

Certificate

Annual Financial Statements
to 31 December 2020

of

Tearfund Deutschland e.V.
Berlin

INDEPENDENT AUDITOR'S
AUDIT REPORT

SCHOMERUS

INDEPENDENT AUDITOR'S REPORT

To Tearfund Deutschland e.V., Berlin:

Audit Opinion

We have audited the annual financial statements of Tearfund Deutschland e.V., Berlin, which comprise the balance sheet as at December 31, 2020 and the statement of profit and loss for the financial year from January 1 to December 31, 2020 and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Society as at December 31, 2020 and of its financial performance for the financial year from January 1 to December 31, 2020 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements.

Other Information

The legal representatives are responsible for other information, this being the unaudited profit and loss statement, including offsetting and reconciliation, but not the annual financial statements and our corresponding audit opinion.

Our audit opinion on the annual financial statements does not extend to this other information and we are accordingly not expressing an audit opinion or any other form of audit conclusion thereupon.

In connection with our audit we are responsible for reading the above-mentioned other information and for assessing whether it

- contains material inconsistencies with the annual financial statements or with our findings in the course of the audit or
- otherwise appears to be fundamentally misrepresented.

If, on the basis of our work, we come to the conclusion that this other information makes a material misrepresentation we are required to report the fact. We have nothing to report in this connection.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Society in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Society in compliance with German Legally Required Accounting Principles.

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

Berlin, 14 April 2021

**Hamburger Treuhand Gesellschaft
Schomerus & Partner mbB
Wirtschaftsprüfungsgesellschaft
Zweigniederlassung Berlin**

Beutel

Schwunk

Auditor

Auditor

(signed digitally)

(signed digitally)

The Report about the Annual Financial Statements and the audit certificate above are only a translation of the German text, which is the sole authoritative version.

Publication or disclosure of the annual financial statements in a form that deviates from the certified version requires a further statement by us if our audit certificate is quoted or referenced. Reference is here made to § 328 HGB.

Annexes

Balance Sheet to 31 December 2020
Tearfund Deutschland e.V., Berlin

ASSETS

	31.12.2020 €	31.12.2019 K€
A. Assets		
I. Intangible Assets		
Acquired concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	9.00	0
II. Fixed Assets		
Other equipment, plant and office equipment	<u>4,907.04</u>	<u>15</u>
	<u>4,916.04</u>	<u>15</u>
B. Current Assets		
I. Receivables and Other Asset Items		
1. Receivables from grants	197,152.55	946
2. Other asset items	<u>24,095.67</u>	<u>71</u>
	221,248.22	1,017
II. Cash in Hand, Bank Balances and Cheques	<u>144,062.24</u>	<u>274</u>
	<u>365,310.46</u>	<u>1,291</u>
C. Accruals	<u>8,007.29</u>	<u>13</u>
	<u>378,233.79</u>	<u>1,319</u>

LIABILITIES

	31.12.2020 €	31.12.2019 K€
	<hr/>	<hr/>
A. Equity Capital		
I. Society's Capital	5,671.85	90
II. Revenue Reserves	0.00	232
III. Balance Sheet Result	<u>0.00</u>	<u>-231</u>
	5,671.85	91
B. Provisions	22,310.25	25
C. Liabilities		
1. Amounts owed to credit institutions	2,654.92	3
- of which with a term to maturity of up to a year: € 2,654.92 (previous year K€ 3)		
2. Trade accounts payable	2,142.60	3
- of which with a term to maturity of up to a year: € 2,142.60 (previous year K€ 3)		
3. Liabilities from grants received	310,005.16	1,163
- of which with a term to maturity of up to a year: € 310,005.16 (previous year K€ 1,163)		
4. Other Liabilities	<u>35,449.01</u>	<u>34</u>
- of which with a term to maturity of up to a year: € 27,949.01 (previous year K€ 34)		
- of which taxes: € 2,201.25 (previous year K€ 2)		
	350,251.69	1,203
	<u>378,233.79</u>	<u>1,319</u>

Profit and Loss Statement for 2020

Tearfund Deutschland e.V., Berlin

	2020		2019	
	€	€	K€	K€
1. Income from donations		154,058.90		110
2. Income from grants		2,098,998.74		1,924
3. Other operating income		26,389.31		41
4. Total revenue		<u>2,279,446.95</u>		<u>2,075</u>
5. Project expenses		-1,679,664.01		-1,475
6. Personnel Costs				
a) Wages and salaries	-519,469.92		-650	
b) Social security contributions and benefits	<u>-54,537.69</u>	<u>-574,007.61</u>	<u>-55</u>	<u>-705</u>
7. Sum total project and personnel expenditure		<u>-2,253,671.62</u>		<u>-2,180</u>
8. Subtotal		25,775.33		-105
9. Depreciation of intangible and fixed assets		-11,914.9		-18
10. Other operating expenses		<u>-100,550.18</u>		-109
11. Subtotal		-86,689.75		-232
12. Other interested and similar income		<u>1,181.09</u>		<u>1</u>
13. Net loss for the year		-85,508.66		-231
14. Withdrawals from Society's capital		84,328.15		0
15. Withdrawals from revenue reserves		<u>1,180.51</u>		<u>0</u>
16. Balance sheet profit		<u>0.00</u>		<u>-231</u>

