

MAZARS
FOR
GOOD

MAZARS
ALBANIA
& KOSOVO
TRANSPARENCY
REPORT

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MAZARS GROUP AT A GLANCE

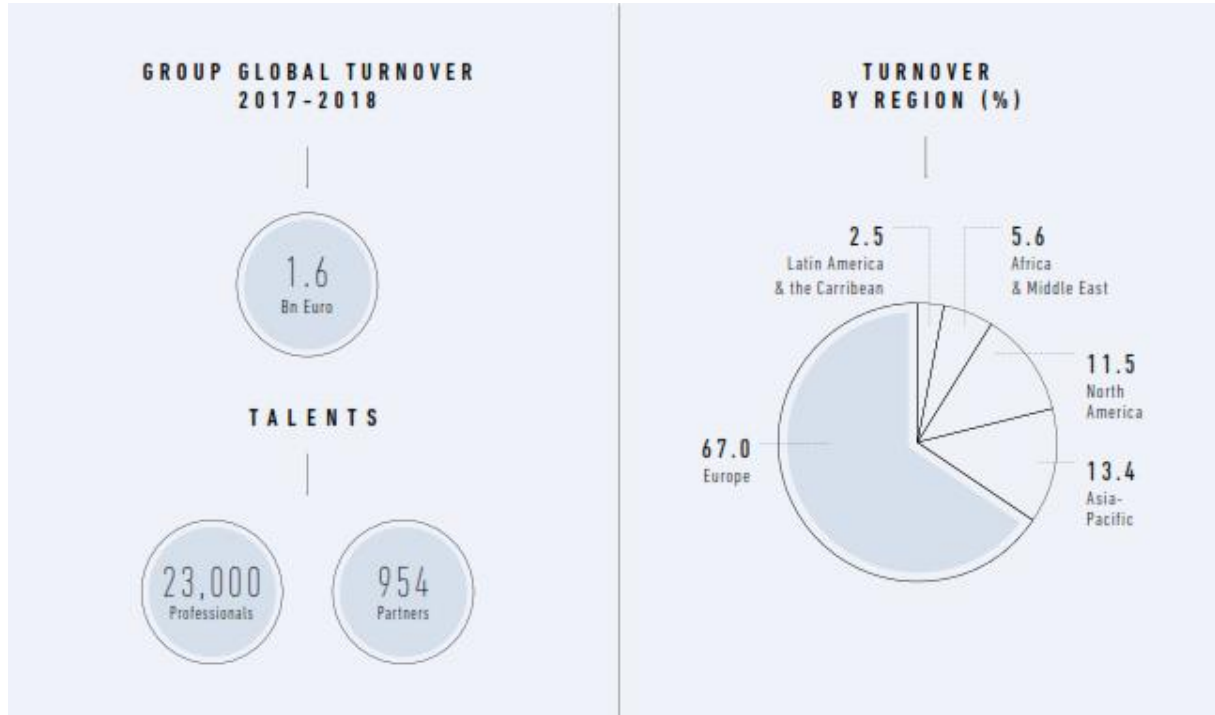
Mazars is an international, integrated and independent organization, specializing in Audit, Advisory, Accountancy, Tax and Legal services. Across our 300 offices worldwide, our global partnership brings together 23,000 international experts who share the same vision, the same entrepreneurial and collaborative mindset, and the same determination to create shared value for all our stakeholders: our staff, our clients, the business community and society as a whole.

GLOBAL COVERAGE



MAZARS'S STORY





Figures as of 31/08/2018. For always up-to-date information, visit www.mazars.com/keydata

BY TEIT GJINI

LOOKING AT THE FUTURE WITH CONFIDENCE



TEIT GJINI
Managing Partner of
Mazars Albania & Kosovo

We are pleased to introduce the 2018 Transparency Report for the global Mazars Partnership. A leading player in audit, advisory, accountancy, tax and legal services, Mazars draws on the skills of 23,000 professionals in 86 countries and territories worldwide. In 2018, Mazars' revenue reached 1.6Bn Euros, up 8.7% from 2017. Audit remains our core business and the audit market in Europe and beyond has experienced turmoil in the last 12 months. Stakeholders' increasing expectations now make codes of conduct a top guidance and require increased independence and higher quality in the delivery of audit assignments.

They have led to reopening the debate on a much-needed market de-concentration, with the emergence of new reliable and relevant international players. We want to bring our contribution to these changes and we believe Mazars is more than ever one of the new forces to be reckoned with. In Europe, we are already in the top 5 auditors for listed companies and public interest entities. In Albania we have increased our footprint being among 5 large audit firms. Our audit service line keeps growing on all continents and amounts to 44.2% of our global turnover.

We invest heavily in enhancing our tools and methodologies. We place focus on making sure our people act with irreproachable ethics and we train them to acquire and maintain top-quality technical skills. We keep boosting innovation, bringing in the IT-expertise we need to fully achieve our digital transformation, and developing our ability to perform extra-financial audits, as we are convinced figures only cannot provide an accurate image of an organization's real value. In a nutshell, we are ready to deliver the "augmented services" our clients, stakeholders and society expect.

We are now halfway through the deployment of our Next20 strategy, and we are on track with most of the objectives we had set. Alongside audit, our advisory services lines are growing as well and we keep increasing our geographical coverage of the world's major markets of today and tomorrow, while maintaining our focus on consistency in the quality of the services we provide.

With each of our clients, large multinational companies and smaller organizations alike, we seek to build long-term relationships based on mutual trust and aimed at helping them focus on their core business and achieve their own sustainable growth objectives. We are well into our 70's and we are still a young organisation at heart. We look at the future with confidence, as we know we have both the size, the entrepreneurial spirit and the agility to become true leading players. We also know we can rely on a strong and resilient model and on strong deeply embedded values. In all we do, we believe in accountability and in growing with the always re-affirmed purpose of contributing to a better-functioning business community and to overall progress in society.

Enjoy your reading!

Teit GJINI
Managing Partner of Mazars Albania & Kosovo

Tirana, March 2019

ACHIEVING CONSISTENT QUALITY, STEERING GLOBAL CHANGE

BY DAVID HERBINET, GLOBAL HEAD OF AUDIT

Over the last year, global turmoil in the audit sector has continued unabated and the debates around audit scope, audit concentration and audit regulation are now in full flow in a significant number of countries. While we do not rejoice in this, we are not surprised by it as we have consistently said that change in the audit profession was imperative to ensure it can continue to deliver all of the benefits that society expects of it.

There is no doubt our profession needs to evolve, and we are playing our full part in steering this change. In my conclusion to last year's update in our Group Transparency Report, I emphasized Mazars' commitment to keep things moving in the right direction and at the right pace. This year again, I would like to take this same opportunity to provide our insights on the latest developments in the audit market and our ongoing commitment to help to restore the transparency and trust that are needed for the benefit of the business community and society as a whole.

Building muscle, rather than simply gaining weight

To express ideas and recommendations on potential improvements in one's field, one needs to be in a position to implement them if they are introduced. Credibility is key. At Mazars, we have continued to invest in enhancing audit quality, in order to achieve even greater global consistency.

Consistently delivering high standards of audit quality primarily requires embedding the right culture across the firm as a whole and, in particular, its audit practice. Through webinars and e-learning, we strive to reinforce the public interest dimension of auditing and the criticality of undisputable ethics and integrity within our global audit team of over 10,000 professionals, with the support of a strong and united global leadership team and our unique "one team" approach.

We also deliver consistency through our audit methodology, approach and tools. In 2018, We launched our global audit platform, ATLAS, and we will roll it out to all our auditors in the coming months. ATLAS will provide our professionals with one common cloud-based platform, which promotes compliance with ISAs and the Mazars Audit Methodology, while also enabling additional local compliance. ATLAS will free up time for our auditors to focus on key risks and judgement areas, with the help of new data analytics audit tools and an enhanced approach to IT audit. We see it as a critical step in transforming the way we deliver audit, and meet the ever-growing expectations of the boards of companies we audit, their shareholders, regulators and other stakeholders.

Consistency also comes from training. We pay particular attention to both how we train our people and to the content of that training. In order to effectively support the deployment of ATLAS, we rolled out in 2018 a global audit training course which combines both core principles and advanced audit techniques in complex areas.

Last, but certainly not least, we are continuously fostering innovation, in order to meet the challenges of tomorrow's "augmented audit". We are investing in both new and cutting-edge expertise – with the recent acquisition of data analytics specialist Zettafox, for instance - and in tools and methodologies that will help us provide broader assurance on extra-financial key value drivers, such as culture, human rights and sustainability.

Steering change, for an improved audit market

Some recent corporate failures across the globe have shed even more light on the many serious and immediate challenges that the audit world currently faces. As a genuine international challenger, auditing many large multinational corporations and smaller businesses alike, we believe we can make a valuable contribution to addressing them, for the benefit of all involved.

As society evolves, so do the needs and expectations of our stakeholders. These expectations, however, are still unmet. In particular the framework for corporate reporting needs to be critically reviewed.

We know that in many cases most of the actual value of a business is not reflected on its balance sheet. A multitude of other value drivers have to be explored and taken into account, including brand, culture, key client relationships, quality of management and of governance, innovation capability, and diversity. We are keen to engage with companies, investors and their other stakeholders in this debate.

We also ask regulators to reassess their contribution to the delivery of quality audits. Quality is far more complex than mere compliance with a set of standards and this needs to be factored into any thinking on the future of audit regulation. We believe regulation should be proportionate, especially to avoid driving current and future talent out the profession. Equally, as service providers, we must continuously demonstrate our commitment to delivering quality and being held to account, but on the basis of parameters or criteria collectively agreed and conducive to genuine audit quality.

Finally, with regard to audit concentration, there is now unanimous agreement that the overwhelming dominance of just four firms in the global audit market is unhealthy and that reform is required to go from «four to more». Unfortunately, and even though it is still in its early stages, there already are clear signs that the 2016 EU reform is not going to achieve its desired objectives. We are reaffirming our longstanding support for joint-audit, as a tested and proven mechanism to facilitate the emergence of newplayers. If undertaken in the right spirit of cooperation we believe joint audit also reinforces governance arrangements on the conduct of audits, and delivers real improvements in audit quality. In certain jurisdictions, where concentration is highest and has been so for decades, we also believe that some form of

market cap should be put in place, to limit the concentration of audit fees and mitigate the related systemic risk which is not in the public interest.

British philosopher and House of Lords member, Baroness O'Neill of Bengarve once wrote:

"WE OFTEN HEAR IT SAID THAT WHAT MATTERS IS TRUST, OR THAT WE NEED MORE TRUST (...) WE NEED TO FOCUS FIRST ON TRUSTWORTHINESS AND SECONDLY ON THE INTELLIGIBLE COMMUNICATION OF EVIDENCE OF TRUSTWORTHINESS TO OTHERS, WITHOUT WHICH THEY CANNOT PLACE OR REFUSE TRUST INTELLIGENTLY."

