



Contents

Introduction	2
Structure and network	3
Internal quality control system	4
External Quality Assurance Reviews	7
List of public-interest entities	7
Independence	7
Continuing education	8
Partner remuneration	9
Appendix	10
Public Interest Entities	10

Introduction

I am delighted to introduce a new edition of the Deloitte Lietuva UAB (hereinafter: "the Company") annual transparency report.

As an audit company that carries out statutory audits of the annual accounts of public-interest entities, Deloitte Lietuva UAB is publishing this annual transparency report in compliance with Article 13 of the Regulatory (EU) No 537/2014 of The European Parliament and of the Council.

The Company has a long-standing commitment to professional excellence, audit quality and leading the public accounting profession. Our management and practitioners remain dedicated to serving investors and to building confidence in the independent audit process.

Since transparency is a key aspect in the service quality of the Company, I hope our stakeholders, clients and others find this publication relevant and useful.

All information provided in this report relates to the situation of the Company on 31 December 2016, except if indicated otherwise.

28 April 2017



Saulius Bakas

Managing Partner



Saulius Bakas
Country Managing Partner



Structure and network

The Deloitte network

About Deloitte

"Deloitte" is the brand under which tens of thousands of dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting, financial advisory, risk management, tax and legal services to selected clients. These firms are members of Deloitte Touche Tohmatsu Limited ("DTTL") a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and DTTL member firms are separate and distinct legal entities, which cannot obligate the other entities. DTTL and each DTTL member firm are only liable for their own acts or omissions, and not those of each other. Each of the member firms operates under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu", or other related names. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice and other factors, and may secure the provision of professional services in their territories through subsidiaries, affiliates and/or other entities.

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

About Deloitte Central Europe

Deloitte Central Europe ("DCE") is a regional organisation of entities organised under the umbrella of Deloitte Central Europe Holdings Limited, the member Firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities.

Deloitte in Lithuania

Deloitte Lietuva UAB is an affiliate of Deloitte Central Europe Holdings Limited, which is the member Firm in Central Europe of Deloitte Touche Tohmatsu Limited.

Legal and Ownership Structure

Deloitte Lietuva UAB is a limited liability company incorporated in Lithuania, company code 111525235; Audit License No. 001275; address Jogailos st. 4, LT-01116 Vilnius, Lithuania. The principal business activities of the Firm are the provision of audit, accounting, tax, legal and advisory services.

The sole shareholder of the Firm in 2015 was Deloitte Polska Spolka Z Organizacja Odnopowiedzialnoscia Spolka Komandytowa, EU member state audit company registered in Poland, company code 446833; address al. Jana Pawła II No.22, 00-133 Warsaw, Poland.

Governance Structure

Under the Company's articles of association, the bodies of the Company are the General Meeting of Shareholders and the Head of the Company, the General Director



Internal quality control system

The Company maintains policies and procedures to promote an internal culture based on the recognition that quality is our number one priority which the Company has agreed to adhere to. The Company focuses on professional excellence as the foundation for achieving outstanding audit quality on a consistent basis. The Company policies and procedures addressing leadership responsibilities for the system of quality control within the audit firm, ethical requirements, client and engagement acceptance and continuance, human resources, engagement performance and monitoring.

This internal quality control system has two monitoring systems:

- the engagement quality control review and
- the practice review.

Engagement Quality Control Reviews

Statutory audit reports on the annual accounts or consolidated accounts relating to a public interest entity, among others, are subject to an engagement quality control review by a partner with sufficient and appropriate experience and professional qualifications, prior to issuance of the report. The engagement quality control reviewer may be assigned to the Company from within DCE to work under the Company responsibility, but is not part of the engagement team and is not portrayed in fact or appearance as a member of the engagement team.

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

For engagements that have been identified as having a higher risk, a special review partner is assigned to provide an additional level of competence and objectivity in planning and performing the engagement. The special review partner may be assigned to the Company from within DCE to work under the Company responsibility, but is independent of the engagement. Normally this partner possesses specialized industry and technical skills applicable to the engagement and, in certain situations, is independent of the practice unit to enhance objectivity or to provide specialized resources.

The audit report may only be issued if the reviewer is satisfied that the audit engagement team has made appropriate judgments and conclusions, and has complied with applicable standards and regulations.

Practice Review

The Company is subject to a quality assurance review, or "practice review" as it is commonly referred to, at intervals not to exceed three years.

Normally, the performance of every audit partner is assessed during the three-year cycle, and at least one engagement for each partner is selected to achieve this goal. Consideration is also given to assessing the performance of managers, particularly those managers who are candidate for partner nomination.

The Company is responsible for the practice review. DCE provides guidance and oversight regarding the practice review plan and procedures. The general coordination and administration of the practice review program is the responsibility of the practice review director.

The practice review plan, process, and results are reviewed and concurred by a partner from another member firm (the "concurring partner") every year. The concurring partner who is assigned this responsibility works

closely with the practice review director in overseeing the planning and performance of the practice review.

Types of Engagements Reviewed

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

Scope of Practice Reviews

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.