Notes to the Annual Financial Statements for 2020

Tearfund Deutschland e.V., Berlin

Tearfund Deutschland e.V., Berlin, is registered under the number VR 37890 in the Register of Associations at Charlottenburg District Court (Amtsgericht), Berlin.

The annual financial statements were prepared on the basis of the German Commercial Code (Handelsgesetzbuch/HGB).

The balance sheet and valuation were based on the principles of proper accounting and the provisions of commercial law.

As of 31 December 2020 the Society's equity capital totalled K€ 6. The annual accounts were prepared on the basis of a going-concern assumption. The budget for 2021, which shows a slightly positive result, takes into account both current external developments (the Covid-19 pandemic) and internal changes initiated by the transformation project.

Compliance with the budget is realistic because:

- Marketing development is progressing successfully and the fundraising targets for 2020 were exceeded by 15% despite Covid-19.
- A newly created position for institutional funders has been filled and use is now being made of synergies with the TF family.
- The TF family is providing financial support amounting to a six-digit sum in euros.
- Various savings measures have been implemented.
- The Supervisory Board was mandated by the AGM to monitor the budget on an ongoing basis in relation to the surpluses actually generated in order to undertake emergency measures should they be required.
- The Supervisory Board is in addition monitoring a monthly cash flow forecast in order to ensure solvency.
- In the event of impending insolvency TF DE assumes that it will receive additional funding from TF UK, given that TF UK's stated aim is to build up and develop our German organisation as indicated in the joint MoU.

I. Accounting and Valuation Methods

The accounting and valuation methods outlined as follows were applied unchanged on the previous year:

Intangible and fixed assets are stated at cost of acquisition and, insofar as they are depreciable, reduced by scheduled depreciation.

Depreciation was straight-line based on the expected useful life of the assets.

Receivables from grants and other asset items are stated at nominal or fair value.

Provisions are stated at settlement value taking into account all recognisable risks and uncertain obligations on the reporting date.

Liabilities were stated at their settlement values.

Low-value assets with a cost of acquisition of between EUR 150.00 and EUR 1,000.00 were until the posting year 2017 included in a compound item for the year of acquisition and written off using the straight-line method over a five-year period.

From the posting year 2018 compound items for low-value assets as per § 6 Abs. 2a EStG were no longer created. All assets with a net value of up to EUR 800 are written off immediately. Assets with a higher cost of acquisition are recognised separately and depreciated over their respective useful lives.

Classifications in the profit and loss statement in accordance with §275 Abs. 2 HGB have for reasons of clarity been broken down further to include the items "1. Income from donations," "2. Income from grants" and "4. Project expenses".

In contrast to the previous year, expenses charged by project partners were stated as Project expenses. The figures for the previous year were reduced by K€ 116 for wages and salaries under Personnel costs and by K€ 27 under Other operating expenses. Project expenses were increased accordingly.

In addition, last year expenses were stated under Personnel Costs as Social security contributions and benefits that should rightly have been listed under Wages and salaries. Previous years' figures were adjusted accordingly, the amount involved K€ 41.

II. Notes on the Balance Sheet

The development of intangible and fixed assets in the reporting year is stated gross in the schedule.

Receivables from grants relates to approved public and private funding for project work. They all have a term to maturity of up to one year.

Other provisions take into account all recognisable risks and uncertain obligations. They consist mainly of K€ 8 in provisions for personnel and K€ 14 in other provisions.

With the exception of a K€ 7.5 loan, all liabilities have a term to maturity of up to one year and are unsecured. The loan was granted interest-free and unsecured and runs until 1 May 2035. If the lender dies before this date, the loan is to be converted into a donation.

Liabilities from grants received totalling K€ 197 (previous year K€ 946) consisted of funding commitments by project funding donors none of which has been transferred and K€ 113 (previous year K€ 217) of funding received that had yet to be spent as earmarked.

Tax liabilities totalled K€ 2 (previous year K€ 2).

Contingent liabilities

As of the reporting date there were no contingent liabilities.

III. Notes on the Profit and Loss Statement

The profit and loss statement is presented in vertical format using the total cost method.

Donations received are stated contrary to IDW RS HFA 21 as income in the year of receipt.