To her, trustworthiness is built upon three key pillars: honesty, competence and reliability. We hope our Transparency Report provides an opportunity to continue to engage on these fundamental topics with all our stakeholders, so that they can place their trust in us intelligently.

A GLOBAL, INTEGRATED PARTNERSHIP

Since 1995, we have been organized as a global integrated partnership. Today, our more than 1,000 partners and 23,000 professionals in 89 countries and territories in Europe, Africa, the Middle East, Asia-Pacific, North America, Latin America and the Caribbean share the same values and work ethics and the common goal of providing the highest quality client service. Our correspondent firms also enable us to operate in a further 15 countries.

All members of our integrated partnership are member entities of Mazars SCRL (hereafter “Mazars Group”), a Limited Responsibility Cooperative Company incorporated in Brussels, Belgium, through a cooperation agreement setting out the terms of the relationship. The role of the Mazars Group is to “define the strategic objectives of the organization and to coordinate the implementation of these objectives at the member firm level”, combined with the responsibility for promoting and protecting the Mazars brand globally. Mazars’ integrated international partnership was established with the principal objective of guaranteeing consistent quality in our service to our clients.

“THE ROLE OF THE GROUP IS TO DEFINE THE STRATEGIC OBJECTIVES OF THE ORGANISATION AND TO COORDINATE THE IMPLEMENTATION OF THESE OBJECTIVES.”

The integrated partnership allows us to provide a quality service to our clients through the quality and diversity of our talent, the robustness of our values, our determination to fully embrace the digital revolution, and our commitment to creating shared value, whilst remaining aware of the challenges that both our organization and our stakeholders face. Discerning, knowledge-intensive, agile, sustainable: these are the attributes of the modern firm that we strive to be, in order to better serve our clients.

Each country part of our unique integrated partnership has one or more separate legal entities that is a member entity of the Mazars Group. All shareholders of the Mazars Group are partners or shareholders (collectively “Partners”) in the member entities. As part of being a shareholder of Mazars SCRL, each partner acknowledges the Charter of Association, which governs the operation and governance of the Mazars Group. In certain countries there are partners or shareholders of their local member entity, who are not shareholders of the Mazars Group.

“WE ARE NOT SIMPLY A COLLECTION OF NATIONAL FIRMS, BUT AN INTEGRATED ORGANISATION OF PROFESSIONALS.”

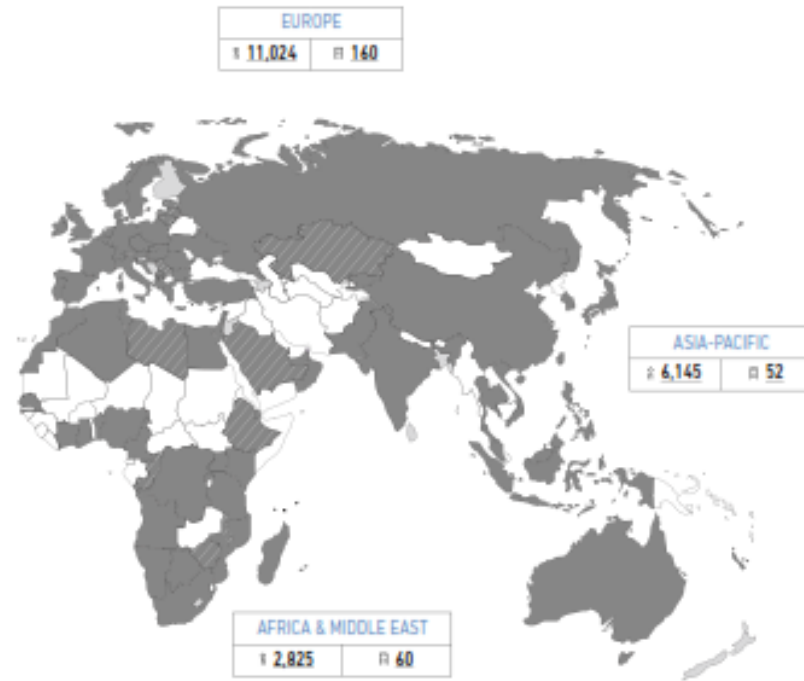
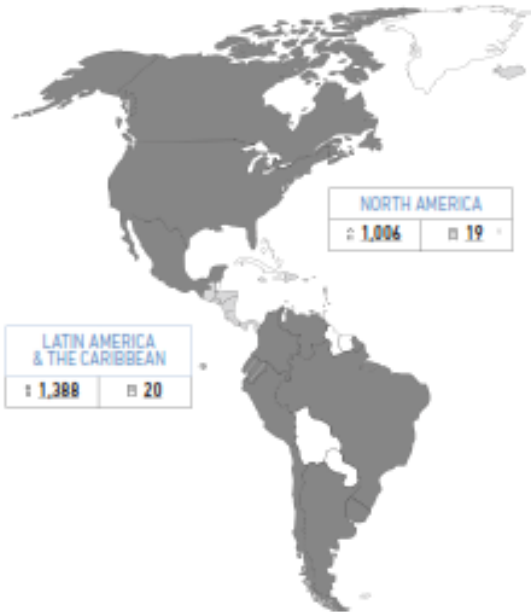
The financial statements of the Mazars Group” are consolidated with the results of the member entities and are prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements of the Mazars Group are jointly audited by two independent audit firms.

We are therefore unique; we are not simply a collection of national firms, but an integrated organization of professionals, sharing commitments at global level with respect to investment in technical excellence, serving our clients and developing our teams. New member firms are admitted into the integrated partnership upon criteria of quality of service and human resources, reputation and shared values. All new admissions must be approved by the General Assembly of partners.

CREATING VALUE THROUGH QUALITY, OBJECTIVITY & INDEPENDENCE

SERVING
OUR CLIENTS
WORLDWIDE

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- Integrated countries and territories
- Non-integrated countries and territories: Mazars correspondents and representative offices
- Areas covered via the Praxity alliance
- Staff (FTO/integrated partnership)
- Number of offices (integrated partnership)

Figures as at 31/03/2018

NORTH AMERICA

- Bermuda
- Canada
- United States

LATIN AMERICA & THE CARIBBEAN

- Argentina
- Brazil
- Cayman Islands
- Chile
- Colombia
- Costa Rica
- Jamaica
- Mexico
- Nicaragua
- Panama
- Peru
- Puerto Rico

AFRICA & MIDDLE EAST

- Algeria
- Angola
- Bahrain
- Benin
- Botswana
- Cameroon
- Cape Verde
- Congo
- Congo (Brazzaville)
- Congo (Kinshasa)
- Djibouti
- Egypt
- Ethiopia
- Ghana
- Israel
- Ivory Coast
- Madagascar
- Malawi
- Mauritius
- Morocco
- Mozambique
- Namibia
- Nigeria
- Oman
- Palestine
- Qatar
- Rwanda
- Saudi Arabia
- Senegal
- South Africa
- Tanzania
- Tunisia

EUROPE

- Albania
- Austria
- Azerbaijan
- Belgium
- Bosnia & Herzegovina
- Bulgaria
- Channel Islands
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland

ASIA-PACIFIC

- Australia
- Bangladesh
- China
- Hong Kong (SAR)
- India
- Indonesia
- Japan
- Kazakhstan
- Korea
- Kyrgyzstan
- Malaysia
- New Caledonia
- New Zealand
- Pakistan
- Philippines
- Singapore

OUR UNIQUE
BUSINESS STRUCTURE

AFRICA

Country	Name of entity
ALGERIA	Mazars (Mad) AB
ANGOLA	Mazars Angola - Auditores & Consultores, S.A.
BENIN	Mazars Benin
BOTSWANA	Mazars
CAMEROON	Mazars Cameroon Cabinet L. Niquier
CONGO (BRAZZAVILLE)	MSS Audit & Expertise*
ETHIOPIA	Astral Desalegn and Birbetessa Audit & R (ASDB Partners Auditors)*
GHANA	Mazars Ghana
HOTI CÔTE D'IVOIRE	Mazars Côte d'Ivoire
KENYA	Mazars CPA Kenya
LIBYA	Mazars Libya*
MAZARACAR	Mazars Pissarara
MALAWI	AMD Global Chartered Accountants*
MALAYSIA	TK Uday Ltd
MOROCCO	Mazars Audit et Conseil SARL
MOZAMBIQUE	Mazars, Lda
NAMIBIA	Mazars Namibia
RUSSIA	Mazars Coler & Company
RWANDA	Mazars in Rwanda
SENEGAL	Mazars Senegal
SOUTH AFRICA	Mazars Cape Town Mazars Durban Mazars East London Mazars Gauteng Mazars George Mazars National Mazars Port Elizabeth Mazars Central Inc. (also known as Mazars Bloomfontain)
TANZANIA	Wilson Associates
TUNISIA	• ECC Mazars • SNC
UGANDA	BRJ Partners
ZIMBABWE	KLMCA Audit Services (Private) Limited*

ASIA-PACIFIC

Country	Name of entity
AUSTRALIA	Mazars Risk & Assurance
CHINA HONG KONG	Mazars CPA Limited Mazars Properties Limited
CHINA MAINLAND	Mazars Shanghai Mazars Beijing Mazars Guangzhou ZhongShen ZhongHuan
INDIA	Kalyanwala & Mistry Kalyanwala Mistry & Associates SH Dhawan & Co.
INDONESIA	Mazars Indonesia
JAPAN	Mazars WB Audit Corporation Mazars Japan KK
KOREA	Mazars Sebit
KAZAKHSTAN	Mazars*
KYRGYZSTAN	Mazars
MALAYSIA	Mazars PLT
NEW CALEDONIA	DCEA Nouvelle-Calédonie*
PAKISTAN	Mazars Consulting Pakistan Mazars MP & Co
PHILIPPINES	Mazars Philippines Inc.
SINGAPORE	Mazars LLP
THAILAND	Mazars Ltd.
VIETNAM	Mazars Vietnam Co Ltd

