

Lumina Datamatics GmbH,

Griesheim

Annual Financial Statements

as at 31 March 2018

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1. Acceptance of the engagement

The management of

**Lumina Datamatics GmbH,
Griesheim**

- hereinafter also "company" -

engaged us to prepare the annual financial statements as at 31 March 2018 on the basis of the accounting records that we prepared, as well as the additional vouchers and inventory records provided to us, which we have not audited in accordance with the terms of our engagement, taking into account the information provided to us in accordance with the statutory requirements and in accordance with the instructions by the client within this framework to exercise existing accounting options. We performed this engagement to prepare the annual financial statements with no assessments in April 2018 in our office in Munich.

General Engagement Terms

General terms and conditions for German tax advisors attached to these financial statements, are decisive for the realization of the engagement and our responsibility, including those to third parties.

Representation letter

The company provided us in writing, as requested, with the standard professional representation letter in respect of the accounting records, vouchers and inventory records as well as the information provided to us, which we have stored in our files.

The company assured us in a standard professional representation letter that the balance sheet contains all assets, liabilities and risks of the company that are required to be recognised correctly and in full.

We obtained the responsibility letter in connection with the preparation of the annual financial statements by submitting to the management of the company the draft of the annual financial statements as the basis for management's representation letter.

2. Attestation report

In accordance with the terms of our engagement, we have prepared the annual financial statements – comprising the balance sheet, income statement and notes - of Lumina Datamatics GmbH for the financial year from 01 April 2017 to 31 March 2018 in accordance with the provisions of German Commercial Law.

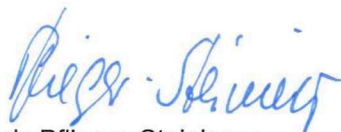
The basis of preparation was the accounting records maintained by us and the additional vouchers and inventory records provided to us, which we have not audited in accordance with the terms of our engagement, as well as the information provided to us.

The accounting records and the preparation of the inventory records and the annual financial statements in accordance with the provisions of German Commercial Law are the responsibility of the company's management.

We have performed our engagement in accordance with the "Verlautbarungen der Bundessteuerberaterkammer zu den Grundsätzen für die Erstellung von Jahresabschlüssen" (Pronouncement by the German Federal Chamber of Tax Advisers on the principles for the preparation of annual financial statements). This engagement comprises the preparation of the balance sheet, income statement and notes on the basis of the accounting records, the inventory records and the accounting policies required to be applied.

Munich, 27 April 2018

WTS Steuerberatungsgesellschaft mbH



Doris Pflieger-Steininger

Attorney at Law
Tax Advisor



Peggy Jones

Tax Advisor

3. Enclosures

Balance sheet as at 31 March 2018

Lumina Datamatics GmbH, Griesheim

ASSETS

Equity and liabilities

	Financial year EUR	Prior year EUR		Financial year EUR	Prior year EUR
A. Current assets			A. Equity		
I. Receivables and other assets			I. Subscribed capital	200,000.00	200,000.00
1. Trade receivables	59,484.09	82,836.07	II. Accumulated losses brought forward	4,570.01-	18,265.99-
2. Other assets	<u>7,177.91</u> 66,662.00	<u>7,239.59</u> 90,075.66	III. Net income for the financial year	10,099.40	13,695.98
II. Cash-in-hand, central bank balances, bank balances and cheques	178,612.26	154,066.12	B. Provisions		
			1. Provisions for taxes	2,839.00	0.00
B. Prepaid expenses	1,860.97	1,843.30	2. Other provisions	<u>14,061.36</u> 15,899.98	<u>15,589.98</u> 15,589.98
			C. Liabilities		
			1. Trade payables	3,786.47	9,942.71
			2. Liabilities to affiliated companies	16,848.91	11,968.00
			3. Other liabilities	<u>4,070.10</u> 24,705.48	<u>13,054.40</u> 34,965.11
	<u>247,135.23</u>	<u>245,985.08</u>			
	247,135.23	245,985.08		247,135.23	245,985.08

