

DEMOCRACY REPORTING INTERNATIONAL GGMBH
BERLIN

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Translation – the German text is authoritative)

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A. Audit Engagement

The Management of

Democracy Reporting International gGmbH, Berlin,
(in the following also referred to as the “Company”),

engaged us to audit the annual financial statements as of 31 December 2024, together with the accounting records. We accepted this engagement by letter of 15 July 2025.

The Company is a small corporation pursuant to the size criteria defined in section 267(2) of the German Commercial Code (HGB) and therefore not subject to statutory audits as defined in section 316 et seq. of the HGB.

In accordance with section 321(4a) of the HGB, we confirm that we conducted our audit of the annual financial statements with due regard to the applicable provisions on professional independence.

The terms governing this audit engagement – including in relation to third parties – are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) as amended on 1 January 2024 and are attached to this document as an appendix. We also make reference to the liability limitations specified there in section 9 and the exclusion of liability towards third parties. This audit report is addressed to the Company. It was prepared in accordance with IDW AUS 450 (audit standard) as amended (10.2021).

B. Copy of the Independent Auditor’s Report

Based on our final audit findings, we issued on 5 August 2025 the following unqualified auditor’s report for the annual financial statements of Democracy Reporting International gGmbH, Berlin, as of 31 December 2024 in the version set out in the Appendices I to III:

"Independent Auditor's Report

To Democracy Reporting International gGmbH, Berlin

Audit Opinion

We have audited the annual financial statements of Democracy Reporting International gGmbH, Berlin, which comprise the balance sheet as at 31 December 2024 and the statement of profit and loss for the financial year from 1 January 2024 to 31 December 2024, and notes to the annual financial statements, including the presentation of the recognition and measurement policies.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German Legally Required Accounting Principles.

Pursuant to section 322(3) sentence 1 of the HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those regulations and guidelines are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the requirements of German commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities under German professional law in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibility statement

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required

Accounting Principles. In addition, Management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i. e. manipulation of accounting systems and misappropriation of assets) or error.

In preparing the annual financial statements, Management is responsible for assessing the Company's ability to continue as a going concern. Management also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, Management is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 of the HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by Management and the reasonableness of estimates made by Management and related disclosures.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

C. General findings

Opinion on the Management's Assessment of the Company's Position

In our opinion, based on our audit findings, Management's presentation and assessment of the Company's position and its expected development in the annual financial statements is appropriate. The Company chose not to prepare a management report as permitted by law.

D. Performance of the audit

I. Subject of the audit

In conducting the audit engagement awarded to us, we audited the accounting records, the annual financial statements – consisting of the balance sheet, the income statement, and the notes for compliance with the applicable statutory provisions pursuant to section 317 of the HGB.

The accounting principles relevant for our audit of the annual financial statements were the provisions set out in sections 242 to 256a and sections 264 to 288 of the HGB as well as the specific requirements set forth in the German GmbH Act.

II. Nature and scope of the audit

We conducted our audit of the annual financial statements in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW).

We have not been engaged to establish whether the company audited continues to exist as a going concern or whether the effectiveness and efficiency of the management can be guaranteed. Our risk-driven audit approach is based on developing an audit strategy and a tailored audit programme with the aim of obtaining sufficient appropriate audit evidence to reduce audit risk to a reasonably low level. The audit programme includes type, timing and scope of the audit procedures to be performed by the audit team.

When identifying and assessing the risks of material misstatement due to fraud or error on the level of the annual financial statements and the assertions made, we obtain an understanding of the Company and its environment, including its internal control system.

Based on this we perform tests of operation, where applicable, to assess the effectiveness of relevant controls. The findings from these audit procedures were taken into account in selecting our substantive audit procedures and tests of detail, which involve detecting material misstatements.

We observed the materiality principle, when planning and performing the audit and assessing the impact of identified misstatements on the audit and assessing the impact on the annual financial statements of any presentations not corrected.

Our audit programme focused on the following:

- Analysing the year-end closing procedure,
- cash funds,
- accruals and deferrals,
- Measurement of provisions.

We also performed the following standard audit procedures:

For the audit of the assets and liabilities we requested amongst others bank' and tax advisors' confirmations.

We performed the audit between July and August 2025 and finished it on 5 August 2025. Basis of our audit were the previous year's annual financial statements as of 31 December 2023 audited by us.

All information and supporting documentation requested by us was provided. Management confirmed in writing that the explanations and evidence given, the accounting records and the annual financial statements are complete.

