

Free Translation of the Original German Report

Report
on
the Preparation of the Annual Financial Statements
for the Financial Year from 01 January 2022 to 31 December 2022

of

Sustainable Rice Platform e.V.
Bonn/Germany

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for the Financial Year from 01 January 2022 to 31 December 2022
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I. Engagement

1. Client and Definition of the Engagement

The legal representatives of the

Sustainable Rice Platform e.V.

Bonn/Germany,

- hereinafter also referred to as the "association" -

engaged us to prepare the annual financial statements per 31 December 2022 on the basis of the financial accounting and the vouchers, books and inventory records provided to us in addition that, as instructed, we were required to assess for truth and fairness, and the information provided to us pursuant to German commercial law and any supplementary provisions of the articles of association.

We have performed this engagement for preparation with comprehensive assessments in the period from 01 August 2023 to 17 October 2023 in Bonn/Germany.

We report in accordance with the customs of our profession in terms of the *IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen (IDW S 7)* [*IDW Standard: Principles for the Preparation of Annual Financial Statements (IDW S 7)*] on the scope and results of our activities.

Our engagement agreements require that a reference to the preparation by us may only be made in connection with the complete annual financial statements prepared by us.

The obligation to prepare the annual financial statements was incumbent upon the legal representatives of the association who had to decide on the exercise of all structuring options and legal acts connected with the preparation. We have informed our client about such matters that may result in the exercise of discretionary rights; any decision-making requirements for the exercise of discretionary rights and significant discretionary powers have been obtained.

The association is a „eingetragener Verein“ under german law.

2. Performance of the Engagement

The performance of the engagement and our responsibility - including that towards third parties - are governed by the "Special Engagement Terms of BDO AG Wirtschaftsprüfungsgesellschaft (SET)" as amended on March 1, 2021, and the "General Engagement Terms for Wirtschaftsprüfer [German Certified Public Auditors] and Wirtschaftsprüfungsgesellschaften [Public Audit Firms] (GET)" as amended on January 1, 2017, which are attached to this report as an Appendix.

The preparation of the annual financial statements, regardless of the type of our engagement, included the activities that are necessary to prepare the statutory balance sheet and profit and loss account on the basis of the bookkeeping as well as the instructions obtained regarding the applicable accounting and valuation methods by performing the annual closing entries.

The preparation of the annual financial statements did not include the necessary decisions on the exercise of material and formal structuring options (recognition, measurement and disclosure options and discretionary decisions). Existing structuring options were exercised by us in the course of preparation in accordance with the instructions of the legal representative(s).

The legal representatives of the association have provided us with the customary written letter of representation regarding the completeness and accuracy of vouchers, inventory records and information.

II. Bases of the Annual Financial Statements

1. Accounting and Inventory

The financial accounting was prepared using our EDP system.

All requested information, clarifications and verifications were willingly provided by the legal representatives of the association and by the persons named to provide information.

2. Comments on the Bases of the Annual Financial Statements

In the course of preparing the annual financial statements, we did not become aware of any matters that would militate against the correctness of the financial accounting.

The balances carried forward per 01 January 2022 correspond to the amounts in the balance sheet per 31 December 2021.

The applicable valuation principles in accordance with commercial law were complied with on the basis of the going concern principle. The accounting and valuation methods applied to the previous annual financial statements have been retained.

To the extent to that our preparation of the annual financial statements resulted in postings, we have coordinated these with the legal representatives of the association. The closing entries were made until the conclusion of our activities.

The structure of the annual financial statements complies with the provisions of German commercial law.

The risks existing on the balance sheet date - insofar as they were identifiable at the time of preparing the annual financial statements - were taken into account by recognizing accruals and valuation allowances.

