

SECTION 172(1) STATEMENT

This statement describes how the members of the Board of Directors of the Group (the “Board”) fulfil their obligations under section 172 of the Companies Act 2006.

Section 172 requires that a Director of a Group act in the way he or she considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Group’s employees;
- c) the need to foster the Group’s business relationships with suppliers, clients and others;
- d) the impact of the Group’s operations on the community and the environment;
- e) the desirability of the Group maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Group.

In discharging their duty under section 172, the Directors have regard to the factors set out above, as well as to other factors which they consider relevant to the decision being made.

Principal Activity and Key Decisions of the Group

As noted above, the principal activity of the Company is to act as a holding company for the Group and the Group provides professional services to entities and individuals within the CIS, Ukraine and Georgia. As a holding company, the Board’s decisions relate predominantly to internal governance matters. Decisions made by the Board during this fiscal year include:

- Implementation of a debt restructuring agreement;
- appointment of a new banking provider;
- appointment of directors and officers; and
- appointment of auditors.

These and other decisions made by the Board are appropriately informed by consideration of the section 172 factors through the mechanisms described below

Considering the long-term consequences of decision-making

In setting strategy, and considering risk issues, the Board’s decision-making is focused around ensuring that the financial performance of the Group is sustainable in the long term as well as meeting its immediate priorities.

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Stakeholders

This section describes the importance of the Group's key stakeholders and some of the engagement activity that takes place with them. The Group's principal stakeholders are its shareholders, Deloitte LLP and I.H.C. 1 SAS. See the below table for details of the Group's other key stakeholders:

Stakeholder Group	Why is this stakeholder critical to the Company's business?	What engagement activity takes place with this stakeholder?
Clients	The principal activity of the Group is the provision of services to entities and individuals. Understanding the needs of the Group's clients in a dynamic and changing marketplace helps it to provide more relevant and effective services.	Engagement with the Group's clients is led by Engagement Teams who obtain regular feedback through a variety of mechanisms.
Partners & Employees	The Group's professionals are its most valuable asset and key to its success. They are responsible for performing and managing the services that the Group provides to its clients.	<p>The Group offers a range of communications, engagement and development opportunities for its employees which are designed to encourage maximum engagement. Examples include regular engagement surveys; a strong focus on inclusion, flexibility and wellbeing; and additional measures to support and equip senior leaders. There has been a special focus on these types of items most recently during the COVID-19 pandemic. As an example, recent surveys have included a particular focus on the change in working practices resulting from the Group's response to the COVID-19 pandemic.</p> <p>In addition to the efforts highlighted above, the Group has kept its professionals up to date on matters related to promotion, progression, career development, and crisis support throughout the pandemic.</p>

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Stakeholder Group	Why is this stakeholder critical to the Company's business?	What engagement activity takes place with this stakeholder?
Suppliers	The services the Group provides to its clients depend on services and supplies it procures from different organisations.	<p>The Group engages and selects suppliers using an objective, standardised process and utilises a business relationship management tool to track and manage such relationships. During the supplier selection process and during the course of the relationship, the Group engages with suppliers to understand their business requirements and points of view.</p> <p>The Group understands the importance of fostering a positive relationship with its suppliers and has systems and processes in place to ensure suppliers are paid in a timely manner.</p>

The desirability of the Group maintaining a reputation for high standards of business conduct

The Board believes that it is essential for the Group to conduct business with a high level of integrity, quality and professionalism and takes all decisions with the aim of maintaining a reputation for high standards of business conduct and advancing the good reputation of Deloitte.

Environment and the Community

The Board believes businesses have a critical responsibility to help address the sustainability of our planet. The Group is committed to a long-term sustainability journey.

The Board believes that business is at its best when it helps to build a better society. The Board is committed to supporting initiatives within the wider Group that aim to address society's most pressing challenges.

The need to act fairly as between members

The Group's direct shareholders are Deloitte LLP and I.H.C. 1 SAS. As these entities are part of the DTTL group, the interests of these entities are generally very closely aligned.

Decision-making in practice

In practice substantively all decisions made by the Board, in particular material decisions, are made at full, in person, Board meetings, held either face to face or virtually (as has been uniformly the case since the onset of the COVID-19 pandemic). These meetings are very well attended with an overall attendance record of 96% for meetings held during the year with 7 of 8 of those meetings having 100% attendance. Together with appropriate and relevant attendees and presenters, these meetings are conducted in an open, collegiate, and challenging spirit that enables the Board to make decisions in a way that meets the requirements under section 172 as described above.

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As an example, the debt restructuring agreement has financial implications for all of its stakeholders. The Board considered this matter appropriately and carefully, balancing the sometimes conflicting interests of its respective stakeholders, being mindful of the long term performance of the business, and concluding with an agreement that it believed to be fair, and consistent with its statutory requirements, including section 172.