

## **Independent Auditor's Limited Assurance Report of the verification of the information in the Allocation Report**

To Hamburger Hochbahn Aktiengesellschaft, Hamburg

We have been engaged to provide an external review and give a limited assurance on the Allocation Reporting (appendix I) of Hamburger Hochbahn Aktiengesellschaft, Hamburg (hereafter the "**Company**") by assessing the alignment of the Allocation Report with the commitments set forth in chapter 3.1 of the Green Bond Framework of the Company as of August 2020 ("**Framework**") assessed against the Green Bond Principles of the International Markets Association (ICMA), Zurich/Switzerland (as of June 2021), for the period from 25 February 2021 to 31 December 2021 (hereinafter the "**Subject Matter**").

The subject matter of our engagement was not to express an opinion on whether the Green Bond aligns with all core components of the Green Bond Principles issued by the International Markets Association (ICMA), Zurich/Switzerland (as of June 2021).

### **Management's Responsibility for the Report**

Company's Management is responsible for the preparation and presentation of the Subject Matter in accordance with the criteria as set out in the Framework and in the Green Bond Principles of the International Markets Association (ICMA), Zurich/Switzerland (as at April 2020) (hereafter the "**Criteria**").

This responsibility includes designing, implementing and maintaining internal control relevant to the proper preparation and presentation of the Subject Matter and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

### **Audit Firm's Independence and Quality Control**

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft applies the national legal requirements and professional standards – in particular the Professional Charter for Professional Accountants in Public Practice (BS WP/vBP) ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der

Wirtschaftsprüferpraxis - IDW QS 1) – which are in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board (IAASB).

## **Auditor's Responsibility**

Our responsibility is to express a limited assurance conclusion on the Allocation Report based on our work performed. Our engagement did not include expressing an opinion on whether the Green Bond placed by the Company on 24 February 2021 complies with the requirements of the Green Bond Principles issued by the International Markets Association (ICMA), Zurich/Switzerland (as of June 2021).

We conducted our work in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews as of June 2022 and the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" as issued by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Allocation Report for the period from 25 February 2020 to 31 December 2021 does not comply in all material respects with the Criteria.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the auditor's judgment.

Within the scope of our work we performed the following procedures, amongst others, primarily on a test basis:

- Inquiry of the relevant employees involved in the preparation of the Allocation Report about the preparation process, the measures and arrangements (system) in place for the preparation of the Allocation Report and the information contained therein.
- Identification of risks of material misstatements in the Allocation Report
- Assessment of the information in the Allocation Report as to whether the funds collected were used in accordance with the criteria set up by the Green Bond in alignment with the Green Bond Principles.
- Comparison and reconsolidation of the information in the Allocation Report with the corresponding data in the statutory financial statements as well as the management report and group management report
- Assessment of the presentation of the information

For further details we refer to appendix II of this report.

Our audit was conducted centrally at the premises and in our own premises in Hamburg on the basis of the requested documentation as well as through interviews with responsible employees involved in the preparation process from Hamburger Hochbahn Aktiengesellschaft, Hamburg.

## **Conclusion**

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that, in all material respects, the Allocation Report for the period from 25 February to 31 December 2021 does not comply with the Criteria set up by the Framework assessed against the Green Bond Principles of the International Market Association (ICMA), Zurich/Switzerland (as of June 2021).

## **Emphasis of Matter**

Without qualifying our conclusion, we draw attention to the Green Bond Principles of the International Markets Association (ICMA), Zurich/Switzerland (as of June 2021). The Allocation Report has been prepared to provide information on the appropriate use of proceeds raised through the Green Bond of 24 February 2021. Consequently, the Allocation Report may not be suitable for any purpose other than the aforesaid.

## **Restriction on Use and Distribution of our Report**


Our report is intended solely to the use of the Company in connection with their Allocation Report for the period from 25 February 2020 to 31 December 2021 and should not be used for any other purpose. We do not accept or assume responsibility to anyone else for this report or for the conclusions that we have reached. The accompanying Subject Matter has been prepared for specific purposes of the Company and may not be suitable for other purposes.

## General Terms of Engagement

We issue this report on the basis of the engagement agreed with the Company. For the execution of our assignment and our responsibility the Special Engagement Terms for audits and audit-related services of Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft [Besondere Auftragsbedingungen für Prüfungen und prüfungsnahe Leistungen der Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft] dated 1 June 2019 and the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften] dated 1 January 2017 are authoritative, also in relation to third parties. Accordingly, our liability is limited in accordance with No. 9 of the General Engagement Terms. In relation to third parties, No. 1 (2) and No. 9 of the General Engagement Terms shall apply.