Profit and Loss account from
01 April 2017 to 31 March 2018

Lumina Datamatics GmbH, Griesheim

	Financial year EUR	Prior year EUR
1. Sales	<u>458,797.70</u>	<u>482,209.27</u>
2. Gross revenue for the period	458,797.70	482,209.27
3. Other operating income	165.01	344.38
4. Personnel expenses	134,539.81	136,689.03
5. Other operating expenses	307,066.21	332,168.64
6. Taxes on income	<u>2,839.00</u>	<u>0.00</u>
7. Net income/net loss after tax	14,517.69	13,695.98
8. Other taxes	<u>4,418.29</u>	<u>0.00</u>
9. Net income for the financial year	<u><u>10,099.40</u></u>	<u><u>13,695.98</u></u>

Balance sheet accounts
as at 31 March 2018

Lumina Datamatics GmbH, Griesheim

ASSETS

Account	Designation	Financial year EUR	Prior year EUR
	Trade receivables		
1200	Trade receivables	59,484.09	82,836.07
	Other assets		
1301	Other assets due within 1 year	5,002.08	5,002.08
1350	Security deposits	1,500.00	1,500.00
1434	Input tax ded. following period/year	6.96	68.64
1450	Reclaimed corporate income tax	<u>668.87</u>	<u>668.87</u>
		7,177.91	7,239.59
	Cash-in-hand, central bank balances, bank balances and cheques		
1600	Cash-in-hand	68.56	84.23
1800	Bank	<u>178,543.70</u>	<u>153,981.89</u>
		178,612.26	154,066.12
	Prepaid expenses		
1900	Prepaid expenses	1,860.97	1,843.30
		<hr/>	<hr/>
	Total assets	<u>247,135.23</u>	<u>245,985.08</u>

Balance sheet accounts
as at 31 March 2018

Lumina Datamatics GmbH, Griesheim

Equity and liabilities

Account	Designation	Financial year EUR	Prior year EUR
	Subscribed capital		
2900	Subscribed capital	200,000.00	200,000.00
	Accumulated losses brought forward		
2978	Accumlted losses bef apprprtn net prft	4,570.01-	18,265.99-
	Net income for the financial year		
	Net income for the financial year	10,099.40	13,695.98
	Provisions for taxes		
3035	Provision for trade tax, EStG s. 4(5b)	1,269.00	0.00
3040	Provisions for corporate income tax	<u>1,570.00</u>	<u>0.00</u>
		2,839.00	0.00
	Other provisions		
3070	Other provisions	2,269.40	2,110.00
3074	Provisions for vacation	4,265.96	5,948.98
3095	Provsns period-end closing/ audit costs	<u>7,526.00</u>	<u>7,531.00</u>
		14,061.36	15,589.98
	Trade payables		
3300	Trade payables	3,786.47	9,942.71
	Liabilities to affiliated companies		
3421	Lumina Datamatics Ltd., India	16,243.00	11,968.00
3424	Datamatics Global Services Limited	<u>605.91</u>	<u>0.00</u>
		16,848.91	11,968.00
	Other liabilities		
1401	Deductible input tax, 7%	57.57-	38.05-
1406	Deductible input tax, 19%	7,396.94-	8,032.51-
1407	Deductbl inpt tax sec 13b UStG 19%	49,522.36-	52,481.93-
3730	Wage and church tax payables	1,567.20	1,597.55
3806	VAT, 19%	64,501.77	70,029.78
3820	VAT prepayments	48,923.36-	46,084.08-
3830	VAT prepayments 1/11	5,621.00-	0.00
3837	VAT under section 13b UStG, 19%	49,522.36	52,481.93
3845	VAT, earlier years	<u>0.00</u>	<u>4,418.29-</u>
		4,070.10	13,054.40
	Total Equity and liabilities	<u>247,135.23</u>	<u>245,985.08</u>

