Samvardhana Motherson Peguform GmbH
Gelnhausen

Short-form audit report
Annual financial statements
31 March 2019

Translation from the German language

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft
Table of contents

Auditor’s report

Financial reporting

Engagement Terms, Liability and Conditions of Use

General Engagement Terms

Note:

We have issued the auditor’s report presented below in compliance with legal and professional requirements subject to the conditions described in the enclosed “Engagement Terms, Liability and Conditions of Use.”

If an electronic version of this document is used for disclosure in the Bundesanzeiger [German Federal Gazette], only the files containing the financial reporting and, in the case of a statutory audit, the auditor’s report or the attestation report thereon are intended for this purpose.
Translation of the German independent auditor’s report concerning the audit of the annual financial statements prepared in German

Independent auditor’s report

To Samvardhana Motherson Peguform GmbH

Opinion

We have audited the annual financial statements of Samvardhana Motherson Peguform GmbH, Gelnhausen, which comprise the balance sheet as of 31 March 2019, and the income statement for the fiscal year from 1 April 2018 to 31 March 2019, and notes to the financial statements, including the recognition and measurement policies presented therein.

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 Company as of 31 March 2019 and of its financial performance for the fiscal year from 1 April 2018 to 31 March 2019 in compliance with German legally required accounting principles.

Pursuant to Sec. 322 (3) Sentence 1 HGB [“Handelsgesetzbuch”: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinion

We conducted our audit of the annual financial statements in accordance with Sec. 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 opinion on the annual financial statements.
Responsibilities of the executive directors 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 Company 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.

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, and to issue an auditor’s report that includes our 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 Sec. 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, 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 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 control.
• 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 opinion on the effectiveness of this system 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 Company’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 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 Company 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 Company 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.

Freiburg i. Br., 25 July 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Wetzel  
Wirtschaftsprüfer  
[German Public Auditor]

Schmidt  
Wirtschaftsprüfer  
[German Public Auditor]
### Balance Sheet as of 31 March 2019

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>EUR</th>
<th>EUR k</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Property, plant and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other equipment, furniture and fixtures</td>
<td>4,449.00</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td><strong>II. Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Shares in affiliates</td>
<td>122,160,086.71</td>
<td></td>
<td>122,160</td>
</tr>
<tr>
<td>2. Loans to affiliates</td>
<td>16,648,189.07</td>
<td></td>
<td>348</td>
</tr>
<tr>
<td></td>
<td>138,808,275.78</td>
<td></td>
<td>122,508</td>
</tr>
<tr>
<td><strong>B. Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Receivables and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Receivables from affiliates</td>
<td>66,918,981.42</td>
<td></td>
<td>75,975</td>
</tr>
<tr>
<td>2. Other assets</td>
<td>2,806,386.85</td>
<td></td>
<td>1,753</td>
</tr>
<tr>
<td></td>
<td>69,725,368.27</td>
<td></td>
<td>77,728</td>
</tr>
<tr>
<td>II. Cash on hand, bank balances and checks</td>
<td>99,173.63</td>
<td></td>
<td>111</td>
</tr>
<tr>
<td></td>
<td>69,824,541.90</td>
<td></td>
<td>77,839</td>
</tr>
<tr>
<td></td>
<td>208,637,266.68</td>
<td></td>
<td>200,353</td>
</tr>
</tbody>
</table>

#### Passiva

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>EUR</th>
<th>TEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Subscribed capital</td>
<td>25,000.00</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>II. Capital reserves</td>
<td>3,779,000.00</td>
<td></td>
<td>3,779</td>
</tr>
<tr>
<td>III. Profit carryforward</td>
<td>545,569.51</td>
<td></td>
<td>965</td>
</tr>
<tr>
<td>IV. Net income for the year</td>
<td>40,396,468.24</td>
<td></td>
<td>38,581</td>
</tr>
<tr>
<td></td>
<td>44,746,037.75</td>
<td></td>
<td>43,350</td>
</tr>
<tr>
<td><strong>B. Provisions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other provisions</td>
<td></td>
<td></td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>30,000.00</td>
</tr>
<tr>
<td><strong>C. Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Trade payables</td>
<td>18,869.96</td>
<td></td>
<td>271</td>
</tr>
<tr>
<td>2. Liabilities to affiliates</td>
<td>163,275,776.32</td>
<td></td>
<td>155,960</td>
</tr>
<tr>
<td>3. Other liabilities</td>
<td>566,582.65</td>
<td></td>
<td>722</td>
</tr>
<tr>
<td></td>
<td>163,861,228.93</td>
<td></td>
<td>156,953</td>
</tr>
<tr>
<td></td>
<td>208,637,266.68</td>
<td></td>
<td>200,353</td>
</tr>
</tbody>
</table>
**Samvardhana Motherson Peguform GmbH, Gelnhausen**