Hamburg, 13. October 2022

Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

DocuSigned by:  
  
Dr. Dannenbaum  
Wirtschaftsprüfer

DocuSigned by:  
  
Hauschild  
Wirtschaftsprüfer

## Enclosure:

- I. Allocation Report of Hamburger Hochbahn Aktiengesellschaft, Hamburg for the period from 25 February 2020 to 31 December 2021
- II. Independent External Review Form
- III. General Engagement Terms for German Public Auditors and Public Audit Firms
- IV. Special Engagement Terms for audits and audit-related services of Mazars GmbH & Co. KG

## Summary &amp; Use of proceeds

| ISIN                                                                                                                 | Currency           | Maturity                         | Interest                    | Payments                                 |                       |                    |
|----------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------|-----------------------------|------------------------------------------|-----------------------|--------------------|
| XS2233088132                                                                                                         | EUR                | 24.02.2031                       | Fixed 12,5 bp               | annually                                 |                       |                    |
| Nominal                                                                                                              | Eligible Funds     | Allocated Proceeds               | Unallocated Proceeds        | Financing vs. Refinancing                |                       |                    |
| €500,0m                                                                                                              | €493,4m            | €284,5m                          | €208,9m                     | 100%/0%                                  |                       |                    |
| Clean transportation portfolio                                                                                       | Signed Amount (m€) | Share of Total Project Financing | Eligibility for green bonds | Clean Transportation portfolio component | Allocated Amount (m€) | Portfolio lifetime |
| Refurbishment of our existing metro network<br>(Metro)                                                               | 1.422,5            | 100%                             | 100%                        | 100%                                     | 212,0                 | +Y40               |
| Expansion and Refurbishment of existing Bus network; Transformation to a Zero-Emission Bus Fleet<br>(Bus)            | 392,1              | 100%                             | 100%                        | 100%                                     | 44,6                  | +Y40               |
| Refurbishment an Improvements of Stations, Integration of new Customer Services and on-demand Services<br>(Services) | 102,5              | 100%                             | 100%                        | 100%                                     | 27,9                  | +Y15               |
| <b>Total</b>                                                                                                         | <b>1917,1</b>      | <b>100%</b>                      | <b>100%</b>                 | <b>100%</b>                              | <b>284,5</b>          | <b>+Y40</b>        |

## Use of proceeds by year

| Position                                                                                                             | Total        | 2020        | 2021         |
|----------------------------------------------------------------------------------------------------------------------|--------------|-------------|--------------|
| Refurbishment of our existing metro network<br>(Metro)                                                               | 212,0        | 38,7        | 173,3        |
| Expansion and Refurbishment of existing Bus network; Transformation to a Zero-Emission Bus Fleet<br>(Bus)            | 44,6         | 21,5        | 23,1         |
| Refurbishment an Improvements of Stations, Integration of new Customer Services and on-demand Services<br>(Services) | 27,9         | 13,2        | 14,7         |
| <b>Total</b>                                                                                                         | <b>284,5</b> | <b>73,3</b> | <b>211,2</b> |

## Green Bond / Green Bond Programme

### Independent External Review Form

#### Section 1. Basic Information

**Issuer name:** Hamburger Hochbahn Aktiengesellschaft, Hamburg

**Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:** *ISIN XS2233088132*

**Independent External Review provider's name:** Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft

**Completion date of this form:** 13. October 2022

**Publication date of review publication:** 13. October 2022

#### Section 2. Review overview

##### SCOPE OF REVIEW

*The following may be used or adapted, where appropriate, to summarise the scope of the review.*

The review assessed the following elements and confirmed their alignment with the Criteria:

- |                                                     |                                                                       |
|-----------------------------------------------------|-----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Use of Proceeds | <input type="checkbox"/> Process for Project Evaluation and Selection |
| <input type="checkbox"/> Management of Proceeds     | <input type="checkbox"/> Reporting                                    |

##### ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- |                                                           |                                         |
|-----------------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Second Party Opinion             | <input type="checkbox"/> Certification  |
| <input checked="" type="checkbox"/> Verification          | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                         |

*Note: In case of multiple reviews / different providers, please provide separate forms for each review.*

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

See our limited assurance opinion dated 13. October 2022.

## Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

### 1. USE OF PROCEEDS

**Overall comment on section** (if applicable):

The intended use of proceeds is described in chapter 3.1 of the Green Bond Framework of Hamburger Hochbahn AG:

- the Expansion and Refurbishment of existing Bus Network; Transformation to a Zero-Emission Bus Fleet,
- the Refurbishment of our existing metro network and
- the Refurbishment and improvements of stations, integration of new customer services and on-demand

According to the framework, the proceeds of the Green Bond must be used for projects belonging to the Clean Transport category as given by the EU Taxonomy

**Use of proceeds categories as per GBP:**

- |                                                                                                                                                    |                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Renewable energy                                                                                                          | <input type="checkbox"/> Energy efficiency                                                               |
| <input type="checkbox"/> Pollution prevention and control                                                                                          | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation                                                                         | <input checked="" type="checkbox"/> Clean transportation                                                 |
| <input type="checkbox"/> Sustainable water and wastewater management                                                                               | <input type="checkbox"/> Climate change adaptation                                                       |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input type="checkbox"/> Green buildings                                                                 |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify):                                                         |

If applicable please specify the environmental taxonomy, if other than GBPs:

### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

**Overall comment on section** (if applicable):

Investments are part of the overall investment budget of the issuer. The individual projects have been selected by the management and supervisory board of the issuer according to the Framework.

## Evaluation and selection

- |                                                                                                         |                                                                                                                    |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other <i>(please specify)</i> :                                                           |

## Information on Responsibilities and Accountability

- |                                                                                                     |                                                         |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> :                                            |                                                         |

## 3. MANAGEMENT OF PROCEEDS

### Overall comment on section *(if applicable)*:

Eligible Green Projects are selected by a dedicated Green Bond Committee set-up within HOCHBAHN consisting of the Finance and Control department, the department for Sustainable Development, Environment and Safety and the Legal department. The list of Eligible Green Projects is validated by the Management Board and will be reported to the Supervisor Board of the Company.

### Tracking of proceeds:

- |                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds   |
| <input type="checkbox"/> Other <i>(please specify)</i> :                                                             |

### Additional disclosure:

- |                                                                                  |                                                                                         |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                  | <input type="checkbox"/> Allocation to a portfolio of disbursements                     |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> :                                |

## 4. REPORTING

### Overall comment on section *(if applicable)*:

Allocated Investments are part of the allocation report, which will be published separately by issuer. Review of the reporting includes the compliance with the specifications of the Green Bond Framework of Hamburger Hochbahn AG and the functionality of the project system with the help of samples.



**Use of proceeds reporting:**

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other *(please specify)*:

**Information reported:**

- Allocated amounts
- Green Bond financed share of total investment
- Other *(please specify)*:

**Frequency:**

- Annual
- Semi-annual
- Other *(please specify)*:

**Means of Disclosure**

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other *(please specify)*:
- Reporting reviewed *(if yes, please specify which parts of the reporting are subject to external review)*:  
Internal reporting of investment budget and project related disbursement

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** *(e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)*

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- Second Party Opinion
- Verification
- Certification
- Scoring/Rating
- Other *(please specify)*:

**Review provider(s):**

**Date of publication:**

Dr. Joachim Dannenbaum    Hajo Hauschildt

13. October 2022

Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

## ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

# 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 Berufsübung*). 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.

**Special Engagement Terms  
for audits and audit-related  
services  
of  
Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft**

As of June 1, 2019

**Preamble**

These Special Engagement Terms of Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("*Mazars KG*") complement and clarify the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] issued by the Institut der Wirtschaftsprüfer e. V. [Institute of German Public Auditors, Incorporated Association] in the version enclosed to the engagement letter/proposal and have priority over the General Engagement Terms issued by the Institut der Wirtschaftsprüfer e. V. The Special Engagement Terms apply in a subordinate manner to the engagement letter/proposal. The engagement letter/proposal along with all enclosures form the "*Entire Engagement Terms*".

**A. Supplementary terms for audits of annual financial statements pursuant to § [Article] 317 HGB [German Commercial Code: Handelsgesetzbuch] and comparable audits according to national and international auditing standards**

Mazars KG shall perform the audit pursuant to § 317 HGB and with due respect to the German Generally Accepted Auditing Standards ("*GAAS*") [Grundsätze ordnungsgemäßer Abschlussprüfung] as promulgated by the Institut der Wirtschaftsprüfer e. V. According to these, Mazars KG shall plan and perform the audit in compliance with the German Principles of Proper Professional Conduct [Grundsätze ordnungsgemäßer Berufsausübung] such that misstatements and violations materially affecting the subject of the audit defined by the engagement letter are identified with reasonable assurance.