Income statement accounts
from 01 April 2017 to 31 March 2018

Lumina Datamatics GmbH, Griesheim

Account	Designation	Financial year EUR	Prior year EUR
	Sales		
4336	Tax-exemt other serv. s. 18b UStG	64,441.32	56,557.20
4338	Tax-exempt sales 3rd country	54,873.35	57,074.64
4400	Revenue, 19% VAT	339,829.17	368,770.42
4736	Cash discounts granted, 19% VAT	<u>346.14-</u>	<u>192.99-</u>
		458,797.70	482,209.27
	Income from reversal of provisions		
4930	Income from reversal of provisions	45.38	0.00
	Miscellaneous other operating income		
4830	Other operating income	0.02	0.00
4847	Cur. transl. gains (not s. 256a HGB)	<u>119.61</u>	<u>344.38</u>
		119.63	344.38
	Wages and salaries		
6000	Bonus Payments	3,600.00	0.00
6020	Salaries	<u>107,492.98</u>	<u>113,901.62</u>
		111,092.98	113,901.62
	Social security, post-employment and other employee benefit costs		
6110	Statutory social security expenses	23,247.90	22,583.37
6120	Contrib. to occup. health/safety agency	<u>198.93</u>	<u>204.04</u>
		23,446.83	22,787.41
	Occupancy costs		
6310	Rent (immovable property)	8,700.00	9,000.00
	Insurance premiums, fees and contributions		
6400	Insurance premiums	2,047.37	1,466.96
6420	Contributions	469.96	569.96
6430	Other levies	<u>26.00</u>	<u>62.00</u>
		2,543.33	2,098.92
	Cost of third-party repairs and maintenance		
6495	Hardware / software maintenance expenses	1,008.00	1,104.00
	Advertising and travel expenses		
6605	Giveaways	180.25	115.55
6610	Gifts, deductible, without s. 37b EStG	206.15	0.00
6630	Corporate hospitality expenses	555.14	0.00
		<hr/>	<hr/>
		941.54	115.55
Carry forward		312,171.57	333,661.70

Income statement accounts
from 01 April 2017 to 31 March 2018

Lumina Datamatics GmbH, Griesheim

Account	Designation	Financial year EUR	Prior year EUR
Carry forward		312,171.57 941.54	333,661.70 115.55
	Advertising and travel expenses		
6640	Entertainment expenses	508.80	250.70
6644	Non-deductible entertainm. expenses	218.06	107.45
6650	Employee travel expenses	5.88	177.99
6660	Employee trav. expn, accommodation costs	573.41	688.77
6663	Employee travel expnses, cost of travel	3,227.82	3,082.50
6664	Employee trav. expn, addnl substnc costs	<u>217.40</u>	<u>211.20</u>
		5,692.91	4,634.16
	Miscellaneous operating costs		
6300	Other operating expenses	6.00	235.29
6303	Purchased services/ third-party services	260,644.00	276,220.69
6800	Postage	243.53	65.75
6805	Telephone	1,517.76	1,949.99
6810	Fax and Internet costs	7.97	9.48
6815	Office supplies	3,797.96	9,493.03
6821	Training costs	0.00	467.50
6825	Legal and consulting costs	1,678.90	1,571.93
6827	Period-end closing and audit costs	6,180.00	6,180.00
6830	Bookkeeping costs	13,396.45	15,419.21
6850	Other operating supplies	46.18	0.00
6855	Incidental monetary transaction costs	<u>1,082.16</u>	<u>1,194.59</u>
		288,600.91	312,807.46
	Losses on write-downs or on disposal of current assets and transfers to valuation allowances on receivables		
6930	Bad debt allowances (normal amount)	0.00	2,373.14
	Miscellaneous other operating expenses		
6881	Cur. transl. losses (not s. 256a HGB)	521.06	150.96
	Taxes on income		
7600	Corporate income tax	1,488.00	0.00
7608	Solidarity surcharge	82.00	0.00
7610	Trade tax	<u>1,269.00</u>	<u>0.00</u>
		2,839.00	0.00
	Other taxes		
7650	Other taxes	4,418.29	0.00
Carry forward		10,099.40	13,695.98

