

## **Certificate**

Annual Financial Statements  
to 31 December 2022

of

**Tearfund Deutschland e.V.**  
**Berlin**

INDEPENDENT AUDITOR'S  
AUDIT REPORT

*Translation from the German Language*  
*(For reasons of efficiency, the translation of the management report was omitted.)*

# **SCHOMERUS**

## **AUDIT OPINION OF THE INDEPENDENT AUDITOR**

To Tearfund Deutschland e.V., Berlin:

### **Audit Opinion**

We have audited the annual financial statements of Tearfund Deutschland e.V., Berlin, consisting of the Balance Sheet as of December 31, 2022, the Profit and Loss Statement for the financial year January 1 to December 31, 2022 and the Notes, including the description of the accounting and valuation methods.

In our opinion, based on our audit findings, the attached Annual Financial Statements comply in all essential respects with German commercial law regulations governing stock corporations and convey, with due regard for German generally accepted accounting principles, a true and fair view of the Association's assets and financial situation as of 31 December 2022 and its earnings situation for the financial year 1 January to 31 December 2022.

In accordance with Section 322.3.1 HGB we declare that our audit has not led to any objections in respect of the propriety of the annual financial statements.

### **Basis of the Audit Opinion**

We carried out our audit of the annual financial statements in accordance with Section 317 HGB and with the generally accepted audit principles laid down by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e. V., IDW). Our responsibility by the terms of these regulations and principles is dealt with in further detail in the section of our audit opinion headed "Responsibility of the Auditor for the Audit of Annual Financial Statements". We are independent of the Association in accordance with German commercial and professional law regulations and complied with our other German professional obligations in accordance therewith. We are of the opinion that the audit evidence we obtained is sufficient and suitable to serve as a basis for our audit opinion on the annual financial statements.

### **Fundamental Uncertainty in Respect of the Association's Ability to Continue in Business**

We refer to the statement in the introductory section of the Notes in which the legal representatives say that the Association is in a tight situation. As described in the Notes, these events and circumstances show that there is a fundamental uncertainty which may give rise to significant doubts as to the Association's ability to continue in business and which constitutes an existential risk as defined in Section 322 para. 2 p. 3 HGB. Our audit opinion on the annual financial statements is not modified where this state of affairs is concerned.

### **Responsibility of the Legal Representatives and the Supervisory Board for the Annual Financial Statements**

The legal representatives are responsible for preparing annual financial statements that comply in all material respects with German commercial law regulations that apply to business people. They are further responsible for any internal controls that they have found, in keeping with German generally acknowledged principles of proper accounting, to be necessary for preparing annual financial statements that are free of material misrepresentations, deliberate or otherwise.

In preparing annual financial statements the legal representatives are responsible for assessing the Association's ability to continue in business. They are also responsible for disclosing material considerations in connection with remaining in business as a going concern and for drawing up a balance sheet based on the "going concern" principle insofar as actual or legal circumstances do not prevent them from doing so.

The Supervisory Board is responsible for monitoring the Association's accounting procedure in preparing the annual financial statements.

### **The Auditor's Responsibility for the Audit of Annual Financial Statements**

Our aim is to attain reasonable assurance that the annual financial statements as a whole are free of material misrepresentations, deliberate or otherwise, and to issue an audit opinion that contains our assessment of the annual financial statements.

Reasonable assurance is a high level of likelihood but no guarantee that an audit undertaken in accordance with Section 317 HGB and with the generally accepted audit principles laid down by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e. V., IDW) will always reveal a material misrepresentation. Misrepresentations can result from infringements or inaccuracies and are considered to be material if they might reasonably be expected to influence, individually or in their entirety, commercial decisions made by addressees on the basis of the annual financial statements.

During the audit we use our professional judgment and maintain a critical basic attitude. In addition,

- We identify and assess risks of material misrepresentation, deliberate or otherwise, in the annual financial statements, plan and carry out audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinion. The risk of material misrepresentation going unnoticed is higher in the case of intent than in that of inaccuracy because infringements can involve fraudulent collaboration, forgeries, deliberate incompleteness, misleading representations or the suspension of internal controls.
- We gain an understanding of the internal control system that is relevant for auditing the annual financial statements in order to plan audit procedures that are appropriate in the circumstances but not with the aim of passing an audit judgment on the efficacy of these systems used by the Association.
- We assess the appropriateness of accounting methods used by the legal representatives and the justifiability of estimated values and related statements made by the legal representatives.

