

Certified translation from the German language

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**TRANSTREUHAND GmbH**  
**Wirtschaftsprüfungsgesellschaft**  
*[Auditing Company]*  
**Hamburg**

Report  
on the Preparation of the Financial Statements  
for the Year Ended 31 December 2019

**Waldmensen eG,**  
**Hamburg**

Report no.: T 75 / 2020

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### List of Abbreviations

BGB	<i>Bürgerliches Gesetzbuch</i> [German Civil Code]
DATEV eG	<i>Datenvereinbarung und Dienstleistung für den steuerberatenden Beruf eG</i> [Data Processing and Service for Tax-Consulting Professions, registered cooperative], Nuremberg
EStG	<i>Einkommensteuergesetz</i> [German Income Tax Act]
GenG	<i>Genossenschaftsgesetz</i> [German Act on Cooperative Societies]
GmbHG	<i>Gesetz betreffend die Gesellschaften mit beschränkter Haftung</i> [German Act on German Limited Liability Companies]
HGB	<i>Handelsgesetzbuch</i> [German Commercial Code]
IDW	<i>Institut der Wirtschaftsprüfer in Deutschland e.V.</i> <i>Düsseldorf</i> [German Institute of Auditors, registered association]
IDW S	Standard of the IDW
KStG	<i>Körperschaftsteuergesetz</i> [German Corporation Tax Act]

**A. Engagement**

This report on the preparation is intended for the Board of Directors of

**Waldmensen eG,  
Hamburg,**

that engaged us with the preparation of the Financial Statements for the year ended on 31 December 2019 based on the presented receipts, books and inventory evidences by observing the other oral information given to us. An assessment of the accuracy of the documents was not the subject matter of our engagement. Existing option rights were exercised in the scope described by law and according to the standards given by the company.

The Board of Directors is responsible for the bookkeeping, the internal controls established for that purpose and the Financial Statements and the information given to us and the documents presented to us.

The General Terms and Conditions of Engagement for Auditors and Auditing Companies as amended on 01 Jan. 2017 and attached hereto in Annex 5 are decisive for the performance of the engagement and our responsibility, also in relation to third parties.

The cooperative is a small cooperative in terms of Sec. 336 et seqq. of the HGB in conjunction with Sec. 267 (1) of the HGB. The Financial Statements were prepared in line with the engagement and mainly by using the size-dependent simplification options.

The cooperative has not prepared a Management Report since it is a small cooperative.

The work was performed in July and August of 2020 in our premises in Hamburg, Germany.

During the performance of our work, we observed the "Principles for the Preparation of Financial Statements" as specified in IDW S 7.

The Board of Directors and the persons appointed by them have willingly provided the clarifications and evidences which we requested. The letter of representation on the preparation of the Financial Statements as customary in OUR profession was provided to us.

We prepare this report on the result of our work. The Financial Statements for the Year Ended on 31 Dec. 2019 prepared according to the engagement is attached to this report as Annexes 1 to 3.

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**B. Overall Overview****I. Legal Information**

The cooperative was registered in the Register of Cooperative Societies at the *Amtsgericht* [Local Court of] Hamburg on 14 Nov. 2016 under no. GnR 1083.

The Articles of Association were amended in Articles 2, 17 and 37, during the extraordinary general meeting of 02 Dec. 2016. The amendment was registered on 19 July 2017. Articles 11, 13, 24 and 45 of the Articles of Association were amended during the general meeting of 17 June 2019. The request for registration in the Register of Cooperative Societies has not yet been filed. We refer to the fact that the registration of the amendment of the Articles of Association pursuant to Sec. 16 (6) of the GenG is constitutive. The Articles of Association of 19 July 2017 shall apply.

