in Deloitte Audit’s policy manuals
- Monitor compliance with applicable legal and regulatory requirements, and
- Assess the overall quality of service provided to clients

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

- Reputation protection & risk management program, including client and engagement acceptance and continuance
- Independence
- Leadership
- Ethics
- Monitoring
- Recruitment and advancement
- Professional development
- Engagement performance

Results of the practice reviews

The findings and recommendations resulting from the practice reviews are included in Deloitte Audit’s audit quality plan and presented to the Chief Executive Officer of the Deloitte Luxembourg Group and other appropriate Firm leaders as well as members of the DTTL regional and global leadership. The purpose of the audit quality plan is to provide suggestions for improvement in response to findings noted and to drive audit quality within Deloitte Audit overall. Deloitte Audit addresses findings by conducting a root cause analysis and drawing up a detailed action plan setting out the action to be taken, the person(s) responsible, and the timing to implement the recommendations.

In addition, Deloitte Audit communicates deficiencies noted as a result of the practice review (if any) and recommendations for appropriate remedial action to the relevant Partner and other appropriate personnel. Deloitte Audit also communicates on an annual basis 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 firm.

Our last internal practice review process started in February 2018 and covers the year 2017.



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 Deloitte Audit 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 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. An Audit Quality Plan is prepared by Deloitte Audit and provides for effective implementation and monitoring of key audit quality priorities.



External inspections

In addition to Deloitte Audit’s own monitoring of audit quality, we are subject to external reviews by the Commission de Surveillance du Secteur Financier (“CSSF”).

In the context of the incorporation within Luxembourg Law of the 8th EU Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, as amended, and in accordance with the Law of 23rd July 2016 on the audit profession (repealing the Law of 18th December 2009), the CSSF has been appointed by the Luxembourg Government as the public oversight authority for statutory auditors and audit firms in Luxembourg. Article 59 of the Law provides that all authorized statutory auditors and authorized audit firms are subject to a system of audit quality reviews.

The CSSF is currently in the process of finalizing its eighth quality review of Deloitte Audit which started in April, 2018.

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

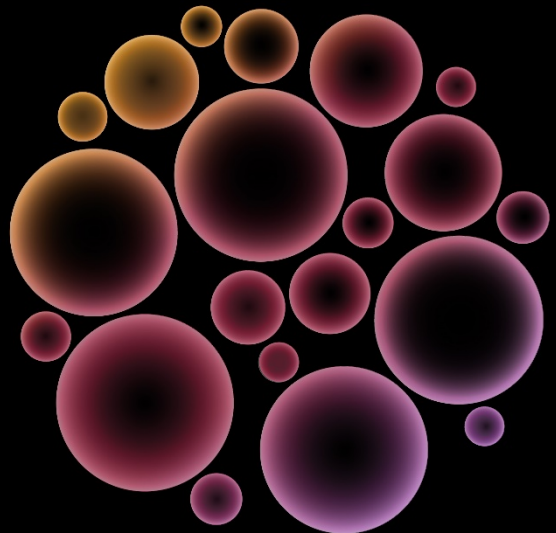
We confirm that we are satisfied that our internal quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice review, other internal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

The organizational capabilities we build

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

In addition, operational discipline, effective management of our business, and the development of a singular approach to doing audits 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.

Independence

The Firm has policies and procedures that are designed to provide reasonable assurance that it complies with applicable laws, regulations and professional standards that relate to independence. These policies and procedures are based on those set out in the Law of 23 July 2016 on the audit profession, the Regulation (EU) n° 537/2014 on specific requirements regarding statutory audit of public interest entities, the Ethical Code issued by the International Ethics Standards Board for Accountants ('the Code'), and are enhanced, as appropriate, to reflect local supplements provided notably through CSSF Regulation 16-12, or DTTL policies that may be more restrictive.

