

**International Civil Society Centre -  
convening-capacity building-research gGmbH,  
Berlin**

Annual Financial Statements  
as of 31 December 2022  
and the independent auditor's report



**Rödl & Partner GmbH**  
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**Balance sheet as of 31 December 2022**

ASSETS	At 31.12.2022	Previous year
	EUR	EUR
<b>A. FIXED ASSETS</b>		
<b>I. Intangible fixed assets</b>		
1. Acquired licenses, industrial property rights and similar rights and assets as well as licenses for such rights and assets	32,935.00	33,428.00
2. Advances paid	0.00	8,602.00
	<u>32,935.00</u>	<u>42,030.00</u>
<b>II. Property, plant and equipment</b>		
Other assets, furniture and fixtures, office equipment	2,374.00	711.00
	<u>35,309.00</u>	<u>42,741.00</u>
<b>B. CURRENT ASSETS</b>		
<b>I. Inventories</b>		
Finished goods and merchandise	275.37	275.37
<b>II. Receivables and other assets</b>		
1. Trade receivables	5,915.44	10,901.44
2. Receivables from shareholders	10,560.00	72,801.72
3. Other assets	<u>10,160.74</u>	<u>8,474.91</u>
	26,636.18	92,178.07
<b>III. Cash in hand, due from Bundesbank, due from banks, and checks</b>	<u>584,404.23</u>	<u>659,224.91</u>
	611,315.78	751,678.35
<b>C. PREPAID EXPENSES</b>	7,782.88	6,926.03
	<u>654,407.66</u>	<u>801,345.38</u>



EQUITY AND LIABILITIES			
	At 31.12.2022		Previous year
	EUR	EUR	EUR
<b>A. EQUITY</b>			
<b>I. Share capital</b>			
1. Share capital	37,500.00		37,500.00
2. Contributions outstanding and not called in	-17,500.00		-18,750.00
3. Own shares	-2,500.00		0.00
		17,500.00	18,750.00
<b>II. Retained earnings</b>			
		241,876.38	156,685.11
		259,376.38	175,435.11
<b>B. SPECIAL ACCOUNT FOR GRANTS AND SUBSIDIES</b>			
		33,982.00	39,781.00
<b>C. PROVISIONS</b>			
Other provisions		71,052.12	88,530.81
<b>D. LIABILITIES</b>			
1. Liabilities to banks	245.65		1,517.60
- Thereof with a remaining term up to one year: EUR 245.65 (previous year: EUR 1,517.60)			
2. Trade liabilities	1,604.13		27,419.39
- Thereof with a remaining term up to one year: EUR 1,604.13 (previous year: EUR 27,419.39)			
3. Liabilities to shareholders	1,500.00		17,114.98
- Thereof with a remaining term up to one year: EUR 1,500.00 (previous year: EUR 17,114.43)			
4. Other liabilities	35,636.59		46,224.03
- Thereof with a remaining term up to one year: EUR 35,636.59 (previous year: EUR 46,224.03)			
- Thereof taxes: EUR 34,415.33 (previous year: EUR 33,126.62)			
- Thereof social security: EUR 0.00 (previous year: EUR 0.00)			
		38,986.37	92,275.45
<b>E. DEFERRED INCOME</b>			
		251,010.79	405,323.01
		654,407.66	801,345.38



**Income statement for the financial year started 1 January and ended  
31 December 2022**



**International Civil Society Centre - convening-capacity building-research gGmbH, Berlin**  
**Income statement**  
**for the financial year started 1 January and ended 31 December 2022**