**Purpose** of the cooperative is the sustainable reforestation of forest, the subsequent agriculture and forestry use by observing ecological, economic and ethical principles and the marketing of products from sustainable production. Therefore, the purpose of the company includes initially:

- a) the joint purchase or leasing of land plots which are required for planting forests;
- b) the planting and research of forests according to the principle of a "Generation Forest";
- c) the information and consultation of members and the public in all questions associated with the purpose of the cooperative;
- d) the cooperative may also extend its business operation to the use of other sustainable and environmentally friendly woodland and agricultural types of use. Furthermore, it may acquire, manage, mediate, sell and care for wood and agricultural areas in all legal and usage types; it may take over work in all areas of forestry and agriculture and may also engage third parties for this purpose;
- e) the processing and sale of certified and sustainably produced precious wood, as well as the purposes of the cooperative mentioned in Art. 2 (2) point d) of the Articles of Association, should be performed, in particular in Germany.

The **financial year** coincides with the calendar year.

**Registered office** of the cooperative is Hamburg, Germany.

The **share** amounts to EUR 1,200.00

**Members of the Board of Directors** in the financial year 2019 were Mr Andreas Eke, Mr Matthias Hein and Ms Ing. Iliana Armien. Mr Matthias Hein was appointed to the Board of Directors on 04 June 2019. Mr Matthias Hein was registered in the Register of Cooperative Societies on 05 July 2019.

The **Supervisory Board** currently consists of four members. A list of names of the members of the Supervisory Board is contained in the Annex (cf. Annex 3).

The **shareholders' meeting** of 17 June 2019 approved the Financial Statements for the 2018 financial year, resolved to carry forward the profit for the year to the new account and granted discharge to the members of the Board of Directors and the Supervisory Board.

## II. Tax Information

The cooperative is registered with the Tax Office of Hamburg-Mitte under tax number 48/767/03047. Tax assessments have been made until 2018.

### III. Accounting

#### 1. Bookkeeping

The bookkeeping has been made by us by using the DATEV software "Kanzlei-Rechnungswesen Pro".

#### 2. Financial Statements

The Financial Statements for the year ended on 31 Dec. 2019, consisting of balance sheet, income statement and notes were derived from the bookkeeping performed by us.

The income statement was prepared according to the nature of expense format (Sec. 275 (2) of the HGB).

The asset and liability items were recognised and valued by observing the provisions of the HGB, the supplementary provisions of the GenG and the supplementary provisions of the Articles of Association and the principles of proper accounting.

For details on the Financial Statements, we refer to the Notes (Annex 3) for which the simplification options available to small cooperatives have been used.

**C.      Reproduction of the Certificate**

“Certificate

To Waldmenschen eG

We audited, in line with the engagement, the below Financial Statements – consisting of balance sheet, income statement and notes of Waldmenschen eG, Hamburg for the financial year from 01 Jan. to 31 Dec. 2019 by observing the provisions set forth in the German Commercial Code and the supplementary provisions of the Articles of Association. Basis for the preparation were the receipts, books and inventory evidences provided to us which we did not audit, in line with our engagement, and the oral information given to us. The legal representatives of the cooperative are responsible for the bookkeeping and the preparation of the inventory and the Financial Statements according to the provisions set forth in the German Commercial Code and the supplementary provisions of the Articles of Association.

We performed our engagement by observing the standard of the IDW: Principles for the Preparation of Financial Statements (IDW S 7). It comprises the provision to develop the balance sheet and the income statement and the Notes on the basis of the bookkeeping and the inventories and the requirements regarding the accounting and valuation methods to be applied.

Hamburg, this 23 July 2020

TRANSTREUHAND GmbH  
Wirtschaftsprüfungsgesellschaft

signed Kischel  
Auditor

signed Steffens  
Tax Consultant”

**E. Summarised Final Remark**

We prepared the Financial Statements for the Year Ended on 31 Dec. 2019 based on the books presented and the information given to us.