Other operating income (EUR 27,166.45) includes EUR 12,673.70 in income from currency translation.

Other operating expenses (EUR 100,550.18) include currency translation losses totalling EUR 18,539.98.

IV. Other Disclosures

Number of employees

In Germany the Society had 9.5 employees (annual average, previous year 9.2), including 1.5 marginally employed persons. A further 22.5 (annual average, previous year 29.5) were employed abroad.

The Executive Board is responsible for the Society's management; its members are as follows:

Dr. Martin Knispel, Berlin, Chairman (since 01.11.2020 sole director)

Stephan Krämer, Berlin, Vice Chairman (until 31.10.2020)

Michaela Hamm, Eberdingen (until 31.10.2020)

Executive Board gross remuneration in 2020 breaks down as follows:

- Chairman, operative coordination: EUR 64,800 (100%)
- Vice-Chairman, program coordination: EUR 31,902 (100% for 10 months)
- Director, financial coordination: EUR 8,000 (25% for 10 months).

Members of the Supervisory Board are:

- Peter Jakobus, Kronberg im Taunus, Diplom-Volkswirt (Chair)
- Dr. Christiane Seitz, Kronberg im Taunus, key account manager (Vice-Chair)
- Alexander Gentsch, Brussels, advocacy officer
- Bernd Gülker, Rangsdorf, pensioner/consultant
- Michael Voss, Niedernhausen, engineer.

Fundraising and Public Relations

Media such as Facebook and Mailchimp newsletters were used for fundraising, as were our website, the annual report and letters to our supporters. No companies or service providers were entrusted with fundraising and no performance-based remuneration was paid.

Berlin, 14 April 2021

Signed Dr. Martin Knispel
Tearfund Deutschland e.V.

Annexes

to the Notes

Development of Fixed Assets in 2020

Tearfund Deutschland e.V., Berlin

	COSTS OF ACQUISITION AND PRODUCTION			
	01.01.2020	Additions	Disposals	31.12.2020
	€	€	€	€
I. Intangible Assets				
Acquired concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	8,822.85	0.00	0.00	8822.85
II. Fixed Assets				
Other equipment, plant and office equipment	<u>73,477.92</u>	<u>2,363.81</u>	<u>28,916.00</u>	<u>46,925.73</u>
	<u>82,300.77</u>	<u>2,363.81</u>	<u>28,916.00</u>	<u>55,748.58</u>

ACCRUED DEPRECIATION			NET BOOK VALUES		
01.01.2020	Additions	Disposals	31.12.2020	31.12.2020	31.12.2019
€	€	€	€	€	€
8,813.85	0.00	0.00	8,813.85	9.00	9.00
58,242.65	11,914.90	28,138.86	42,018.69	4,907.04	15,235.27
67,056.50	11,914.90	28,138.86	50,832.54	4,916.04	15,244.27

General Terms and Conditions of Contract
for
Tax Consultants - Attorneys at Law - Certified Public Accountants

As of January 1, 2021

1. Scope

- (1) These General Terms and Conditions of Contract (GTC) apply to all instructions (in particular relating to the provision of audits, tax and legal advice, business and conduct of cases), which are undertaken by the following partnership companies with limited professional liability for principals and limited liability companies (GmbH) (hereinafter referred to as clients) and unless explicit arrangements to the contrary are agreed in writing:

- Schomerus & Partner mbB
Steuerberater Rechtsanwälte Wirtschaftsprüfer
(Amtsgericht Hamburg PR 361)
- Hamburger Treuhand Gesellschaft Schomerus & Partner mbB
Wirtschaftsprüfungsgesellschaft
(Amtsgericht Hamburg PR 7)
- Schomerus & Partner mbB
Steuerberater Rechtsanwälte Wirtschaftsprüfer
(Amtsgericht Charlottenburg PR 691 B)
- Schomerus Compliance GmbH
Steuerberatungsgesellschaft
(Amtsgericht Hamburg HRB 27694)

The aforementioned companies are hereinafter individually or collectively referred to as "SCHOMERUS".

These GTCs are an implicit and lasting part of any contractual agreement and extend, in connection with a continuing mandate, to all future instructions by and legal relationships with the client.

- (2) Third parties may derive claims from contracts between SCHOMERUS and clients only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these GTCs also apply to these third parties.
- (3) To execute instructions received, SCHOMERUS is entitled to consult experts (including employees), expert third parties (especially one of the partnerships referred to in paragraph 1 mentioned above), and data processing companies (especially DATEV e.G.).