- We reach conclusions on how appropriate the “going concern” principle that the legal representatives use is and on whether, on the basis of the audit evidence obtained, there is sufficient uncertainty in connection with events or circumstances to give rise to significant doubts about the Association’s ability to continue in business. If we conclude that a material uncertainty exists we are obliged to draw attention in our audit opinion to the relevant details in the financial statements or, if these are inadequate, to modify our audit opinion. We base our conclusions on the audit evidence obtained up to the date of our audit opinion. Future events or circumstances may however lead to the Association no longer being able to continue in business.
- We assess the overall presentation and the structure and content of the annual financial statements, including the details and whether the annual financial statements present the underlying business transactions and events in such a way that the annual financial statements present with due regard for German generally accepted accounting principles a true and fair view of the Association’s asset, financial and earnings situation.

We discuss inter alia with those responsible for oversight the planned scope and timing of the audit and any significant audit findings, including shortcomings of the internal control system, that we make in the course of our audit.

Berlin, 20 June 2023

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

Beutel  
Auditor  
(Signed digitally)

Schwunk  
Auditor  
(Signed digitally)

Publication or disclosure of the annual financial statements in a form other than that of the audited version is subject to our prior and renewed opinion if our audit opinion is cited or our audit is mentioned. Reference is here made to Section 328 HGB.

The annual financial statements are courtesy translations of the binding German original. Please note that the translation of the management report has been omitted from reasons of efficiency.

This report is intended solely for the information of the ECCHR e.V., Berlin.

Binding is only the German original.

# Annexes

**SCHOMERUS**

Balance Sheet to 31 December 2022 of

Tearfund Deutschland e.V., Berlin

Annex 1

ASSETS

LIABILITIES

	31.12.2022 €	31.12.2021 €K		31.12.2022 €	31.12.2021 €K
<b>A. Assets</b>			<b>A. Equity capital</b>		
<b>I. Intangible assets</b>			<b>I. Association's capital</b>	10,671.85	11
Concessions acquired against payment, industrial property rights and similar rights and assets and Licences to such rights and assets	9.00	0	<b>II. Balance sheet result</b>	<u>-10,671.85</u>	<u>7</u>
<b>II. Fixed assets</b>				0.00	18
Other plant, operating and business equipment	<u>722.25</u>	<u>1</u>	<b>B. Provisions</b>	21,193.35	26
	.....731.25	.....1	<b>C. Liabilities</b>		
<b>B. Current Assets</b>			1. Trade accounts payable	3,399.22	15
<b>I. Accounts receivable and other assets</b>			- of which with a term to maturity of up to 1 year: € 3,399.22 (previous year: € 15K)		
1. Receivables from grants	5,838,078.06	741	2. Liabilities from grants received	7,132,624.97	871
2. Other asset items	<u>1,129,290.10</u>	<u>44</u>	- of which with a term to maturity of up to 1 year: € 7,132,624.97 (previous year: € 871K)		
	6,967,368.16	785	3. Other liabilities	38,561.77	24
<b>II. Cash in Hand, Bank Balances and Cheques</b>	<u>151,636.86</u>	<u>168</u>	- of which with a term to maturity of up to 1 year: € 31,061.77 (previous year: € 16K)		
	.....7,119,005.02	.....953	- of which taxes: € 6,626.02 (previous year: € 2K)	<u>7,174,585.96</u>	<u>910</u>
<b>C. Accruals</b>	.....185.51	.....0			
<b>D. Deficit not covered by equity</b>	<u>.....75,857.53</u>	<u>.....0</u>		<u>7,195,779.31</u>	<u>954</u>
	<u>7,195,779.31</u>	<u>954</u>			

## Profit and Loss Statement of 2022

## Tearfund Deutschland e.V., Berlin

	2022 €	2021 €K
	<hr/>	<hr/>
1. Income from donations	260,651.43	325
2. Income from grants	2,236,398.19	935
3. Other operating income	<u>38,486.30</u>	<u>29</u>
4. Total income	..... <u>2,535,535.92</u>	..... <u>1,289</u>
5. Project expenditure	-1,841,882.64	-565
6. Personnel costs		
a) Wages and salaries	-546,570.21	-516
b) Social security and pension contributions and benefit payments	<u>-104,802.74</u>	<u>-87</u>
	<u>-651,372.95</u>	<u>-603</u>
7. Total project and personnel expenditure	<u>-2,493,255.59</u>	<u>-1,168</u>
8. Intern result	42,280.33	121
9. Depreciation		
of intangible and fixed assets	-3,931.36	-7
10. Other operating expenses	<u>-132,194.26</u>	<u>-103</u>
11. Intern result	-93,845.29	11
12. Other interest and similar income	<u>0.00</u>	<u>1</u>
13. Net loss/surplus for the year	-93,845.29	12
14. Profit carried over from previous year	7,315.91	0
15. Transferred to Association's capital	<u>0.00</u>	<u>-5</u>
16. Balance sheet result	<u><u>-86,529.38</u></u>	<u><u>7</u></u>



## Notes to the Annual Financial Statements for 2022

### Tearfund Deutschland e.V., Berlin

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

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

Accounting and valuation principles were in accordance with generally accepted accounting principles and the provisions of German commercial law.

