

# **ACCENTRO Real Estate AG, Berlin**

Note on the Audit of the Remuneration Report  
pursuant to Art. 162, Sec. 3, German Stock  
Corporation Act (AktG), for the period beginning  
1 January 2022 and ending 31 December 2022

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# Auditor's Report on the Audit of the Remuneration Report pursuant to Art. 162, Sec. 3, AktG

To ACCENTRO Real Estate AG

## Audit Opinion

We have formally audited the Remuneration Report of ACCENTRO Real Estate AG, Berlin, for the financial year beginning 1 January 2022 and ending 31 December 2022 to determine whether the Company's Remuneration Report includes disclosures stipulated by Art. 162, Sections 1 and 2, German Stock Corporation Act (AktG). In line with Art. 162, Sec. 3, AktG, we did not examine the contents of the Remuneration Report.

In our opinion, the attached Remuneration Report complies in all material respects with the disclosures stipulated by Art. 162, Sections 1 and 2, AktG. Our audit opinion does not cover the contents of the Remuneration Report.

## Basis for the Audit Opinion

We performed our audit of the Remuneration Report in accordance with Art. 162, Sec. 3, AktG, and with the draft version of IDW auditing standard "The Audit of the Remuneration Report in accordance with § 162 (3) AktG" (IDW EPS 870 (02.2023)). Our responsibility under this guidance is described in more detail in the section "Auditor's Responsibility" of our Auditor's Report. In our auditing practice, we followed the requirements for quality assurance in auditing practice (IDW QMS 1 (09.2022)). We also fulfilled the professional duties pursuant to the German Auditors' Code (WPO) and the German Professional Statutes for Auditors / Sworn Accountants (BS WP/vBP) including the requirements as to auditors' independence.

## Responsibility of Management Board and Supervisory Board

The Company's Management Board and the Supervisory Board are responsible for the preparation of the Remuneration Report, including the related disclosures, in compliance with the requirements of Art. 162, AktG.

They are moreover responsible for the internal controls that they deem necessary to facilitate the preparation of Remuneration Report, including the associated disclosures, in ways that rule out material misstatements, be they due to malicious acts (i. e. manipulation of the accounts and misappropriation of assets) or errors.

## Auditor's Responsibility

Our objective is to obtain reasonable assurance about whether the Remuneration Report includes disclosures in all material respects stipulated by Art. 162, Sections 1 and 2, AktG, and to express an opinion thereon in the form of an audit report.

We planned and performed our audit to obtain evidence about the formal completeness of the Remuneration Report by comparing the disclosures made in the Remuneration Report with the disclosures stipulated by Art. 162, Sections 1 and 2, AktG. In accordance with Art. 162, Sec. 3, AktG, we did not examine the substantive accuracy of the disclosures, the substantive completeness of each disclosure or the fair presentation of the Remuneration Report.

## Treatment of Misrepresentations

In conjunction with our audit, we have a responsibility to read the Remuneration Report, taking into account the knowledge gained from the audit of the financial statements, and to remain alert for signs suggesting that the Remuneration Report contains misrepresentations in regard to the substantive accuracy of the disclosures, the substantive completeness of each disclosure or the fair presentation of the Remuneration Report.

Had we had reasons, based on the work we performed, to conclude that there is evidence of misrepresentation, we would be obligated to report the fact. We have nothing to report in this context.

Berlin, 27 April 2023

Grant Thornton AG  
Auditing Firm

Niclas Rauscher  
Auditor

Stefanie Weisner  
Auditor

## Annex 1

## **Remuneration report according to § 162 AktG for presentation at the Annual General Meeting**

This Compensation Report explains the compensation of the Management Board and the Supervisory Board of Accentro Real Estate AG ("**ACCENTRO**" or the "**Company**") in the 2022 financial year pursuant to Section 162 of the German Stock Corporation Act (AktG).

The ACCENTRO Management Board consisted of Mr Lars Schriewer as at the reporting date of 31 December 2022. The employment contract with Mr Lars Schriewer concluded in the 2020 financial year (March) with a term of three years ended prematurely at the end of 31 May 2022. The new employment contract with Mr Lars Schriewer concluded in the 2022 financial year (June) has a term of five years and ends at the end of 31 May 2027.

The Supervisory Board had decided on the current remuneration system applicable to extensions or Executive Board service contracts concluded since that date on 6 May 2021. The current remuneration system was approved by the Annual General Meeting on 22 June 2021 with a majority of 99.61%. Pursuant to section 26j (1) sentence 3 of the Introductory Act to the German Stock Corporation Act (EgAktG), the remuneration system approved on 22 June 2021 did not yet apply to the Executive Board service agreement concluded with Executive Board member Lars Schriewer in the 2020 financial year.