2. Scope and Performance of Services/Instructions

- (1) The scope of services to be provided by SCHOMERUS is always based on the individual instruction received. Instructions to provide legal advice do not extend to the provision of consultancy services on tax matters, for which separate instructions are required. The same applies to instructions to provide tax advice, which similarly do not extend to the provision of legal advice. Consultancy services on matters of foreign law require express instructions unless the subject matter and/or nature of the instruction indicate otherwise.
- (2) The scope of services to be provided shall always be the instruction agreed and not specific legal, fiscal or economic success.
- (3) If the legal position changes subsequent to the issuance of the final professional statement, SCHOMERUS is not obliged to inform the client of changes or any consequences resulting therefrom.

3. Duties of the Clients

- (1) The client is required to cooperate and, in particular, to provide accurate details, to notify SCHOMERUS of all necessary or important information, in writing if so requested, and to transmit necessary documents at as early a date and in as completely as possible. The client will also designate suitable persons to provide information.

- (2) SCHOMERUS is entitled to assume that the facts as stated by the client, especially figures and documents, are accurate unless their inaccuracy is self-evident without further research. This shall also apply to bookkeeping and payroll accounting instructions. Checking that documents and figures received, especially accounts and financial statements, are accurate, complete and correct is only a part of the instruction if that has been agreed separately in writing.
- (3) If so requested by SCHOMERUS, the client must confirm that the documents submitted and information and statements made are complete in a written declaration drawn up by SCHOMERUS.
- (4) Without being specifically requested to do so, the client is required to check documents drawn up by SCHOMERUS in performance of instructions for accuracy and completeness of the underlying circumstances and to notify SCHOMERUS without delay of errors or inaccuracies or gaps that are not just minor details. This does not apply to legal opinions and/or tax evaluations.
- (5) SCHOMERUS must be notified of changes of the clients' address without delay and without being requested to do so. If the client fails to perform this duty and documents are misrouted and/or delayed as a result, possibly leading to a loss of legal rights, SCHOMERUS shall not be liable for any resulting damage unless the change of address was self-evident.

4. No Duty to Provide Verbal Information / No Liability

SCHOMERUS is under no obligation to provide binding information over the telephone. Insofar as SCHOMERUS in compliance with the clients' wishes provides such information, it shall be considered to be an initial and legally non-binding assessment that is always subject to the need for in-depth scrutiny and express written confirmation. Drafts are non-binding. Liability for preliminary information of this kind given over the telephone or for drafts are ruled out.

5. Protection of Intellectual Property

The client is responsible for ensuring that all reports, assessments and documents, etc. drawn up by SCHOMERUS within the scope of the instruction are only to be used for his own purposes. Passing on professional statements of this kind requires the prior written consent of SCHOMERUS unless the client is obligated to distribute or to inform due to law or a regulatory requirement.

6. Confidentiality, Data Processing and Data Protection

- (1) SCHOMERUS is legally required to observe confidentiality for an unlimited period about all facts and information that come its way in connection with acting on an instruction and about the results of its work unless the client relieves it of this obligation in writing.
- (2) SCHOMERUS must ensure, in using the services of third parties (as per Section 1 (3) above), that the third parties undertake to observe confidentiality as per Section 6 (1) above.
- (3) SCHOMERUS is authorised to process electronically data related to persons and instructions with which it is entrusted within the scope of the client's instructions and in performance thereof. It is, in particular, entitled to collect, store and process data or to permit third parties (as per Section 1 (3) above) to do so. SCHOMERUS or the third party must abide by the statutory data protection regulations in force at the given time.

7. Disclaimer and Liability, Cut-off Periods

- (1) For legally required services, in particular audits, the respective legal limitations of liability, especially the liability limitation of § 323 (2) HGB ("*Handelsgesetzbuch*": German Commercial Code), apply.
- (2) Insofar neither para. 1, nor an individual contractual limitation of liability exists, SCHOMERUS shall be liable to the client for damages arising from negligence to a maximum of €10,000,000 per case of damage. Said limitation of liability does not apply to any damage caused by SCHOMERUS wilfully or by more than simple negligence. It also does not apply to damage to life, body or health.
- (3) SCHOMERUS is entitled to invoke demurs and defenses based on the contractual relationship with the client also towards third parties.
- (4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with SCHOMERUS due to SCHOMERUS' negligent breach of duty, the maximum amount stipulated in para. 2 above applies to the respective claims of all claimants collectively.
- (5) An individual case of damages within the meaning of para. 2 above 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 damage 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.
- (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 client has been informed of this consequence. This does not apply does not apply to any damage caused by SCHOMERUS wilfully or by more than simple negligence. It also does not apply to damage to life, body or health. This shall not affect the right to assert a claim to suspend the period of limitation.