Deloitte's system of quality control related to independence includes the following:

- Independence policies and procedures
- Compliance business process tools, including the Deloitte Entity Search and Compliance (DESC) System, the Global Independence Monitoring System (GIMS) confirmations, and consultation
- Business relationship assessment 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

Independence policies and procedures

Deloitte's independence policies and procedures cover the audit firm, and Deloitte Audit's Partners, professional staff, and certain relatives thereof, where applicable, as well as the other entities within the Deloitte Luxembourg Group. These policies and procedures are, in some instances, more restrictive than the independence standards in the Law, the Regulation or the Code and contain specific independence requirements that are applicable when Deloitte Audit is to maintain independence with respect to an audit or attest client ('restricted entity') and its affiliates. 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 securities accounts into a tracking system (the 'Global Independence Monitoring System' or 'GIMS'). GIMS enables an

electronic review of financial interests and securities accounts to help identify if independence restrictions may affect an individual's ability to hold such items. The Firm annually obtains the confirmations from its Partners, professional staff, and administrative staff upon joining Deloitte, as well as ongoing confirmations on an annual basis, that such individuals are in personal compliance with independence policies.

Deloitte's independence policies and procedures are made available electronically to Deloitte Partners, professional staff, and administrative staff. Updates to these policies and procedures are also made and communicated electronically to Deloitte Partners, professional staff, and administrative staff.

DESC system, GIMS, annual confirmations and consultations

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

**DESC****Deloitte Entity Search and Compliance**

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

The DESC system is operated by DTTL on behalf of the DTTL Member Firms. At a minimum, each DTTL Member Firm and therefore Deloitte Audit reports the names of its audit clients and their affiliates that meet the definition of an international restricted entity. The policy definition of an international restricted entity includes listed audit clients, as well as other audit clients that may be of public interest. Such restricted entity information is recorded in the DESC system. The entity information provided by the Firm to DTTL is continuously updated to help ensure its accuracy and completeness, including periodic validation processes performed by engagement teams and/or the DTTL Member Firms. Deloitte's Partners and professional staff access the DESC system on-line.

The DESC system also has features that are used to request and document approvals related to providing services to an entity. In many jurisdictions, a restricted entity's audit committee or others charged with governance must preapprove services that will be delivered within the restricted entity group.

Where such features are enabled, the DESC system'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 appropriate authorizations prior to approving the service request.

**GIMS****Global Independence Monitoring System**

An application that contains financial relationship data with relevant independence compliance indicators

In conjunction with the business processes used for DESC, the Firm identifies and reports the publicly-available securities and securities accounts at financial institutions that are associated with all entities which are publicly available, whether or not they are currently designated as international restricted entities. Such securities and financial institutions are recorded in GIMS. GIMS is operated by DTTL on behalf of the DTTL Member Firms, and Deloitte Audit administers the related monitoring processes related to its Partners and professional staff. Partners and professional staff search DESC, and/or GIMS for a security or securities account,

before acquiring a financial interest or establishing a securities account to determine if restrictions apply that affect them.

This includes investments and securities accounts 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.

In addition, GIMS assists Partners and managerial personnel by identifying situations which do not comply with the Firm's policy 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 newly restricted, so that appropriate and timely actions can be taken. The Firm monitors and follows up on such notices until the individual resolves the item.

Annual independence confirmations

The Firm obtains independence confirmations from its Partners, professional staff, and administrative staff upon joining the Firm, partners before being admitted to the partnership and existing partners when a change in location or role may change their independence requirements. Ongoing confirmations are also obtained on an annual basis from all individuals. Annually, Deloitte Luxembourg Group reports to DTTL that it 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 Firm itself is independent of restricted entities).

Consultation network

The Firm communicates with its Partners and professional staff regarding the consultation policies for independence matters and identifies the individuals who are to be contacted. Additionally, the Firm consults with DTTL's independence group and other Member Firms when additional input or advice is needed under the circumstances.

Business Relationship Assessments and Monitoring

The Firm has a business relationship assessment 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.

Independence learning

The Firm provides independence learning to its Partners and professional staff. The Firm's independence policies and procedures are made available electronically to Deloitte Audit's Partners, professional staff and administrative staff. Updates to these policies and procedures are also made and communicated electronically to Deloitte Audit'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 routinely published as part of communications including notices of changes to internationally restricted entities.

On a periodic basis, The Firm inspects its Partners and senior professionals for compliance with Deloitte's independence policies and procedures.