**Income statement for the period from**

1 April 2018 to 31 March 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR EUR</td>
</tr>
<tr>
<td></td>
<td>EUR k</td>
</tr>
<tr>
<td>1. Revenue</td>
<td>866,812.24</td>
</tr>
<tr>
<td>2. Other operating income</td>
<td>52,761.35</td>
</tr>
<tr>
<td></td>
<td>919,573.59</td>
</tr>
<tr>
<td>3. Personnel expenses</td>
<td></td>
</tr>
<tr>
<td>a) Wages and salaries</td>
<td>536,789.18</td>
</tr>
<tr>
<td>b) Social security</td>
<td>21,746.68</td>
</tr>
<tr>
<td></td>
<td>558,535.86</td>
</tr>
<tr>
<td>4. Amortization of intangible assets and depreciation of property, plant and equipment</td>
<td>2,003.00</td>
</tr>
<tr>
<td>5. Other operating expenses</td>
<td>528,689.15</td>
</tr>
<tr>
<td></td>
<td>1,089,228.01</td>
</tr>
<tr>
<td></td>
<td>-169,654.42</td>
</tr>
<tr>
<td>6. Other interest and similar income</td>
<td>1,619,693.70</td>
</tr>
<tr>
<td>7. Income from profit and loss transfer agreements</td>
<td>65,956,230.39</td>
</tr>
<tr>
<td>8. Interest and similar expenses</td>
<td>6,964,950.00</td>
</tr>
<tr>
<td>9. Expenses from loss absorption</td>
<td>4,002,001.24</td>
</tr>
<tr>
<td></td>
<td>56,608,972.85</td>
</tr>
<tr>
<td>10. Income taxes</td>
<td>16,042,850.00</td>
</tr>
<tr>
<td>11. Earnings after taxes</td>
<td>40,396,468.43</td>
</tr>
<tr>
<td>12. Other taxes</td>
<td>0.19</td>
</tr>
<tr>
<td>13. Net income for the year</td>
<td>40,396,468.24</td>
</tr>
</tbody>
</table>
Notes to the financial statements of Samvardhana Motherson Peguform GmbH, Gelnhausen

for the fiscal year from 1 April 2018 to 31 March 2019

General

Samvardhana Motherson Peguform GmbH was founded on 28 June 2011 and is a subsidiary of Samvardhana Motherson Automotive Systems Group B.V., (SMRP B.V.), Amsterdam, Netherlands.

Samvardhana Motherson Peguform GmbH is entered in the commercial register of Hanau local court under HRB no. 94004. These financial statements were prepared in accordance with Sec. 242 et seq. and Sec. 264 et seq. HGB ["Handelsgesetzbuch": German Commercial Code] as well as in accordance with the relevant provisions of the GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung": German Limited Liability Companies Act]. The Company is subject to the requirements for small corporations. Some of the exemptions permitted by Sec. 288 (1) HGB were applied. The income statement is classified using the nature of expense method.

Due to the profit and loss transfer agreement concluded in 2012 between Samvardhana Motherson Peguform GmbH as the controlling company and SMP Deutschland GmbH as the subsidiary, the net income for the year of EUR 65,956k generated in the fiscal year from 1 April 2018 to 31 March 2019 was transferred to Samvardhana Motherson Peguform GmbH.

Pursuant to the provisions of Sec. 302 AktG ["Aktiengesetz": German Stock Corporation Act] in their respective valid versions, Samvardhana Motherson Peguform GmbH as the controlling company is obliged to absorb the net loss of EUR 4,002k incurred in the fiscal year from 1 April 2018 to 31 March 2019 due to the profit and loss transfer agreement concluded in 2013 with SMP Automotive Exterior GmbH as subsidiary.
Recognition and measurement policies

These financial statements were prepared in accordance with the following uniform recognition and measurement policies.

We applied the following recognition and measurement policies:

**Assets**

Property, plant and equipment  Recognized at acquisition cost and depreciated over its estimated useful life using the straight-line method. Depreciation is recorded proportionately in the year of acquisition.

Financial assets  At acquisition cost including incidental acquisition costs; loans at nominal value. If impairment is permanent at lower net realizable value.

Receivables from affiliates  At nominal value. Specific and general bad debt allowances take account of discernable and latent risks.

Other assets  At nominal value taking into account the lower of cost or market principle.

**Equity and liabilities**

Equity  At nominal amount.

Provisions  Provisions are recognized at the settlement value deemed necessary according to prudent business judgment.

Liabilities  At settlement value.

Other liabilities  At nominal value.
Assets and liabilities in **foreign currency** are translated using the mean spot rate in accordance with Sec. 256a HGB as of balance sheet date and if due in less than one year unrealized expenses and unrealized income are recognized through profit or loss. Unrealized exchange rate gains and losses incurred from the translation as of balance sheet date are recognized as other operating income or other operating expenses.

**Notes to the balance sheet**

Property, plant and equipment of EUR 4k (prior year: EUR 6k) consist of furniture, fixtures and office equipment. The accumulated acquisition cost came to EUR 16k. There were no additions in the fiscal year. Accumulated amortization, depreciation and write-downs amount to EUR 12k. EUR 2k thereof relates to the current fiscal year.

