

Independent Auditor's Report

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To Brockhaus Technologies AG, Frankfurt am Main

Report on the audit of the remuneration report

We have audited the attached remuneration report of Brockhaus Technologies AG, Frankfurt am Main, for the financial year from 1 January to 31 December 2023, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Brockhaus Technologies AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as

well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 1 January to 31 December 2023, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Brockhaus Technologies AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Frankfurt am Main, 26 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Fox
Wirtschaftsprüfer
[German Public Auditor]

Weber
Wirtschaftsprüfer
[German Public Auditor]

Appendices

Remuneration report of Brockhaus Technologies AG, Frankfurt am Main,
for the financial year from 1 January to 31 December 2023

Appendix 1

General Engagement Terms

Appendix 2

Appendices

Appendix 1
Remuneration report of
Brockhaus Technologies AG,
Frankfurt am Main, for the financial year
from 1 January to 31 December 2023

Remuneration Report

Brockhaus Technologies AG

2023

This remuneration report of the Brockhaus Technologies AG (“BKHT” or the “Company”, together with its subsidiaries “Brockhaus Technologies” or the “Group”) for the 2023 fiscal year was prepared by the Executive Board and Supervisory Board and includes individualized disclosures about the remuneration awarded and owed to members of the Company’s Executive and Supervisory Boards as well as explanations of the underlying remuneration system.

Remuneration is awarded if it is accrued to the member of the governing body and is thus transferred to their assets (payment-oriented view). Alternatively, it is permissible to present remuneration in the remuneration report for the fiscal year in which the underlying (single-year or multi-year) activity was carried out in full (vesting-oriented view). In the following, remuneration awarded is presented in the vesting-oriented view.

In this remuneration report, BKHT also illustrates how the remuneration for the Company’s governing bodies supports its long-term development. The Executive and Supervisory Boards are responsible according to section 162 of the German Stock Corporation Act (AktG) for compiling the remuneration report. The BKHT remuneration report and the auditor’s opinion about the formal and substantive audit that it performed are available to the public on our website (www.brockhaus-technologies.com) in the section entitled Investor Relations, subsection Corporate Governance.

The Company introduced a new remuneration system for Executive Board members in the 2022 fiscal year in order to reflect its development as a Group since its foundation and to meet the new AktG requirements. The new system is aligned with the recommendations of the German Corporate Governance Code as amended on April 28, 2022. The new remuneration system for members of the Executive Board was approved at the BKHT Annual General Meeting on June 16, 2021, with 72.98% voting in favor. The remuneration structure for fiscal year 2023 is unchanged.

The remuneration report for the 2022 fiscal year was approved at the Annual General Meeting on June 21, 2023, with 58.5% voting in favor.

Details about the remuneration system for the Executive and Supervisory Boards can be viewed on our website (www.brockhaus-technologies.com) in the section entitled Investor Relations, subsection Corporate Governance.

Executive Board remuneration

The members of the BKHT Executive Board are:

- > Marco Brockhaus, Chair of the Executive Board, Chief Executive Officer
- > Dr. Marcel Wilhelm, Chief Operating Officer, Legal Counsel

The remuneration structure is geared toward sustainable business development. It contributes to furthering the business strategy and the long-term development of the Company and consists of fixed and variable remuneration. The fixed, non-performance-based component of the remuneration consists of a fixed annual salary. The variable remuneration consists of a single-year and a multi-year component.

The remuneration of the individual Executive Board members is determined and reviewed periodically by the Supervisory Board. It is the aim to remunerate the members of the Executive Board appropriately to reflect their activities and responsibilities, taking into account personal performance as well as the Company’s financial situation, success and future prospects.

In this context, the Supervisory Board is guided by the remuneration paid by comparable companies to their directors and its appropriateness compared with the level of other salaries in the Company. The Supervisory Board’s intention is to retain the members of the Executive Board for the long term and to provide an incentive to increase enterprise value. The variable remuneration is also designed to promote the motivation and commitment of the members of the Executive Board, while at the same time offering an opportunity to

incorporate the Company’s financial situation, as well as ESG and sustainability aspects, into determination of the variable remuneration.

In its periodic review, the Supervisory Board takes into account the individual performance and the scope of the responsibilities assumed as well as the Company’s financial situation.