Engagements are reviewed to:

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

The overall risk management and quality control policies and procedures of practice offices within Company are also reviewed, including the following:

- Risk management program, including client and engagement acceptance and continuance
- Independence
- Recruitment and advancement
- Professional development
- Public filings in other countries
- Information technology specialist reviews
- Consultation with Company experts
- Consultation with outside experts
- Engagement quality control reviews

The findings and recommendations resulting from the practice reviews are included in a Company's audit quality plan and presented to the Company's and DCE leadership. The purpose of the audit quality plan is to provide suggestions for improvement in response to findings noted. The Company 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, where applicable.

In addition, the Company communicates to the relevant partner and other appropriate personnel deficiencies (if any) noted as a result of the practice

review and recommendations for appropriate remedial action. The Company also communicates the results of the practice review and ongoing consideration and evaluation of its system of quality control to its partners and other appropriate individuals.

Management Statement

The Management of the Company are satisfied that the internal control system, as described above, is effective in providing reasonable assurance that the audit firm and its personnel comply with applicable professional standards and regulatory and legal requirements and that audit reports issued are appropriate in the circumstances.

External Quality Assurance Reviews

A quality assurance review was performed by the Lithuanian Chamber of Auditors in September 2015.

List of public-interest entities

Enclosed as an Appendix to this report.

Independence

DCE maintains written independence policies and procedures, which include the performing of certain independence compliance checks on an annual basis and which are applicable to the Company as a part of DCE.

- Each professional should sign an individual independence confirmation each year. In addition, similar independence confirmations are obtained from new employees and employees leaving the Company.
- All managerial personnel and above should enter their financial interests to a global independence monitoring system. Each person's portfolio is checked against an electronic list of audit clients to check whether this ownership is allowed under the relevant independence rules;
- All professionals should complete an e-learning on independence rules and;

- Client and engagement acceptance processes are used to verify that independence is not impaired.

In addition to the continuous monitoring of compliance with independence policies, independence inspection and testing procedures are performed annually on a sample of professionals and senior officers.

An internal confirmation of independence compliance by employees of the Company was performed as of 31 May 2016 and an internal independence compliance testing and inspection for selected employees was finalized by 30 November 2016.

Continuing education

All registered auditors in the Company maintain their continuous professional qualification through a mixture of internal courses as well as educational courses.

Continuing education is a key policy of the Company, as this is an important means of developing knowledge and maintaining and improving the quality of our services. A learning intranet provides a starting point, including technical training, management and interpersonal skills, business economics and industry-specific courses.

The continuing education program is comprised of both Deloitte-organised training sessions as well as external training. Certain courses are mandatory and others are optional, such that each auditor or trainee auditor can personalise their learning programme.

During the first years, most training is comprised of mandatory courses on technical topics including Deloitte methodologies and processes but afterwards the optional part increases given that individual needs become more diverse. An individual learning programme is required as from approximately four years' experience.

More experienced auditors are expected to update and deepen their technical knowledge. Developing management and interpersonal skills are also very important for this group. There is also the possibility to follow longer term education, such as MBA programmes. There is also a system of accreditation whereby a training course needs to be completed before an auditor may perform certain tasks.

Through an automated monitoring system it is possible to check the status of internal and external courses followed by an individual auditor. Continuing education is also a factor taken into account for the yearly evaluation of audit staff and the assessment of their growth potential within the Company.

Revenues

For the year ended 31 December 2016, the unaudited revenues by each category of the activities were as follow:

Category of Activities	Revenues (EUR, excl. VAT)
Audit of financial statements	1,356,457
Other assurance and related services	114,159
Tax advisory	1,466,523
Other non-audit services	1,578,992
Total	4,516,131

Partner remuneration

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

Appendix

Public Interest Entities

During the year ended 31 December 2016, audits of the following public interest entities were performed by the Company:

Industry	Company name
Banks	Swedbank, AB
Fund Management Companies (including funds managed)	<p>Swedbank investicijų valdymas UAB and funds:</p> <ul style="list-style-type: none"> • Valstybinio socialinio draudimo įmokos dalies kaupimo konservatyvaus investavimo pensijų fondas PENSIJA 1 • Valstybinio socialinio draudimo įmokos dalies kaupimo pensijų fondas PENSIJA 2 • Valstybinio socialinio draudimo įmokos dalies kaupimo pensijų fondas PENSIJA 3 • Valstybinio socialinio draudimo įmokos dalies kaupimo pensijų fondas PENSIJA 4 • Valstybinio socialinio draudimo įmokos dalies kaupimo pensijų fondas PENSIJA 5 <p>Dovre Forvaltning UAB and it's managed harmonized collective investment fund's "Dovre Umbrella Fund" sub-funds:</p> <ul style="list-style-type: none"> • "Dovre Inside Nordic"; • "Dovre Baltic Sea"; • "Dovre Quant Norway". <p>Danske Capital investicijų valdymas UAB and pension funds:</p> <ul style="list-style-type: none"> • Konservatyvaus valdymo Danske pensija; • Danske pensija 50; • Danske pensija 100; • Danske pensija plus.
Companies With Securities Admitted for Trading in The Regulated Markets	TEO LT, AB
Other Public Interest Companies	-



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.lt to learn more about our global network of member firms.

Deloitte provides audit, tax, consulting, financial advisory and legal 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 244,400 professionals are committed to making an impact that matters.