III. Legal, Tax and Economic Bases

1. Legal Bases

Firm	Sustainable Rice Platform e.V.
Registered office	Bonn/Germany
Address	Charles-de-Gaulle-Straße 5 53113 Bonn/Germany
Legal form	Eingetragener Verein
Articles of association	from 30 September 2019
Version in force at the balance sheet date	from 22 September 2022
Entered in the register of associations	on 17 March 2023
Registry court	Bonn/Germany
Association registration number	VR 11584
Object of the association	The promotion of support and broad-based implementation of sustainable, resource-conserving and environmentally friendly rice cultivation, Environmental protection through resource-conserving and environmentally friendly rice cultivation, Education, adult education and vocational training including support for pupils and students in the field of sustainable, resource-saving and environmentally friendly rice cultivation, Development cooperation (and international cooperation); i.e. partnership support for so-called developing countries, e.g. help for self-help in the area of economic and social progress. This also includes projects in the fields of education, health and energy supply as well as political measures.
Financial year	01 January to 31 December
Legal representatives	Keith Andrew Jones, Brussels/Belgium Dr. Bas Bouman, Meddo/Netherlands Bruno Fischer, Eitorf/Germany

2. Tax Bases

Responsible tax office	Bonn-Innenstadt/Germany
Tax number	205/5769/3778

The association's articles of association dated 01 April 2020 are recognized as a non-profit organization in accordance with the assessment notice issued by the tax office on 14 October 2021. Notices of exemption are not yet available.

According to this, the association promotes the following non-profit purposes:

Promotion of national and professional education (§ 52 para. 2 sentence 1 no. 7 AO)

Promotion of environmental protection (Section 52 (2) Sentence 1 No. 8 AO)

Promotion of development cooperation (§ 52 para. 2 sentence 1 no. 15 AO)

3. Economic Bases

Shares were held on the following companies per the balance sheet date:

- Sustainable Rice Platform Services Co. Ltd., Thailand

The Association has significant contractual relationships with companies in which it has a participating interest, namely in the cooperation and implementation of charitable projects in Thailand.

IV. Type and Scope of the Preparation Activities

Type, scope and conclusion of the measures taken in the course of our performance of the engagement are - to the extent to that they are not documented in this report - recorded in our working papers.

With regard to the current engagement for preparing the annual financial statements with comprehensive assessments of the documents provided, it was necessary to obtain reasonable assurance about the truth and fairness of these documents. The procedures for assessing the truth and fairness of the vouchers, books and inventory records provided, therefore had to be planned and performed in such a way that a reasonable assurance opinion could be obtained.

The preparation with comprehensive assessments included the assessment of the truth and fairness of the accounting and the appropriateness as well as the effectiveness of the accounting-related internal control system. The conclusion of these assessments determined whether it could be judged that the accounting and inventory records were suitable with reasonable assurance for the preparation of the annual financial statements that comply with legal requirements.

The scope and intensity of the activities directed at the accounting and inventory records within the framework of the preparation of the annual financial statements were to be determined depending on the findings made regarding the risk of error.

Within the performance of the current engagement for the preparation with comprehensive assessments, we had to persuade ourselves by means of suitable measures within the meaning of the IDW auditing standards relating to the audit of annual financial statements of the truth and fairness of the vouchers, books and inventory records provided to us.

The responsibility for the annual financial statements and the information given to us lies with the legal representatives of the association. The legal representatives of the association are also responsible for assessing the association's ability to continue as going concern. In addition, they are responsible for the accounting on the basis of the going concern principle, unless factual or legal circumstances prevent this. For this purpose, they are obliged to provide us with information on matters relating to the going concern principle, if relevant, for the purpose of reporting in the annual financial statements prepared by us.

V. Certification by the Accounting Association Regarding the Preparation of the Annual Financial Statements

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

To the

Sustainable Rice Platform e.V.

Bonn/Germany

Pursuant to the terms of the engagement, we have prepared the annual financial statements below - comprising the balance sheet, profit and loss account of Sustainable Rice Platform e.V., Bonn/Germany for the financial year from 01 January 2022 to 31 December 2022 in compliance with German commercial law.