Income statement accounts
from 01 April 2017 to 31 March 2018

Lumina Datamatics GmbH, Griesheim

Account	Designation	Financial year EUR	Prior year EUR
	Carry forward	10,099.40	13,695.98
	Net income for the financial year	<hr/>	<hr/>
	Net income for the financial year	10,099.40	13,695.98
		<hr/>	<hr/>

Notes as at
31 March 2018

Lumina Datamatics GmbH, Griesheim

General information on the annual financial statements

The company's annual financial statements was prepared on the basis of the accounting rules of the German Commercial Code (Handelsgesetzbuch, HGB).

The provisions of the Limited Liability Companies (GmbHG) also had to be observed in addition to the above regulations.

Information that can be given either on the balance sheet, in the income statement or in the notes to the financial statements is given entirely in the notes.

The nature of total cost methode was chosen for the income statement.

According to the size categories stated in Section § 267a of the German Commercial Code, the company is a micro corporation.

When preparing the annual financial statements, no use was made of the size-related exemptions as per Section § 267a of the German Commercial Code. Use was made of the size-related exemptions of Sections 274a, 276 and 288 of the German Commercial Code.

Notes as at
31 March 2018

Lumina Datamatics GmbH, Griesheim

Information identifying the company according to the registry court

Company name according to registry court:	Lumina Datamatics GmbH
Registered company seat according to registry court:	Griesheim
Registry entry:	Handelsregister
Registry court:	Darmstadt
Registry court number:	HRB 92689

Disclosures on accounting policies

Accounting policies

The measurement of receivables and securities reflects all identifiable risks.

Tax provisions contain the taxes attributable to the financial year that have not yet been assessed.

The other provisions were recognised for all further uncertain liabilities. They reflect all identifiable risks.

Liabilities are recognised at their settlement amount.

The annual financial statements contain items denominated in foreign currencies that have been translated into EUR.

Accounting policies that have changed as against the prior year

There was no fundamental change in accounting policies compared with the prior year.

Balance sheet disclosures

Disclosure on remaining maturity comments

Liabilities with a remaining term of up to one year amount to EUR 24,705.48 (prior year: EUR 34,965.11).

Other disclosures

Average number of employees during the financial year

The average number of employees during the financial year in the company was 3.

Notes as at
31 March 2018

Lumina Datamatics GmbH, Griesheim

Membership of group

The accounts of Lumina Datamatics GmbH were included in the group financial statements of Lumina Datamatics, Inc. USA.

Datamatics Global Services Limited India prepared the group financial statements for the largest group of consolidated companies. The published group financial statements are available on the websites of the Bombay Stock Exchange and National Stock Exchange of India.

Signature of management

MUMBAI, 05/18/18


Place, date

MUMBAI, 05/18/18

Place, date



Krishna Tewari



Vidur Vishnu Bhogilal

General terms and conditions for German tax advisors (*Steuerberater, Steuerbevollmächtigte*) and firms of tax advisors (*Steuerberatungsgesellschaften*)

as of November 2016

These "general terms and conditions" shall govern contracts between tax advisors (*Steuerberater, Steuerbevollmächtigte*) as well as firms of tax advisors (*Steuerberatungsgesellschaften*) (hereinafter collectively referred to as the 'Tax Advisors', and each of them a 'Tax Advisor') and their clients (*Auftraggeber*), unless otherwise expressly agreed in text form (*Textform*) or prescribed by law.