Both Executive Board members joined the Executive Board for the first time in August 2017. The contracts of service of the two members of the Executive Board were updated in the 2022 fiscal year and both are dated June 20, 2022. The contract of Marco Brockhaus ends on midnight on July 31, 2027. Dr. Marcel Wilhelm’s contract ends on July 31, 2026.

Fixed remuneration

The fixed, non-performance-based annual remuneration of the Executive Board members is paid in twelve equal installments at the end of each month. The final payment made is for the full month in which the contract of service ends. It is reviewed annually for appropriateness and adjusted if required.

Fringe benefits

The following fringe benefits or fringe benefits similar to the following may be granted to members of the Executive Board:

- > Company car
- > Smartphone
- > Accident insurance and life insurance
- > Premiums for public or private health insurance and contributions to a private retirement plan

The Supervisory Board defines the total value of the fringe benefits for each fiscal year based on its reasonable discretion. It is limited to 10% of the fixed remuneration of the relevant Executive Board member per fiscal year.

The fringe benefits during the reporting period came to €24 thousand (previous year: €23 thousand).

Variable remuneration (bonus)

In addition to the fixed salary, the Company grants the members of the Executive Board variable remuneration. It is linked to the achievement of predefined performance targets and consists of single-year and multi-year variable remuneration.

The single-year variable remuneration (short-term incentive (STI)) takes into account the Company's further planned acquisition activities and consists of a portfolio component and an acquisition component. The portfolio component has a focus on the development of the Company's subsidiaries that have existed for a longer period of time, while the acquisition component is based on the development of subsidiaries recently acquired by the Company.

The amount of the single-year variable remuneration is capped at a maximum of 200% of the fixed salary.

The portfolio and acquisition components as a proportion of single-year variable remuneration are determined by the Supervisory Board at its reasonable discretion. Both components must not account for more than 70% of single-year variable remuneration.

The portfolio component is mainly based on the Group's adjusted earnings before interest and taxes (EBIT) with the subsidiaries that were in the portfolio throughout the previous fiscal year. It is adjusted for items such as share-based payments, costs from M&A transactions and equity capital measures and depreciation/amortization of assets that the acquired company had not recognized as assets in its financial statements prior to being acquired by BKHT. The

portfolio component is linked to a percentage rate of increase in adjusted EBIT. It is determined by the Supervisory Board before the beginning of a fiscal year, deducting the bonuses and performance-related remuneration paid in the Company to the management bodies of the subsidiaries and to the full Executive Board of the Company for remuneration to be granted given 100% achievement of the targets. 70% of the specified rate of increase must be achieved. If this is not achieved, the bonus component is eliminated completely. Given a target achievement of 70%, 70% of the remuneration to be granted for 100% target achievement is granted. Beyond that, the remuneration increases linearly.

For the remuneration for fiscal year 2023, the portfolio component relates to the growth in adjusted EBIT of the Group, consisting of the Central Functions, Bikeleasing and IHSE. Given a final figure for earnings growth in fiscal 2023 of €56,114 thousand, the target growth value in 2023 for the portfolio component is €9,352 thousand (starting figure for earnings growth in 2023 = €46,761 thousand).

100 percent target achievement will be reached for the portfolio component in the 2023 fiscal year if adjusted EBIT amounts to €56,114 thousand. An adjusted EBIT of €53,308 thousand is required for 70% target achievement. In the 2023 fiscal year, the maximum amount for the portfolio component for Marco Brockhaus is €656 thousand and that for Dr. Marcel Wilhelm is €210 thousand.

As part of the acquisition component, the single-year variable remuneration is linked to the performance of recently acquired subsidiaries during the fiscal year in which the target figures for the coming

fiscal year are set. At its reasonable discretion, the Supervisory Board may use adjusted EBIT, adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), gross profit or the respective margin of these key figures for the companies acquired in this period as target parameters.

The acquisition component is also linked to a percentage rate of increase in the respective parameter, which the Supervisory Board sets individually for each acquisition before the start of a fiscal year. 70% of the specified rate of increase must be achieved. If this is not achieved or if the Company does not make any acquisitions in the relevant period, the bonus component is eliminated completely. Given a target achievement of 70%, 70% of the remuneration to be granted for 100% target achievement is granted. Beyond that, the remuneration increases linearly.