As of 31 December 2021 the Association's equity capital totalled € 18K. The 2022 total was -€ 93.8K. The annual financial statements were nonetheless drawn up on the assumption of continuation in business, which is based on the following reasons:

- The annual result for 2022 was negatively impacted inter alia by special influences. The start of multi-year projects newly approved in the financial year was in part delayed by several months, for example. As a consequence grants that partly serve to finance overheads were not available to fund them. Overhead costs were not covered, negatively affecting the result for the year. Exchange rate developments likewise had a negative effect.
- The total volume of income was increased significantly in 2022 and the trend continues in 2023. In 2022 project funding was approved for work in new regions and new areas of activity and the Association's radius of action was extended, and in 2023 a further project in Iraq has been approved by the German Foreign Office.
- Execution of scheduled planning:
  - The budget for 2023 includes a slight shortfall due mainly to conservative donation estimates. The considerable increase in contractually assured project financing by ministries such as the Federal Ministry of Economic Cooperation and Development and the Foreign Office includes fixed amounts for overhead costs and much of the income is thereby securely based. In the budget the funds passed on and the operating income and expenditure are stated separately.
    - => Talks have in part reached an advanced stage on fundraising and cooperation with new partners such as NGOs and foundations.
    - => Fundraising and PR are also to be expanded in order to access freely available funds, inter alia by an increase in the number of fundraising personnel.

- Closure of the country office in Jordan will lead to savings compared with previous years. Further savings potential is currently not apparent because we are operating at the lower personnel limit and budgets for travel costs and other expenditure are already set at minimum levels.
- Statements on the liquidity situation: Tearfund Deutschland's medium-term objective continues to be to create reserves in order to ensure its lasting survival. In 2023 the payment flows can be controlled to ensure that sufficient liquidity is guaranteed.
  - The Supervisory Board was mandated by the General Meeting to regularly monitor the budget in relation to surpluses actually earned in order to take emergency measures if required.
  - The Supervisory Board also monitors the regular cash flow forecast to ensure solvency.

## **I. Accounting and Valuation Methods**

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

Asset items and debts denominated in foreign currencies are translated into euros at the exchange rate on the reporting date.

Intangible assets and fixed assets are stated at cost of acquisition and, if depreciable, less scheduled depreciation.

Depreciation is straight-line based on the expected useful life of the asset in question. Receivables from grants and other asset items are stated at nominal or at their lower market value.

Provisions are stated at settlement value and include all recognisable risks and uncertain obligations as of the reporting date.

Liabilities are shown at their settlement amounts.

## II. Notes on the Balance Sheet

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

Receivables from grants are approved public and private funding for project work. They have different terms to maturity ranging from four months to several years and the last Federal Ministry of Economic Cooperation and Development (BMZ) grants will be disbursed in 2025.

Other provisions cover all recognisable risks and uncertain obligations. They consist mainly of €8K in provisions for personnel and € 13K in other provisions.

Liabilities (excluding liabilities from grants received) all have, with the exception of a loan totalling € 7.5K, terms to maturity of up to a year and are unsecured. The € 7.5K loan was interest-free and unsecured for a term ending on 1 May 2035. If the lender dies beforehand it will be rededicated as a donation.

Liabilities from grants received include € 5,838K (previous year € 741K) in funding commitments by project funders that have yet to be received and € 1,295K (previous year € 130K) in funding received but not yet spent as earmarked.

Tax liabilities totalled € 4K (previous year € 7K).

Contingent liabilities

There were no contingent liabilities as of the balance sheet date.

## III. Notes on the Profit and Loss Statement

The profit and loss statement was prepared in vertical format using the total cost method.

Donation income is stated in the year of receipt and not as required by IDW RS HFA 21.

Other operating income includes € 10,782.45 in income from currency translation.

Other operating expenditure includes currency translation losses totalling € 20,392.03

#### IV. Other Disclosures

##### Employee figures

The Association's annual average number of employees in Germany was 13 (previous year 12.5), including three part-timers. A further annual average 9.5 (previous year 14.75) were employed abroad.