8. Remuneration, Joint Liability, Setting Off, Assignment

- (1) Insofar as no special written agreement on fees is reached with the client, remuneration (fees and expenses) of the SCHOMERUS tax advisors and attorneys at law for their professional activity shall be based on the Remuneration of Tax Advisors Act (StBVV) and the Remuneration of Attorneys Act (RVG) and are therefore based on the value of the case. If these legal provisions make no specification for the service or services provided, the standard remuneration shall be considered to have been agreed (Section 612 (2) BGB), which usually means charging by the hour. Payment of the fee is always due to the commissioned partnership company. SCHOMERUS points out that in extrajudicial matters a higher or lower amount, in judicial matters a lower amount, than the statutory remuneration can be agreed in text form.
- (2) Several clients (natural persons and/or legal entities) are jointly and severally liable for payment of the remuneration, either statutory or agreed, for services provided by SCHOMERUS in the same matter. Setting off payments due against payments to which SCHOMERUS is entitled is only permissible in respect of payments receivable that are either undisputed or have been legally established.
- (3) The client will assign to the commissioned partnership company all refund entitlements and other payments due from the opposing party or the state in connection with the instruction up to the amount of the fee to which SCHOMERUS is entitled. SCHOMERUS will not act on any such entitlement as long as the client fulfils his payment obligations and, in particular, neither refuses to pay nor is in default of payment nor an application has been made to open insolvency proceedings. SCHOMERUS is entitled to offset payments received or due to the client against unpaid fees or services that have yet to be billed. SCHOMERUS is entitled to claim appropriate advance payments and expenses.

9. Correction of deficiencies

- (1) Where there are deficiencies, the client is entitled to subsequent fulfilment of the contract by SCHOMERUS. The client may reduce the fees or cancel the contract for the failure to subsequently fulfil the

contract, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent fulfilment. If the engagement was not commissioned by a consumer, the client may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to the failure to subsequently fulfil the contract, to subsequent non-performance or to unjustified refusal to perform subsequently, or to unconscionability or impossibility of subsequent fulfilment failure. Section 7 applies to the extent that further claims for damages exist.

- (2) The client must assert his claim for the correction of deficiencies in writing (*Textform*) without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.
- (3) Obvious deficiencies, such as typing and arithmetical errors and deficiencies associated with technicalities contained in SCHOMERUS professional statements (reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by SCHOMERUS at any time. Errors which may call into question the conclusions contained in SCHOMERUS professional statements entitle SCHOMERUS to withdraw – also versus third parties – such statements. In the cases noted SCHOMERUS should first hear the client, if possible.

10. Termination of Contract

- (1) If nothing to the contrary has been agreed, the client can terminate the contractual relationship at any time. So may SCHOMERUS, but not at an inappropriate time unless the relationship of trust that is necessary for working on the mandate is severely impaired. After termination, services that have not yet been billed, will be invoiced without delay and payment is due immediately.
- (2) If SCHOMERUS terminates the contract, reasonable action must be taken that brooks no delay to prevent any loss of legal rights by the client, such as applying for an extension if deadlines are due to expire or attending hearings that are on the point of taking place. If SCHOMERUS, on terminating the contract, mentions deadlines and action that must be taken by the client and notes especially that another professional must be called in to handle them, it no longer needs to take further action unless the client is unable, due to no culpable delay of his own, to instruct another party and says so in writing without delay.

11. Right of Retention

SCHOMERUS can refuse to hand over the results of its work, documents and files until such time as full payment of fees is received. This will not be the case if retention would be in breach of good faith in view of the circumstances, especially if the sum owed is fairly small. SCHOMERUS will otherwise keep documents only for as long as it is legally required to do so and is under no obligation to retain them for longer.

12. Electronic Correspondence

- (1) The client is aware that the data security afforded by electronic media, especially by e-mail and other Internet modes of notification, cannot be fully guaranteed and that documents sent or received in this way cannot be effectively protected from access and abuse by unauthorised third parties. So data loss and computer viruses are possible. SCHOMERUS offers to encrypt data exchanged with the client.
- (2) If the client fails to make use of this offer and does not otherwise refuse in writing or by e-mail to use electronic mail, the following will apply: Sending and receipt of documents is undertaken in awareness of the above-mentioned risks. Until further notice, SCHOMERUS is authorised to communicate with the client and with third parties by e-mail and by internet and will undertake no guarantee completeness, accuracy and timely receipt of documents sent to or received by the client in this way. If the client uses this mode of communication with SCHOMERUS, he must always himself make sure that mail he has sent has been received in full and in time and above all by the person intended.

13. Supplementary provisions for audit engagements

- (1) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law

or special regulations, such as, for example, laws on price controls, laws limiting competition and laws controlling certain aspects of specific business operations were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefore arise or if this has been expressly agreed to in writing.