Basis for the preparation of the annual financial statements were the financial accounting and the vouchers, books and inventory records provided to us in addition, which, in accordance with the engagement terms, we have examined as to whether they have been properly prepared pursuant to German commercial law, as well as other information provided to us. Keeping the books as well as preparing the inventory lists and the annual financial statements in accordance with German commercial law and supplementary provisions of the articles of association are the responsibility of the association's legal representatives.

We have conducted our engagement in accordance with the *IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen (IDW S 7) [IDW Standard: Principles for the Preparation of Annual Financial Statements (IDW S 7)]*. This involves the development of the balance sheet and the profit and loss account on the basis of the bookkeeping and the inventory records as well as the instructions relating to the applicable accounting and valuation methods. In order to examine whether the vouchers, books and inventory records provided to us, the preparation with which we were not involved, have been properly prepared pursuant to German commercial law, we are required to plan and perform the examination so as to be able to express an opinion with reasonable assurance. In our opinion, based on the knowledge we obtained during the performance of our engagement, the documents provided to us, upon which basis we have prepared the annual financial statements, have been properly prepared pursuant to German commercial law.

Bonn, 24 October 2023

BDO AG Wirtschaftsprüfungsgesellschaft

signed Wernze

signed Kurscheid

Steuerberater

Steuerberater

(German Tax Advisor)

(German Tax Advisor)

FINANCIAL STATEMENT as at 31. December 2022
Sustainable Rice Platform e.V., Bonn/Germany

ASSETS	Financial year		Prev. Year		EQUITY AND LIABILITIES	Financial year		Prev. Year	
A. NONCURRENT ASSETS					A. ASSOCIATION ASSETS				
I. Tangible assets					I. Association capital				
Association equipment		0.00 €		2.00 €	Own capital § 62 Abs. 3 AO		196,382.50 €		196,382.50 €
II. Financial assets					II. Revenue reserves				
Shares in affiliated companies		53,896.11 €		0.00 €	1. Restricted revenue reserves		150,464.82 €		107,926.25 €
					2. Free reserves		<u>86,397.36 €</u>		<u>38,212.50 €</u>
B. CURRENT ASSETS					B. PROVISIONS				
I. Receivables, other assets					Other accruals		5,000.00 €		11,600.00 €
1. Trade receivables		50,360.00 €		93,250.00 €					
2. Receivables from affiliated companies		1,103.89 €		0.00 €					
3. Other assets		<u>1,582.64 €</u>		<u>76.88 €</u>					
II. Cashier, Bank		335,775.80 €		373,004.95 €					
C. PREPAID EXPENSES AND DEFERRED CHARGES		2,082.50 €		0.00 €					
		<u>444,800.94 €</u>		<u>466,333.83 €</u>			<u>444,800.94 €</u>		<u>466,333.83 €</u>

PROFIT AND LOSS STATEMENT
Sustainable Rice Platform e.V., Bonn/Germany from 01.01.2022 to 31.12.2022

	Financial year	Prev. year
A. NON-PROFIT PART		
I. Non-taxable income		
1. Membership fees	481,842.37 €	382,125.00 €
2. Other non-taxable income	6.18 €	0.00 €
II. Expenses not to be recognized		
Other expenses	85,389.09 €	75,611.36 €
Profit idealistic area	396,459.46 €	306,513.64 €
B. WEALTH MANAGEMENT		
I. Revenue		
Interest earnings	0.00 €	0.28 €
Other income tax-exempt income	0.00 €	8.40 €
	0.00 €	8.68 €
II. Expenses		
Other Expenses	0.00 €	24.10 €
Profit/Loss Wealth management	0.00 €	-15.42 €
C. OTHER SPECIAL PURPOSE ENTITIES		
1. Sales revenue	14,590.00 €	15,591.47 €
2. Cost of materials		
Cost of purchased services	134,641.50 €	67,832.00 €
3. Depreciation		
Depreciation of tangible and intangible Assets and property, plant and equipment	2.00 €	1,520.00 €
4. Other operating expenses	185,682.53 €	106,598.94 €
	320,326.03 €	175,950.94 €
Loss Other special purpose entities	-305,736.03 €	-160,359.47 €
D. ANNUAL RESULTS		
1. Withdrawal from restricted revenue reserves	107,926.25 €	0.00 €
2. Transfer to restricted revenue reserves	150,464.82 €	107,926.25 €
3. Allocations to the free revenue reserves (\$ 62 Abs. 1 Nr. 3 AO)	48,184.86 €	38,212.50 €
E. RESULTS BROUGHT FORWARD		
	0.00 €	0.00 €