As of the balance sheet date, there were receivables from affiliates of EUR 66,919k (prior year: EUR 75,975k) due in less than one year. Receivables include receivables of EUR 65,956k (prior year: EUR 74,399k) from SMP Deutschland GmbH arising from the profit and loss transfer agreement. Of the receivables from affiliates, EUR 447k (prior year: EUR 859k) relate to trade receivables and EUR 516k (prior year: EUR 717k) to other assets. They include receivables from the shareholder SMRP B.V. of EUR 113k (prior year: EUR 495k).

As in the prior year, other assets have a remaining term of less than one year.

All trade payables are due within one year as in the prior year.

Unless disclosed separately as liabilities to affiliates of EUR 163,276k (prior year: EUR 155,960k), an amount of EUR 9k (prior year: 37k) relate to trade payables and EUR 163,267k (prior year: EUR 155,923k) to other liabilities. Of the liabilities to affiliates, an amount of EUR 5,776k (prior year: EUR 13,960k) is due within one year. Liabilities to affiliates of EUR 157,500k (prior year: EUR 142,000k) are due between one and five years. Liabilities to the shareholder SMRP B.V. amount to EUR 159,265k (prior year: EUR 142,081k).
Other liabilities contain tax liabilities of EUR 567k (prior year: EUR 720k). As in the prior year, other liabilities are due within one year.

**Notes to the income statement**

Other interest and similar income includes interest income from loans to affiliates of EUR 1,620k (prior year: EUR 1,430k).

Interest and similar expenses include interest to affiliates of EUR 6,919k (prior year: EUR 6,410k) from the shareholder loan.

**Other notes**

**Contingent liabilities**

The Company is jointly and severally liable for the liabilities of Samvardhana Motherson Automotive Systems Group B.V. (SMRP B.V.) in connection with the senior secured notes (EUR 100m) concluded in June 2015, senior secured notes (USD 400m) concluded in June 2016, senior secured notes (EUR 300m) concluded in July 2017, the revolving credit facility agreement (EUR 500m) concluded in June 2017 as well as its increase in August 2018 (EUR 75m) and the term loan (USD 60m) concluded in September 2018. As of the balance sheet date, the liabilities from the revolving credit facility agreement were valued at EUR 62m.

In addition, the Company is jointly and severally liable for the liabilities of USD 16m of SMP Automotive Systems México S.A. de C.V., Puebla, Mexico, liabilities of SMP Automotive Technology Iberica SL of EUR 10m and of SMR Automotive Systems USA Inc. of USD 10m. For this reason, shares and company accounts held by the Company were pledged as security to SMP Deutschland GmbH and SMP Automotive Exterior GmbH.

**Employees**

The Company had an annual average of 3 employees (prior year: 3).
Management

Andreas Heuser, Bad Soden-Salmünster, general manager for activities in Europe and America of the Samvardhana Motherson Group.

Group consolidation

Pursuant to Sec. 291 HGB, the Company is exempt from the obligation to prepare consolidated financial statements or a group management report as the Company and its subsidiaries are included in the consolidated financial statements and group management report of Samvardhana Motherson Automotive Systems Group B.V. (SMRP B.V.), Amsterdam, Netherlands (smallest group of companies). At the highest level, the Company is included in the consolidated financial statements of Motherson Sumi Systems Limited (MSSL), India (largest group of companies). The consolidated financial statements of MSSL have been published on the Company’s website (www.motherson.com).

The consolidated financial statements and group management report of SMRP B.V. are prepared in accordance with International Financial Reporting Standards pursuant to OJ EC No. L 243 Sentence 1 in the latest version (IFRSs).

The consolidated financial statements of SMRP B.V. are published in the Bundesanzeiger [German Federal Gazette].
Subsequent events

There were no significant events after the balance sheet date requiring consideration either in the income statement or in the balance sheet.

Bruchköbel, 19 July 2019

General manager

Andreas Heuser
Engagement Terms, Liability and Conditions of Use

We, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, conducted our audit of this financial reporting on behalf of the Company. Besides satisfying the legal disclosure requirement (Sec. 325 HGB [“Handelsgesetzbuch”: German Commercial Code]) for statutory audits, the audit opinion is addressed exclusively to the Company and was issued for internal purposes only. It is not intended for any other purpose or to serve as a decision-making basis for third parties. The result of voluntary audits summarized in the audit opinion is thus not intended to serve as a decision-making basis for third parties and must not be used for purposes other than those intended.

Our work is based on our engagement agreement for the audit of these financial statements including the “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften” [German Public Auditors and Public Audit Firms] as issued by the Institute of Public Auditors in Germany [“Institut der Wirtschaftsprüfer”: IDW] on 1 January 2017.

To clarify, we point out that we assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the audit opinion to reflect events or circumstances arising after it was issued, unless required to do so by law.

It is the sole responsibility of anyone taking note of the summarized result of our work contained in this audit opinion to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.
General Engagement Terms
for
Wirtschaftsprüfer und 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: Strafrechtsgesetzbuch]) 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.
11. Supplementary provisions for assistance in tax matters

(1) 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 scurrilous, 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.

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 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.

License for / Licensed to: Mitgliedsunternehmen des Verbunds von EY-Gesellschaften | 4309421