No acquisitions were made in fiscal year 2022. For this reason, no payment is made under this (STI-) remuneration component for fiscal year 2023.

Since no acquisition component is payable for fiscal year 2023, the single-year variable remuneration defined for Dr. Marcel Wilhelm by way of the resolution on 2023 total target remuneration amounts to a maximum of €210 thousand gross, if 100% of the portfolio component target is achieved. For Marco Brockhaus, the maximum amount of the single-year variable remuneration component is €656 thousand gross.

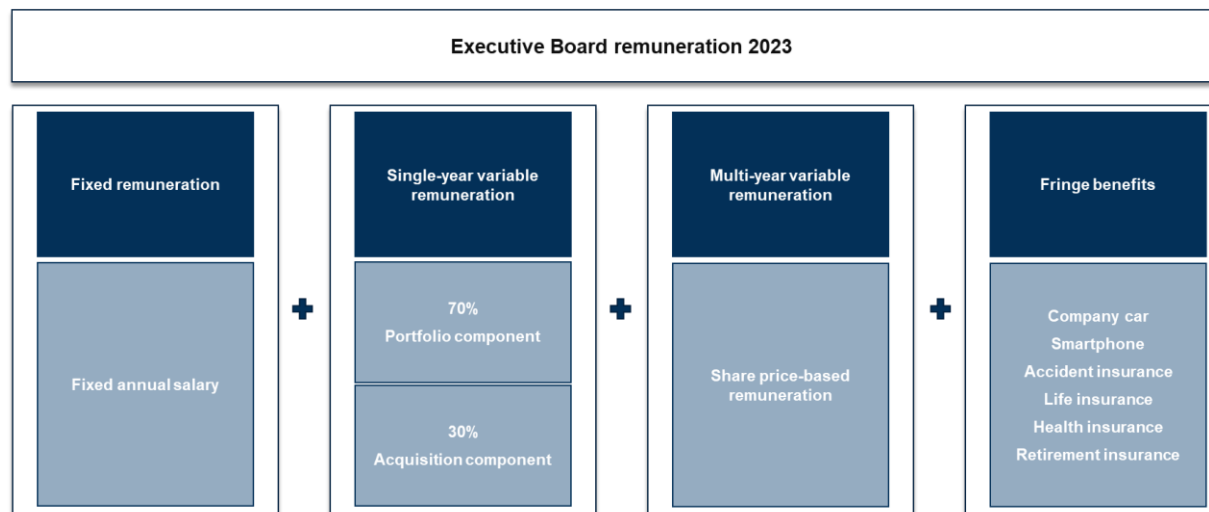
Components of awarded and due Executive Board remuneration

€ thousand	Start/ exit	Most recent position	Fixed components			Variable components			Total remuneration	Percentage that is fixed	Percentage that is variable
			Fixed salary	Fringe benefits	Total	Single-year	Multi-year	Total			
Current members											
Marco Brockhaus	Aug. 2017	Chairman	750	22	772	656	-	656	1,428	54%	46%
Dr. Marcel Wilhelm	Aug. 2017	Member	360	2	362	210	-	210	572	63%	37%
Total			1,110	24	1,134	866	-	866	2,000	57%	43%

Instead of payment in cash, the Supervisory Board reserves the right to grant up to 20% of the gross amount of the single-year variable remuneration paid to the respective Executive Board members in the year in the form of shares in BKHT. When granting shares, the Supervisory Board may resolve that the Executive Board member in question is obliged to hold the shares for at least three years from the date of acquisition, but not beyond the date of termination of membership of the Executive Board.

The multi-year variable remuneration (long-term incentive (LTI)) is currently calculated based solely on the share price development. In the future, however, the Supervisory Board will have the option of gearing a share of up to 20% of the multi-year variable remuneration to ESG or sustainability aspects. There are firm plans to include this aspect as a component of the multi-year variable remuneration. The concrete structure of and subsequent basis for assessing this component are currently still in the implementation phase. The reference period for the multi-year variable remuneration is three years.