### **1. Overview of remuneration granted and owed to the Executive Board**

With regard to the short-term variable remuneration component (Short Term Incentive, STI), the remuneration is considered to be owed in the reporting period, as the performance owed was already fully achieved within the reporting period. For reasons of transparency and clarity, the STI is therefore disclosed in this reporting period, even if the actual inflow of funds does not occur until the following year.

As payments from the virtual share option programme (long-term incentive, LTI) are not paid out until the end of the assessment period (2027), the LTI is not taken into account at this point in the calculation of the total remuneration granted in the reporting period.

#### **1.1 The only acting member of the Executive Board during the reporting period: Lars Schriewer**

In the reporting period, Mr Lars Schriewer received the total remuneration promised.

1.1.1 From 1 January to 31 May 2022, the remuneration granted to the Executive Board member consisted of approx. 85% fixed and approx. 15% variable remuneration components (discretionary bonus for the period 18 March to 31 May 2022) and amounted to EUR 233,597.30 + EUR 40,860.21 (STI). As of 1 June 2022, the Executive Board remuneration consisted of approximately 70.55% fixed remuneration components and approximately 29.45% variable remuneration components and amounted to EUR 419,331.04 + EUR 175,000 (STI) without pro rata consideration of the LTI (whose target cash value for the 2022 financial year corresponds to EUR 75,000.00).

The fixed, non-performance-related remuneration (fixed remuneration) also includes benefits in kind and other fringe benefits, such as, in particular, a company car allowance, an allowance for health and long-term care insurance as well as for retirement benefits and term life insurance.

1.1.2 For the first period after the change of the Executive Board in 2020, the Supervisory Board initially focused on continuity in Executive Board remuneration. For this period, a variable remuneration component in addition to the acquisition of shares with a holding period on the part of the Executive Board, as explained below, was not necessary in the view of the Supervisory Board in order to promote the long-term development of the company. However, in the Executive Board employment contract with Mr Lars Schriewer from 2022 (June), variable remuneration components were agreed in addition to the fixed remuneration. According to the current Executive Board service contract, the remuneration of the Executive Board member includes an annual STI, as well as an LTI in the form of the granting of virtual stock options according to the respectively valid virtual stock option plan and the option conditions for Executive Board members (Long Term Incentive, LTI).

With regard to the STI, the annual bonus 2022 is considered "remuneration owed" below, as described at the beginning. The STI owed amounted to EUR 215,860.21 in the reporting period.

Under the new Executive Board service agreement, the Supervisory Board sets targets and conditions for a financial year annually at its discretion. The STI is generally based on the degree of target achievement, whereby the targets set by the supervisory board relate both to the individual performance of the executive board member and to sustainable and financial key figures for achieving the company's goals; the degree of target achievement can be up to 200 %, which also corresponds to the maximum amount for the STI (STI expense cap). For this purpose, the supervisory board had to propose the corresponding targets to the executive board member for the 2022 financial year within four weeks of the conclusion of the service contract.



In the event that the Supervisory Board does not adopt the targets in due time despite written request by the Executive Board member, the Executive Board member is entitled to an annual bonus corresponding to 100 % target achievement for the 2022 financial year. In the event that the target is reached during the year, the remuneration is only paid pro rata temporis. In the present case, the Supervisory Board has not resolved any targets for the 2022 financial year, so that the STI amounts to EUR 175,000.00 based on an assumed target achievement of 100 %. A discretionary bonus of EUR 40,860.21 was granted under the old Executive Board service agreement for the period from 18 March 2022 to 31 May 2022.

Under the virtual stock option programme, Mr Lars Schriewer was allocated a total of 947,318 virtual stock options at an allocation price of EUR 2.1772; this corresponds to an LTI target amount of EUR 2,062,500.00 for the entire assessment period from 1 November 2022 to 31 May 2027 and thus EUR 450,000.00 calculated over a full financial year. The assessment period is divided into three performance periods, for each of which the Supervisory Board sets performance targets, for the first performance period based on the consolidated net income, the repayment of the refinanced bonds in 2020/2023 and 2021/2026 and the share price performance in relation to the FTSE EPRA/NAREIT GERMANY INDEX. The LTI payout amount is limited to a total of EUR 2,681,250.00 and thus to a target achievement of 130% (LTI expense cap).