	2022	Previous year
	EUR	EUR
1. Gross revenue		78,613.76
2. Grants and donations		1,545,858.68
3. Other operating income		43,629.49
4. Cost of materials		
Costs of procured services		-548,373.29
5. Personnel costs		
a) Wages and salaries	-730,790.29	-663,500.49
b) Payments to social security and pension fund, old-age support and other support		
	-133,151.51	-136,710.02
		-800,210.51
6. Depreciation and amortisation		
Amortisation of intangible and depreciation of tangible fixed assets		
	-17,201.15	-16,929.26
7. Other operating expense	-201,266.14	-208,602.84
8. Other interest and similar income	80.90	0.64
9. Interest and similar expense	0.00	-54.92
10. Taxes on income and profit	-0.12	-0.12
<b>11. Result after taxes</b>	<b>85,191.27</b>	<b>57,931.63</b>
<b>12. Profit for the year</b>	<b>85,191.27</b>	<b>57,931.63</b>
13. Appropriation of profits	-85,191.27	-57,931.63
<b>14. Balance sheet income/loss</b>	<b>0.00</b>	<b>0.00</b>



Notes to the financial statements for the year started 1 January and  
ended 31 December 2022





## **International Civil Society Centre - convening-capacity building-research gGmbH, Berlin**

### **Notes to the financial statements for FY 2022**

#### **I. General information**

International Civil Society Centre - convening-capacity building-research gGmbH ("Company") has its registered offices in Berlin. The Company is registered in the Trade Register maintained by the Berlin District Court (Charlottenburg, Berlin) as HRB 109333 B.

The annual financial statements as of 31 December 2022 were compiled in accordance with the requirements of the German Commercial Code [*Handelsgesetzbuch* - HGB].

The nature of expense method was chosen for the presentation of the income statement (Section 275.2 of the HGB).

The Company is a small capital company in the meaning of Section 267.1 of the HGB and so it has made use of some of the size-dependent exemptions available to it in respect of the compilation of its annual financial statements.

#### **II. Accounting policies and measurement principles**

The acquired intangible assets were recognised at acquisition cost and, insofar as they are amortisable, scheduled amortisation charges were accrued on them. There were no accruals of unscheduled amortisation charges. Amortisation charges are accrued on intangible assets according to the straight-line method.

Property, plant and equipment are carried at acquisition cost less scheduled depreciation charges, which are accrued on property, plant and equipment according to the straight-line method.

The depreciation and amortisation periods are based on the expected useful life of the asset. Depreciation charges are accrued on fixed assets acquired during the year *pro rata temporis*.

Depreciable movable assets of low value with an individual net acquisition cost falling within the range between EUR 250.00 and EUR 800.00 are fully expensed in their acquisition year.

The inventories consisting of books intended for sale are carried at acquisition cost.

Receivables and other assets are carried at their nominal value.

Receivables from shareholders consist of trade receivables.

The items *Cash in hand* and *Due from banks* are carried at their nominal value as of the balance sheet date.

Prepaid expenses consist of the expenses paid before the reporting date, but relating to the next year.

The net profit for the year was allocated in full to retained earnings.

The amount of EUR 85,191.27 was allocated to the free reserve in accordance with Section 62.1 of the German Tax Code [AO]. The balance of this reserve was EUR 241,876.38 as of the balance sheet day.

A special item was created for grants and subsidies to the amount of the fixed assets financed with subsidies, which will be released to income over the useful life of the assets.

Other provisions were created for all identifiable risks and doubtful debts to their settlement amounts, as required according to reasonable commercial judgement. Where their remaining term is more than one year, the provisions are discounted at an average market interest rate for the past seven years that corresponds to the remaining term concerned.

Liabilities are disclosed at their settlement value. As of the balance sheet date, the Company had no liabilities with a remaining term that exceeds 5 years.

Deferred income consists of incomes received before the reporting date, but relating to the next year. This item includes grants of EUR 251,010.79 (previous year: EUR 405,323.01).

These advance payments received by the Company will lead to income in subsequent years.

There have been no subsequent events of particular importance after the end of the financial year.

### **III. Other information**

#### **Number of personnel**

The average number of personnel of the Company during the reporting year was 16.