The multi-year variable remuneration is intended to take account of successful business strategy realization over the long term. Using the development of the share price as a parameter is also intended to align the interests of the Executive Board members with those of the shareholders. Before the start of the first fiscal year in the three-year reference period, the Supervisory Board, in consultation with the members of the Executive Board and on the basis of the current planning, determines the specific target figures for the performance targets of the multi-year variable remuneration for the subsequent three-year assessment period. For the three-year reference period beginning in 2023, the Supervisory Board has set a target share price range of €26.40 to €52.80. This means that Marco Brockhaus and Dr. Marcel Wilhelm will not receive multi-year variable remuneration if the average of the closing prices of the BKHT share in the last 20 trading days before the end of the three-year reference period is less than or equal to €26.40. If this average is between €26.40 and €52.80, the two Executive Board members receive a linear increase in multi-year variable remuneration depending on the percentage of the share price increase (€26.40 = factor 100%, €52.80 EUR and above = factor 200%), in each case multiplied by the LTI remuneration, which amounts to €760 thousand for Marco Brockhaus and



€250 thousand for Dr. Marcel Wilhelm. The LTI remuneration was determined on a discretionary basis.

This means that the definition for each performance target includes target figures for up to 200% target achievement. The concrete target achievement is determined accordingly depending on the defined target figures for the respective parameter and can be between 0% and 200%.

Accordingly, the amount of the multi-year variable remuneration is limited in each case to a maximum of 200% of the amount applicable to 100% target achievement.

The Supervisory Board may grant the multi-year variable remuneration in full or in part in shares of the Company. In this case, the holding period is twelve months. Furthermore, the multi-year variable remuneration may be granted in full or in part in stock options in accordance with the option conditions for the 2019 stock option program ("ESOP 2019").

Stock option plan

In the reporting period, the Supervisory Board of the company exercised the option to let the members of the Executive Board participate in the existing stock option plan. This is aimed at long-term incentivization to improve the future share price so that it is directly in the interest of shareholders. The Supervisory Board unanimously resolved to allocate 30,000 stock options to the Chairman of the Executive Board, Marco Brockhaus, and 15,000 stock options to Dr. Marcel Wilhelm. The exercise price is €20.24 each. Any remuneration arising and aimed at by exercising the stock options at the end of the option term counts toward the cap on total remuneration in accordance with the applicable remuneration system resolved by the 2021 Annual General Meeting.

Maximum remuneration

The Company has set maximum remuneration for every Executive Board member relating to all remuneration components. The remuneration awarded for a fiscal year is limited to a maximum amount of €5 million gross for the Chair of the Executive Board Marco Brockhaus and to a maximum amount of €3 million gross for Dr. Marcel Wilhelm. The maximum amounts are each defined as the sum of all remuneration components resulting from the remuneration provisions for a given fiscal year.

Total remuneration and components

The total remuneration awarded and due to members of the Executive Board in the 2023 fiscal year amounted to €2,000 thousand (previous year: €1,931 thousand). Of this amount, 57% consists of fixed remuneration components and 43% of variable remuneration components. The limit on the variable bonus was not exceeded. This limit is €2,176 thousand for Marco Brockhaus and €710 thousand for Dr. Marcel Wilhelm for the 2023 fiscal year. The attached tables on remuneration granted and receipts show the changes over the last two fiscal years. These are not mandatory disclosures defined under the German Corporate Governance Code, but voluntary disclosures by BKHT.

Premature termination

Payments to Executive Board members in the event of premature termination of their Executive Board contract of service are contractually limited to two years' remuneration (severance payment cap) and may not exceed the remuneration for the remaining term of the Executive Board contract that would have been owed if it had not been terminated prematurely. This restriction was included as part of the new remuneration system for Executive Board members.

If the Company revokes the appointment for good cause and gives due notice of termination of the contract of service, the Executive Board member is entitled to a severance payment. The severance payment is limited to the following:

- > For Mr. Marco Brockhaus: a total of two years' remuneration or the outstanding remuneration for the remaining term, whichever is less
- > For Dr. Marcel Wilhelm: a total of one year's remuneration or the outstanding remuneration for the remaining term, whichever is less

It comprises the total remuneration within the meaning of section 285 No. 9a) of the German Commercial Code (HGB) (severance payment cap). The entitlement to the severance payment is due on termination of the contract of service. The entitlement does not exist if the Company gives effective extraordinary notice of termination to

the Executive Board member for good cause within the meaning of section 626 of the German Civil Code (BGB).