Monitoring of independence systems and controls relating to personal independence, engagement and practice reviews

Inspection of personal independence compliance

On a periodic basis, The Firm inspects its Partners and senior professionals for compliance with Deloitte'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 relating to independence matters and the information contained in GIMS are accurate and complete.

Inspection of Deloitte Audit's compliance

Deloitte Audit is subject to a practice review at intervals not to exceed three years. Compliance with independence policies at both firm level and at client level is reviewed in that context.

Disciplinary measures and actions

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

Assignment of responsibility for independence systems and controls

The 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 Firm including Deloitte Audit, covering the implementation and maintenance of the Firm's business processes related to (1) independence consultations, (2) independence learning programs, (3) restricted-entity information in the DESC system, (4) use and monitoring of the features of the DESC system, (5) use and monitoring of GIMS, (6) annual confirmations, (7) testing and inspection programs, and (8) disciplinary processes. Communication channels exist between the Firm's Director of Independence, Deloitte Audit management and DTTL's independence group. Further, the Director of Independence provides an update to the Firm's Risk Committee at least monthly about the significant independence matters that are relevant to the Firm. DTTL has assigned a senior leader and DTTL independence team members who provide access to timely and accurate information designed to facilitate the independence function at the Firm level.

'Tone-at-the-top' culture relating to independence

The Firm's 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 Deloitte. 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.

Conflicts of Interest

Potential conflicts of interest are considered on all prospective engagements and prior to Deloitte Audit entering into a financial or business relationship with a third party. The Firm has policies and procedures in place to identify potential conflicts of interest in connection with Deloitte Audit 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 Firm's conflict checking business process to identify and manage potential conflicts relating to prospective cross-border engagements, business or financial relationships. For each new cross-border 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 the DESC system to identify any potential audit/attest relationships. Overall DCCS provides a record of existing engagement, business, and financial relationships which can be searched when proposing for new engagements or relationships.

Rotation of key audit partners and professionals

Deloitte Audit has monitoring procedures in place to ensure compliance with mandatory rotation/tendering of audit firms, mandatory rotation of key audit partners and mandatory rotation of managerial personnel as follows:

- a) For rotation of key audit partners IESBA: No key audit partner shall serve an audit client which is a Public Interest Entity (DPM-PIE) for more than seven consecutive years. Two further years must elapse before resuming any key audit partner role for the same client. Key audit partner rotation shall also be considered for non-PIE clients where certain criteria are met, such as those which are designated as (Much) Greater than Normal Risk.
SEC: In the case of an audit client which is an SEC Registrant (Issuer), the maximum number of consecutive years shall be five. In the case of a significant subsidiary of an SEC Registrant (Issuer), (as advised by the LCSP), the maximum number of consecutive years shall be seven. No exceptions may be tolerated to this rule. The cooling-off period remains two years.

EU-PIE: In the case of an audit client which is an EU Public Interest Entity, as defined in that legislation, the maximum number of consecutive years served by a Key Audit Partner shall be seven, with a cooling-off period of three years. The legislation does not provide for any exceptions to this rule.

In the case of all other audit clients, a reasonable effort shall be made to comply with the principles set out above and, in particular, minimize the number and duration of cases where key audit partners serve a client for more than seven consecutive years.

- b) Routine Monitoring – Rotation Panel
On a quarterly basis, the Rotation Panel reviews those client situations where the issue of Key Audit Partner (KAP) rotation requires attention.
- c) For Rotation of managerial personnel (IESBA)
The wide variety in the composition of audit teams and the authority placed in the person of the key audit partners is such that a mechanical approach to mitigating familiarity risk at manager level is not appropriate. Instead, the Director of Independence will work with the audit risk function to establish and maintain a Watch-List of audit engagements where a Manager, Senior Manager or Director has served for five years continuously or more.
- d) Appropriate gradual rotation mechanism for the most senior personnel on audits of EU-PIEs
Reference is made to Article 17(7) of Regulation (EU) 537/2014.

As permitted by the Regulation, and given the existing measures outlined under (c) above, the Firm's policy is to apply the additional rules foreseen under Article 17(7) to professional staff taking part in audit engagements who are registered as Réviseur d'Entreprises in Luxembourg or an equivalent qualification in another EU/EEA member state. Such rules shall not apply to partners or duly authorized directors ("signing directors") acting in the role of audit engagement partner or engagement quality assurance reviewer, as these roles are subject to mandatory rotation as explained under (a) above.