Hamburg, 23 July 2020

**TRANSTREUHAND GmbH  
Wirtschaftsprüfungsgesellschaft**

*[signature illegible]*

**Kischel  
Auditor**

*[signature illegible]*

**Steffens  
Tax Consultant**



## Waldmensen eG, Hamburg

## Income Statement for the Period from 01 Jan. to 31 Dec. 2019

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	EUR	Financial Year EUR	Previous Year EUR
1. Gross earnings		12,120.00	0.00
2. Personnel expenses			
a) Wages and salaries	90,860.27		8,860.03
b) Social expenses	<u>18,074.34</u>	108,934.61	<u>2,138.64</u>
3. Depreciation of property, plant and equipment		903.18	2,363.50
4. Other operating expenses		<u>414,268.84</u>	<u>155,181.96</u>
5. Loss for the year (-)		<u>-511,986.63</u>	<u>168,544.13</u>

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## Waldmensen eG, Hamburg

### Notes

#### A. General Information

1. The structure of the balance sheet and the income statement corresponds to the provisions set forth in the German Commercial Code. The income statement was prepared according to the nature of expense method.
2. The cooperative is a small cooperative in terms of Sec. 267 (1) of the HGB. No statement of changes in fixed assets was prepared according to Sec. 336 (2) in conjunction with Sec. 288 of the HGB.
3. The cooperative has its registered office in Hamburg, Germany, and is registered in the Register of Cooperative Societies kept at the Local Court of Hamburg under GbR 1083.

#### B. Explanations on the Accounting and Valuation Methods

The following accounting and valuation methods were applied in the preparation of the balance sheet and the income statement:

- The disclosure of the capital shares was made according to the gross principle set forth in Sec. 337 (1) sentence 3 of the HGB.
- Low-value fixed assets with cost of acquisition of up to EUR 800.00 were fully written down in the financial year and were treated as a disposal.
- Financial fixed assets were valued at cost of acquisition.
- Accounts receivable and other assets were valued at their nominal amount. There was no need for impairment.
- Liquid funds were recognised at their nominal value in all cases.
- Other provisions correspond to the settlement amounts necessary according to a reasonable commercial assessment.
- Liabilities were disclosed at the settlement amount.

## C. Explanations on the Balance Sheet and the Income Statement

### I. Balance Sheet

1. In 2017, the cooperative had acquired 10 shares of PAB 1,000.00 each (= USD 1,000.00) of Waldmensen S.A., in Panama City, Panama, for a total purchase price of PAB 475,000.00 (=USD 475,000.00). EUR 380,000.00 were paid in advance on this amount until the balance sheet date of 2018. The remaining amount of EUR 28,901.00 was paid at the beginning of 2019. The cooperative is the sole shareholder of Waldmensen S.A. Financial statements of this company for the year ended on 31 Dec. 2019 are on file. The equity as of 31 Dec. 2019 amounts to EUR 10,258.00. The 2019 financial year ended with a profit for the year of USD 258.00.

In 2019, the cooperative had acquired 10 shares of USD 1,000.00 each of VWT S.A., in San Felix, Panama, for a total purchase price of USD 514,645.00. The purchase price was paid, in full, in 2019. The cooperative is the sole shareholder of VWT S.A. Financial Statements of this company for the year ended on 31 Dec. 2019 are on file. The equity amounts to USD 10,000.00 as of 31 Dec. 2019. The 2019 financial year ended with a profit for the year of USD 0.00.

2. Accounts receivable and other assets have a residual term of less than one year.
3. The liabilities all have a residual term of less than one year.

### II. Income Statement

No special information is necessary to be disclosed here.

## D. Other Disclosures

### 1. Changes in the Number of Members

	Number of Members	Number of Shares
01 Jan. 2019	229	880
Additions	646	1,737
Disposals	1	1
01 Jan. 2020	874	2,616

The capital shares of the remaining members increased by EUR 2,083,200.00 during the financial year.