##### Management bodies

The Association is managed by the Management Board. Its members are:

- Dr. Martin Knispel, Berlin (Chairman until 30.04.2022)
- Bernd Gülker, Berlin (Chairman from 01.05.2022 until 30.04.2023)

Members of the Supervisory Board are:

Peter Jakobus, Kronberg im Taunus, Diplom-Volkswirt (Chairman)

Michael Voss, Niedernhausen, engineer (Vice Chairman)

Alexander Gentsch, Brussels, Advocacy Officer

Rebecca Sonntag, Amman, development cooperation

Bernd Gülker, Rangsdorf, pensioner/consultant (until February 2022)

Berlin, 20 June 2023

Signed: Uwe Heimowski  
Management Board Chairman  
Tearfund Deutschland e.V.

Signed: Dr. Martin Knispel  
Director  
Tearfund Deutschland e.V.

# **Annex**

**to the Notes**

## Development of Fixed Assets in 2022

Tearfund Deutschland e.V., Berlin

	COSTS OF ACQUISITION AND PRODUCTION				ACCUMULATED AMORTISATIONS				NET BOOK VALUES	
	01.01.2022 €	Additions €	Disposals €	31.12.2022 €	01.01.2022 €	Additions €	Disposals €	31.12.2022 €	31.12.2022 €	31.12.2021 €
<b>I. Intangible Assets</b>										
Concessions acquired against payment, industrial property rights and similar rights and assets and licenses for such rights and assets	8,822.85	0.00	0.00	8,822.85	8,813.85	0.00	0.00	8,813.85	9.00	9.00
<b>II. Fixed Assets</b>										
Other plant, operating and business equipment	<u>18,582.11</u>	<u>3,715.66</u>	<u>3,715.66</u>	<u>18,582.11</u>	<u>17,644.16</u>	<u>3,931.36</u>	<u>3,715.66</u>	<u>17,859.86</u>	<u>722.25</u>	<u>937.95</u>
	<u>27,404.96</u>	<u>3,715.66</u>	<u>3,715.66</u>	<u>27,404.96</u>	<u>26,458.01</u>	<u>3,931.36</u>	<u>3,715.66</u>	<u>26,673.71</u>	<u>731.25</u>	<u>946.95</u>

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

As of December 1, 2021

### 1. Scope

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

- Schomerus & Partner mbB  
Steuerberater Rechtsanwälte Wirtschaftsprüfer  
(Amtsgericht Hamburg PR 361)
- Hamburger Treuhand Gesellschaft Schomerus & Partner mbB  
Wirtschaftsprüfungsgesellschaft  
(Amtsgericht Hamburg PR 7)
- Schomerus & Partner mbB  
Steuerberater Rechtsanwälte Wirtschaftsprüfer  
(Amtsgericht Charlottenburg PR 691 B)
- Schomerus Compliance GmbH  
Steuerberatungsgesellschaft  
(Amtsgericht Hamburg HRB 27694)
- SCHOMERUS GmbH Wirtschaftsprüfungsgesellschaft  
(Amtsgericht Charlottenburg HRB 39577 B)

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

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

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

### 2. Scope and Performance of Services/Instructions

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

### 3. Duties of the Clients

- (1) The client is required to cooperate and, in particular, to provide accurate details, to notify SCHOMERUS of all necessary or important information, in writing if so requested, and to transmit necessary documents as at

early a date and in as completely as possible. The client will also designate suitable persons to provide information.

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

### 4. No Duty to Provide Verbal Information / No Liability

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

### 5. Protection of Intellectual Property

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

### 6. Confidentiality, Data Processing and Data Protection

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

## 7. Disclaimer and Liability, Cut-off Periods

- (1) For legally required services, in particular audits, the respective legal limitations of liability, especially the liability limitation of § 323 (2) HGB ("*Handelsgesetzbuch*": German Commercial Code), apply.
- (2) Insofar neither para. 1, nor an individual contractual limitation of liability exists, SCHOMERUS shall be liable to the client for damages arising from negligence to a maximum of €10,000,000 per case of damage. Said limitation of liability does not apply to any damage caused by SCHOMERUS wilfully or by more than simple negligence. It also does not apply to damage to life, body or health.
- (3) SCHOMERUS is entitled to invoke demurs and defenses based on the contractual relationship with the client also towards third parties.
- (4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with SCHOMERUS due to SCHOMERUS' negligent breach of duty, the maximum amount stipulated in para. 2 above applies to the respective claims of all claimants collectively.
- (5) An individual case of damages within the meaning of para. 2 above also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damage occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another.
- (6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the client has been informed of this consequence. This does not apply to any damage caused by SCHOMERUS wilfully or by more than simple negligence. It also does not apply to damage to life, body or health. This shall not affect the right to assert a claim to suspend the period of limitation.