EUROPE

Country	Name of entity
ALBANIA	Mazars sh.p.k
AUSTRIA	Mazars GmbH Wirtschaftsprüfungsgesellschaft
BELGIUM	Mazars Bedrijfsrevisoren - Réviseurs d'entreprises B.C.V.
BULGARIA	Mazars O.O.D
CROATIA	Mazars Cirotti Audit d.o.o.
CYPRUS	Mazars Limited Mazars & Co Limited
CZECH REPUBLIC	Mazars Audit s.r.o
DENMARK	Mazars Denmark statsautoriseret revisionspartnerselskab
ESTONIA	ÕÜ Auditoriteenusel
	Mazars SA Mazars SA dite "Mazars Lyon" Mazars SA dite "Mazars Rouen" Mazars SA dite "Mazars Strasbourg" Mazars Bourgne SAS Mazars SA dite "Mazars Reims" Mazars ACEA SA Mazars Entrepreneurs Flaris Audit SARL Mazars Besançon SAS Mazars & Sefco SAS Mazars SA dite "Mazars Toulouse" Mazars Figeor SAS Thomas et Associés SA Mazars & Associés SAS Mazars Metz SAS Mazars Pontarlier SARL Mazars SPOC SAS Mazars Fiduco SA Mazars Dijon SARL CBA Mazars Experts et Conseils Mazars Rodier
GERMANY	Mazars GmbH Wirtschaftsprüfungsgesellschaft
GREECE	Mazars Certified Public Accountants Business Advisors S.A.
HUNGARY	Mazars KH
IRELAND	Mazars
ITALY	Mazars Italia S.p.A. Mazars Audit & Consulting S.r.l. R.A.S.S
KOSOVO	Mazars In Albania
LATVIA	Taxlink Audit*
LITHUANIA	Taxlink Audit*
LUXEMBOURG	Mazars Luxembourg
MALTA	Mazars Malta
NETHERLANDS	Mazars Paardekooper Hoffman N.V. Mazars Paardekooper Hoffman Accountants N.V.
NORWAY	Mazars Revisjon AS
POLAND	Mazars Audyt Mazars Expertise
PORTUGAL	Mazars & Associados, SROC, SA
ROMANIA	Mazars Romania SRL
RUSSIA	Mazars JSC Mazars Audit LLC
SERBIA	ADM*
SLOVAKIA	Mazars Slovensko, s.r.o.
SPAIN	Mazars Auditores S.L.P.
SWEDEN	Mazars SET Revisionsbyrå AB
SWITZERLAND	Mazars SA, Siège de Genève Mazars SA, Genève, succursale de Lausanne Mazars SA, Genève, succursale de Fribourg Mazars SA, Genève, succursale de Zürich Mazars SA, Genève, succursale de Sion
TURKEY	Denge Bağımsuz Denetim
UKRAINE	Mazars Ukraine, LLC Audit firm Mazars Ukraine
UNITED KINGDOM	Mazars LLP Mazars Channel Islands Limited

NORTH AMERICA

Country	Name of entity
ENGLAND	Mazars Limited
CANADA	Mazars Haveli Drouin, SENORL
UNITED STATES	Mazars USA LLP

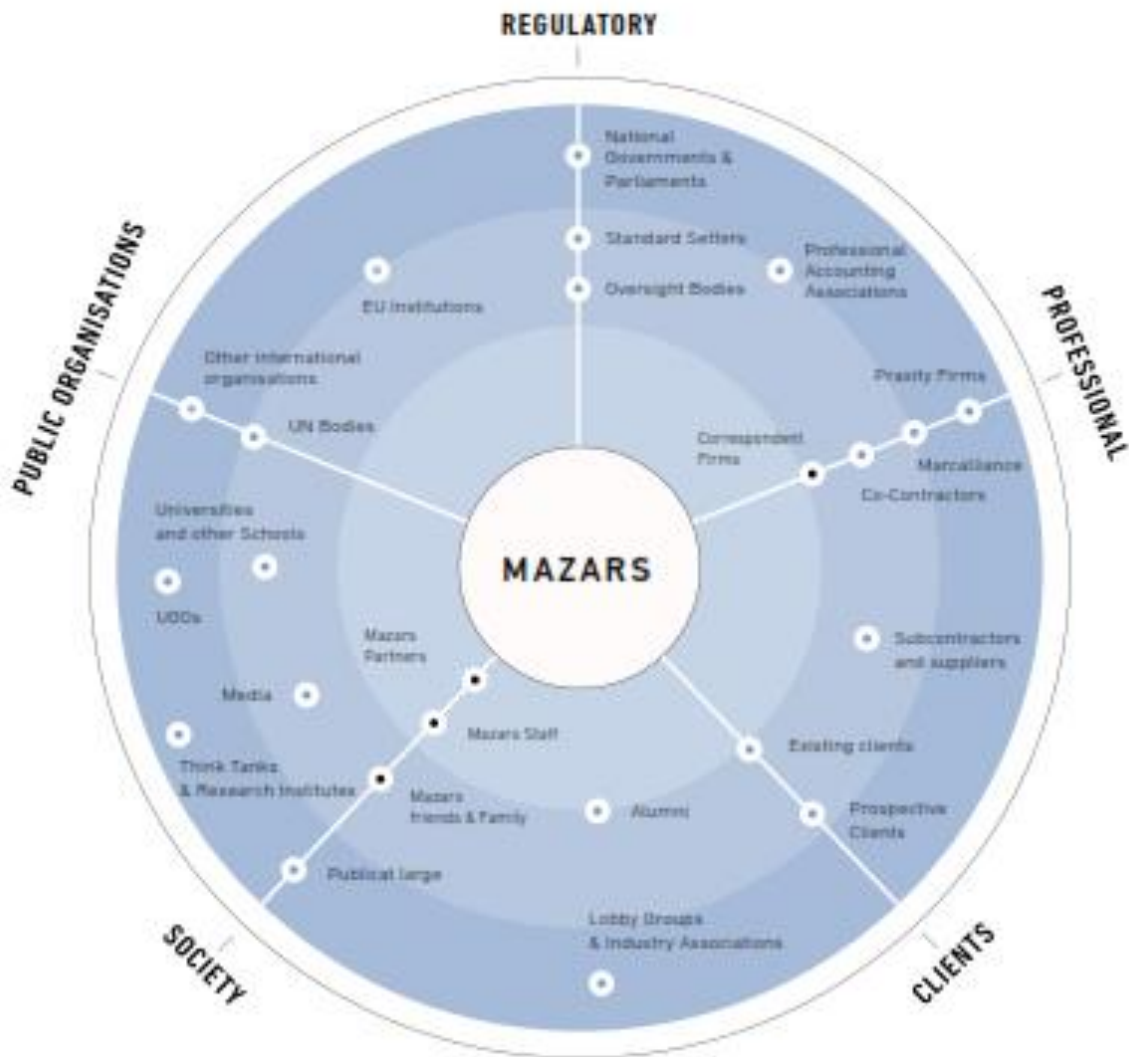
MIDDLE EAST

Country	Name of entity
BAHRAIN	Mazars Chartered Accountants
EGYPT	Mazars Mostafa Shawki
ISRAEL	Sh. Yotbart, Raz. Mazars Israeli
QATAR	Mazars Hamd Abdullah Alsurayea & Co
LEBANON	Mazars Saade
OMAN	Mazars Chartered Accountants & co. LLC
PALESTINE	Zi Wafa Company for Financial Consulting and Accounting Services*
QATAR	Mazars Ahmed Tawfik & Co. CPA
SAUDI ARABIA	AKHARASHI & Co.*
UNITED ARAB EMIRATES	Mazars Chartered Accountants

LATIN AMERICA & THE CARIBBEAN

Country	Name of entity
ARGENTINA	Estudio Urien S.R.L.
BRAZIL	Mazars Auditores Independentes Sociedade Simples Mazars Rio de Janeiro Mazars Campinas Mazars Curitiba
CAYMAN ISLANDS	Mazars*
CHILE	Mazars Auditores Consultores Ltda.
COLOMBIA	Mazars Colombia SAS
DUTCH WEST INDIES	MPHC Accountants & Advisers N.V.*
DENMARK	Hansen-Ptohm*
MEXICO	Mazars Auditores, S. de R.L. de C.V.
PERU	Centenas y Asociados S.Civil de R.L.
URUGUAY	Mazars Uruguay
VENEZUELA	Adriana Rodriguez Céfalo & Asociados, Contadores Públicos - Consultores Derenciales

STAKEHOLDERS MAP



OUR UNIQUE BUSINESS STRUCTURE

OUR GLOBAL BUSINESS ORGANISATION

During our 2016 General Assembly of Partners, a new Group Executive Board (GEB) was elected, on the basis of a strategic platform, called the Next20. The business organization described below is aimed at fully implementing this platform.

In order to deliver the best services to our clients, our international structure focuses on sectors and service lines.

The three key sectors we have identified are:

- Financial Services;
- Industry, Services and Public Sector;
- Entrepreneurial Businesses.

To organizations of all sizes in each of these sectors, we deliver high quality services via our 6 service lines:

- Accounting and Outsourcing Services (AOS)
- Audit and Assurance Services (AASL)
- Consulting
- Financial Advisory Services (FAS)
- Law
- Tax services (TAX)

In 2019, we will also finalize the creation of 5 regional platforms: Europe, Asia-Pacific, Africa & the Middle East, Latin America and the Caribbean, and North America. Europe will include 4 clusters: Northern, Central, Southern and Western Europe. Africa will include 3 or 4 clusters.

The Global Sector & Services Team (GSST) leaders and Global Support Business (GSB) leaders, along with soon-to-be-appointed regional leaders, make up Mazars' Global Leadership Team (GLT). It gathers the Group international leaders who carry responsibilities that go across countries, thus requiring coordination of functions, markets, services and other responsibilities.

Our Global Leadership Team (GLT) includes the Global Sector & Services Team (GSST), regional leaders, Quality & Risk Management, Communications and Marketing, Information Systems, Talent Management, Finance and General Secretary (including group projects). GSST and GLT are led by the GEB.

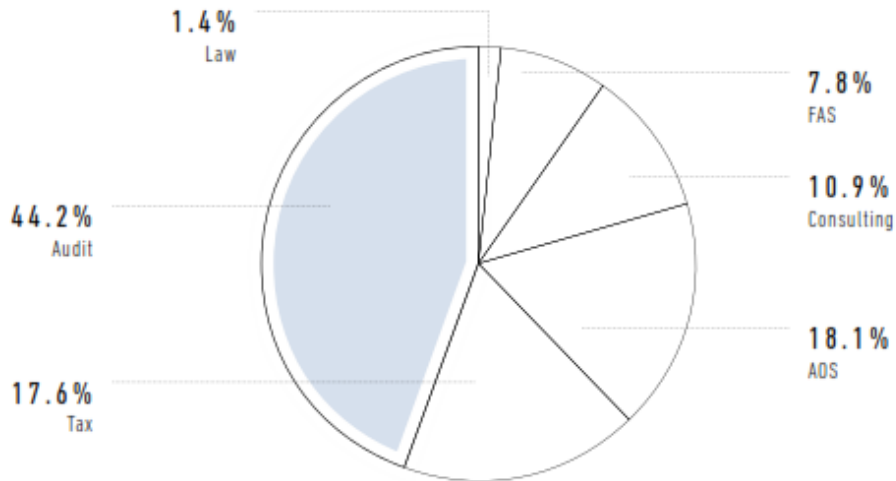
This structure ensures coordination of member entities within the Mazars Group. Our integrated international structure permeates every aspect of our operations:

- Partners and their member entities are linked by a series of agreements intended to achieve maximum consistency and standardization within the Mazars Group;
- Sectors and service lines are represented in member entities, enabling coordination of assignments and cross-border relations between countries;
- Each assignment requiring an international team is managed and carried out by an integrated team sharing common standards and procedures;
- Each global or international assignment is managed and carried out by an integrated team and coordinated by an engagement partner in charge who takes final responsibility for reporting to the client;