Mazars KG shall perform all audit procedures which it considers necessary in the circumstances for a proper assessment and examine in which form the audit opinion provided for in § 322 HGB resp. the GAAS can be issued. Mazars KG shall report on the audit of the subject matter to the extent customary in the profession. In order to determine the nature, time and scope of the individual audit procedures in an appropriate manner, Mazars KG shall, where deemed necessary, audit and assess the accounting-related internal control system, in particular as far as it serves to ensure proper accounting. As is customary for the profession, Mazars KG shall perform the audit procedures on the basis of selected samples, so that there remains an unavoidable risk that even material misstatements may not be identified even though the audit has been carried out in accordance with professional standards. Therefore, e.g. acts of misappropriation and other irregularities will not necessarily be identified by the audit. Mazars KG points out that the objective of the audit is not to detect misappropriations or other irregularities that do not affect the compliance of the subject of the audit with the applicable accounting principles. Should Mazars KG, however, identify such facts during the audit, the Engaging Party ("*Engaging Party*") of Mazars KG shall be informed immediately.

All aforementioned engagement terms regarding objectives and methods of the audit apply to other audits according to national and international auditing standards in analogous manner.

It is the responsibility of the Engaging Party's management to correct material errors in the subject of the audit and to confirm to us in a letter of representation that the impact of any uncorrected errors identified by us during the current engagement are immaterial to the subject of the audit both individually and in the aggregate.

**B. Contractual relationship**

Under certain circumstances, Mazars KG may be provided, in the context of the engagement and for safeguarding the Engaging Party's economic interests, with documents directly related to the client and having legal relevance. Mazars KG expressly states that it has neither an obligation to provide legal advice or legal review, nor that this engagement includes general legal advice; therefore, the Engaging Party is obliged to submit any sample formulations provided by Mazars KG in connection with the execution of the engagement to its responsible legal advisor for final legal review. The Engaging Party is responsible for all management decisions in connection with the services of Mazars KG as well as for the use of the results of the services and the decision as to whether the services of Mazars KG are suitable for the Engaging Party's own internal purposes.

**C. Access to information**

It is the responsibility of the Engaging Party's management to grant Mazars KG unlimited access to records, documents and other information required for the engagement. The same applies to the submission of additional information (e.g. annual reports, statements regarding the declaration of compliance pursuant to § 161 AktG [German Stock Corporation Act: Aktiengesetz]) which is published by the Engaging Party together with the financial statements and the associated management report, if any. The Engaging Party shall make this information available in due time before the audit opinion is issued or as soon as it is available. All information made available to Mazars KG by the Engaging Party or on behalf of the Engaging Party must be fully complete ("*Engaging Party's Information*").

**D. Consultation of Mazars members and third parties**

Mazars KG shall be entitled to subcontract parts of the services to other members of the worldwide Mazars network ("*Mazars members*") or to other service providers who may directly contact the Engaging Party. Irrespective of this, Mazars KG will exclusively be held liable for all results of the engagement, the provision of the services and the other obligations towards the Engaging Party resulting from the engagement letter.

The Engaging Party is therefore not entitled to assert contractual claims or initiate proceedings in connection with the services or on the basis of the engagement letter in general against another Mazars members or its subcontractors, members, shareholders, members of the management board, partners or members of staff ("*Mazars persons*") or Mazars persons of Mazars KG. Consequently, the Engaging Party shall be obliged to assert contractual claims or initiate proceedings exclusively against Mazars KG. Mazars members and Mazars personnel are entitled to refer to this provision.

In accordance with applicable law, Mazars KG shall be entitled for the purpose of

- (a) the provision of the services of Mazars KG,
- (b) compliance with professional standards as well as with regulatory requirements,
- (c) the identification of potential conflicts of interest,
- (d) risk management and quality assurance,
- (e) internal accounting as well as the provision of other administrative or IT support services

(letters (a) – (e) hereinafter referred to as "*processing purposes*") to disclose the Engaging Party's Information to other Mazars members, Mazars persons and to external service providers of Mazars KG, ("*Service Providers*") who are allowed to collect, use, transmit, save or process data otherwise (hereinafter referred to as "*to process*") in the various jurisdictions in which they operate. An overview of the locations of all Mazars members is available at [www.mazars.com](http://www.mazars.com).

Mazars KG shall be held liable towards the Engaging Party for assuring confidentiality of Engaging Party's Information, irrespective of who processes this information on behalf of Mazars KG.