#### **The CEO and the Board of Directors**

Dr Wolfgang Jamann is the only CEO of the Company. The Company makes use of the exemption available to it under Section 286.4 of the HGB and does not disclose the information about the remuneration paid to its CEO.

The Company has a board of directors. As of the balance sheet date, the chairperson of the Board of Directors was Ms. Caroline Harper (the CEO of Sightsavers). Moreover, the Board of Directors consists of the following other members:

- Rainer Brockhaus, CEO, CBM Christian Blind Mission
- Justin Derbyshire, Chief Executive, HelpAge International
- Sofia Sprechmann, Secretary General, CARE International
- Michael Kruger, President, ADRA International
- Gabriela Bucher, Executive Director, Oxfam International
- Casey Harden, General Secretary, World YWCA
- Daniel Eriksson, CEO, Transparency International
- Ingrid Maria Johansen, CEO, SOS Children's Villages International
- Wolfgang Jamann, Executive Director, International Civil Society Centre
- Caroline Harper, Chief Executive, Sightsavers

Berlin, 17.03.2023

Dr Wolfgang Jaman

International Civil Society Centre - convening-capacity building-research gGmbH, Berlin

Statement of changes in fixed assets for the financial year started 1 January and ended 31 December 2022

		Acquisition and production costs				Depreciation/Amortisation			Book value	
	01.01.2022 EUR	Additions EUR	Disposals EUR	Transfer EUR	31.12.2022 EUR	01.01.2022 EUR	Additions EUR	Disposals EUR	31.12.2022 EUR	31.12.2021 EUR
<b>A. Fixed assets</b>										
<b>I. Intangible fixed assets</b>										
1. Acquired licenses, industrial property rights and similar rights and assets as well as licenses for such rights and assets	68,929.92	7,485.15	0.00	8,602.00	85,017.07	35,501.92	16,580.15	0.00	52,082.07	32,935.00
2. Advances paid	8,602.00	0.00	0.00	-8,602.00	0.00	0.00	0.00	0.00	0.00	8,602.00
	<u>77,531.92</u>	<u>7,485.15</u>	<u>0.00</u>	<u>0.00</u>	<u>85,017.07</u>	<u>35,501.92</u>	<u>16,580.15</u>	<u>0.00</u>	<u>52,082.07</u>	<u>42,030.00</u>
<b>II. Property, plant and equipment</b>										
Other assets, furniture and fixtures, office equipment	38,352.38	2,284.00	0.00	0.00	40,636.38	37,641.38	621.00	0.00	38,262.38	2,374.00
	<u>115,884.30</u>	<u>9,759.15</u>	<u>0.00</u>	<u>0.00</u>	<u>125,653.45</u>	<u>73,143.30</u>	<u>17,201.15</u>	<u>0.00</u>	<u>90,344.45</u>	<u>42,741.00</u>

## AUDITOR'S REPORT

### Independent auditor's report

To International Civil Society Centre - convening-capacity building-research gGmbH, Berlin:

#### *Audit opinion*

We have audited the annual financial statements of International Civil Society Centre - convening-capacity building research gGmbH, Berlin, comprising the balance sheet as of 31 December 2022 and the income statement for the financial year started 1 January 2022 and ended 31 December 2022 as well as the notes to the financial statements including the disclosures of the accounting policies and measurement methods applied.

In our opinion based on the findings of our audit, the appended annual financial statements comply in all material respects with the requirements of German commercial law applicable to capital companies and give a true and fair view of the net assets, financial position of the Company as of 31 December 2022 and of the results of its operations for the financial year started 1 January 2021 and ended 31 December 2022 in accordance with the German principles of proper accounting.

We declare in accordance with Section 322.3 Sentence 1 of the German Commercial Code [HGB] that our audit has not led to any reservations regarding true and fair presentation of the financial statements.