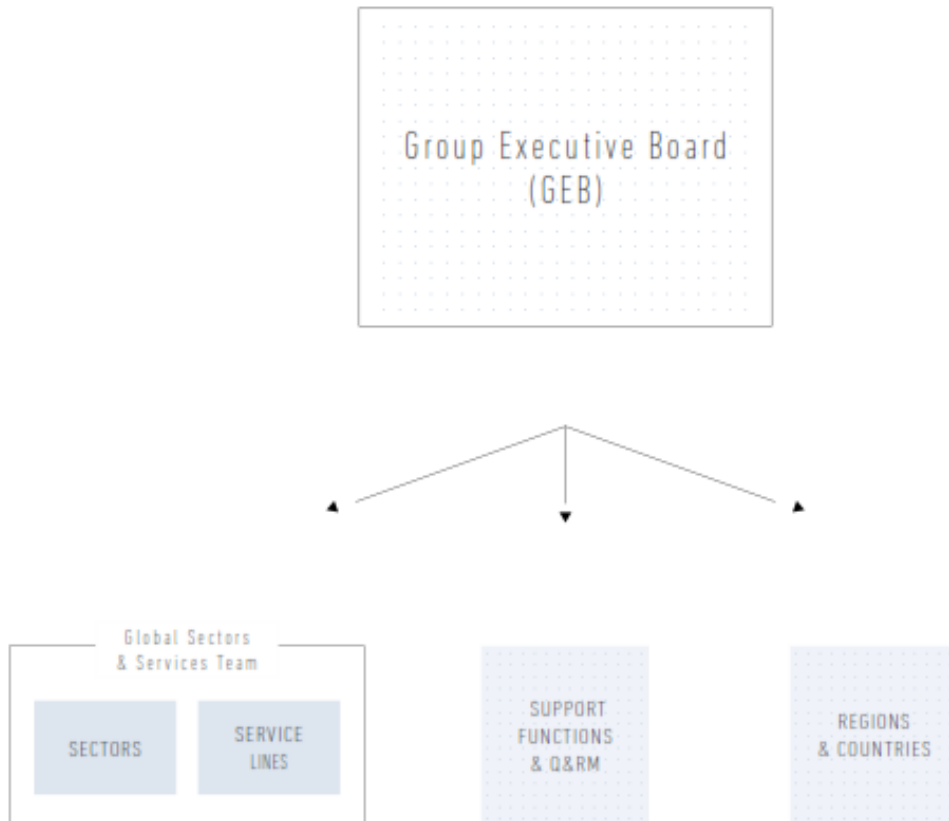
- Partners and national member entities in which they work are linked by a series of agreements intended to achieve maximum consistency within the Group. They all report to the elected representatives of the Group.

All the entities of the Mazars integrated international partnership are thus committed to enhancing the quality of services provided to large, cross-border groups in an increasingly complex and global environment.

TURNOVER OF THE MAZARS GROUP IN 2017-2018



OUR OPERATIONAL ORGANISATION



THE MEMBER ENTITY IN ALBANIA & KOSOVO

Mazars sh.p.k. was integrated to Mazars Group in January 2015 following the reorganization of its predecessor firm, Gjini Consulting, which itself had been established in February 2000 in Albania. We provide services to big companies and multi-national corporations across a wide range of industries including media, IT, real estate, manufacturing, financial and insurance services.

Legal structure and ownership of Mazars shpk are three certified public accountants registered with the Albanian Institute of Certified Public Accountants. We are a limited liability company incorporated in Albania and owned by the partners of the firm, who hold respectively:

- Teit GJINI, Partner holds 50% of shares
- Diana YLLI, Partner holds 45% of shares
- Irena Pulo, Partner holds 5% of shares

In December 2016 Mazars sh.p.k. has opened a branch office in Kosovo.

Service arrangements Mazars shpk offers the following comprehensive range of services to public interest entities, privately-held businesses and high-net-worth individuals:

- Audit and assurance
- Accounting and Outsourcing
- Tax compliance and consulting services
- Transaction services

A client service team is set up to serve each of our clients' needs. The team is closely involved in the execution of the assignment and is able to respond quickly and effectively to co-ordinate the work and minimize inefficiencies. Each Service Line is responsible for setting the service line strategy; quality, standards and risk management; talent management and development, technical training, and innovation.

The allocation of 2018 turnover by service line is as follows:

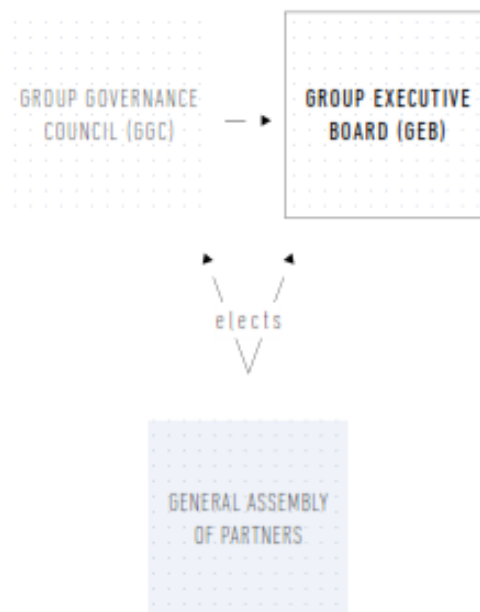
Year 2018 (in Lek)	<u>Albania</u>	<u>Kosovo</u>	<u>Consolidated</u>
Audit	58,305,398	1,675,787	59,981,185
Financial audit	55,768,863	1,187,956	56,956,819
Other assurance	2,536,535	487,831	3,024,366
Advisory	5,263,824	4,661,120	9,924,944
AOS	62,307,584	5,967,852	68,275,436
Tax	32,918,587	185,658	33,104,245
Total revenues	158,795,393	12,490,417	171,285,810

A list of the Public Interest Entities in respect of which Mazars in Albania & Kosovo has expressed an audit opinion in 2018 is set out in Appendix 1.

Our leadership and governance platform relies on two main bodies, whose respective roles and missions are clearly defined in our Charter of Association. Together with our national, regional and functional leaders, both our Group Executive Board and our Group Governance Council are working to ensure the sustainable development of our partnership and of the Mazars Group.

OUR STRATEGIC LEADERSHIP ECOSYSTEM

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THE GENERAL ASSEMBLY OF PARTNERS

All the partners of the Mazars Group meet at least once a year, at the General Assembly of partners, within six months following the end of the financial year.

The General Assembly of Partners is a pivotal point in the governance and decision-making processes of the Mazars Group. The Assembly elects the Group Executive Board and the Group Governance Council, approves major strategic and operational decisions, the admission of new partners and the audited financial statements of the Mazars Group.

The last General Assembly of Partners was held in Berlin in December 2017.
The next General Assembly of Partners will be held in Cannes in December 2018.

THE GROUP EXECUTIVE BOARD

The Group Executive Board (“GEB”) is Mazars’ executive body. It is in charge of operational management of the partnership with regards to collectively-defined key strategic objectives, under the supervision of the Group Governance Council. It focuses first and foremost on pursuing and accelerating growth, while ensuring the quality and sustainability of our activities. The GEB may comprise between three and nine members. As at August 31st, 2018 there were nine members of the GEB. The current GEB was elected in December 2016 and with an election every four years, the next one is due in 2020.

The GEB is supported in its role by:

- A global leadership team (GLT), which comprises all Group business leaders (sectors and service lines, including our audit activity), Group Quality & Risk Management leaders, and Group support function leaders.
- Executives in each member entity.
 - These executives, led by a Senior or Managing Partner, have the responsibility for managing that member entity, for leading the business on a day-to-day basis, and for providing strategic and operational coordination.
 - The executives are elected by the partners of the particular member entity, with their candidacy being subject to the consideration of the GEB.

The GEB meets at least monthly; it also meets twice a year with the Country Managing or Senior Partners at “Country Forums”.

Each GEB member is entrusted with specific geographical responsibilities, functional roles and the sponsorship of key strategic projects, such as innovation, diversity, quality and risk management, business development or integration processes for new additions to the partnership.

THE GROUP GOVERNANCE COUNCIL

Elected for the same term as the GEB, the Group Governance Council ("GGC") is the Group's supervisory body. The GGC has decision-making powers in three specific areas as set out in the partnership's Charter of Association:

- the approval of partnership candidates and external growth operations;
- the compensation of the members of the Group Executive Board;
- the approval of disciplinary action decided by the latter.

The GGC is required to meet at least every four months. It may comprise between eight and sixteen members including two non-executive independent members; as of August 31st, 2018, there were twelve members of the GGC. Elected every four years, the next GGC elections are due in December 2020.

The non-executive independent members also constitute the Public Interest Committee ("PIC"), which has specific responsibility for matters arising in relation to Mazars in the United Kingdom and Ireland.

LEADERSHIP AND GOVERNANCE IN MAZARS ALBANIA & KOSOVO

Governance structure

The Management Committee, being the governance body of Mazars sh.p.k., (Albania and Kosovo) is chaired by the Managing Partner, Mr. Teit Gjini. Other members of the Management Committee include Mrs. Diana Ylli (Practicing Partner, Head of Audit & Assurance), Mrs. Irena Hoxha (Practicing Partner, in charge of Quality Control), Mrs. Joana Pano (Practicing Audit & Assurance Senior Manager) and Mrs. Daniela Xhako (Practicing Tax Senior Manager) Mrs. Violeta Haxhillazi (Executive Director of Kosovo branch, Practicing Advisor)

The Management Committee is responsible for the firm's development strategy, the implementation of business decisions as well as the operational, functional and administrative organization.

Directly reporting to the Management Committee is the Risk Manager.

The Risk Manager is responsible for making final recommendations to mitigate the risks, answering (or approving answers to) risk issues when required identified by the firm.

Ms. Irena Pulo (Practicing Partner) is the head of Quality Control. She carried out a high-level review of the effectiveness of the Mazars sh.p.k. Management Committee during the year in order to ensure progression of matters noted in the prior detailed review.