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ACCOUNT STATEMENT to the Balance Sheet as of 31 Dec. 2019

Waldmensen eG Acquisition of Shares to Reforest in Panama, Hamburg

ASSETS

Account	Designation	EUR	Financial Year EUR	Previous Year EUR
90	<b>Outstanding due payments for shares</b> Due payments for shares		823,504.00	257,380.10
630	<b>Other plants, business and operating equipment</b> Business equipment		911.00	0.00
820	<b>Investments</b> Shares in VWT S.A.	469,923.26		0.00
850	Shares in Waldmensen S.A.	<u>408,901.00</u>	878,824.26	380,000.00
1261	<b>Accounts receivable from affiliated companies</b> Accounts receivable from aff. companies (less than 1 year)		342,381.48	278.94
1341	<b>other assets</b> Accounts receivable from personnel (less than one year)	60.00		0.00
1350	Deposits	0.00		2,610.00
1370	Transitory items	3,062.24		0.00
1401	Deductible input tax 7%	4,527.05		362.91
1406	Deductible input tax 19%	35,875.44		19,354.95
1407	Deductible input tax under Sec. 13 b of the UStG [German VAT Act] 19%	1,376.32		0.00
1460	Money transit	0.00		18.75
3300	Trade accounts payable	15,300.45		0.00
3740	Liabilities from social security	0.00		29.18
3820	Advance VAT payments	0.00		14,422.87-
3837	VAT under Sec. 13b of the UStG 19%	1,376.32-		0.00
3840	VAT of current year	14,010.82-		0.00
3841	VAT of previous year	<u>8,793.48</u>	53,516.84	7,871.93
1600	<b>Cash on hand, cash with the German Central Bank, bank balances and cheques</b> Cash	283.59		29.88
1800	GLS Bank acc.: 2061301500	<u>410,127.46</u>	<u>410,411.05</u>	<u>104,501.63</u>
	<b>Total assets</b>		<u>2,509,548.63</u>	<u>758,015.40</u>

ACCOUNT STATEMENT to the BALANCE SHEET as of 31 Dec. 2019

Waldmenschen eG Acquisition of Shares to Reforest in Panama, Hamburg

LIABILITIES

Account	Designation	EUR	Financial Year EUR	Previous Year EUR
<b>Company shares</b>				
<b>of the remaining members</b>				
2901	Company shares of the remaining members		3,139,200.00	1,056,000.00
<b>Capital reserve</b>				
2920	Capital reserve		93,306.00	0.00
<b>Loss carry forward</b>				
2978	Loss carry forward prior to utilisation		308,322.64-	139,778.51-
<b>Loss for the year</b>				
	Loss for the year		511,986.63-	168,544.13-
<b>Other provisions</b>				
3070	Other provisions	19,825.36		120.00
3095	Provisions for financial statements and audit	<u>3,500.00</u>	23,325.36	3,500.00
<b>Trade accounts payable</b>				
3300	Trade accounts payable		28,287.74	6,118.04
<b>of which with a residual term of less than one year EUR 28,287.74 (EUR 6,118.04)</b>				
3300	Trade accounts payable			
<b>Other liabilities</b>				
1460	Money transit	26,114.98		0.00
3720	Liabilities from wages and salaries	6,707.04		600.00
3730	Liabilities from wage and church tax	12,138.50		0.00
3740	Liabilities from social security	<u>778.28</u>	45,738.80	0.00
<b>of which from taxes EUR 12,138.50 (EUR 0.00)</b>				
3730	Liabilities from wage and church tax			
<b>of which from social security EUR 778.28 (EUR 0.00)</b>				
3740	Liabilities from social security			
<b>of which with a residual term of less than one year EUR 45,738.80 (EUR 600.00)</b>				
1460	Money transit			
3720	Liabilities from wages and salaries			
3730	Liabilities from wage and church tax			
3740	Liabilities from social security			
	<b>Total liabilities</b>		<u>2,509,548.63</u>	<u>758,015.40</u>