1. Scope and execution of the engagement

- (1) The scope of the services to be rendered by the Tax Advisor shall be governed by the specific engagement. The engagement shall be executed in accordance with the principles of proper professional practice and in compliance with the relevant rules of professional conduct and professional obligations (cf. German Act Regulating the Profession of Tax Advisors [*Steuerberatungsgesetz – StBerG*], German Professional Code of Conduct for Tax Advisors [*Berufsordnung der Steuerberater – BOSTB*]).
- (2) Foreign law shall only be taken into account if this has been expressly agreed in text form.
- (3) In the event that the legal position changes after a matter has been conclusively completed, the Tax Advisor shall not be under any obligation to alert the client to such change or the resulting implications.
- (4) The review of the documents and figures provided to the Tax Advisor, in particular the accounts and balance sheet, with regard to accuracy, completeness and conformity with applicable rules shall not form part of the engagement unless otherwise expressly agreed in text form. The Tax Advisor will assume that the information provided by the client, in particular the figures, is correct and will use it as a basis for his/her work. To the extent that he/she detects any evident inaccuracies, the Tax Advisor shall be obliged to point them out.
- (5) The engagement shall not be deemed to constitute an authorization to represent the client before public authorities, courts and other bodies. Such authorization would need to be granted separately. Where, owing to the client's absence, it proves impossible to coordinate with him/her as to the filing of legal remedies, the Tax Advisor shall be deemed, in case of doubt, to be both authorized and obliged to take action with a view to meeting a deadline.

2. Duty of confidentiality

- (1) In accordance with the law, the Tax Advisor shall be under a duty to maintain confidentiality with regard to all facts that have come to his/her attention in connection with the execution of the engagement unless the client releases him/her from this duty. The duty of confidentiality shall continue even beyond a termination of the contractual relationship. The duty of confidentiality shall apply, to the same extent, to the Tax Advisor's staff.
- (2) The duty of confidentiality shall not apply to the extent that a disclosure is necessary in order to protect the Tax Advisor's legitimate interests. Furthermore, the Tax Advisor is hereby released from the duty of confidentiality to the extent that, under the terms and conditions of his/her professional liability insurance, he/she has a duty to provide information and cooperate.
- (3) The foregoing shall not affect any statutory rights to refuse to provide information or to refuse to testify under sect. 102 German General Tax Code (*Abgabenordnung – AO*), sect. 53 German Code of Criminal Procedure (*Strafprozessordnung – StPO*) and sect. 383 German Code of Civil Procedure (*Zivilprozessordnung – ZPO*).
- (4) The Tax Advisor is hereby released from the duty of confidentiality to the extent that (i) this is necessary for purposes of carrying out a certification audit in the Tax Advisor's firm and (ii) the individuals who are acting in this regard, for their part, have been instructed as to their duty of confidentiality. The client hereby agrees that the person carrying out the certification/audit may inspect the client file which was created and is being maintained by the Tax Advisor.

3. Involvement of third parties

The Tax Advisor shall be entitled to involve staff, third-party experts as well as data-processing companies for purposes of executing of the engagement. When bringing in third-party experts and data-processing companies, the Tax Advisor shall ensure that they give an undertaking to maintain confidentiality in accordance with clause 2(1) above. Under no circumstances shall the Tax Advisor bear any liability in relation to the services provided by anyone brought in; for purposes of liability law, those brought in shall not constitute 'persons employed in performing a contractual obligation for whom the Tax Advisor is vicariously liable' (*Erfüllungsgehilfen*) (hereinafter the 'vicarious agents'). Where the Tax Advisor has recommended the involvement of a third party whom the Tax Advisor has identified by name, the Tax Advisor shall only be liable for his/her having duly selected the person who was brought in.