Assignment of Partner to specific roles are detailed below:

Technical function	Person in Charge	Position
Country Executive	Teit Gjini	Partner
Risk Manager	Diana Ylli	Partner
Accounting Standards	Diana Ylli	Partner
Professional Standards	Diana Ylli	Partner
Ethics and Acceptance	Diana Ylli	Partner
Quality Control	Irena Hoxha	Partner
Training	Diana Ylli	Partner

The partners in Audit and Assurance in Albania are certified by Institute of Authorized Chartered Auditors of Albania with following registration number:

- Mazars sh.p.k. with registration number 110 date 06.11.2006
- Mr. Teit Gjini with registration number 68, registered on 31.01.2000
- Mrs. Diana Ylli with registration number 9, registered on 11.01.2000
- Mrs. Irena Pulo with registration number 20, registered on 12.01.2000

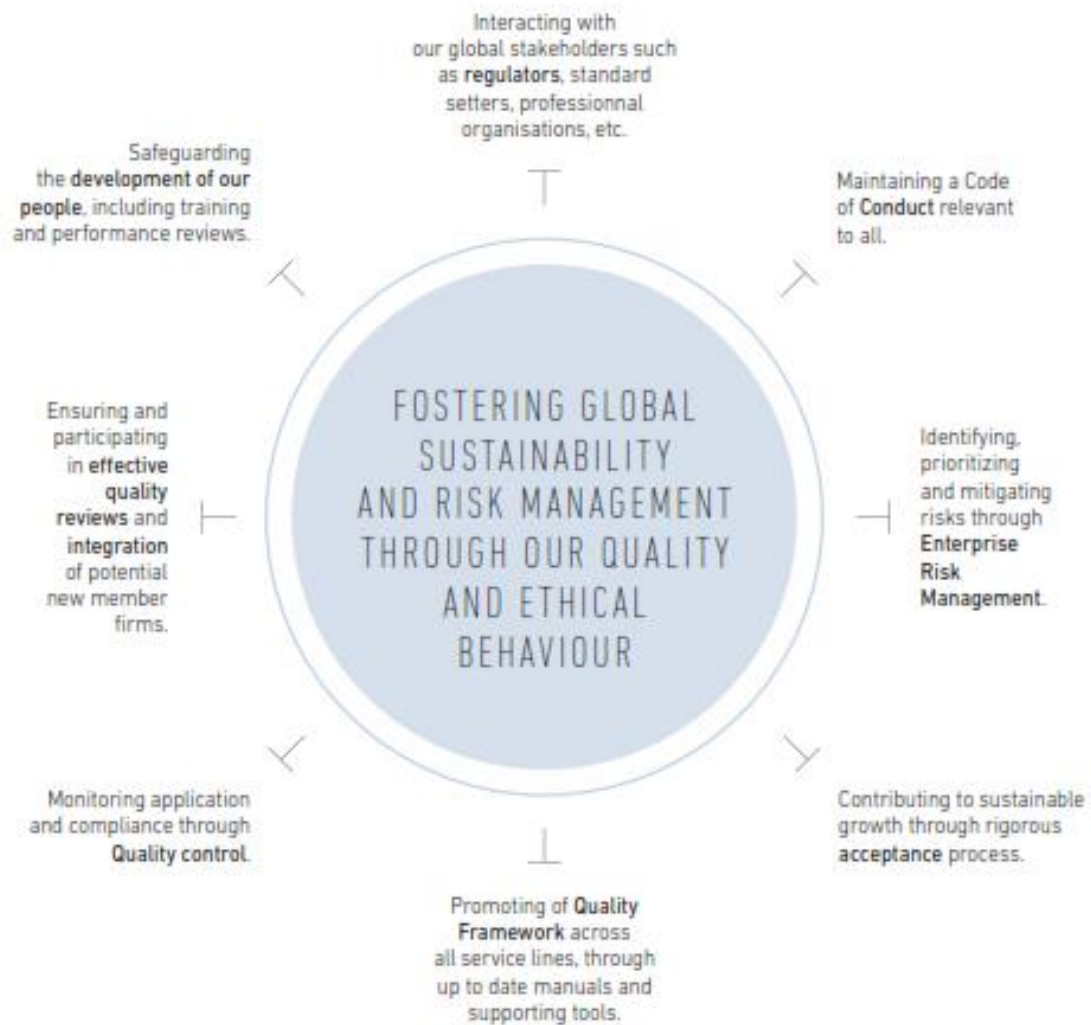
The partners in Audit and Assurance in Kosovo branch are certified by Kosovo Financial Reporting Council of Kosovo with following registration number:

- Mazars -Dega Kosove with registration number 09.03.2017
- Mr. Teit Gjini with registration number 82 registered on 01.03.2017
- Mrs. Diana Ylli with registration number 83, registered on 01.03.2017

Biographies of the members of the Mazars shpk Partners are provided in Appendix 3

THE MISSION STATEMENT AND THE NEXT20 Q&RM AREAS OF ACCOUNTABILITY

Quality, objectivity and independence are monitored by Mazars' Quality & Risk Management Board. Its missions are as follows:



Delivering audit quality is key to us as a global organization, as it underpins our core values. We are dedicated to improving the audit work we undertake and the reports and communications to those charged with governance. We invest time in understanding and participating in the evolution of quality within the profession, developing our methodology, reviewing quality recommendations and themes of regulatory inspections, and improving the skills and knowledge of our professional staff. We are continually raising our expectations of what audit quality is as we believe this is something that is constantly evolving.

OUR APPROACH, OUR TOOLS AND OUR METHODOLOGY

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Mazars' Audit Manifesto

We challenge ourselves to make our audit and assurance offerings relevant, bring value to companies and their many stakeholders and have our assignments delivered by experienced, committed and truly independent professionals. The delivery of audit and assurance continues to be at the heart of Mazars' business in the year ended 31 August 2018, and is a key part of our plans for the future.

Responsibility for quality

The quality and effectiveness of our audit services is critical to all our stakeholders and is an integral part of our commitment to building trust in society. We believe in accountability and our approach to audit quality is driven by our culture, values and behaviors. We are convinced that at the top is of paramount importance. The GEB is ultimately responsible for ensuring the delivery of technical excellence across all our service lines and this responsibility includes oversight of the quality monitoring processes within the Mazars organization, including in relation to audit quality.

To this respect, at Group level, we dedicate specific resources to the building and maintaining of high standards in quality, independence, ethics and professional competency, under the supervision of the Quality and Risk Management Board (Q&RM).

Through its International Quality Control Committee ("IQCC"), the Q&RM Board defines the quality monitoring system and the relevant procedures that are required to be implemented across all service lines and monitors their implementation. The executive of each member entity is thus responsible for the implementation of the quality monitoring systems. This quality monitoring system applies both to member and correspondent firms.

Our Audit Quality Assurance framework

The International Federation of Accountants (IFAC) is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. Mazars is actively involved in IFAC with a presence on a number of its boards and committees.

Mazars is also a member of IFAC's Forum of Firms ("FoF"), an association of international networks of accounting firms that perform transnational audits. As members of the FoF we commit to:

- maintain quality control standards in accordance with the International Standard on Quality Control ("ISQC1") – issued by the International Auditing and Assurance Standards Board ("IAASB") – in addition to relevant national quality control standards;
- conduct, to the extent not prohibited by national regulation, regular globally coordinated internal quality assurance reviews;
- have policies and methodologies for the conduct of transnational audits that are based, to the extent practical, on the International Standards on Auditing ("ISAs") issued by the IAASB;
- have policies and methodologies that conform to Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the "IESBA Code") and any relevant national code of ethics;
- agree to submit to the Secretary of the Forum an annual report, in an approved format, indicating that it meets the membership obligations set forth above.

We have been committed to this since 2007 and make an annual declaration to set this out.

In line with our commitments, our Quality Assurance Framework is presented through our "Quality Assurance Manual" and "Risk Management Manual", both of which constitute the benchmark for audit quality control for all entities. This Framework covers the following:

- responsibility and leadership;
- independence and objectivity;
- acceptance and continuance of engagements;
- human resources;
- audit methodology and engagement performance;

- planning and supervision of engagements;
- audit documentation;
- technical consultation;
- professional confidentiality and risk management;
- engagement quality control reviews;
- quality monitoring;
- procedures for dealing with and resolving differences of opinion;
- complaints, allegations and claims;
- differences of opinion.

Each member entity has put in place the Quality Assurance Manual in its own country and edits it to include country specifics.

The policies and procedures in our Quality Assurance Manual are complemented by our audit methodology. Our audit software has been developed to allow a structured audit approach in accordance with the most recent auditing standards.

A CONSISTENT APPROACH ON ALL CLIENT ENGAGEMENTS, IRRESPECTIVE OF THEIR SIZE AND INTERNATIONAL PRESENCE.

These are updated regularly to include the evolution of international and national standards and as a result of operational suggestions by users.

Our compliance with the Quality Assurance Manual is monitored through internal and external inspections. [Monitoring of audit quality is integral to maintaining and improving quality in our profession.](#) It allows identification of areas for improvement within our policies and procedures, combined with additional training to allow a consistent quality approach to audit work.

The executive of each member entity is responsible for the implementation of the quality monitoring systems. Furthermore, each Executive is required to:

- Promote the firm's internal culture of quality and reinforce this culture with clear, consistent and frequent messages and initiatives;
- Remind individuals at all levels of the existence of the quality monitoring system;

- Underline the importance of respecting legal and regulatory obligations, particularly with regards to the IESBA code, local ethical requirements and professional standards of practice when accepting and carrying out new assignments.

Audit policies and methodology

The Mazars Audit Methodology (“MAM”) is a global methodology that Mazars entities apply, supplemented by local regulatory and legal requirements. Using a common methodology allows us to apply a consistent approach and level of quality globally on all client engagements irrespective of their size and international presence. In an increasingly globalized world, the MAM allows us to give assurance to our multinational clients over the quality of our audits across borders. Specific policies and procedures are in place in respect of group audits, including the use of and reliance on other auditors. These procedures include consideration of the results of quality monitoring.

The MAM is continually enhanced as we seek to apply a systematic risk-based audit approach, focusing on the things that matter and adjusting the areas of focus and effort based on the level of risk. Our methodology and associated application guidance are also designed to encourage challenge and professional skepticism in our audits.

Audit software is used to support the audit teams in applying our risk-based approach, from acceptance to completion of the audit. During the year, Mazars globally has been progressing the development of a new audit software expected to be rolled out in the 2018/2019 financial year. This software will enhance the quality of documentation produced globally by our teams.

We will continue to invest and develop our audit software as new challenges and technology impact on the audit of the future. Data analytics is increasingly becoming a key aspect of our standard audit procedures, particularly with respect to the mandatory requirements to address the risk of management override of controls.

Additional training and tools have been developed in the year to further enhance the skills of our team in this area to drive quality in their work. This was supported by further training and tools to aid the understanding and testing of our clients’ IT environments.

Our ability to maintain quality is not only dependent on the IT tools available to our professional staff, it also relies on the appropriate support being available. The QAM details the circumstances when there is a mandatory requirement to consult within the firm. Our technical experts are also available for audit and financial reporting technical consultations when support is required. To aid the audit quality of specific areas of the audit, our core audit teams have access to our specialist auditors and experts, including IT, tax, actuarial and valuation specialists.

Our audit policies and procedures have been designed and implemented to ensure that we comply and that we can demonstrate compliance with ISAs.

Monitoring audit quality

Monitoring of audit quality is integral to understanding our own audit quality and develop ways to challenge and improve it. It allows identification of areas for improvement within our policies and procedures, combined with additional training to allow for a consistent quality approach to audit work. Our audit quality policies and procedures are embedded as part of our firm’s day-to-day activities.

Engagement quality control reviews (EQCR)

An EQCR is required to be performed on all audits of listed entities. Other engagements may be identified as subject to EQCR, the criteria for determining whether such other assignments require an EQCR are mainly based around the qualification in Public interest entities and existence of specific risk situations.