ACCOUNT STATEMENT to the INCOME STATEMENT from 01 Jan. 2019 to 31 Dec. 2019

Waldmensen eG Acquisition of Shares to Reforest in Panama, Hamburg

Account	Designation	EUR	Financial Year EUR	Previous Year EUR
	<b>Other operating income</b>			
4970	Insurance benefits, damages	12,000.00		0.00
4972	Reimbursements under the Expense Compensation Act	120.00	12,120.00	0.00
	<b>Wages and salaries</b>			
6020	Salaries	81,061.64-		8,219.22-
6035	Wages for mini-jobs	9,553.93-		480.00-
6036	Flat-rate tax for mini-jobbers	193.10-		0.00
6039	Flat-rate tax for employees	0.00		10.34-
6040	Flat-rate tax for temporary workers	51.60-		1.87-
6090	Reimbursement for travel expenses apartm./place of work	0.00	90,860.27-	148.60-
	<b>social security and expenses for old-age provision and assistance</b>			
6110	Statutory social security expenses	17,953.90-		2,044.91-
6120	Contributions to the professional association	50.59-		93.73-
6130	Voluntary social expenses. Wage-tax exempted	69.85-	18,074.34-	0.00
	<b>Amortisation / depreciation</b>			
	<b>on intangible fixed assets and property, plant and equipment</b>			
6220	Depreciation of property, plant and equipment	26.97-		0.00
6260	Immediate write-off of low-value assets	876.31-	903.18-	2,363.50-
	<b>other operating expenses</b>			
6300	Other operating expenses	77,442.98-		4,033.47-
6310	Rent, non-movable assets	15,854.27-		11,275.00-
6311	Brokerage	0.00		2,925.00-
6330	Cleaning	317.43-		29.48-
6345	Other room costs	141.13-		0.00
6392	Contributions, donations, charitable purposes	0.00		500.00-
6400	Insurances	1,395.36-		0.00
6420	Contribution	153.28-		477.49-
6430	Other duties	610.00-		777.36-
6530	Running operating expenses vehicles	82.10-		0.00
6595	External car costs	244.94-		0.00
6600	Advertising expenses	252,104.35-		73,453.61-
6601	General management	0.00		27,750.00-
6602	Online marketing	17,911.68-		0.00
6620	Gifts non-deductible without Sec. 37b of the EStG [German Income Tax Act]	33.56-		0.00
6640	Entertainment expenses	592.01-		0.00
6643	Small gifts	341.09-		0.00
6644	Non-deductible catering costs	118.05-		0.00
6645	Non-deductible operating expenses	389.04-		0.00
6650	Travel expenses employees	261.26-		0.00
6660	Travel expenses employees overnight expenses	3,109.20-		223.80-
6663	Travel expenses employees, travel costs	8,053.25-		5,290.18-
6664	Travel expenses employees extra catering expenses	124.23-		0.00
6740	Outgoing freights	71.82-		0.00
	Carry-over	379,351.03-	97,717.79-	140,097.56-

ACCOUNT STATEMENT to the INCOME STATEMENT from 01 Jan. 2019 to 31 Dec. 2019

Waldmensen eG Acquisition of Shares to Reforest in Panama, Hamburg

Account	Designation	EUR	Financial Year EUR	Previous Year EUR
Carry-over		379,351.03-	97,717.79-	140,097.56-
	<b>Other operating expenses</b>			
6780	External work (sales)	2,540.00-		3,000.00-
6800	Postage	7,705.43-		1,925.71-
6805	Telephone	581.32-		148.06-
6806	Internet	194.14-		0.00
6808	Internet	252.25-		267.06-
6810	Fax and internet costs	201.04-		0.00
6815	Office supplies	1,684.30-		2,075.81-
6820	Magazines, books (special literature)	573.39-		0.00
6821	Advanced training costs	3,111.34-		0.00
6825	Legal and consulting expenses	3,918.80-		11,550.00-
6827	Financial statements and audit expenses	0.00		2,508.80-
6830	Bookkeeping expenses	8,316.53-		4,225.00-
6837	Expenses for licenses, concessions	1,218.74-		0.00
6845	Tools and small devices	727.48-		0.00
6850	Other operational needs	2,682.82-		1,219.69-
6855	Incidental cost of monetary transactions	865.23-		326.44-
6875	Non-deductible remuneration of supervisory board members	300.00-		0.00
6876	Deductible remuneration of supervisory board members	0.00		1,200.00-
6968	Other non-deductible expenses	45.00-	414,268.84-	0.00
	<b>Net loss for the year</b>		511,986.63-	168,544.13-
	Net loss for the year			