E. Findings regarding accounting records

I. Compliance of accounting records with applicable requirements

In our opinion, based on the conclusions of our audit, the annual financial statements comply with statutory provisions. The information obtained from other audited documents is properly reproduced in the accounting records and the annual financial statements.

Summarising the results of our audit, which covered auditing

- the compliance of the elements of financial statements and their derivation from the books and records with applicable requirements,
- the compliance of the disclosures in the notes with applicable requirements,

- the compliance with recognition, presentation and measurement policies,
- the compliance with all legal provisions applicable to accounting including German generally accepted accounting principles and all provisions relating to size, legal form or sector of industry and
- the compliance with all provisions contained in the Articles of Association to the extent these concern the accounting contents,

we issued the auditor's report reproduced in section B.

II. Annual Financial Statement Assertions

1. Measurement basis

For the accounting policies applied and the factors relevant for the measurement of assets and liabilities including any effects a change to these methods may have, reference is made to the explanations in the notes (Appendix III). The accounting policies applied in the previous year remained unchanged.

2. Summarized assessment

Based on our statutory audit we are of the opinion stated in our auditor's report that taken as a whole, the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with generally accepted accounting principles.

F. Conclusion

We are issuing this report on the audit of the annual financial statements of Democracy Reporting International gGmbH, Berlin, for financial year from 1 January 2024 to 31 December 2024 in accordance with section 321 of the HGB, and in compliance with principles of proper preparation of audit reports issued by the Institut der Wirtschaftsprüfer e.V., Düsseldorf, (Institute of Public Auditors in Germany, Incorporated Association) (IDW AUS 450 as amended (10.2021)).

A use of the auditor's report as stated herein outside this long-form audit report requires our prior approval. Any publication or forwarding of the annual financial statements in a form other than the audited version including their translation into other languages requires our prior consent, if and to the extent that the auditor's report issued by us will be quoted or reference is made to our audit of the annual financial statements; reference is also made to the provisions stipulated in section 328 HGB.

Frankfurt/Main, 5 August 2025

Beeh & Happich GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Johann Peter Klein
Wirtschaftsprüfer (German Public Auditor)

Democracy Reporting International gGmbH

Berlin

Balance sheet as of 31 December 2024

ASSETS	31/12/2024		31/12/2023	EQUITY AND LIABILITIES	31/12/2024		31/12/2023
	EUR	EUR	EUR		EUR	EUR	EUR
A. Fixed assets				A. Equity			
Tangible fixed assets				I. Subscribed capital	25.000,00		25.000,00
Other equipment, operating and office equipment		61.208,00	70.073,00	./. Treasury shares	-3.125,00		-3.125,00
					<u>21.875,00</u>		<u>21.875,00</u>
B. Current assets				II. Revenue reserves	540.098,60		472.556,50
I. Inventories				III. Net retained profits	<u>0,00</u>		<u>0,00</u>
Prepayments		32.595,85	0,00			561.973,60	494.431,50
II. Receivables and other assets				B. Provisions			
1. Trade receivables	1.361.351,88		1.547.873,90	Other provisions		115.544,63	68.148,15
2. Other assets	<u>895.398,02</u>		<u>1.294.160,64</u>	C. Liabilities			
		2.256.749,90	2.842.034,54	1. Bank liabilities	39,00		7,00
III. Cash-in-hand, balances with banks		<u>3.324.321,78</u>	<u>4.926.361,32</u>	2. Trade payables	435.150,06		473.285,84
		<u>5.613.667,53</u>	<u>7.768.395,86</u>	- of which maturing in more than one year EUR 0,00 (previous year: EUR 0,00)			
C. Prepaid expenses		0,00	14,76	3. Other liabilities	770.805,26		964.633,25
				- Of which taxes: EUR 55.374,45 (previous year: EUR 81.117,40)			
				- of which relating to social security: EUR 10.795,21 (previous year: EUR 13.159,91)			
				- of which maturing in more than one year EUR 0,00 (previous year: EUR 0,00)			
						1.205.994,32	1.437.926,09
				D. Deferred income		3.791.362,98	5.837.977,88
						<u>5.674.875,53</u>	<u>7.838.483,62</u>
						<u>5.674.875,53</u>	<u>7.838.483,62</u>