OUR AUDIT QUALITY POLICIES AND PROCEDURES ARE EMBEDDED AS PART OF OUR FIRM’S DAY TO DAY ACTIVITIES.

The purpose of an EQCR is to provide an objective evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating the opinion.

This review must be performed by a partner with sufficient authority to be capable of imposing their professional judgement upon the engagement team, and who has not recently had any material responsibility for the engagement. The EQCR is performed internally and is also subject to rotation.

Audit quality monitoring reviews

The assessments undertaken by the IQCC monitor member entities' compliance with the IFAC standards. The Mazars entities audit quality monitoring reviews organized by the IQCC have several components:

- self-assessment of the entity's audit methodology, ethics and the Quality Assurance System;
- internal monitoring of the effectiveness of the internal procedures and of the quality of the audit files. This is performed by each entity on an annual basis and constitutes the basis for the completion of the self - assessment;
- Mazars international inspections: these are undertaken by experienced reviewers from other member entities within the organization, generally every 3 years, and they aim to take an independent view on the results of the self-assessments and the internal monitoring whilst helping to spread best practices;
- external inspections: entities are periodically subject to reviews by the audit regulators or other relevant bodies in their jurisdictions. Results of such reviews are communicated to the IQCC.

The self-assessment includes the entity's compliance with the IFAC standards as well as reporting on the results of its internal and external audit quality monitoring reviews. This can be the basis for an action plan relating to all areas identified as requiring improvement including those identified through any Mazars international inspections.

Entities are required to communicate internally the results of their audit quality monitoring reviews to their Executive, partners and audit managers. This communication is provided in sufficient detail to enable the necessary corrective measures to take place, both for the particular partner in question, and the overall level of the entity.

As a minimum, the results of the audit quality monitoring reviews include:

- a description of the procedures applied and of the scope of the quality monitoring review;
- the results and conclusions of the reviews of the entity's procedures and audit engagements;
- detailed action plans, where required.

Entities that are applying to join the Mazars organization are subject to an inspection organized by the IQCC. The report setting out the results of the review is included in the admission file submitted to the GEB and the GCC for consideration before the vote at the General Assembly of Partners. The report may be accompanied by an action plan, progress against which would be monitored by the IQCC. At Mazars we are passionate about audit quality so this positive feedback was rewarding and reflects the investment we have made in technical training and tools to support our audit teams deliver consistent quality audits.

Our contribution to the profession

We believe that the voice of the audit profession brings value to the standard setting process. As a consequence, we are committed to the improvement of financial reporting, corporate governance and overall confidence in the capital markets on a global level. For example: Mazars responds to consultations on a variety of topics including auditing, corporate governance, financial reporting and relevant regulation changes issued by professional bodies such as IFAC and its committees and boards, FEE, EAIG, PCAOB, IASB; actively participates in the working group of their international bodies; its entities are active in the professional and auditing organizations in their countries.

The approach to Quality Control and reviews in Albania & Kosovo

Audit and Assurance department of Albania and Kosovo has implemented the group Quality Assurance Manual and customized with the country specific requirement. The Head of Quality Control for Albania and Kosovo is Mrs. Irena Pulo.

In the audit and assurance department it is required that all listed entities will be subject to EQCR. Mazars Albania and Kosovo have not audited any listed entity during this year.

The criteria for determining whether other engagements require an EQCR are mainly based around either the public interest profile of the client or the existence of specific risk situations or other criteria including: the existence of a large number of shareholders or potential investors, the size of the client, etc. EQC reviewers are assigned at partner level taking in consideration the independence requirements. The review is documented through a questionnaire which is archived within the engagement. Any disagreements between the engagement partner and the EQCR is resolved prior to the engagement partner signing the audit opinion.

Every partner is subject to an independent review performed by the group every three years depending on the portfolio of clients. A summary report is prepared at the end of the reviews and actions are proposed to address the findings resulting from the reviews. Actions may include immediate remedial action, changes in the firm's guidance or procedures, or additional training and support. Findings and actions required are communicated to partner and staff on a timely basis.

During 2017 Mazars Albania and Kosovo was part of the review from the Group which resulted in a good rating with low risk recommendations.

Within Mazars sh.p.k. the audit quality control reviews operate in line with Mazars Group requirements. An internal monitoring review is carried out on a yearly basis. In addition to engagement file review, which is mentioned in "Responsibility for audit quality and the quality assurance framework in Albania" section above, firm-wide controls in respect of the following elements are evaluated:

- Leadership responsibilities for quality within the firm
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Human resources
- Monitoring

During the period 2010-2017 Mazars Albania has been inspected by the IEKA and BMP for the practice which included reviews of engagements and the quality control system of the firm.

This reviews positively concluded on Mazars' system of internal control, compliance with International Standards on Auditing, the Code of Ethics for Professional Accountants and ISQC1 and their local equivalents.

In Appendix 2 we provide a statement on the effectiveness of these systems.

WE BELIEVE THAT THE VOICE OF THE AUDIT PROFESSION BRINGS VALUE TO THE STANDARD SETTING PROCESS.

Our contribution to the profession

As a consequence, we are committed to the improvement of financial reporting, corporate governance and overall confidence in the capital markets on a global level. For example: Mazars responds to consultations on a variety of topics including auditing, corporate governance, financial reporting and relevant regulation changes issued by professional bodies such as IFAC and its committees and boards, FEE, EAIG, PCAOB, IASB; Actively participates in international bodies, such as the IFAC, FEE, ESMA, EFRAG, IASB; Its entities are active in the professional and auditing organizations in their countries.

Our voice in Albania & Kosovo

The Partners are active members on round tables and part of panel discussion organized for comments on newly issued standards as well active member on the chamber of auditors.

We have devised and implemented policies to ensure all our staff and partners do comply with the strictest objectivity and independence requirements, as these are the cornerstones of our profession. We are fully aware of what is at stake and are determined to play our role in increasing the public trust in the opinions we provide.

POLICIES, PROCEDURES AND TOOLS

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Our Code of Conduct for Objectivity and Independence

The Mazars Group has adopted a Code of Conduct for Objectivity and Independence (the “CCOI”) which complies with the IESBA code. This forms an integral part of all member entities’ professional training programmes and is distributed to all Partners and staff. We also strongly promote ethical culture and values.

In addition, we have recently refreshed our global Code of Conduct. We have designed it as a practical guide to help all Mazarians, regardless of age, position or country, navigate difficult choices and make the right decisions, in line with our values. Our new code of conduct clearly states who we are, what we expect from our people and how we deal with our clients, stakeholders and communities at large. In an intricate and fast evolving environment, we use it as a moral compass for our daily activities, Drawing the line between what is recommended or acceptable and what would put our reputation and other people’s trust at risk. We handle all breaches seriously and take appropriate action to uphold this code wherever necessary.

Responsibility for maintaining objectivity and independence

The Group Independence and Acceptance Committee is responsible for considering potential issues brought to its attention, reviewing any proposed departures from the CCOI by country and verifying that all changes in international ethical standards are taken into account by the organization.

Systems to safeguard our objectivity and independence

The systems implemented by Mazars Group and adopted by member entities comprise the following:

ACCEPTANCE AND CONTINUANCE OF AUDIT ENGAGEMENTS

Procedures that require an evaluation of the client’s related risks, the entity’s ability to perform the engagement and any ethical risks in terms of independence and conflicts of interest.

ADDITIONAL SERVICES

The provision of additional services to an audit client is subject to prior authorization from the lead audit partner and, in some cases, the Head of Ethics. In certain circumstances this provision is also subject to authorization by the client’s audit committee, for example when required by auditing standards or when the client has put in place procedures for the prior approval of non-audit services by the auditor.

NON-AUDIT SERVICES TO AUDIT CLIENTS	<p>A complete list of non-audit services rendered to audit clients must be maintained.</p> <p>For group audits, this list must be set out in the instructions circulated by the audit co-ordination team.</p>
ANNUAL DECLARATION OF INDEPENDENCE	<p>All Partners and staff are required to provide an annual declaration of their independence. In this respect:</p> <ul style="list-style-type: none"> - The following are not allowed to hold a direct or material indirect financial interest in an audit client: <ul style="list-style-type: none"> • the partners working on the engagement and their immediate family and team members • the other partners in the office (and their immediate family) in which the engagement partner practices in connection with the audit engagement. • other partners and managerial employees in the office (or their immediate family members) providing non-audit services to an audit client - Personal or family relationships between a member of the audit team and a member of either the audited entity's management or any person holding a key position in the audit client are prohibited; and <p>Partners and staff working on an audit engagement must not have any financial or commercial relations with the audit client (for example beyond normal financial relations with a banking or other credit institution audit client).</p>
MANDATORY ROTATION	<p>In relation to audits of Public Interest Entities (PIEs), the audit partner is required to rotate after seven years (or more frequently if required by local regulations) and to not return to the audit team for at least two years (or longer if required by local regulations). Familiarity is a threat to our independence and this rotation mitigates the threat of familiarity arising from long association with a client. The executive of a member entity ensures appropriate allocation of Partners to audit engagements and an annual review of appointments takes place.</p>
TRANSPARENCY OF INFORMATION	<p>All Mazars staff have access to a list of our audit clients subjected to specific ethical requirements.</p>
TRAINING	<p>All audit staff are required to undertake training on the Mazars Group and of the relevant member entity's ethical rules and procedures.</p>
CONSULTATION	<p>Audit staff are encouraged to consult with experts on technical matters, ethics and other areas where necessary.</p>

LIMITS ON CLIENT FEES	Clear rules regarding conflicts of interest have been communicated. Where there is a potential threat to our independence, the assignment is declined or appropriate safeguards are implemented.
IMPACT OF AN IDENTIFIED THREAT TO INDEPENDENCE	Clear rules regarding conflicts of interest have been communicated. Where there is a potential threat to our independence, the assignment is declined or appropriate safeguards are implemented.
PERFORMANCE BASED REMUNERATION	Mazars Group has adopted a method of remunerating Partners which takes into account the quality of audit work (and not simply the level of fees billed, number of new clients obtained, additional engagements performed or other financial performance related metrics).

We are currently implementing our Global Independence Check tool. This one-stop-shop IT tool will speed up the process of acceptance throughout the Mazars group. Last year, Mazars has progressed in the roll-out of this new tool, expected to be finalized at the end of this year.

Two-partner teams and rotation to strengthen both independence and services quality

Except in specific situations which are approved by the entity's Executive Committee, large engagements are placed under the responsibility of at least two partners, one of whom naturally assumes leadership of the engagement.

Having a team of partners strengthens independence and brings broader technical expertise to the engagement. The responsible partners assist with key stages of the engagement and remain the key contacts for all parties and professional staff, whether internal or external.

Within Mazars, rotation is applied to Public Interest Entity engagements on which key audit partners rotate, in compliance when applicable with the domestic transposition of the European Directive on Statutory Auditor of the IESBA Code of Ethics. This rotation reduces the risk of "closeness" to the audited company which may impair independence. It enables the auditor to have greater independence of mind in dealing with client issues and in expressing opinions on financial statements. The allocation of partner responsibilities on recurring audit engagements and major special engagements is decided by the entity's Executive Committee and ensures that partners have the ability to effectively conduct

and supervise engagements under their responsibility.