- (2) The client shall refrain from everything that endangers the independence of the 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 one's own account. Were the performance of the engagement to impair the independence of the 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 auditor in other engagement relationships, the auditor is entitled to terminate the engagement for good cause.
- (3) The use of the auditor's professional statements for promotional purposes is not permitted; an infringement entitles the auditor to immediately cancel all engagements not yet conducted for the client.
- (4) If the client subsequently amends the financial statements or management report audited by an auditor and accompanied by an auditor's report, he may no longer use this auditor's report. If the auditor has not issued an auditor's report, a reference to the audit conducted by the auditor in the management report or any other public reference is permitted only with the auditor's written consent and using the wording authorized by him.
- (5) If the auditor revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the auditor's request.
- (6) The client has a right to 5 copies of the long-form report. Additional copies will be charged separately.

14. Supplementary provisions for assistance with tax matters

The tax consulting engagement does not encompass procedures required to meet deadlines, unless SCHOMERUS has explicitly accepted the engagement for this. In this event the client must provide SCHOMERUS, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that SCHOMERUS has an appropriate time period available to work therewith.

15. Applicable Law, Place of Performance, Jurisdiction

- (1) German law alone shall apply to the instruction, to its execution and to the claims arising therefrom.
- (2) The place of performance and the place of jurisdiction for disputes with regard to fees and liability is the office premises of the commissioned partnership company, as far as it is legally permitted, or if nothing else is agreed.

16. Dispute Settlement

SCHOMERUS is neither obligated nor prepared to participate in dispute settlement procedures before a consumer arbitration within the meaning of Section 2 of the German Act on Consumer Dispute Settlements.

17. Effectiveness in the Event of Partial Invalidity

Should individual provisions of these Terms and Conditions be or become ineffective, the effectiveness of the remaining provisions shall not be affected. The ineffective provision must be replaced by a valid one that comes as close as possible to the original intention.

18. Amendments and Additions/Third-Party GTCs

- (1) Amendments and additions to these Terms and Conditions must be made in writing.

- (2) Third-party GTCs, the client's Terms and Conditions of Purchase and Payment, and differences in applicable law and place of jurisdiction shall be ineffective.

INFORMATION ABOUT DATA PROCESSING

The protection of personal data is very important for us. We therefore adhere to the data protection specifications resulting particularly from the European General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG 2018).

In the following, we shall inform you in detail about the processing of personal data undertaken by us and about your rights in this respect. Which data is processed in detail depends on the respective order.

1. Names and contact details of the controllers, information about joint controllers, contact details of the Data Protection Officer

Controllers for the data processing are:

Hamburger Treuhand Gesellschaft Schomerus & Partner mbB
Wirtschaftsprüfungsgesellschaft
(Amtsgericht Hamburg PR 7)

Schomerus & Partner mbB
Steuerberater Rechtsanwälte Wirtschaftsprüfer
(Amtsgericht Hamburg PR 361)

Schomerus Compliance GmbH
Steuerberatungsgesellschaft
(Amtsgericht Hamburg HRB 27694)

Respective contact details:

Deichstraße 1
20459 Hamburg
Germany

Telephone: +49 (0)40 37 601-00
Fax: +49 (0)40 36 601-199
Email: info@schomerus.de

Schomerus & Partner mbB
Steuerberater Rechtsanwälte Wirtschaftsprüfer
(Amtsgericht Charlottenburg PR 691 B)

Contact details:

Bülowsstraße 66
10783 Berlin
Germany

Telephone: +49 (0)30 23 60 88 60
Fax: +49 (0)30 23 60 88 66 199
Email: npo@schomerus.de

Information about joint controllers:

The data processing within the scope of client relationships is fully or partially handled jointly by the aforementioned companies; they use joint servers and IT services for this and jointly determine the purposes of the processing of personal data as well as the means for this. The companies are therefore considered as "joint controllers" within the meaning of art. 4 no. 7 in connection with art. 26 para. 1 clause 1 GDPR.

We have defined in an agreement that "Hamburger Treuhand Gesellschaft Schomerus & Partner mbB Wirtschaftsprüfungsgesellschaft" shall generally be responsible for fulfilling our duties according to the GDPR, particularly with respect to the rights of the data subjects and the information obligations. In individual cases defined in detail, another company can be responsible if it has the closest connection with the process concerned (e.g. as a party to a certain contract).

You can obviously direct any matters related to data protection and your rights as data subject to each of our companies or your respective contact persons and/or our Data Protection Officer.