Given the audit firm rotation rules now in force for EU-PIE audit clients, enshrined in the principle of a maximum of one 10-year term renewable once only, subject to public tender, we believe it makes sense to challenge the continuing involvement of a qualified professional once an initial period of 10 continuous years has been reached for a given

audit client, irrespective of the grade(s) occupied by the professional.

This "clock" can be reset in cases where the professional has no significant (10 hours or more) charged) involvement in the audit engagement for three consecutive years.

Cases where the 10-year limit has been reached is referred to the Rotation Panel and a solution for reassignment/replacement proposed by audit leadership to the audit engagement partner concerned.

Ethics

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

The Firm also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the Code of Ethics for Professional Accountants (the "Code") issued by the International Ethics Standards Board for Accountants as adopted by the "Institut des Réviseurs d'Entreprises" ("IRE"), a standard-setting body of the International Federation of Accountants (IFAC).

Deloitte Luxembourg Group has appointed an Ethics Officer who is an experienced partner with direct access to the CEO and the member firm's governing body. In addition, Deloitte Luxembourg Group 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 Firm provides communication channels through which partners, other professionals and support staff can consult on and report ethical issues and situations. The Firm reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems. In addition, it requires all partners, other professionals and support staff to confirm annually that they read and comprehend the code of conduct, and understand that it is their responsibility to comply with it.

Confirmation of review of independence practices and monitoring

Based on the above actions, we are able to confirm that an internal review of our independence practices has been properly conducted during the year. Our practice review and other monitoring processes provide us with reasonable assurance that these policies are appropriately observed.

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 264,000 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 capital markets.



Appendices

Appendix A | EU EEA audit firms

Disclosure in accordance with Article 13.2 (b) (ii)-(iv) of the 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 Schwarz & Schmid Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
	F.X. Priester GesmbH
	Kapferer Frei und Partner Wirtschaftsprüfungs- und Steuerberatungs GmbH
MPD Wirtschaftsprüfungs-GmbH & Co KG	
Belgium	Deloitte Bedrijfsrevisoren – Reviseurs d'Entreprises
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
	Anne-Marie Torres Commissaires aux comptes
	Audalian Commissaire
	Audit Aquitaine Commissariat aux comptes
	Auitex
	BEAS
BH Audit	

Cabinet Barouh, Societe Anonyme D'Expertise Comptable Et De Commissariat Aux Comptes
Cabinet Garnier In Extenso
Cabinet Husson Sas Societe D'Expertise Comptable Et De Commissaires Aux Comptes
Cisane
COGES
Constantin Associés
Constantin Entreprises
Consultants Auditeurs Associés
Davec SAS
DB Consultants
Durand & Associés
ECA Audit
Espace Audit Et Conseil
Extenso IDF Holding Audit Et Consulting
Fiduciaire Expertise Commissariat et Développement
In Extenso Audit
In Extenso Bretagne
In Extenso Centre Est
In Extenso Centre Ouest
In Extenso Charente
In Extenso Dauphine Savoie
In Extenso Dordogne
In Extenso Eure
In Extenso IDF Audit
In Extenso IDF EX&Com Audit
In Extenso IDF Harl Lefort et Associés
In Extenso Ile de France
In Extenso Mont Blanc
In Extenso Nord Audit
In Extenso Nord de France
In Extenso Orne
In Extenso Picardie Ile de France
In Extenso Provence
In Extenso Rhône Alpes
In Extenso SECAG
In Extenso Strasbourg Nord
Jacques Serra et Associés
Laurens Michel Audit
Lesaine, Casteleyn, Lecrocq, Societe D'Expertise Comptable Et De Commissariat Aux Comptes

	MFG Audit
	Opus 3.14 Audit Et Conseil
	Pierre-Henri Scacchi et Associés
	Revi Conseil
	Sterenn
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
Lithuania	Deloitte Lietuva, UAB
Luxembourg	Deloitte Audit Société à responsabilité limitée
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Polska spółka z ograniczoną odpowiedzialnością Sp. k.
	Deloitte Polska Sp z o.o.
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 billion³

³ 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 2018, 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 2017 to 31 May 2018.