## General Terms of Engagement for German Public Auditors and Auditing Companies of 01 January 2017

### 1. Applicability

(1) These terms of engagement apply to contracts between German public auditors or auditing companies (hereinafter collectively referred to as "Auditor") and their clients relating to audits, tax consultancy, consultancy in economic matters and other engagements, unless explicitly otherwise agreed in writing or obligatorily prescribed by law.

(2) No third parties may derive any claims from the contract between the auditor and the client, unless that was explicitly agreed or results from mandatory legal relations. These General Terms and Conditions shall also apply to third parties, in such case.

### 2. Scope and performance of the engagement

(1) The subject matter of the engagement is the performance of agreed services, not a particular economic outcome. The engagement shall be carried out in accordance with the principles of proper professional practice. The Auditor will not perform any duties of the management in connection with their services. The Auditor shall not be responsible for the use or implementation of the results of their services. The Auditor is entitled to use suitably qualified persons to execute the engagement.

(2) Other than in the case of operational audits – if regard is to be given to foreign law, an express written agreement will be required.

(3) If the factual or legal situation changes after the Auditor has issued their final professional statement, they will not be obliged to inform the client of changes or of any resulting implications.

### 3. Client's duty to cooperate

(1) The client must ensure that the Auditor is provided with all documents and other information necessary for the realisation of the order in due time and it must be ensured that all events and circumstances which could be important for the performance of the engagement are brought to the Auditor's attention. That applies also to documents and other information, events and circumstances which only become known in the course of the Auditor's work. The client will inform the Auditor of suitable persons who might provide information.

(2) At the Auditor's request, the client must confirm in a written declaration as prepared by the Auditor that the documents and other information provided and the data and declarations given are complete.

### 4. Safeguarding the Auditor's independence

(1) The client shall refrain from all activities which might endanger the independence of the Auditor's staff. That shall apply for the term of the contractual relationship, in particular to offers of employment and the assumption of the capacity of a company body and to offers to undertake engagements for their own account.

(2) If the performance of the engagement endangers the independence of the Auditor, of companies associated with them, of their network companies or of companies associated with them, which are subject to the provisions of independence in the same manner like the Auditor, in other contractual relationships, the Auditor shall be entitled to end the engagement by an extraordinary termination.

### 5. Reporting and verbal information

If the Auditor is required to present the results of their work in writing, such written statement will be authoritative only. Any drafts of written presentations are non-binding. No verbal statements and information of the Auditor shall be binding, unless they were confirmed in writing, unless otherwise agreed. Statements and information provided by the Auditor outside the engagement assigned will never be binding.

### 6. Disclosure of the Auditor's professional statements

(1) Any disclosure to any third parties of professional statements made by the Auditor (work results or extracts from work results – regardless of whether such are made as a draft or in the final version) or of information on the activities of the Auditor shall require the written consent of the Auditor, unless authorisation to make disclosure to a particular third party is based on a law or an order issued by an authority.

(2) The use of the Auditor's professional statements and of information on the Auditor's activities for the client for promotional purposes shall be prohibited.

### 7. Elimination of Deficiencies

(1) The client will have a claim to subsequent performance by the Auditor in case of any deficiencies. They may not reduce the compensation or withdraw from the contract, unless in the event of a failure of the subsequent performance, their omission or unjustified rejection, unreasonableness or impossibility; if the engagement was not assigned by a consumer, the client may only withdraw from the contract if the performance provided is of no interest to them on account of the failure, omission, unreasonableness or impossibility of the subsequent performance. To the extent that there are further claims for damages, no. 9 shall apply.