- 1.1.3 The Supervisory Board may adjust the variable remuneration with a short-term incentive effect upwards or downwards by up to 20 percentage points at its own discretion, irrespective of the specific target achievement, whereby the respective expense cap may not be exceeded. Furthermore, there is no provision for the possibility of reclaiming variable remuneration components. Accordingly, no variable remuneration components were recalled in the reporting year. However, there would have been no reason to do so in the reporting year.
- 1.1.4 The maximum remuneration set for Mr Lars Schriewer was complied with for both fixed and variable remuneration in the 2022 financial year with the following proviso: A final report on compliance with the maximum remuneration of the members of the Executive Board can only be made after all remuneration components promised for a financial year have been paid out.

This means that a final report for the financial years 2022 to 2027 can only be made after the end of the respective performance period or, with regard to the LTI expense cap, at the end of the assessment period of the virtual share option programme (LTI).

- 1.1.5 In order to promote a long-term positive development of the company, Mr Lars Schriewer acquired 251,572 shares in the company over the counter through Anden Beteiligungs GmbH in April 2020. The shares originate from the holdings of a British group company of the company's main shareholder. In this context, a loan was granted to finance the acquisition of shares, which will become due upon termination of the term of office and can be repaid both in cash and - irrespective of the share price development - by means of the acquired shares.

This is therefore a share-based payment agreement between a third party within the meaning of § 162 para. 2 no. 1 AktG (German Stock Corporation Act) and the respective Executive Board member, which, like a stock option, is to be measured at its fair value at the grant date in accordance with IFRS 2 and recognised as remuneration expense in the consolidated financial statements over the term. However, no benefits were promised or granted to Mr Schriewer as a result of this situation in the reporting period.

- 1.1.6 In the event of a premature termination of the Executive Board service contract due to dismissal for good cause, which does not at the same time constitute good cause within the meaning of § 626 BGB for the termination of the Executive Board service contract without notice, or due to a change of control, the Executive Board member concerned would have received a severance payment in accordance with the service contract valid until 31 May 2022. May 2022, the Executive Board member concerned would be entitled to a severance payment in the amount of the sum of two years' salary, limited to the remuneration due for the original remaining term of the service contract from an amount of EUR 400,000.00 gross per annum plus 50% of the variable remuneration due for the original remaining term of the service contract (if relevant).

With the validity of the newly concluded service contract, the Executive Board member receives, in the event of the ordinary termination of the service contract due to a dismissal that is not at the same time based on good cause pursuant to section 626 of the German Civil Code (BGB), a severance payment in the amount of the discounted fixed remuneration and the discounted target amount of the STI for the remaining period of the original term of the service contract limited to the severance payment cap of two annual salaries. In the event of termination of the Executive Board service contract due to a change of control, the Executive Board member receives a severance payment in the amount of two years' fixed remuneration (incl. fringe benefits) and the STI for two years, limited to the sum of fixed remuneration

(incl. fringe benefits) accruing for the remaining term of the service contract and 50% of the STI.

If the Executive Board service contract is terminated for good cause for which the Executive Board member is responsible, no payments shall be made.

In the event of the death of the Executive Board member during the term of the Executive Board employment contract, his widow and his children, insofar as they have not yet reached the age of 25 and are still in professional training, are entitled as joint creditors to continued payment of the fixed remuneration (since the Executive Board employment contract of June 2022 from an amount of EUR 600.000.00 gross per annum, under the old Executive Board service agreement it was an amount of EUR 400,000.00 gross per annum) for the month of death and for the three following months, but no longer than until the termination of the Executive Board service agreement.

## **1.2 Deviations from the applicable remuneration system**

The current remuneration system was approved at the Annual General Meeting on 22 June 2021. However, this system has no effect on Executive Board service contracts already in place prior to the approval of the current remuneration system. In this respect, any deviations with regard to the service contract with Mr Lars Schriewer, which is valid until 31 May 2022, relate to the old remuneration system applicable to this Executive Board service contract: Contrary to what was initially envisaged by the Supervisory Board, no long-term performance-related remuneration was agreed.

In the service contract with Mr Lars Schriewer, which has been in effect since 1 June 2022, a variable long-term remuneration component was agreed during the year in accordance with the remuneration system approved on 22 June 2021. Mr Schriewer was also reimbursed for reasonable travel expenses from his place of residence to his place of work and for accommodation at his place of work. The decision to reimburse costs contrary to the remuneration system, which generally only provides for such reimbursement of costs for the first year of appointment, is based on the fact that, in agreement with the Supervisory Board, the Executive Board member does not live at the place of his place of work during the relevant period for personal reasons. Against this background, the Supervisory Board considers it appropriate to assume the associated costs to a reasonable extent beyond the first year of appointment.