#### E. Oral information

If the Engaging Party intends to make a decision or any other economic disposition on the basis of orally given information and/or advice by Mazars KG to the Engaging Party, the Engaging Party is obliged either (a) to inform Mazars KG in a timely manner prior to such a decision and to ask Mazars KG to confirm in writing the Engaging Party's understanding of such information and/or advice or (b) with regard to the above-mentioned risk of such orally given information and/or advice to make the decision at its own discretion and under its sole responsibility.

#### F. Draft versions of Mazars KG

The draft versions of the working results are only for internal purposes of Mazars KG and/or for the coordination with the Engaging Party and therefore represent only a preliminary stage of the working results and are neither final nor binding and require further review. Mazars KG is not obliged to update the final working result with regard to circumstances which have come to its knowledge or which occur after the time of completion of the work stated in the working result or in absence of such a deadline since the delivery of the working result.

This shall not apply if Mazars KG is obliged to do so due to the nature of the services.

#### G. Indemnity and liability

The Engaging Party is obliged to indemnify Mazars KG from all claims by third parties (including affiliated companies) as well as from any resulting obligations, damages, costs and expenses (in particular reasonable external lawyer's fees) resulting from the use of the working results by third parties, insofar the working results have been transferred directly or indirectly by the Engaging Party or at its instigation. This obligation does not exist to the extent Mazars KG has expressly agreed in writing that the third party may rely on the working result.

Regarding the liability for the underlying contractual relationship, number 9 of the General Engagement Terms as well as the statutory limitation of liability pursuant to § 323 Abs. 2 [paragraph 2] HGB shall apply. Should claims arise in connection with the contractual relationship from ancillary services relating to the statutory or voluntary audit or other audit services provided by us, our liability for such ancillary services is limited to € 4 million.

#### H. Electronic data transmission (e-mails)

The parties are allowed to use electronic media for the exchange and transmission of information and this form of communication as such does not constitute a breach of any confidentiality obligations. The parties are aware that the electronic transmission of information (especially via e-mail) involves risks (e.g. unauthorized access by third parties).

Any amendments to the documents transmitted via electronic media by Mazars KG as well as the disclosure of these documents to third parties via electronic media require the written consent of Mazars KG.

The transfer of personal data is subject to the data protection regulations of Mazars, which are available at [www.eng.mazars.de/Data-protection](http://www.eng.mazars.de/Data-protection). Mazars KG processes personal data in accordance with the applicable law und professional regulations, in particular in compliance with the German Federal Data Protection Act [Bundesdatenschutzgesetz (BDSG)] and the European data protection regulations. Mazars KG obliges data service providers who process personal data on behalf of Mazars KG to also abide by these regulations.

#### I. Letter of representation

The letter of representation requested by Mazars KG from the Engaging Party's management may also include the confirmation that the impact of uncorrected false information in the subject of the audit, summarized in an appendix to the representation letter, are immaterial both individually and in the aggregate.

#### J. Scope of application

The regulations contained in the Entire Engagement Terms, including the liability regulation, also apply to all future engagements placed by the Engaging Party accordingly, unless separate agreements have been made or defined in a framework agreement or unless national or foreign statutory or regulatory requirements which are binding for Mazars KG are opposed to individual regulations in favor of the Engaging Party.

For the services provided by Mazars KG the terms of the Entire Engagement Terms apply exclusively; other terms do not become terms of the agreement if the Engaging Party has not agreed these with Mazars KG in detail expressly in writing. General conditions of purchase, to which reference is made in the context of automated orders, shall not apply, even if Mazars KG does not expressly object to them or if Mazars KG starts to provide the services without reservation.

#### K. Applicable law / Place of jurisdiction

The professional standards developed and adopted by the relevant German professional organisations (Wirtschaftsprüferkammer [Chamber of Public Accountants], Institut der Wirtschaftsprüfer e. V., Steuerberaterkammer [Chamber of Tax Consultants]) are decisive for the performance of the engagement insofar as they are applicable to the engagement in the individual case.

This contractual relationship and all non-contractual issues or obligations resulting from this contractual relationship or from the provision of services agreed therein shall be governed by German law.

The exclusive place of jurisdiction for all legal disputes arising in connection with the engagement or services provided thereunder shall be the respective location of the contracting branch office or, at the discretion of Mazars KG, (i) the court at which the branch office of Mazars KG primarily responsible for providing the services has its registered office or (ii) the courts at the location at which the Engaging Party has its registered office.

#### L. Data Protection

For the processing purposes listed under letter D, Mazars KG and other Mazars persons or Service Providers are entitled to process the Engaging Party's Information that can be attributed to specific persons ("*personal data*") in the various jurisdictions in which they operate.