This allocation is reviewed annually as well as when there are any changes in the partner's situation or when any difficulties have been encountered.

In the rare case of disagreements with the technical department's positions, the Executive Committee is called upon to arbitrate. The two-partner team in charge remains the final decision maker within the context of the organization's quality assurance and procedures. This point is of paramount importance in preserving each partner's personal commitment and sense of responsibility as well as in responding effectively to each client's specificities.

Partner compensation policy

Profits are divided amongst partners according to the number of “base points” they are allocated. Two criteria are used to calculate the value of the base points: the overall performance of the Mazars Group and the performance of the national entity to which they contribute. Each factor is measured equally.

Several countries, including France, have opted to add a bonus system founded on individual performance. Partners receive a portion of a global envelope based on his/her country’s performance.

Under the supervision of the GGC and based on the recommendation received from the Country Executive, based points are allocated to Partners according to the overall performance of the country and the individual performance of each Partner. This performance is assessed through various criteria:

- Professionalism, technical contributions and adherence to business practice norms;
- Partnership spirit;
- Importance and complexity of assignments;
- Contribution to the general development of local entities and the Group;
- Level of managerial responsibility.

None of these criteria is evaluated in isolation, but the greatest weight is placed on technical competence and Partnership spirit.

Financing business activity depends exclusively on each national member entity and follows the same proportionality as the division of profits.

Global whistleblowing procedures

Our values set a platform for what we believe will build long term sustainable success for the organisation. We want to work in a way that promotes our values and ensures we provide the best possible service for our clients, and best possible environment for our team.

Mazars is committed to dealing responsibly, openly and professionally with:

- concerns raised internally, that partners or team members may have about possible malpractice within Mazars firms;
- concerns raised by persons external to Mazars (clients and other stakeholders) on the services provided by Mazars.

In Appendix 2 we provide a statement on the effectiveness of these systems.

These group-wide whistleblowing procedures for our staff, our clients and our stakeholders reflect our zero-tolerance policy for unethical behaviors. They have been deployed since 2014 and both external and employee complaint forms are available on our Mazars websites (on the Group website: <http://www.mazars.com/Complaint-form>). All claims are directly processed through the Group’s Chief Compliance Officer (CCO) except when stated otherwise by the local regulation.

Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and may also adversely impact our reputation. The Group’s Chief Information Security Officer is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters. He directly reports to the Chief Compliance Officer and to the Group Executive Board.

Independence and Objectivity in Mazars in Albania & Kosovo

In Mazars sh.p.k., objectivity and independence are regulated by the Quality Assurance Manual and Code of Conduct. Acceptance and continuance procedures are performed for every engagement and approved by the engagement partner and Risk Partner if necessary. Conflict checks for international clients are performed by the acceptance officer in line with Quality Assurance Manual (QAM). Annual independence declarations are required by each partner and staff member. Independence is confirmed also at engagement level. Internal systems described in various Mazars manuals, IFAC Code of Ethics and the local equivalent have been established to identify circumstances where Mazars sh.p.k. independence could be threatened in order to instantly take appropriate safeguarding measures. The management of Mazars sh.p.k. confirms that the independence procedures and practices have been implemented and the systems are effective in maintaining independence. Furthermore, management confirms that the application of the independence procedures and practices have been subject to internal review. The Country Specific Provisions addendum to the CCOI is held by the Ethics Manager.

As technology advances and societal expectations increase, recruiting, nurturing and developing the best talent is ever more crucial. We dedicate specific resources to find, acquire and grow the expertise that is needed today and that will be needed tomorrow, and to provide our people with the best possible working environment.

RECRUITING, TRAINING, DEVELOPING THE RIGHT PEOPLE

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Within Mazars we strive to foster excellence by enabling our team to give their best through:

- recruiting, training, developing and retaining the right people;
- our means of operating and rewarding;
- our conduct.

Talent and performance management

In order to deliver the high-quality service that our clients expect, our engagement policies and procedures are designed to attract, support and retain the highest quality team members.

Based on our common values, management principles and a fulfilling work environment, our Global Talent and Performance Management Programme aims to:

- recruit high potential individuals;
- prepare our talent to meet the market's evolving needs through long-term technical and managerial education plans;
- offer attractive career opportunities, including international opportunities;
- improve the diversity of our talents;
- engage our talent through modern work environments and codes.

Recruiting High Potential Individuals

As knowledge workers, the quality of the talent pipeline is critical to our business. Since young graduates comprise, by far, the largest volume of candidates we recruit, concentrating on getting the right people through the door at this stage has the greatest leverage effect on the quality of our overall recruitments. As a result, many efforts are made to increase our employer branding awareness amongst the best schools for our profession, as well as to hone the effectiveness and interactivity of the recruitment process to

identify the candidates that best match in terms of competency, potential, and cultural fit.

In addition, to maintain the attractiveness of the professional services industry in the face of competition for the same graduates from tech companies and start-ups, for example, Mazars has made great efforts to innovate in its recruitment process. We have many awards for both the creativity and results of such initiatives. Key projects include:

- Mazars 360°: encouraging transparency of the employee experience through virtual reality;
- Nothing to Hide: a free website for young grads who wish to "audit" their online footprint to ensure that it is professional;
- Looking for Talent: an engaging interactive video for young grads to send their CVs.

Long-term Education & Training

The Mazars Group considers its internal training programme to be of strategic importance, since it serves as a means both to share and update technical and professional skills and knowledge, and to communicate professional conduct and ethics requirements to staff.

In 2008, the Group created Mazars University to harmonize training practices across all Mazars offices. In 2014, Mazars University received the top accreditation for Corporate Universities, awarded by the European Foundation for Management Development, the same body which awards the EQUIS accreditation to top business schools. The focus of the University is to act as a hub for all best learning materials and practices across the group, both in the areas of technical expertise as well as the other skills now required to perform the profession: soft skills, digital skills, and leadership skills.

The goal is to have excellent technicians, but enforce the objectivity of our teams, the professional independence and ethical conduct of each individual, and their overall capacity to effectively perform the work we have engaged.

On a local level, each member entity of Mazars keeps a record of all the training courses attended by each Partner and member of staff, in order to ensure that each individual benefit from the complete training programme and that the training received is in line with the individual's role and responsibilities. Each member entity's training programme is to include:

- a general technical skills syllabus to be followed by all staff. For audit staff, for example, the objective of this programme is to encourage each staff member's development and expertise in auditing standards, accounting standards, corporate governance standards, auditing techniques and engagement management principles; and which can be complemented by external seminars;
- a sector-specific syllabus, particularly for insurance, banking, the public sector and technology;
- a soft skills syllabus to be followed by level of seniority, focused on the areas of communication, team management, innovation, and client care.

This year, thanks to a new partnership with LinkedIn Learning, our professionals will have access to a premium digital skill training path, including certifications in coding and data science, which is becoming an integral part of our profession.

The Next MBA

In the area of executive education, Mazars has innovated a new model of education for senior leaders. Mazars created The Next MBA, which is a 6-week Executive MBA on cutting-edge business topics ranging from client-centric marketing to digital disruption, talent management to sustainable strategy, which is open to both Mazars partners as well as participants from other organizations. The Next MBA aims at preparing tomorrow's leaders to be insightful about how today's market transformations will impact business, teams, and industries, and to be agile in identifying new solutions.

Attractive career opportunities

As a global organization, we recognize that gaining international experience is an important element in the development of our teams and leaders. Mazars employees wishing to enhance their careers with an international experience may choose from a range of strategic mobility opportunities, such as:

- short-term assignments are available through our "MOVE" programme, in which high-potential Seniors and Managers can work abroad on two to six months projects;
- longer-term high-level projects ranging from three to five years in length;
- permanent transfers. These programmes play a key role in the flow of ideas with other member entities of the Mazars Group.

Improve the Diversity of our Talents

One of our core values is fostering a diverse and inclusive work environment. Accordingly, Mazars stands guard against all forms of discrimination and offers its professionals equal opportunities and treatment, regardless of their racial or ethnic origin, gender, religion, age or disability.

Gender Diversity

Diversity constitutes a unifying value of the Group and a key factor of success of its strategy. Mazars focuses on a better representation of women in the organization, mainly in management positions. Our involvement is carried out through various actions of raising awareness internally, developing an internal female network through a collaborative platform of discussions and a programme to identify female talents who will benefit from specific support and development action plans. Since Mazars' annual Partners' Conference in Istanbul in 2014, key steps and objectives have been set out.

A steering committee was set-up and Gender Diversity is championed by Antonio Bover, GEB member and Managing Partner of Mazars in Spain. Antonio is helped by a committee composed of a representative variety of partners, numbering 2/3 of female partners and 1/3 of male partners, but also managers and support functions. Focus is on significantly increasing the number of female partners and executives among our firm by 2020.

Our guiding principle is no longer to communicate widely on the subject but to work closely with our key 15 countries and follow-up on key development indicators. This decision means that the current GEB and its successors from 2020 will define a detailed plan and promote this objective as part of their Manifesto for election.

A Women Talent Pool has been identified and specific actions have been put in place to support them. A yearly leadership seminar is held: The Women Leaders @ Mazars Seminar was held in September 2016, 2017 and 2018. This seminar covers a wide variety of topics all essential for the growth and development of high potentials: mentoring, coaching, leadership, public speaking, empowerment, business development...

A group-wide gender diversity survey was held in 2016 and since then 4 core areas have been identified and focus groups are working on delivering Diversity & Inclusion guidebooks around:

- Promoting with Fairness
- Mazars as a great place to work
- Mentoring & Networking
- Measuring Gender diversity at Mazars

Metrics on gender diversity will be included in the global reporting system of Mazars countries. Progress is being made in the form of a "dashboard" format. Parity in recruitment, diversity at managerial level and a female talent pipeline will be explicit KPIs of group and local Human Resources plans. Finally, ambassadors are being identified in each country to support progress on these initiatives and to become positive role models.

Modern Work Environments & Codes

We continue to promote a strong organizational culture of wellness and health which ensures that Mazars remains an employer of choice. The financial auditor or consultant trades are demanding trades in terms of time, personal investment or travel, but these are cyclical trades that have more or less intense periods. At Mazars, we are aware of this difficulty. Our model is by nature decentralized, but we encourage all of our offices to put in place local actions that increase employee satisfaction.

We place great emphasis on office environment – from closed spaces and attributed workspaces to open plans. This is not just a question of following trends, but one of leveraging space to enhance

our collective intelligence and enforcing new managerial codes that are more collaborative, participative, and open. Mazars offices from Singapore to Rotterdam, Gabarone to Milan, and London to Paris, to name just a few, are revolutionizing their work places with more collaborative work space combined with digitalized tools. The design offers a more human-centric approach, enable our staff and partners to create the spaces they need to work best.