If the Company revokes the appointment of the Executive Board member for good cause but does not terminate the employment contract within one month from the date of revocation, or if the Executive Board appointment ends due to a conversion of the Company's legal form, the Executive Board member is entitled in turn to terminate the contract of service by giving notice pursuant to BGB section 622(2). In the event of such termination by the Executive Board member, the member is entitled to the severance payment described above.

If the appointment of the Executive Board member is revoked for good cause or the Executive Board member is terminated for good cause under BGB section 626 and court or arbitration proceedings deliver a conclusive and unappealable finding that there was no reason for revocation or that there was no good cause pursuant to BGB section 626, the Executive Board member will receive a lump sum of compensation amounting to two years' remuneration without prejudice to the member's entitlements described above.

If a member of the Executive Board dies during his or her term of appointment, his or her widow, or alternatively after the widow's death, his or her dependent children, receive the monthly installments of the annual fixed salary in accordance with the Executive Board remuneration system and the related resolutions adopted by the Supervisory Board for twelve months, but for no longer than until the contractually agreed end of the contract of service

The members of the Executive Board have a once-only special right of termination in the event of a change of control. A change of control is deemed to exist:

- > if a third party or several third parties acting in concert who, at the time the contract of the Executive Board member was entered into, holds none or less than 20% of the voting rights in the Company, acquire voting rights in the Company such that they account for more than 30% in the aggregate (existing and acquired) of the voting rights in the Company, irrespective of whether this produces an obligation to make a takeover bid (the

relevant provisions of the German Securities Acquisition and Takeover Act (WpUG), in particular sections 29 and 30, apply to the calculation of the share of the voting power) or

- > in the event of a merger (section 2 of the German Company Conversion Act [UmwG]) involving the transfer of the assets of the Company under UmwG section 174(1) or (2) sentence 1 or a legal transfer of the material assets to third parties who do not belong to the Company's group of companies or
- > in the event that a control agreement and/ or a profit and loss transfer agreement is or are entered into by the Company in a role as a dependent controlled company

If this special right of termination is exercised, the Executive Board member is entitled to a severance payment limited to the total amount of the severance payment cap.

Based on a corresponding provision in the Executive Board contracts of service, in the event of serious breaches of duty the Company is entitled to demand that the Executive Board member concerned fully or partially repay the single-year variable remuneration and/or the multi-year variable remuneration for the year in which the serious breach of duty occurred. Such recovery is also possible after the Executive Board member has left the Company.

Supervisory Board remuneration

The Supervisory Board remuneration is based on the AktG, the Company's Articles of Association as amended and relevant resolutions passed at the Annual General Meeting. Furthermore, the structure of the Supervisory Board remuneration is reviewed periodically to check its compliance with German, EU and international corporate governance recommendations and regulations. The German Corporate Governance Code's recommendations and suggestions have special relevance in this context.

The remuneration structure for the Supervisory Board members includes fixed annual remuneration, committee remuneration and reimbursement of expenses.

Members of the Supervisory Board who belong to the Supervisory Board or a committee or chair the Supervisory Board or the Audit Committee for only part of a financial year receive a lower remuneration in proportion to the time.

Fixed annual remuneration

Regular Supervisory Board members receive fixed annual remuneration of €30 thousand. The chair of the Supervisory Board is given remuneration of triple that amount, i.e., €90 thousand, while the deputy chair is given double the amount, i.e., €60 thousand.

Committee remuneration

Members of Supervisory Board committees receive additional fixed remuneration for their role on these committees. Regular committee members receive fixed annual remuneration of €2 thousand. The chair of the Audit Committee receives additional fixed annual remuneration of €20 thousand for his or her role on the committee. The chair of the Supervisory Board and deputy chair of the Supervisory Board do not receive additional fixed remuneration for their roles on committees. Remuneration is not paid for membership on committees that did not hold meetings during the fiscal year. All committee remuneration is payable after the conclusion of the Annual General Meeting at which a resolution is passed to approve the actions for the preceding fiscal year.