Bonn, 24.03.2023

signed Keith Andrew Jones
Chairman

signed Bruno Fischer
Treasurer

BDO AG Wirtschaftsprüfungsgesellschaft - Special Terms and Conditions -

1. General Provisions

(a) We render our services based on (i) the engagement letter and any possible attachments to the engagement letter (in particular any service descriptions, revocation notices for consumers and portal terms of use), (ii) these Special Terms and Conditions (hereinafter the "STC"), and (iii) the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften of the Institute of German Certified Accountants (hereinafter the "GET") (hereinafter collectively referred to as the "Client Agreement"). The same also applies to any part of our services that may be rendered by us before the Client Agreement is signed with legal effect. Different or conflicting terms and conditions will apply only if they have been expressly accepted by us in writing. The provisions of our engagement letter, the STC and GET will apply even if we do not expressly object to an order placed on the basis of different terms and conditions (e.g., terms and conditions of written orders).

(b) Unless otherwise agreed, these STC and GET also apply if we render services in addition to those agreed upon in the engagement letter or any attachments thereto.

2. Fees, Payment Due Date

(a) Our invoices, including any invoices for installment payments or prepayments, will be issued in Euro and will be due for payment immediately. We will invoice you at cost for any subcontractor services.

(b) Any demands for advance payments are subject to section 13 (1) sentence 2 of the GET. We have the right to invoice the client for reasonable installment payments on fees, charges and expenses, including incidental costs, at any time.

(c) All information we provide regarding the expected amount of fees generally is only a cost estimate, unless the Client Agreement expressly provides for a flat fee. A quoted flat fee may be exceeded, if unforeseeable events beyond our control will result in a considerable amount of additional work.

(d) If we should discontinue our services early, we shall have the right to invoice the client for the number of hours worked up to that point in time, unless termination of the contract is due to wrongful conduct on our part. However, in the latter case we may invoice you for the number of hours worked, if and to the extent that the services rendered are utilizable despite early termination.

(e) The German Regulations on Fees of Tax Advisors (*Steuerberatervergütungsverordnung - StBVV*) shall apply only to the extent expressly agreed in writing. If after the Client Agreement is signed you request from our firm services that are not included in the engagement letter, we will invoice you for those services either based on a separate agreement or, absent a separate agreement, based on our standard hourly rates applicable to those services, which are available upon request.

(f) If we are requested or required (whether before or after services are rendered) to make available information about our services to a competent court, a trustee or insolvency administrator, a public, regulatory or supervisory authority (*WPK, PCAOB, DPR*) or to any other third party (including the hearing of our personnel as witnesses), we shall have the right to invoice you for the time expended in this context based on hourly rates as agreed in the Client Agreement.

3. Limitations of our Liability

(a) Unless otherwise specified in this section 3 of the STC our liability is governed by section 9 of the GET. In derogation of section 9 (2) and (5) of the GET, each of the liability limits stated therein shall however be replaced throughout by the amount of € 5 million. Section 9 (1) of the GET shall in each case remain unaffected.

(b) If in your opinion the risk associated with our services substantially exceeds the amount of € 5 million, we are prepared to discuss the possibility and costs of increasing our liability limit with you and our liability carrier. You are responsible for any additional premiums incurred in connection therewith.