3a. Electronic communication, data protection

- (1) In the context of the engagements, the Tax Advisor shall be entitled to electronically collect personal data of the client and the client's staff and to process such data in an automated file or to transmit such data to a service computer center for further processing of the data related to the engagement.
- (2) In order to satisfy his/her obligations under the German Federal Data Protection Act (*Bundesdatenschutzgesetz – BDSG*), the Tax Advisor shall be entitled to appoint a data-protection officer. Unless this data-protection officer is already subject to a duty of confidentiality under clause 2(1) sent. 3 above, the Tax Advisor shall ensure that the data-protection officer, upon taking up his/her activity, shall undertake to maintain data secrecy.
- (3) By providing a fax number or an email address to the Tax Advisor, the client agrees — until further notice or until express instruction to the contrary — to the Tax Advisor using these contact details to send any information related to the engagement to the client without any restrictions. The client hereby warrants that only he/she or individuals mandated by him/her has/have access to the receiving/sending device and/or the email account and that he/she will check the same for incoming messages on a regular basis. The client shall be obliged to notify the Tax Advisor of any restrictions, e.g. if the receiving/sending device and/or the email account is only intermittently checked for incoming messages or if transmissions are desired upon prior notice only. The Tax Advisor does not accept any liability for the security of any data and information transmitted via unencrypted emails nor shall he/she be liable for any loss/damage suffered by the client in this respect. To the extent that the client possesses the technical means for the use of signature procedures and encryption procedures and wishes that they be used, he/she shall notify the Tax Advisor accordingly in a timely manner; any resulting costs incurred by the Tax Advisor (e.g. for acquiring and setting up any necessary software/hardware) shall be borne by the client.

4. Remedying of deficiencies

- (1) The client shall have a right to demand that any deficiencies be remedied. The Tax Advisor must be afforded an opportunity to take remedial action. If and to the extent that the engagement constitutes a contract for services (*Dienstvertrag*) within the meaning of sects. 611, 675 German Civil Code (*Bürgerliches Gesetzbuch – BGB*), the client may refuse any remedial action by the Tax Advisor if the engagement is terminated by the client and the deficiency is detected only after the engagement has been validly terminated.
- (2) Should the Tax Advisor fail to remedy the asserted deficiencies within a reasonable period or refuse to remedy the deficiencies, then the client may, at the Tax Advisor's expense, have the deficiencies remedied by another Tax Advisor and/or — at the client's choice — demand a reduction of the fees or rescission of the contract.
- (3) The Tax Advisor may at any time, also vis-à-vis third parties, correct obvious inaccuracies (e.g. clerical errors, or errors in calculation). Other deficiencies may be corrected by the Tax Advisor vis-à-vis third parties subject to the client's consent. Such consent shall not be required where the Tax Advisor's legitimate interests take precedence over the client's interests.

5. Liability

- (1) The liability of the Tax Advisor and his/her vicarious agents for any loss/damage resulting from one breach of duty or — in the context of a uniform injurious effect (*einheitliche Schadensfolge*) — from several breaches of duty on the occasion of executing an engagement shall be capped at EUR 1 million¹⁾ (in words: one million euros). The limitation of liability shall apply in relation to negligence only; liability for intent shall not be subject to such limitation. Liability claims in relation to any loss/damage arising from injuries to life, body or health shall be excluded from this limitation of liability. The limitation of liability shall apply to the Tax Advisor's entire activity for the client, i.e. also, in particular, to an extension to the scope of the engagement; in this regard, there shall be no need for agreeing the limitation of liability again. The limitation of liability shall also apply in the case of the establishment of a joint practice (*Sozietät*)/partnership company (*Partnerschaft*) and assumption of the engagement by the joint practice/partnership company

1) Please insert amount as appropriate. In order to be able to take advantage of this provision, an amount of at least EUR 1 million must be specified, and the contractual amount insured must be at least EUR 1 million for the individual damage event; otherwise para. 1 needs to be deleted. Please also refer to the further comments contained in instruction leaflet no. 1001.



as well as for partners who join the joint practice/partnership company. Furthermore, the limitation of liability shall also apply vis-à-vis third parties to the extent that these fall within the scope of protection of the engagement; in this regard, sect. 334 German Civil Code is expressly not waived. Any agreements, contained in individual contracts, providing for a limitation of liability shall take precedence over this provision but — unless otherwise expressly stipulated — shall not affect the validity of this provision.