Components of awarded and due Supervisory Board remuneration

€ thousand	Start/ exit	Most recent position	Fixed components			Total remuneration
			Fixed annual remuneration	Committee remuneration	Reimbursement of expenses	
Current members						
Dr. Othmar Belker ⁺	Aug. 2017	Chairman	90	-	-	90
Michael Schuster ⁺	Aug. 2017	Deputy Chairman	60	-	0.1	60
Martin Bestmann [*]	Feb. 2020	Member	30	2	2	34
Prof. Dr. Christoph Hütten ^{**}	April 2021	Member	30	20	1	51
Dr. Natalie Krebs ⁺	June 2022	Member	30	2	1	33
Matthias Memminger	June 2023	Member	15	-	1	16
Total			255	24	5	284

^{*}Member of the Audit Committee

^{**}Chairman of the Audit Committee

⁺Member of the Executive and Nomination Committee

Reimbursement of expenses

In addition, the members of the Supervisory Board are reimbursed for their out-of-pocket expenses and any value added tax payable on their remuneration.

The total remuneration awarded and owed to the Supervisory Board members and reimbursement of expenses during the 2023 fiscal year amounted to €284 thousand (previous year: €292 thousand) overall.

Comparison of total remuneration

The following table shows the percental annual changes in the total remuneration for the Executive and Supervisory Boards and in the Company's income, as well as the developments in the average remuneration for full-time-equivalent employees who worked at the Group companies in the respective fiscal year, over the last five fiscal years. Profit or loss for the period refers to the net profit/ loss for the fiscal year of Brockhaus Technologies AG (HGB). EBITDA means the earnings before interest, taxes, depreciation and amortization of the Group (IFRS). EBIT shows the earnings before interest and taxes (IFRS).

Five-year comparison

Year-over-year percentage change	2019	2020	2021	2022	2023
<u>Governing-body member remuneration</u>					
Current Executive members					
Marco Brockhaus (CEO)	+204%	+151%	-6%	-17%	+2%
Dr. Marcel Wilhelm	+160%	+184%	+30%	-26%	+8%
Current Supervisory Board members					
Dr. Othmar Belker (Chairman)	+140%	0%	+50%	0%	0%
Michael Schuster (Deputy Chairman)	+131%	+27%	+58%	0%	0%
Martin Bestmann	n.a.	n.a.	+28%	0%	+6%
Prof. Dr. Christoph Hütten	n.a.	n.a.	n.a.	+56%	+2%
Dr. Natalie Krebs	n.a.	n.a.	n.a.	n.a.	+106%
Matthias Memminger	n.a.	n.a.	n.a.	n.a.	n.a.
<u>Company income</u>					
Profit or loss for the period (HGB)*	-227%	-325%	+26%	+334%	+35%
EBITDA (IFRS)	+197%	+556%	-95%	+11,052%	+24%
EBIT (IFRS)	-48%	+54%	-788%	+416%	+28%
Average remuneration of full-time-equivalent employees**					
	n.a.	n.a.	-26%	+3%	+5%

* Profit or loss for the 2022 fiscal year contains the income from the sale of Palas and 2023 fiscal year the earnings of the intragroup contribution

** The development represents the change in continuing operations

Awarded and owed Executive Board remuneration

€ thousand	Marco Brockhaus				Dr. Marcel Wilhelm			
	Chair of the Executive Board				Member of the Executive Board			
	Entry date Aug. 2017				Entry date Aug. 2017			
	2022	2023	Min.	Max.	2022	2023	Min.	Max.
Fixed remuneration	628	750	750	750	290	360	360	360
Fringe benefits	21	22	-	75	2	2	-	36
Total	649	772	750	825	292	362	360	396
Single-year variable remuneration	750	656	-	656	240	210	-	210
<i>Portfolio component</i>	300	656	-	656	96	210	-	210
<i>Acquisition component</i>	450	-	-	-	144	-	-	-
Multi-year variable remuneration	-	-	-	1,520	-	-	-	500
Special bonus	-	-	-	-	-	-	-	-
Total	750	656	-	2,176	240	210	-	710
Total remuneration	1,399	1,428	750	5,000	532	572	360	3,000

Appendix 2
General Engagement
Terms

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.