(2) The client must assert their claim for the elimination of deficiencies in writing without delay. Claims in accordance with paragraph (1) above which are not due to an intentional act will become statute-barred one year after the start of the statutory limitation period.

(3) Obvious inaccuracies such as, for example, typing and arithmetic errors, and defects in form contained in an Auditor's professional statement (report, opinions and the like) can be corrected by the Auditor at any time, including vis-à-vis third parties. Inaccuracies which are likely to call into question the conclusions contained in the Auditor's professional statement shall entitle the Auditor to withdraw the statement, including vis-à-vis third parties. In such cases, the Auditor should hear the client's opinion first, if at all possible.

### 8. Duty of secrecy toward third parties, data protection

(1) The Auditor is obliged to keep in secrecy any facts and circumstances that are confided or become known to them during their professional activity pursuant to the legal provisions (Sec. 323 (1) of the HGB, Sec. 43 of the WPO [German Regulation for Auditors], Sec. 203 of the StGB [German Criminal Code]), unless the client releases them of such duty of secrecy.

(2) The Auditor will observe the rules on data protection under national and European laws during the processing of personal data.

### 9. Liability

(1) The applicable statutory limitations on liability, in particular the limitation of liability set forth in Section 323 para. 2 HGB shall apply to legally prescribed services performed by the Auditor.

(2) Insofar as neither a statutory limitation of liability applies nor a limitation of liability agreed in an individual contract, the Auditor's liability for claims of damages of any type shall be limited to EUR 4 million per individual case of damage caused by negligence pursuant to Sec. 54a (1) no. 2 of the WPO, apart from damage caused by the injury of life, limb or health and damage justifying a duty of reimbursement by the manufacturer pursuant to Sec. 1 of the *ProdHaftG* [Product Liability Act].

(3) The Auditor shall be entitled to pleas and objections arising from the contractual relationship with the client also toward third parties.

(4) If several claimants derive claims from a negligent violation of the duty by the Auditor under the contractual relationship existing with the Auditor, the maximum amount specified in para. 2 shall apply as a total for all claims of all claimants.

(5) A single case of damage in terms of para. 2 shall also be deemed to exist regarding a uniform damage arising from several violations of duty. The individual case of damage comprises any and all consequences of a violation of duty, without regard of whether damages arise in one or in several consecutive years. Any multiple activities or omissions which are based on the same or equivalent types of errors are considered uniform violations of duty, if the affected matters are legally or economically associated with one another. Claims may, in this case, be asserted against the Auditor only up to an amount of EUR 5 million. The limitation to five times the minimum insurance sum shall not apply to legally prescribed statutory audits.

(6) Claims for damages will be forfeit, unless they are asserted in a court action within six months after the written rejection of the compensation where the client must have been informed of this consequence. That shall not apply to any claims for damages resulting from intentional conduct and in case of a culpable injury of life, limb or health and for damage justifying a duty of replacement of the manufacturer under Sec. 1 of the ProdHaftG. The right to assert the plea of limitation shall remain in full force and effect.

#### 10. Supplementary provisions in respect of audit engagements

(1) If the client subsequently amends the financial statements or management report which were audited by the Auditor and awarded the auditor's certificate, they may no longer use such auditor's certificate.

If the Auditor did not grant any auditor's certificate, no note relating to the audit performed by the Auditor shall be allowed in the management report or in any other place intended for the public, unless the Auditor has given their written consent and only with the wording authorised by the Auditor.

(2) If the Auditor withdraws the auditor's certificate, it may no longer be used. If the client has already used the auditor's certificate, they will have to announce the withdrawal of the auditor's certificate at the Auditor's request.

(3) The client is entitled to receive five copies of the report. Additional copies will be charged for separately.

#### 11. Supplementary provisions in respect of assistance with tax matters

(1) The Auditor is entitled, when advising on individual tax issues and also when providing ongoing advice, to assume that the facts given by the client, in particular figures, are accurate and complete; this applies also to bookkeeping engagements. They must, however, point out to the client any inaccuracies found by them.