- (2) Provided there was a sufficiently high insurance cover in place, the limitation of liability shall apply retroactively from the beginning of the engagement or, as the case may be, from the point of taking out higher insurance cover. If the scope of the engagement is subsequently modified or expanded, then the limitation of liability shall also extend to these cases.

6. Duties on the part of the client; client's failure to cooperate and client's default of acceptance

- (1) The client shall be obliged to cooperate to the extent that this is necessary in order for the engagement to be duly executed. In particular, he/she shall submit to the Tax Advisor, unprompted, a complete set of all documents necessary in order to execute the engagement; such submission shall occur in such a timely manner as to afford the Tax Advisor a reasonable processing time. The same shall apply with regard to briefings about all events and circumstances which may be of importance for purposes of executing the engagement. The client shall be obliged to take note of all written and oral communications issued by the Tax Advisor and to consult him/her when in doubt.
- (2) The client shall refrain from anything that may prejudice the independence of the Tax Advisor or the Tax Advisor's vicarious agents.
- (3) The client hereby undertakes to pass on the results of the Tax Advisor's work only with the Tax Advisor's consent unless the consent to such results being passed on to a specific third party already flows from the content of the engagement.
- (4) Should the Tax Advisor employ data-processing programs at the client's premises, then the client shall be obliged to comply with the instructions by the Tax Advisor with regard to installation and application of such programs. In addition, the client shall be obliged to only use the programs within the scope prescribed by the Tax Advisor, which shall also be the scope of use to which the client is entitled. The client must not disseminate the programs. The Tax Advisor shall remain the owner of the rights of use. The client shall refrain from anything which constitutes an obstacle to the exercise by the Tax Advisor of the rights of use with regard to the programs.
- (5) Should the client fail to comply with a duty to cooperate incumbent on him/her under clause 6(1)–(4) or as provided for elsewhere or be in default of acceptance in relation to the services tendered by the Tax Advisor, then the Tax Advisor shall have the right to terminate the contract without notice (cf. clause 9(3)). This shall not affect the Tax Advisor's claim to be compensated for the additional expenses incurred by him/her owing to the client's default or failure to cooperate as well as for any loss/damage caused, even in the event that the Tax Advisor opts not to exercise his/her right of termination.

7. Copyright protection

The services rendered by the Tax Advisor constitute his/her intellectual property. They are protected by copyright. Beyond their intended use, work results may be passed on only upon prior written consent by the Tax Advisor.

8. Fees, advance payment and offsetting

- (1) The Tax Advisor's fees (professional fees and reimbursement of out-of-pocket expenses) for his/her professional activity in accordance with sect. 33 German Act Regulating the Profession of Tax Advisors shall be determined pursuant to the German Regulation on Tax Advisors' Fees (*Steuerberatervergütungsverordnung – StBVV*). Fees above or below the statutory fees may be agreed in text form. Agreeing fees below the statutory fees is permissible in out-of-court matters only. Such lower fees must bear an adequate relation to the services, responsibility and liability risk of the Tax Advisor (sect. 4(3) German Regulation on Tax Advisors' Fees).
- (2) For activities not dealt with in the Regulation on Fees (e.g. sect. 57(3) nos. 2 and 3 German Act Regulating the Profession of Tax Advisors), the applicable fees shall be those agreed; otherwise, the fees determined by statute for such activity; or else the customary fees (sects. 612(2) and 632(2) German Civil Code).
- (3) Only claims that are undisputed or have been determined with final and absolute effect (*rechtskräftig*) may be set off against a fee claim of the Tax Advisor.
- (4) The Tax Advisor shall be entitled to request an advance payment for professional fees and out-of-pocket expenses already incurred or expected to be incurred. In the event that the requested advance payment is not made, the Tax Advisor may, upon prior notice, cease working for the client until the advance payment is received. Where a cessation of work may adversely affect the client, the Tax Advisor shall be obliged to notify the client, in a timely manner, of the Tax Advisor's intention to cease working.