(c) Contrary to section 9 (2) of the GET and section 3 (a) of the STC our liability is unlimited only if (i) expressly agreed in writing, or (ii) as far as we have to perform our work without any limitations of liability to meet the requirements of the laws of the United States of America concerning the independence of auditors.

4. Our Work Results

Work results that must be delivered in writing and signed by us shall be binding only if the original is signed by two employees or, in case of e-mails, if

two employees are named as signatories. Unless otherwise agreed or in violation of any applicable laws or professional standards, we may also deliver our work results to you exclusively (i) as a PDF file and/or (ii) by e-mail and/or (iii) with a qualified electronic signature.

5. Disclosure of Our Work Results, Rights to Work Results

(a) Our work results are intended solely for the agreed purpose, and they are therefore addressed exclusively to you and may not be used for any other purpose. Any disclosure of our work results to third parties or any use of our work results for advertising purposes is subject to section 6 of the GET.

(b) Unless otherwise agreed in writing, we generally will consent to a disclosure of our work results to third parties only under the condition that a standard disclosure agreement (hold harmless release letter) has been signed by the third party/parties. Any disclosure of our work results must be made in full text and include all appendices. § 334 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) shall remain unaffected by any such disclosure.

(c) You agree to hold harmless and indemnify us from and against any and all losses and damages that may result from any non-compliance with the foregoing provisions in section 5 (a) and/or (b).

(d) We will grant you rights to use our work results only to the extent necessary given the purpose of the applicable Client Agreement.

6. Principles of Our Cooperation

(a) The amount of time needed to render our services and used to calculate our fees depends in substantial part on satisfaction of the requirements set forth in section 3 (1) of the GET.

(b) Unless otherwise provided by the engagement letter, binding laws to which we are subject or any other provisions or applicable standards, we shall have no obligation to review any information made available to us for accuracy or completeness.

7. Special Clause for Tax Advice

(a) You hereby instruct and authorize us to electronically submit in your name all statements prepared for you that are intended and have been approved for electronic transmission to the responsible office of the German tax authority directly through DATEV eG. The foregoing instruction and authorization shall be effective immediately and may be revoked at any time. Any notice of revocation must be at least in text form.

(b) If documents requiring action by a certain deadline are submitted to us, we shall have no obligation to take any steps to meet the deadline unless the documents are transmitted to us by regular mail or fax.

8. Electronic Communication and Antivirus Protection

Electronic communication is subject to section 12 of the GET. You hereby further acknowledge that data sent via the Internet cannot be reliably protected against access by third parties, might be subject to loss, delay or viruses. To the extent permitted by law, we therefore disclaim any responsibility and liability for the integrity of e-mails after they leave our control, and for any damages you or any third parties may suffer as a result. This also applies if despite antivirus programs used by us, viruses enter your system as a result of receiving e-mails from us.

9. BDO Network, Sole Recourse

(a) We are a member of BDO International Limited, a British company with limited capital contributions, and we are part of the international BDO network of legally independent member firms. BDO is the brand of the BDO network and the BDO member firms (hereinafter "BDO Firms"). To render services, we may involve other BDO Firms as subcontractors. For this purpose, you hereby release us from our duty of confidentiality in relation to such BDO Firms.

(b) You hereby acknowledge and agree that in such cases we will bear full responsibility for both our acts and/or omissions and also all acts and/or omissions of any BDO Firms assisting us as subcontractors. Accordingly, you agree that you shall bring no claims or proceedings of any kind whatsoever against any BDO subcontractors (including BDO International Limited or Brussels Worldwide Services BVBA). This shall not apply to any claim or proceeding founded on an allegation of fraud or willful misconduct or any other claims that cannot be excluded under the laws of the Federal Republic of Germany.