Democracy Reporting International gGmbH
Berlin

Income statement for the period
from 1 January to 31 December 2024

	2024		2023
	EUR	EUR	EUR
1. Sales		641.217,20	386.746,77
2. Other operating income		7.293.719,73	6.354.663,27
		<u>7.934.936,93</u>	<u>6.741.410,04</u>
3. Personnel expenses			
a) Wages and salaries	3.616.750,31		1.847.782,70
b) Social security, post-employment and other employee benefit costs	468.237,98		409.014,23
- of which post retirement benefits EUR 0,00 (previous year: EUR 245,64)			
		<u>4.084.988,29</u>	<u>2.256.796,93</u>
4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets		38.343,04	87.935,22
5. Other operating expenses		3.744.063,50	4.553.971,09
- of which currency translation losses EUR 30.795,29; (previous year: EUR 7.740,46)			
6. Loss after taxes		<u>67.542,10</u>	<u>-157.293,20</u>
7. Net profit (previous year: loss) for the year		<u>67.542,10</u>	<u>-157.293,20</u>
8. Retained profit brought forward		0,00	1.050,93
9. Appropriation to other revenue reserves		67.542,10	-156.242,27
10. Net retained profits		<u>0,00</u>	<u>0,00</u>

DEMOCRACY REPORTING INTERNATIONAL GGMBH

BERLIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2024

I. General information

Democracy Reporting International gGmbH is classified as a small company under section 267 (1) of the German Commercial Code (HGB). The Company made use of some of the size-related exemptions permitted by the HGB.

These annual financial statements have been prepared generally by maintaining the classification and measurement policies applied to the previous year's financial statements.

II. Accounting policies

The annual financial statements of Democracy Reporting International gGmbH were prepared on the basis of the accounting policies set out in the HGB. In addition, the provisions of the GmbH-Act (German Limited Liability Companies Act) were observed as well.

Fixed assets are recognised at cost less depreciation or amortisation. The assets are depreciated or amortised on a straight-line basis over their expected useful lives.

Low-value assets costing not more than EUR 800.00 are fully written off in the year of acquisition. They are presumed to be immediately disposed of.

Trade receivables and other assets, cash funds and prepaid expenses are recognised at their principal amounts. All receivables have residual terms of one year or less.

Other provisions are recognised to cover all identifiable liabilities in the settlement amount expected to be required in accordance with prudent business judgment.

Trade payables, other liabilities and deferred income are recognised at their settlement amounts.

III. Information and explanation on the balance sheet

Democracy Reporting International gGmbH
Berlin

Summary of fixed assets as of 31 December 2024

	Cost				Accumulated depreciation				Book value	
	01/01/2024	Additions	Retirement	31/12/2024	01/01/2024	Additions	Retirement	31/12/2024	31/12/2024	31/12/2023
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Fixed assets										
Tangible fixed assets										
1. Other equipment, operating and office equipment	445.647,22	29.478,04	3.986,10	471.139,16	375.574,22	38.343,04	3.986,10	409.931,16	61.208,00	70.073,00
	<u>445.647,22</u>	<u>29.478,04</u>	<u>3.986,10</u>	<u>471.139,16</u>	<u>375.574,22</u>	<u>38.343,04</u>	<u>3.986,10</u>	<u>409.931,16</u>	<u>61.208,00</u>	<u>70.073,00</u>

All receivables are due in less than one year.

The financial statements as of 31 December 2024 were set up. After funding of the reserve in accordance with section 62 (1) Number 3 of the German Tax Code (AO) in the amount of EUR 67.542,10, the retained earnings are EUR 0,00. Final decision on the allocation of profits will be made by the shareholders of the company.

Deferred income relates to the deferral of prepaid grants.

IV. Other disclosures

Democracy Reporting International gGmbH is registered at Handelsregister (trade register) of Amtsgericht (local court) Charlottenburg, HRB 121747 B.

The company employed 90 employees in 2024 on average.

Managing director entitled to represent the Company alone is:

- Frau Nicola Schmidt, Berlin
- Mr. Michael Meyer, Berlin

Mr. Meyer is exempted from the limitations imposed by section 181 of the German Civil Code (BGB).

No events of particular significance occurred after the end of the financial year.

Berlin, 5 August 2025

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/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 (Textform) 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 agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to 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 agreement in writing (Textform).

(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 submitted as well as the explanations and statements provided in a statement as drafted by the German Public Auditor in a legally accepted written form (gesetzliche Schriftform) or any other form determined 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 a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Drafts of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). 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 consent be issued in writing (Textform), 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 subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance 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, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, 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], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) 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.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages 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.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of 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.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

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 (Bestätigungsvermerk), 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 consent, issued in a legally accepted written form (gesetzliche Schriftform), 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 material 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 (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, 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 (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungvergütungsverordnung) 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 and valuation assessments for property units 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 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.