#### *Basis for our opinion*

We conducted our audit of the annual financial statements in accordance with Section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW). Our responsibility according to these statutory requirements and standards is described below in Section: *The Auditor's responsibility for the audit of the annual financial statements* of our Audit Report. We are independent from the Company in accordance with the requirements of German commercial law and professional regulations and have fulfilled our other professional duties under German law in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate and provides a reasonable basis for our audit opinion regarding the annual financial statements.

#### *Responsibility of the legal representative and of the Board of Directors for the financial statements*

The legal representative is responsible for the production and fair presentation of the annual financial statements that are in compliance in all material respects with German principles of proper accounting and with the requirements of German commercial law applicable to capital companies, and for true and fair presentation in the financial statements of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representative is responsible for the implementation and maintenance of the internal controls deemed necessary in accordance with German principles of proper accounting to enable the production of annual financial statements that are false representations due to fraudulent actions (i.e. manipulation of accounting and financial damage) or errors.

During the production of the annual financial statements, the legal representative is responsible for assessing the Company's ability to continue as a going concern. The legal representative is also responsible for disclosing the matters relevant for the continuation of the Company as a going concern, if applicable. Moreover, the legal representative is responsible for accounting for and reporting on the continuation of the Company's operations on the basis of the accounting policies, unless prevented from doing so by a good factual or legal reason.

The Board of Directors is responsible for overseeing the Company's accounting process for the production and fair presentation of the financial statements.

## ***The Auditor's responsibility for the audit of the annual financial statements***

Our objective is to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material false representations, whether due to fraud or error, and to issue the independent auditor's report that includes our opinion regarding the financial statements.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with Section 317 of the HGB and in compliance with German generally accepted standards for the audit of financial statements promulgated by *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW) will detect a material misstatement in all cases. Misstatements can arise from fraudulent acts or errors and are considered material if they could reasonably be expected to influence, whether individually or in the aggregate, the economic decisions of users made on the basis of these annual financial statements.

During the audit we exercise professional judgment and scepticism. In addition, we

- identify and evaluate the risks of material misstatement in the financial statements, whether due to fraudulent acts or errors; plan and perform audit procedures in response to those risks; and obtain audit evidence which is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements resulting from fraudulent acts will not be uncovered is higher than the risk that material misstatements resulting from errors will not be uncovered, since fraudulent acts involve collusive interaction, falsification, intentional omissions, misleading representations or involve overriding internal controls;
- gain an understanding of the internal controls relevant for the audit of the financial statements to be able to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls of the Company;
- evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made as well as the reasonableness of the estimates and related disclosures presented by the legal representative;

- draw conclusions about the appropriateness of the accounting policies applied by the legal representative for the continuation of the Company as a going concern and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with any events or circumstances that could give rise to significant doubt regarding the Company's ability to continue as a going concern. If we conclude that there is such material uncertainty, our duty is to point out in the auditor's report to the relevant disclosures in the financial statements or, if the disclosures are inappropriate, to qualify our opinion and to modify the auditor's report. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, subsequent events or circumstances could lead to inability of the Company to continue as a going concern;
- express an opinion regarding the presentation, the structure and the content of the financial statements as a whole, including the disclosures made, as well as whether the financial statements present the underlying transactions and events in a way that enables the annual financial statements to give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Among other things, we discuss with those responsible for supervision the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal controls that we identify during our audit.

Cologne, 17<sup>th</sup> March 2023



A blue ink signature, appearing to be 'Hille', written in a cursive style.

Hille  
Certified public auditor  
[Wirtschaftsprüfer]

Rödl & Partner GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

A blue ink signature, appearing to be 'Horst', written in a cursive style.

Horst  
Certified public auditor  
[Wirtschaftsprüfer]

# General Engagement Terms

## for

### Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

#### [German Public Auditors and Public Audit Firms]

#### as of January 1, 2017

#### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

#### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

#### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

#### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

#### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

#### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

#### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

#### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

#### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.



(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.