(2) The engagement to provide tax advice shall not include the procedures required for compliance with deadlines, unless the Auditor expressly undertook this task. In this case, the client must provide the Auditor with all documents of material importance for compliance with deadlines, in particular notices of tax assessment, in good time so that the Auditor has adequate time left for processing them.

(3) Unless otherwise agreed in writing, ongoing tax advice shall comprise the following activities falling within the period of the contract:

- a) preparation of the annual tax returns in respect of income tax, corporation tax and trade tax, as well as net wealth tax returns, on the basis of the annual financial statements and other schedules and supporting documents required for taxation purposes to be produced by the client;
- b) examination of notices of assessment relating to the taxes specified in a);
- c) negotiations with the tax authorities in connection with the returns and notices specified in a) and b);
- d) assistance in investigations by the tax authorities and evaluation of the results of such investigations in relation to the taxes specified in a);
- e) assistance in opposition and appeal proceedings in relation to the taxes specified in a).

The Auditor shall consider material, published court rulings and administrative interpretation in relation to the above-mentioned activities.

(4) If the Auditor receives a fixed fee for ongoing tax advice, the activities specified in (3) d) and e) above shall be remunerated separately, unless otherwise agreed in writing.

(5) If the Auditor works also as tax consultant and if the *Steuerberatervergütungsverordnung* [German Fee Ordinance for Tax Consultants] is to be applied for calculating the compensation, a written agreement shall be made, if the compensation is to be higher or lower than the statutory compensation.

(6) Particular individual questions relating to income tax, corporation tax, trade tax, valuation of economic units and net wealth tax, as well as all questions relating to turnover tax, salary tax and other taxes and levies shall be handled on the basis of a separate order. This shall also apply in respect of

- a) work in relation to one-off tax matters, e.g. in the area of inheritance tax, capital transaction tax, property acquisition tax;
- b) assistance and representation in proceedings before the courts of fiscal and administrative jurisdiction and in criminal proceedings relating to fiscal matters;
- c) advisory and expert work provided in connection with transformations, mergers, capital increases or reductions, reorganisations, partners joining the company and withdrawals of partners or shareholders, sale of businesses, liquidations and the like; and
- d) support in the compliance with notification and documentation duties.

(7) If a preparation of the annual turnover tax return is undertaken as an additional activity, this will neither include a verification of any special accounting requirements, nor the issue of whether all potentially available turnover tax reliefs and allowances have been claimed. No responsibility will be assumed for the completeness of the documentation for claiming the input tax deduction.

#### 12. Electronic communication

The Auditor and the client may also communicate by email. Insofar as the client does not wish to communicate by email or makes special security requirements such as the encryption of emails, the client will inform the Auditor accordingly, in writing.

#### 13. Remuneration

(1) In addition to their claim for professional fees or remuneration, the Auditor has a right to reimbursement of their expenses; sales tax will be charged in addition. The Auditor may request reasonable payments on account towards fees and reimbursement of expenses and may make delivery of their work dependent upon the full satisfaction of their claims. Where an engagement is assigned by several clients, they will be jointly and severally liable.

(2) Offsetting against the Auditor's claims to remuneration and reimbursement of expenses shall only be permissible in the case of undisputed claims or finally determined, non-appealable claims.

#### 14. Dispute resolutions

The Auditor is not willing to take part in any dispute resolution proceedings before a consumer arbitration body in terms of Sec. 2 of the *Verbraucherstreitbeilegungsgesetz* [German Act on the Resolution of Disputes among Consumers].

#### 15. Applicable law

The engagement, its realisation and any claims arising thereunder will exclusively be governed by German law.

## Authentication

As a translator for English, Croatian, Serbian and Bosnian, duly sworn and publicly appointed by the President of the Higher Regional Court of Dresden, I hereby certify:

The above translation of the document in German language, the original/a photocopy of which was presented to me, is true and complete.

Ante Pavić

Leipzig, 15 July 2021



*Ante Pavić*