## 8. Remuneration, Joint Liability, Setting Off, Assignment

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

## 9. Correction of deficiencies

- (1) Where there are deficiencies, the client is entitled to subsequent fulfilment of the contract by SCHOMERUS. The client may reduce the fees or cancel the contract for the failure to subsequently fulfil the contract, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent fulfilment. If the engagement was not commissioned by a consumer, the client may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to the failure to subsequently fulfil the contract, to subsequent non-performance or to unjustified refusal to perform subsequently, or to unconscionability or impossibility of subsequent fulfilment failure. Section 7 applies to the extent that further claims for damages exist.
- (2) The client must assert his claim for the correction of deficiencies in writing (*Textform*) without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.
- (3) Obvious deficiencies, such as typing and arithmetical errors and deficiencies associated with technicalities contained in SCHOMERUS professional statements (reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by SCHOMERUS at any time. Errors which may call into question the conclusions contained in SCHOMERUS professional statements entitle SCHOMERUS to withdraw – also versus third parties – such statements. In the cases noted SCHOMERUS should first hear the client, if possible.

## 10. Termination of Contract

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

## 11. Right of Retention

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

## 12. Electronic Correspondence

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



### 13. Supplementary provisions for audit engagements

- (1) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and laws controlling certain aspects of specific business operations were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefore arise or if this has been expressly agreed to in writing.
- (2) The client shall refrain from everything that endangers the independence of the auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on one's own account. Were the performance of the engagement to impair the independence of the auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the auditor in other engagement relationships, the auditor is entitled to terminate the engagement for good cause.
- (3) The use of the auditor's professional statements for promotional purposes is not permitted; an infringement entitles the auditor to immediately cancel all engagements not yet conducted for the client.
- (4) If the client subsequently amends the financial statements or management report audited by an auditor and accompanied by an auditor's report, he may no longer use this auditor's report. If the auditor has not issued an auditor's report, a reference to the audit conducted by the auditor in the management report or any other public reference is permitted only with the auditor's written consent and using the wording authorized by him.
- (5) If the auditor revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the auditor's request.
- (6) The client has a right to 5 copies of the long-form report. Additional copies will be charged separately.

### 14. Supplementary provisions for assistance with tax matters

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

### 15. Applicable Law, Place of Performance, Jurisdiction

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

### 16. Dispute Settlement

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

### 17. Effectiveness in the Event of Partial Invalidity

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

### 18. Amendments and Additions/Third-Party GTCs

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

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

## INFORMATION ABOUT DATA PROCESSING

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

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

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

Controllers for the data processing are:

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

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

Schomerus Compliance GmbH  
Steuerberatungsgesellschaft  
(Amtsgericht Hamburg HRB 27694)

Respective contact details:

Deichstraße 1  
20459 Hamburg  
Germany

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

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

SCHOMERUS GmbH Wirtschaftsprüfungsgesellschaft  
(Amtsgericht Charlottenburg HRB 39577 B)

Respective contact details:

Bülowstraße 66  
10783 Berlin  
Germany

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

#### Information about joint controllers:

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

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

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

#### You can reach our Data Protection Officer at:

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

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

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

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

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

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

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

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

Schomerus Compliance GmbH  
Steuerberatungsgesellschaft  
(Amtsgericht Hamburg HRB 27694)

SCHOMERUS GmbH Wirtschaftsprüfungsgesellschaft  
(Amtsgericht Charlottenburg HRB 39577 B)

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

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

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

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

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

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

#### **b) Based on your consent**

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

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

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

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

### c) For protecting our legitimate interests

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

- Direct advertisement

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

- Assertion, exercise or defence of legal claims

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

- Ensuring the IT security and the domiciliary right

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

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

### 3. Recipients of data or categories of recipients

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

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

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

### 4. Transmission of data to third countries or international organisations

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

Such data transmission can take place exceptionally

- if you have explicitly consented to this transmission,
- if this is necessary for the fulfilment of a contract between us and you or for the conclusion or fulfilment of a contract, which should be made between us and a third party in your interest (e.g. in case of clients with a foreign reference),
- if there is a legal obligation for this (e.g. reporting obligations under tax law), or
- if this is necessary for asserting, exercising or defending legal claims.

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

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

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

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

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

### 6. Your rights as data subject

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

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

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

- Right to rectification (art. 16 GDPR)

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

- Right to erasure (art. 17 GDPR)

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

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

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

- Right to data portability (art. 20 GDPR)

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

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

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

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

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

You also have a

**Right to object** (art. 21 GDPR)

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

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

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

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

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

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

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