At the same time the managerial codes have changed, from "command and control" to co-developing solutions. We want our staff to participate in generating and implementing new ideas – from our internal processes to our client offers.

Therefore, we have made many efforts to both help managers encourage staff to speak up through education and training, as well as develop new tools and processes to support them in this. One tool to be highlighted is BIM – Mazars' Idea Box, which is an App where Mazarians can propose their ideas, get like's and have the opportunity, if liked enough, to present to the Executive Board, and eventually get awarded an investment to put the idea into action.

Each year Mazars organizes tailored training programs according to:

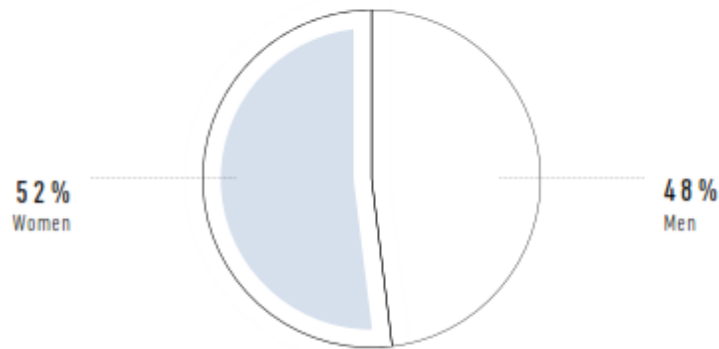
- Core professional requirements (ISA's, etc.)
- Staff level per service line
- Personal needs mainly deriving from the staff performance evaluation process
- Market and product expansion strategies

Especially concerning the audit staff, a structured program is in place for all audit trainees to support them throughout their training period. Once qualified a wide range of technical support is provided to help staff maintain their technical competence and provide the quality service on which our reputation is built. The objective of these programs is to encourage each staff member's development and expertise in auditing & accounting standards, auditing techniques and engagement management principles. This technical content is complemented by a wide range of professional and business skills training programs which are available to all staff and provides an opportunity for staff from different disciplines to build strong working relationship and share best practice. To ensure audit staff and Partners maintain their technical competence and meet the respective regulatory and professional institute requirements their continued

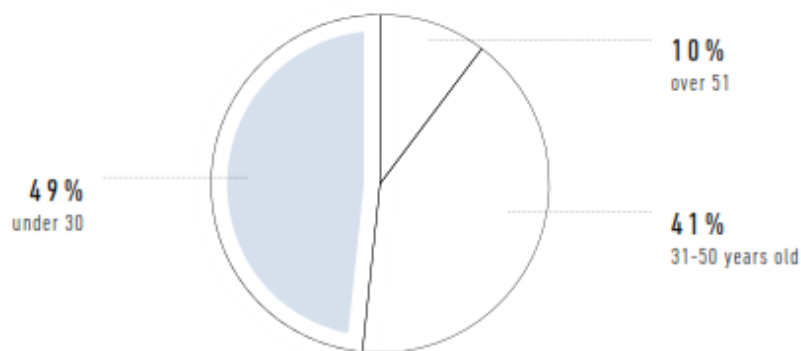
professional development (CPD) is reviewed on an annual basis, and we ensure suitable personal development plans are in place where required. Ordinance, issued by the IEKA Institute, provides for the minimum professional training requirements for the registered auditors and the training programs are structured accordingly. Training includes both internal and external courses, including professional qualification training. The ultimate responsibility for staff training belongs to the firm's Manager which has authorized the Training Committee to develop the appropriate training programs in cooperation with the HR Committee

In Appendix 2 we provide a statement on the effectiveness of these systems.

BREAKDOWN OF WORKFORCE BY GENDER



BREAKDOWN OF WORKFORCE BY AGE



Mazars in Albania & Kosovo

Professional service provided by professional individuals are the core of our business. Human capital is thus at the heart of our business, and we need to make sure we attract, retain and develop the best talent. As result the recruitment, development, promotion and retention of talents follows the group strategy and is in the focus of management of Mazars sh.p.k.

Within Mazars we strive to foster excellence by enabling our team to give their best through establishment specific procedures in the Quality Assurance Manual which regulate the process of:

- Recruitment.
- Performance evaluation.
- Capabilities and competence.
- Career development and promotion
- The assessment of personnel needs

Structured core training that follows the Mazars learning path is conducted on an annual basis respecting the minimum requirements of 40 hours per year.

Apart from this, Mazars sh.p.k. also holds a number of routine training courses, such as annual update sessions that cover changes in accounting standards, auditing standards, and other relevant local regulations; tax updates that discuss recent developments in Albania. In Mazars sh.p.k. we recognize that also soft skills are essential to the audit profession.

Training are organized at international and national level.

We financially support ACCA, Certified Accountant and Certified Auditor and encourage the enrollment of our staff in these certifications.

The average number of team members at Mazars Shpk during 2018 was 32 in Tirana office and 2 in Pristina office.

In Appendix 2 we provide a statement on compliance with the professional training obligations

APPENDIX 1

The Public Interest Entities in respect of which Mazars in Albania & Kosovo has expressed an audit opinion in 2018 are as follows:

- AK-Invest sh.a.
- Albanian Financial Institution sh.p.k.
- Crimson Finance Fund Albania sh.p.k
- Posta Shqiptare sh.a.
- Kastrati sh.p.k

APPENDIX 2

Statement on the effectiveness on the Quality Control System

Mazars Group's and Mazars in Albania & Kosovo Quality Control System is designed to provide reasonable assurance that the firm, its partners and staff comply with professional standards and regulatory and legal requirements, work is performed to a consistently high standard and that reports issued by the firm are appropriate.

The management of Mazars Group and Mazars in Albania & Kosovo are content that the system is effective in the maintenance and improvement of audit quality. They considered the results of the relevant regulatory inspections in reaching this opinion.

Statement on the effectiveness of our systems to safeguard our objectivity and independence

The operation and effectiveness of Mazars Group's and Mazars in Albania & Kosovo systems to safeguard our objectivity and independence form part of the review of the Quality Control System.

Based on the evidence identified in this review, the management of Mazars sh.p.k. confirms, with a reasonable level of assurance, that the independence procedures and practices have been implemented and the system is effective in maintaining independence. Furthermore, management confirms that the practices have been subjected to internal review.

Statement of compliance with the professional training obligations

Mazars in Albania & Kosovo complies with Continuing Professional Development policies of IEKA, ACCA and QAM which are, in turn, compliant with IES 7.

Partners and all audit personnel are required to provide an annual declaration that they have complied with the relevant requirements.

Registered auditors are required to complete at least 40 hours or equivalent learning units of relevant professional development activity in each year, of which 20 hours or equivalent units should be verifiable. They also have to complete at least 20 hours or equivalent learning units of relevant professional development activity each year.

APPENDIX 3

Mazars in Albania & Kosovo's Legal Chartered Auditors CVs:

Teit GJINI

Chartered Auditor of Albania & Kosovo
IFRS Trainer



POSITION

Managing Partner

QUALIFICATION

Tax Advisory, Tax Planning, Audit, Independent, Business Reviews, Business Plans & Project Developments.

EXPERIENCE

Teit has 25 years of professional experience in providing high quality service in Tax, Accounting and Audit, with local and international firms operating in Albania & Kosovo market.

6 years' successful experience leading the Institute of Chartered Auditors of Albania

20 years of successful experience in management and leading the Mazars firm. Ability to steer firm's activity guaranteeing to provide services of high-quality ethics standards and professional ones. Business development and management of a large number of entities and organizations inside the public and private sector.

A highly successful chartered accountant with extensive experience in financial reporting and accounting having expertise on different industries starting from start-ups, to financial management up to complex matters related to entity development.

His extensive experience includes industry sectors such as Energy & Utilities, Extractive Industries, Technology & Telecommunications, Media, Construction, Manufacturing, Trade, Distribution, Public Sector, International Donor's Funded Projects and NGO-s.

Teit speaks fluently English, Italian and Albanian (native).

ACADEMICS AND PROFESSIONAL AFFILIATIONS

- Authorized Chartered Auditors of Albania
- Authorized Chartered Auditors of Kosovo
- IFRS Trainer

OFFICE :

MAZARS IN ALBANIA & KOSOVO
Emin Duraku Str., "Binjaket" Build.,
No.5, Tirana, Albania

OTHER

Teit acted as a court expert of justice in different tax cases.

CONTACT :

Phone : +355 42 222 889
E-mail : teit.gjini@mazars.al

Diana YLLI

Chartered Auditor of Albania & Kosovo
IFRS Trainer



POSITION

Audit Partner

QUALIFICATION

Tax Advisory, Audit, Independent, Business Reviews, Business Plans & Project Developments.

EXPERIENCE

Diana has 30 years of professional experience in providing high quality service in Tax, Accounting and Audit, with local and international firms operating in Albania & Kosovo market.

20 years leading the management and strength of the firm.

6 years successful experience leading as Chairman of the Institute of Chartered Auditors of Albania

Hand on extensive knowledge and experience in ISA, IFRS, NAS, Albanian Tax Laws and Regulations, etc.

Sector clients audited by the team that Diana led, represent the largest operating entities in Albanian & Kosovo market. Her extensive experience includes industry sectors such as Energy & Utilities, Technology & Telecommunications, Media, Construction, Manufacturing, Trade, Distribution, Public Sector, International Donor's Funded Projects and NGO-s.

Diana speaks English, Italian and Albanian (native).

ACADEMICS AND PROFESSIONAL AFFILIATIONS

- Authorized Chartered Auditors of Albania
- Authorized Chartered Auditors of Kosovo
- IFRS Trainer

OFFICE:

MAZARS IN ALBANIA & KOSOVO
Emin Duraku Str., "Binjaket" Build.,
No.5, Tirana, Albania

CONTACT:

Phone: +355 42 278 015
E-mail: diana.ylli@mazars.al

Irena PULO

Chartered Auditor of Albania



POSITION

Partner

QUALIFICATION

Audit, Tax, Accounting.

EXPERIENCE

Irena has 30 years of professional experience in providing high quality service in Tax, Accounting and Audit, with local and international firms operating in Albania & Kosovo market.

Hand on extensive knowledge and experience in ISA, IFRS, NAS, Albanian Tax Laws and Regulations, etc.

Sector clients audited by the team that Irena led, represent the largest operating entities in Albanian & Kosovo market. Her extensive experience includes industry sectors such as Energy & Utilities, Technology & Telecommunications, Media, Construction, Manufacturing, Trade, Distribution, Public Sector, International Donor's Funded Projects and NGO-s.

Irena speaks English and Albanian (native).

ACADEMICS AND PROFESSIONAL AFFILIATIONS

- Authorized Chartered Auditors of Albania

OFFICE:

MAZARS IN ALBANIA & KOSOVO
Emin Duraku Str., "Binjaket" Build.,
No.5, Tirana, Albania

CONTACT:

Phone: +355 42 278 015
E-mail: irena.pulo@mazars.al



Mazars Shpk
"Emin Duraku" Str., "Binjakët" Build
No.5, Tirana, Albania

www.mazars.al