(c) The liability provisions of this Client Agreement, including, without limitation, the limitations of liability, shall also apply for the benefit of any BDO

Firms assisting us as subcontractors. Such BDO subcontractors have the right to directly invoke the provisions of the foregoing section 9 (b) of these STC.

10. BDO Legal Rechtsanwaltsgesellschaft mbH (BDO Legal) and BDO Group

(a) If in connection with our services you are also engaging BDO Legal or other companies of the BDO group, you hereby release us from our duty of confidentiality with respect to all engagement-related information in relation to BDO Legal and/or other companies of the BDO group, so that services can be rendered as smoothly and efficiently as possible.

(b) We are legally independent from BDO Legal and from other companies of the BDO group, we neither assume responsibility for their actions or omissions, nor do we form partnership under civil law (*Gesellschaft bürgerlichen Rechts - GbR*) with BDO Legal or any company of the BDO group, nor are we subject to joint and several liability with BDO Legal or any company of the BDO group.

11. Money-Laundering Act, Sanctions

Under the provisions of the German Money-Laundering Act (*Geldwäschegesetz - GwG*) we are required to follow certain identification procedures with respect to our contract partners. You are obligated to provide us, fully and truthfully, with all information and documentation that must be provided under the German Money-Laundering Act, and you are obligated to update such information and documentation without demand in the further course of the business relationship. We hereby expressly advise you of our obligations to terminate business relationships in accordance with applicable provisions of the German Money-Laundering Act. We further note that we also review our business relationships, *inter alia*, for relevant national or international sanctions. We reserve the right to terminate a business relationship without notice if we determine in the course of any sanction reviews that you and/or any of your controlling shareholders/partners are subject to relevant sanctions.

12. Marketing

Unless we are instructed otherwise by you in writing or highly personal matters or mandates of consumers within the meaning of § 13 of the German Civil Code are involved, you hereby allow us to use the type and nature of our contract with you for marketing purposes. This authorization exclusively covers a factual description of the basic nature of the contract and the client (e.g., reference lists with firm and logo, as well as scorecards).

13. Statute of Limitations

(a) The limitation of warranty claims is subject to section 7 (2) of the GET. The limitation of all other claims is as provided in the following subsections.

(b) In cases of simple negligence not involving harm to life, body, freedom or health, all claims against us shall be subject to a general limitation period of one year.

(c) The limitation period shall begin to run at the end of the calendar year in which the claim occurred and in which you discovered or absent gross negligence would have discovered the circumstances giving rise to the claim as well as the identity of the liable party ("knowledge or grossly negligent lack of knowledge"). Irrespective of the above, claims shall be time-barred after a period of five years after they occurred, or, without regard to their occurrence and to your knowledge or grossly negligent lack of knowledge, ten years after the act, breach of duty or any other event triggering the damage. Whichever deadline expires first shall be relevant.

(d) Except as provided herein, the limitation of claims shall be governed by applicable law.

14. Jurisdiction, Form, Severability

(a) If you are a merchant (*Kaufmann*), a legal entity under public law or a special fund under public law, or if you do not have a general place of jurisdiction in Germany, the place of jurisdiction for any and all disputes arising from or in connection with the Client Agreement shall, at our option, be (i) Hamburg/Germany, (ii) the place at which the work in dispute was performed, or (iii) the place of your registered office or residence.

(b) Any amendment, supplement or cancellation of the Client Agreement shall be made at least in text form (§ 126b German Civil Code). This shall also apply to any amendment, supplement or cancellation of this clause 14 (b) STC.

(c) If any provision of this agreement - in whole or in part - is held to be invalid or otherwise impracticable, the other provisions shall remain in full force and effect. Any invalid or impracticable provision shall be deemed to be replaced by such valid and enforceable provision as comes as close as possible to the economic intent of the invalid or unenforceable provision. The foregoing shall apply, *mutatis mutandis*, if any provision has been inadvertently omitted from this agreement.

General Engagement Terms

for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.