9. Termination of the contract

- (1) The contract shall terminate upon completion of the services, upon expiry of the agreed term, or by giving notice. The contract shall not terminate upon the client's death or upon the client becoming legally incapacitated or, in the case of a company, upon the company's dissolution.
- (2) If and to the extent that the contract constitutes a contract for services within the meaning of sects. 611, 675 German Civil Code, either party may terminate the contract for cause (*außerordentlich*) except in the case of a service relationship with fixed earnings (*Dienstverhältnis mit festen Bezügen*), sect. 627(1) German Civil Code; notice must be given in text form. Any deviation from the foregoing in individual cases shall require an agreement to be negotiated between the Tax Advisor and the client.
- (3) In order to prevent legal disadvantages for the client, upon termination of the contract by the Tax Advisor the Tax Advisor must, in any event, still take those actions which may reasonably be expected of him/her and which ought not to be postponed (e.g. application for the extension of a deadline which is about to expire).
- (4) The Tax Advisor shall be obliged to hand over to the client anything the Tax Advisor receives or has received for purposes of executing the engagement and anything the Tax Advisor obtains in the context of the management of the affairs of another (*Geschäftsbesorgung*). In addition, the Tax Advisor shall be obliged, upon request, to provide the client with a progress report and to render account for the Tax Advisor's activities.
- (5) Upon termination of the contract, the client must promptly hand over to the Tax Advisor the data-processing programs employed at the client's office for purposes of executing the engagement, including any copies created, as well as any other program documents, and/or delete them from the hard drive.
- (6) Upon termination of the engagement, the documents must be collected from the Tax Advisor.
- (7) In the event that the engagement terminates before it has been completed, the Tax Advisor's fee claim shall be governed by statute. Any deviation from the foregoing in individual cases shall require a separate agreement in text form.

10. Storage, delivery and right of retention with regard to work results and documents

- (1) The Tax Advisor must store the client files for a period of ten years after the engagement has terminated. However, this obligation shall expire before the above period has elapsed if the Tax Advisor has asked the client to take receipt of the client files and the client has failed to comply with such request within six months of having received it.
- (2) 'Client files' within the meaning of para. 1 shall only include such documents as have been obtained by the Tax Advisor, on the occasion of his/her professional activity, from or for the client; by contrast, they shall not include the correspondence between the Tax Advisor and his/her client and the documents which the client has already received in the original or as a copy as well as the working papers produced for internal purposes (sect. 66(3) German Act Regulating the Profession of Tax Advisors).
- (3) At the request of the client, but no later than after termination of the engagement, the Tax Advisor shall hand over the client files to the client within a reasonable period. The Tax Advisor may create and retain copies or photocopies of documents which he/she returns to the client.
- (4) The Tax Advisor may refuse to hand over the client files until his/her fees and out-of-pocket expenses have been settled. This shall not apply to the extent that withholding the client files and the individual documents would be unreasonable under the circumstances (sect. 66(2) sent. 2 German Act Regulating the Profession of Tax Advisors).

11. Miscellaneous

The engagement, its execution and the claims resulting therefrom shall be exclusively governed by German law. The place of performance shall be the client's place of residence unless he/she is a merchant (*Kaufmann*), legal person under public law, or special fund (*Sondervermögen*) under public law; otherwise, the place of performance shall be the professional establishment of the Tax Advisor. The Tax Advisor is — not — prepared to participate in dispute-resolution proceedings before a consumer conciliation body (sects. 36, 37 German Act on Alternative Dispute Resolution in Consumer Matters [*Gesetz über die alternative Streitbeilegung in Verbrauchersachen – VSBG*]).²⁾

12. Validity in the event of partial nullity

Should individual provisions of these terms and conditions of engagement be or become invalid, then this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by a valid provision which most closely reflects the intended objective.

2) Where it is desired for dispute-resolution proceedings to be carried out before the consumer conciliation body, delete the word 'not'. In this case, the relevant consumer conciliation body, along with its physical address and website, needs to be specified.