### **1.3 Former members of the Board of Directors**

In the 2022 financial year, there are no remuneration obligations to former members of the Executive Board pursuant to § 162 para. 1 sentence 1 AktG.

## **2. Overview of the remuneration granted and owed to the Supervisory Board**

The remuneration of the Supervisory Board members for the reporting period is based on the resolution passed by the Annual General Meeting on 15 May 2017, which was also confirmed for the following financial years by resolution on 22 June 2022. The assessment of the Supervisory Board remuneration takes into account the requirements of the Supervisory Board office, the time required and the responsibility of the Supervisory Board members for the company. At the same time, the remuneration is intended to ensure that the company continues to attract qualified and outstanding Supervisory Board members. In this way, the remuneration of the Supervisory Board contributes to the promotion of the business strategy and the long-term development of the company.

In the reporting period, the remuneration granted corresponds to the remuneration owed to the Supervisory Board, so that no differentiation is made here in the presentation.

The Chairman of the Supervisory Board, Mr Axel Harloff, received the promised remuneration of EUR 60,000.00, the Deputy Chairman of the Supervisory Board, Mr Carsten Wolff, received the promised remuneration of EUR 45,000.00 and the Supervisory Board member Mr Natig Ganiyev received the promised remuneration of EUR 30,000.00. The Supervisory Board remuneration is generally payable after the end of the financial year. The remuneration granted for the 2022 financial year is therefore the remuneration for the activities of the Supervisory Board members in the 2021 financial year. In accordance with the current remuneration system, 100% of the remuneration of the Supervisory Board members concerned consisted of fixed remuneration components. Expenses were reimbursed to the members of the Supervisory Board to an appropriate extent.

In the 2022 financial year, there are no remuneration obligations to former members of the Supervisory Board pursuant to § 162 para. 1 sentence 1 AktG.

### 3. Development of total remuneration

The following table shows the development of the remuneration granted and owed to active and former members of the Executive Board and Supervisory Board, the development of selected key earnings figures for the Group and the company, and the development of the average remuneration of employees over the last three years.

	Total remuneration FY 2022	Total remuneration FY 2021	Total remuneration FY 2020
<b>Board of Directors in office as at 31.12.2022</b>			
Lars Schriewer	EUR 868,788.11	EUR 665.540,91	EUR 488,834.64
<b>Members of the Executive Board who resigned in 2020/2021</b>			
Hans-Peter Kneip Board of Directors from 16.11.2020 - 30.06.2021		EUR 292,058.56	EUR 65.899,95
Jacopo Mingazzini Board of Directors until 18.03.2020			EUR 589,455.06*
<b>Supervisory Board members in office as at 31.12.2022</b>			
Axel Harloff Chairman	EUR 60,000.00	EUR 60,000.00	EUR 60,000.00
Carsten Wolff Vice-Chairman since 28.04.2020	EUR 45,000.00	EUR 45,000.00	EUR 34,000.00
Natig Ganiyev	EUR 30,000.00	EUR 30,000.00	EUR 30,000.00
<b>Supervisory Board member who resigned in 2020</b>			
Dirk Hoffmann Former Vice-Chairman until 31.3.2020			EUR 11,000.00
<b>Earnings position of the company</b>			
Turnover in EUR million	EUR 165,2	EUR 192,7	EUR 125,2
Group result for the period in EUR m	EUR -14,2	EUR 13,1	EUR 18,1
<b>Workers</b>			
Average annual employee compensation per FTE in EUR	EUR 89.626,34	EUR 95.380,09	EUR 112.010,51

\* Total compensation Mingazzini 2020 includes a severance payment.

For the calculation of the development of the average employee remuneration, all employees and managers on a full-time equivalent basis (FTE) of the company and its subsidiaries were taken into account. The basic remuneration and any annual bonus paid in the financial year were taken into account. Among other things, the following were taken into account as fringe benefits: employer contributions to social insurance and, where relevant, the budget available for a company car.

**4. Consideration of the resolution of the Annual General Meeting on last year's remuneration report**

The Annual General Meeting approved the remuneration report for the 2021 financial year, which was prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG), at the Annual General Meeting on 31 August 2022.

## Annex 2

# 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.