You can reach our Data Protection Officer at:

Frau Carola Sieling
Technologiewerft GmbH
c/o Kanzlei Sieling
Gurlittstraße 24
20099 Hamburg
Email: datenschutz@schomerus.de

2. Processing of personal data and its purposes as well as legal bases of the data processing, particularly our legitimate interests

We process personal data in the first place based on an order (mandate) and for the purpose of fulfilment of the corresponding contract. Moreover, data processing can also take place based on the consent given by you and/or for protecting our legitimate interests.

a) For the fulfilment of a contract or for executing pre-contractual measures

The processing of personal data for contract fulfilment takes place as a result of the orders (mandates), which are issued to one of the following companies:

Schomerus & Partner mbB
Steuerberater Rechtsanwälte Wirtschaftsprüfer
(Amtsgericht Hamburg PR 361)

Hamburger Treuhand Gesellschaft
Schomerus & Partner mbB Wirtschaftsprüfungsgesellschaft
(Amtsgericht Hamburg PR 7)

Schomerus & Partner mbB
Steuerberater Rechtsanwälte Wirtschaftsprüfer
(Amtsgericht Charlottenburg PR 691 B)

Schomerus Compliance GmbH
Steuerberatungsgesellschaft
(Amtsgericht Hamburg HRB 27694)

Data processing can also take place for the purpose of executing pre-contractual measures, which are necessary for the initiation or completion of such an order or client relationship.

Object of the orders is particularly auditing, tax and legal advice, agency management and process control. The issued (individual) order is always decisive for the scope of the service to be provided by us and the data processing required in this respect. Other details about the purposes of the respectively required data processing can thus be found in the relevant contract documents and order conditions.

When you mandate us, we typically collect the following information:

Salutation as well as first and last name, address, a valid e-mail address, telephone number (land line and/or mobile) as well as information, which is necessary for the fulfilment of the mandate.

This data is collected so that we can identify you as our clients, advise and represent you appropriately, for the correspondence with you, for the invoicing and for the processing of possibly existing liability claims as well as the assertion of any claims against you.

Legal basis: art. 6 para. 1 clause 1 lit. b) GDPR

b) Based on your consent

If you have given us your consent to the processing of your personal data for one or several purposes, this consent establishes the legality of corresponding processing. This is also applicable with respect to the processing of so-called special categories of personal data.

Since every consent refers to one or several individual processing purposes, these cannot be described in a generally binding manner. These purposes are therefore explained in connection with the issue of the respective consent.

You can any time withdraw the issued consent (even if you have issued the consent before the validity of the GDPR). The withdrawal of the consent shall be applicable for the future, so that the legality of data processing, which has taken place based on your consent and before the withdrawal, remains unaffected.

Legal basis: art. 6 para. 1 clause 1 lit. a) GDPR art. 9 para. 2 lit. a) GDPR (in case of processing of special categories of personal data)

c) For protecting our legitimate interests

We also process personal data if there are legitimate interests, e.g. in the following cases:

- Direct advertisement

If there is a client relationship, we use the contact details of clients possibly for purposes of direct advertisement, e.g. for own events. This serves the legitimate interest of advertising for other own offers within the scope of already existing customer or client relationships. If you however object to the data processing for the purpose of direct advertisement, this does not take place any longer.

- Assertion, exercise or defence of legal claims

Personal data can be processed if this is necessary to assert, exercise or defend legal claims. This can also be the case if the processing is necessary for preventing fraud. If there is such a necessity, there is a legitimate interest in the corresponding data processing, since the perception of the relevant rights would otherwise be prevented.

- Ensuring the IT security and the domiciliary right

Personal data can be processed if this is necessary for ensuring or maintaining the IT security and the domiciliary right. The IT security as well as the domiciliary right have the objective of facilitating a trouble-free business activity and ensuring protection of the available data and client secrets. In this respect, there is a legitimate interest as well as a corresponding obligation on our part.

Legal basis: art. 6 para. 1 clause 1 lit. f) GDPR

3. Recipients of data or categories of recipients

Within our companies, those employees get access to your personal data, who require it for the fulfilment of the orders issued to us or pre-contractual measures related to them, for the fulfilment of our legal obligations, for the fulfilment of our legitimate interests and/or for the fulfilment of the purposes covered by your consent. This also includes an access by the employees of the IT Department for the purpose of ensuring the functionality of the systems and thus, the fulfilment of the orders issued to us as well as the IT security. Moreover, the data can also be accessed by Schomerus Service GmbH for purposes of direct advertisement, e.g. for own events or newsletters.

Service providers or vicarious agents used by us also get access to personal data, if this is necessary for the fulfilment of the tasks transferred to them and if they have obligated themselves vis-à-vis us for secrecy and adherence to confidentiality as well as for protecting the professional/client secrecy. These are particularly service providers or vicarious agents in the categories of IT, software and network services, telecommunication, file archiving, paper or document destruction, logistics.

As a bearer of professional secrets, we are obligated for secrecy regarding all the client-related information. Therefore, the data is forwarded to other recipients only if we are legally obligated for this or if you have consented to this.

