

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

Hamburger Hochbahn Aktiengesellschaft  
Hamburg

## INDEX OF APPENDICES

1. Allocation Report of Hamburger Hochbahn Aktiengesellschaft,  
Hamburg for the period from 01 January 2023 to 31 December 2023
2. Independent External Review Form  
  
General Engagement Terms

In Tabellen können Rundungsdifferenzen zu den mathematisch exakt berechneten Werten auftreten.
--

## **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 01 January 2023 to 31 December 2023 (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 ethical requirements in International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the independence requirements in Part 4A of the IESBA Code.

Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft applies International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **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 Bonds placed by the Company on 24 February 2021 and 26 April 2023 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 01 January 2023 to 31 December 2023 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 01 January 2023 to 31 December 2023 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 Bonds on 24 February 2021 and 26 April 2023. 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 01 January 2023 to 31 December 2023 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 General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften [Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften] dated 1 January 2024 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, 25. September 2024

Forvis Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

DocuSigned by:  
  
4B43D079F961462...

Hajo Hauschildt  
Wirtschaftsprüfer

DocuSigned by:  
  
CEF97FFA39A94A8...

Dr. Joachim Dannenbaum  
Wirtschaftsprüfer

## ANLAGEN

## Summary 2023

2023	Use of proceeds Green Projects (T€)	Distribution %	Green Bond	SSD 7Y Nr. 16352	SSD 10Y Nr. 16353	NSV 12Y Nr. 16354	NSV 15Y, Nr. 16355
<b>Green Projects</b>	222.148	100%	7.895	6.500	76.753	101.500	29.500
<b>Bus</b>	90.049	41%	3.200	2.635	31.112	41.144	11.958
<b>Metro</b>	116.944	53%	4.156	3.422	40.405	53.432	15.530
<b>Services</b>	15.154	7%	539	443	5.236	6.924	2.012

## Use of proceeds per Instrument

Inst. Number	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	€485,5m	€7,9m	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
<b>Metro</b>	7.357,2	100%	100%	100%	367,2	+Y40
<b>Bus</b>	695,0	100%	100%	100%	87,5	+Y40
<b>Services</b>	312,7	100%	100%	100%	38,6	+Y15
<b>Total</b>	8.364,9	100%	100%	100%	493,4	+Y40

## Use of proceeds by year

Position	Total	2020	2021	2022	2023
<b>Metro</b>	367,2	38,7	173,3	151,1	4,2
<b>Bus</b>	87,5	21,5	23,1	39,7	3,2
<b>Services</b>	38,6	13,2	14,7	10,2	0,5
<b>Total</b>	493,4	73,3	211,2	201,0	7,9



Inst. Number	Currency	Maturity	Interest	Payments		
SSD, Nr. 16352	EUR	26.04.2030		annually		
Nominal	Eligible Funds	Allocated Proceeds	Unallocated Proceeds	Financing vs. Refinancing		
€6,5m	€6,5m	€6,5m	0 €	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
<b>Metro</b>	4.397,3	100%	100%	100%	2,6	+Y40
<b>Bus</b>	461,2	100%	100%	100%	3,4	+Y40
<b>Services</b>	178,1	100%	100%	100%	0,4	+Y15
<b>Total</b>	5.036,6	100%	100%	100%	6,5	+Y40

Inst. Number	Currency	Maturity	Interest	Payments		
SSD, Nr. 16353	EUR	26.04.2033		annually		
Nominal	Eligible Funds	Allocated Proceeds	Unallocated Proceeds	Financing vs. Refinancing		
€162,5m	€162,5m	€76,8m	€85,7m	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
<b>Metro</b>	4.397,3	100%	100%	100%	31,1	+Y40
<b>Bus</b>	461,2	100%	100%	100%	40,4	+Y40
<b>Services</b>	178,1	100%	100%	100%	5,2	+Y15
<b>Total</b>	5.036,6	100%	100%	100%	76,8	+Y40

#### Use of proceeds by year

Position	Total	2023	2024
<b>Metro</b>	31,1	31,1	0,0
<b>Bus</b>	40,4	40,4	0,0
<b>Services</b>	5,2	5,2	0,0
<b>Total</b>	76,8	76,8	0,0

Inst. Number	Currency	Maturity	Interest	Payments		
NSV, Nr. 16354	EUR	26.04.2035		annually		
Nominal	Eligible Funds	Allocated Proceeds	Unallocated Proceeds	Financing vs. Refinancing		
€101,5m	€101,5m	€101,5m	0 €	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
<b>Metro</b>	4.397,3	100%	100%	100%	41,1	+Y40
<b>Bus</b>	461,2	100%	100%	100%	53,4	+Y40
<b>Services</b>	178,1	100%	100%	100%	6,9	+Y15
<b>Total</b>	5.036,6	100%	100%	100%	101,5	+Y40

Inst. Number	Currency	Maturity	Interest	Payments		
NSV, Nr. 16355	EUR	26.04.2038		annually		
Nominal	Eligible Funds	Allocated Proceeds	Unallocated Proceeds	Financing vs. Refinancing		
€29,5m	€29,5m	€29,5m	0 €	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
<b>Metro</b>	4.397,3	100%	100%	100%	12,0	+Y40
<b>Bus</b>	461,2	100%	100%	100%	15,5	+Y40
<b>Services</b>	178,1	100%	100%	100%	2,0	+Y15
<b>Total</b>	5.036,6	100%	100%	100%	29,5	+Y40

## 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:** Forvis Mazars GmbH & Co. KG,  
Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft

**Completion date of this form:** 29. August 2024

**Publication date of review publication:** 29. August 2024

#### 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 (please specify): |   |

*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 29. August 2024.

## 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:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis    |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

**Information reported:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts    | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other <i>(please specify)</i> : |  |

**Frequency:**

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual               | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : |                                      |

**Means of Disclosure**

- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents  | <input type="checkbox"/> Other <i>(please specify)</i> :                           |
| <input type="checkbox"/> Reporting reviewed <i>(if yes, please specify which parts of the reporting are subject to external review)</i> :<br>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:**

- |  |   |
|--|---|
| <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> : |   |

**Review provider(s):****Date of publication:**

Dr. Joachim Dannenbaum     Hajo Hauschildt

29. August 2024

Forvis 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

## 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 (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 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.