Appendix B | Financial information

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

The breakdown of Deloitte Audit's turnover (unaudited) as of 31 May 2018:

Turnover	(in million EUR)
Statutory audit (PIEs or PIE subsidiaries)	12
Statutory audit (non-PIEs or non-PIE subsidiaries)	47
Non-audit services (audited entities)	12
Non-audit services (other entities) ⁴	37
Total Deloitte Audit	108
Consolidated turnover of Deloitte Luxembourg Group	317

⁴ Non audit services to other entities include contractual audits

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 Audit in the Financial Year 2018

abc SME Lease Germany SA

Builders Reinsurance S.A.

ALESSIA

Cardif Lux Vie

Allfunds Bank International S.A.

Cheyne Capital Guaranteed Credit S.A.

APERAM

Codeis Securities S.A.

Aphex S.A.

CompAM Fund

APICIL Life S.A.

CP-BK Reinsurance S.A.

ArcelorMittal S.A.

DANSKE BANK INTERNATIONAL S.A.

ATOMO SICAV

DIAMAN Sicav

B&S Group S.A.

Diversified European Credit S.A.

Banca Popolare dell'Emilia Romagna (Europe)
International S.A.

EAST-WEST UNITED BANK S.A.

E-Carat S.A.

Banque J. Safra Sarasin (Luxembourg) S.A.

Efficiency Growth Fund

Barents Reinsurance S.A.

eleX Alpha S.A.

Belfius Financing Company S.A.

European Credit (Luxembourg) S.A.

BI SICAV

FABS LUXEMBOURG I S.A.

Black Diamond CLO 2006-1 (Luxembourg) S.A.

Finlabo Investments Sicav

BlueRe m.a.

Foyer Assurances S.A.

BNP Paribas Fortis Funding S.A.

FOYER Réassurance S.A.

Builders Direct S.A.

Foyer Santé S.A.	Monceau Euro Risk, Société Anonyme de Réassurance
Foyer Vie S.A.	National General Alpha Re
Foyer-Arag S.A.	NATIONAL GENERAL INSURANCE LUXEMBOURG S.A.
GELDILUX-TS-2013 S.A.	National General Life Insurance Europe S.A.
Globant S.A.	Nord Europe Life Luxembourg S.A.
GS Ré - Société de Réassurance du Groupe GRAS SAVOYE	Novus Capital Luxembourg S.A.
HOLCIM FINANCE (Luxembourg) S.A.	Nuclear Industry Reinsurance Association
Holcim US Finance S. à r.l. & Cie S.C.S.	Oakham S.A.
International Shipowners Reinsurance Company S.A.	Opus Securities S.A.
Internaxx Bank S.A.	Ossiam Lux SICAV
Jarna Issuance Vehicle S.A.	PFA Investment Fund
John Deere Bank S.A.	Principal Residential Investment Mortgages 1 S.A.
John Deere Cash Management S.A.	RAIFFEISEN VIE S.A.
Kernel Holding S.A.	REACOMEX
KEYTRADE BANK LUXEMBOURG S.A.	Saham Réassurance Luxembourg S.A.
Lazard World Trust Fund	SELECTRA INVESTMENTS SICAV
LCM Partners CO III SLP	SGFD, Société Générale Financing and Distribution
Luxempart S.A.	Sistema International Funding S.A.
LYXOR Index Fund	SOCIETE GENERALE CAPITAL MARKET FINANCE, en abrégé SGCMF
Method Investments SICAV	Société Générale Ré S.A.
Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.	SPARINVEST SICAV

Stork Acceptance S.A.	UniCredit International Bank (Luxembourg) S.A.
SUMUS FUND (previously Hypo Portfolio Selection Sicav)	UniCredit Luxembourg S.A.
SURASSUR S.A.	Universal Credit S.A.
TCW Funds	Unleveraged European ABS S.A.
The OneLife Company S.A.	VG SICAV
The West of England Ship Owners Mutual Insurance Association (Luxembourg)	VITIS LIFE S.A.
Timeo Neutral SICAV	WEALINS
	ZENIT MULTISTRATEGY SICAV

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