4. Transmission of data to third countries or international organisations

Data is basically not transmitted to third countries (i.e. countries that do not belong to the EU or the EEA) or to international organisations.

Such data transmission can take place exceptionally

- if you have explicitly consented to this transmission,
- if this is necessary for the fulfilment of a contract between us and you or for the conclusion or fulfilment of a contract, which should be made

between us and a third party in your interest (e.g. in case of clients with a foreign reference),

- if there is a legal obligation for this (e.g. reporting obligations under tax law), or
- if this is necessary for asserting, exercising or defending legal claims.

5. Storage period or criteria for determination of the storage period

Personal data is firstly saved as long as this is necessary for the fulfilment of the order concerned. Saving for a longer period can also be necessary due to legal obligations, particularly due to legal retention periods for tax advisers, auditors (ten years from the end of the order) and for lawyers (six years from the expiry of the calendar year, in which the mandate was ended) as well as due to retention periods under commercial law or tax law from the German Commercial Code (HGB) and the Tax Code (AO), which stipulate saving for up to ten years.

Saving for a longer period can also take place in case of mandates, which are issued as standing orders; in this respect, data that may be required for multiple individual orders is saved for the term of the entire contractual relationship.

Saving for a longer period can also take place if this is necessary for asserting, exercising or defending legal claims, e.g. for securing evidence. In these cases, the storage period depends on the legal limitation period of the claim concerned. This is regularly three years, calculated from the end of the year, in which the claim has arisen, and the creditor has obtained knowledge of the circumstances justifying the claim and the debtor or should have obtained the same without gross negligence.

The data is deleted if saving for one of the aforementioned reasons is no longer necessary.

6. Your rights as data subject

You have the following rights regarding the processing of your personal data:

- Right of access by the data subject (art. 15 GDPR)

You have the right to demand information about your personal data that is processed by us. In particular, you can demand information about the processing purposes, the categories of personal data, the categories of recipients, to whom your data was or is disclosed, the planned storage period, the existence of a right to correction, deletion, restriction of the processing or objection, the existence of a right of appeal, the origin of your data, if it was not collected by us, as well as about the existence of automated decision-making including profiling and possibly significant information about its details.

- Right to rectification (art. 16 GDPR)

You have the right to immediately demand the correction of your personal data, which is incorrectly saved with us, or its completion if it is incompletely saved with us.

- Right to erasure (art. 17 GDPR)

You have the right to demand deletion of your personal data saved with us unless the processing is necessary for exercising the right to freedom of expression and information, for the fulfilment of a legal obligation, for reasons pertaining to the public interest or for asserting, exercising or defending legal claims.

- Right to restriction the processing (art. 18 GDPR)

You have the right to demand restriction of the processing of your personal data if the correctness of the data is denied by you, if the processing is illegal, but you refuse the deletion of the data, if we do not require the data any longer, but you require it for asserting, exercising or defending legal claims, or if you have filed an objection against the processing pursuant to art. 21 GDPR.

- Right to data portability (art. 20 GDPR)

You have the right to receive your personal data, which you have provided to us, in a structured, common and machine-readable format or to demand its transmission to another controller.

- Right to withdraw an issued consent any time (art. 7 para. 3 in connection with art. 6 para. 1 clause 1 lit. a) or art. 9 para. 2 lit. a) GDPR)

You have the right to any time withdraw a consent issued to us. As a result of this, we may in future no longer continue the data processing, which was based on this consent, unless this can be based on another legal foundation.

- Right to lodge a complaint with a supervisory authority (art. 77 GDPR in connection with § 19 BDSG 2018)

You have the right to appeal to a supervisory authority if you believe that the processing of your personal data violates the GDPR. As a rule, you can contact the supervisory authority of your usual place of residence or work place or our headquarters.

You also have a

Right to object (art. 21 GDPR)

If we process your personal data based on legitimate interests, you can object to this for reasons, which result from your special situation.

You can also object to data processing if we undertake this for the purposes of direct advertisement.

For exercising your rights, it is best to use the contact details of our Data Protection Officer (refer above to no. 1.). But you can also use all other contact details according to no. 1. to approach us.

7. Obligation for the provision of data, necessity of the provision for the conclusion of a contract, possible consequences of non-provision

If you issue an order to us, you must provide us the personal data, which is necessary for the fulfilment of the order itself, based on corresponding contractual cooperation obligations. Which data in detail must be provided in this respect depends on the content of the respective order.

Even for the conclusion of a contract, it is necessary for you to provide us the data described under no. 2. a), which is required for the establishment and execution of the client relationship.

Without the provision of the corresponding data, we cannot make a contract with you or cannot fulfil our contractual duties and cannot execute your order.