

I. General Terms and Conditions for Tax Advisors and professional-practice companies providing tax advice  
Status: October 2023

The following "General Terms and Conditions" shall apply to contracts between tax advisors and professional-practice companies providing tax advice (hereinafter referred to as "tax advisors") and their clients insofar as not otherwise explicitly agreed in text form or stipulated as mandatory by law.

**1. Scope and execution of the assignment**

- (1) The given assignment is decisive for the scope of the services which are to be provided by the tax advisor. The assignment shall be carried out according to the principles of the proper performance of the profession by complying with the relevant standards of the professional regulations and the professional obligations (cf. StBerG [law governing tax advisors], BOSTB [professional code for tax advisors]).
- (2) The consideration of foreign law requires an explicitly agreement in text form.
- (3) If the legal situation changes after a matter has been finally settled, the tax advisor shall not be obliged to inform the client of the change or the resulting consequences.
- (4) The examination of the accuracy, completeness and appropriateness of the documents and figures which were handed over to the tax advisor, in particular the bookkeeping and balance sheet shall only be part of the assignment if this has been agreed in text form. The tax advisor shall use the information provided by the client, in particular details of figures, as a correct basis. To the extent that he detects any evident inaccuracies, he will point them out to the client.
- (5) The assignment does not represent any power of attorney for the representation before authorities, courts and other departments. Such authorisation would need to be granted separately. If coordination with the client concerning the filing of legal remedies or appeals is not possible owing to his absence the tax advisor is entitled to carry out acts in order to adhere to deadlines in case of doubt.

**2. Non-disclosure obligation**

- (1) According to the laws the tax advisor undertakes to maintain secrecy concerning all facts, of which he gains knowledge in connection with the execution of the assignment unless the client releases him from this obligation. The non-disclosure obligation shall also continue to exist after termination of the contractual relationship. The non-disclosure obligation shall also exist to the same extent for the employees of the tax advisor.
- (2) The non-disclosure obligation shall not exist insofar as the disclosure is necessary in order to safeguard justified interests of the tax advisor. The tax advisor is also insofar released from the non-disclosure obligation to the extent that he is obliged to provide information and assistance according to the insurance terms and conditions of his professional liability insurance.
- (3) Statutory rights to refuse to provide information and make a statement according to § 102 AO [fiscal code], § 53 StPO [code of criminal procedure], § 383 ZPO [code of civil procedure] shall remain unaffected.
- (4) The tax advisor is released from the non-disclosure obligation insofar as this is necessary in order to conduct a certification audit in the business premises of the tax advisor and the persons working in this respect have been instructed on their part about their non-disclosure obligation. The client thus declares that he agrees that the certifier/auditor inspects his manual file – prepared and kept by the tax advisor.

**3. Assistance of third parties**

The tax advisor is entitled to use the services of employees and under the conditions of § 62a StBerG also third parties (especially data processing companies) in order to carry out the assignment. ~~The involvement of expert third parties in the performance of the mandate (e.g. other tax advisors, auditors, lawyers) requires the consent and the order of the client. The tax advisor is not entitled or obliged to involve such third parties without the client's order.~~

**4. Electronic communication, data protection**

- (1) The tax advisor is entitled to collect personal data of the client by machine within the scope of the assignments given and to process it in an automated file or to transfer it to a service computer centre for further commissioned data processing.
- (2) The tax advisor is entitled to appoint an officer for data protection in satisfaction of his duties according to the DSGVO [general data protection regulation] and the federal data protection act. Insofar as this officer for data protection is not already subject to the non-disclosure obligation according to no. 2 par. 1 s. 3 the tax advisor has to ensure that the officer for data protection undertakes to comply with the data secrecy when he commences his work.
- (3) It is hereby pointed out to the client that the use of electronic means of communication (e-mail, etc.) may entail risks for the confidentiality of communication. The client hereby consents to the tax advisor using of electronic means of communication.

**5. Remedy of deficiencies**

- (1) In the event of any deficiencies, the tax adviser must be given an opportunity to take remedial action.
- (2) Obvious inaccuracies (e.g. typing errors, calculation errors) can also be corrected by the tax advisor towards third parties at all times. The tax advisor may correct other deficiencies towards third parties with the consent of the client. The consent is not necessary if justified interests of the tax advisor have precedence over the interests of the client.

**6. Liability**

- (1) The liability of the tax advisor and his vicarious agents for damage resulting from one or - in the case of a uniform consequence of damage - from several breaches of duty on the occasion of the fulfilment of an assignment is limited to 4,000,000 Euro (in words: four million Euro). The limitation of liability relates solely to negligence. Liability for intent remains unaffected in this respect. Excluded from the limitation of liability are liability claims for damages arising from injury to life, limb or health. The limitation of liability applies to the entire activity of the tax advisor for the client, i.e. in particular also to an extension of the content of the assignment; a renewed agreement on the limitation of liability is not required in this respect. The limitation of liability also applies in the event of the formation of a partnership and the assumption of the assignment by the partnership as well as for new partners joining the partnership. Furthermore, the limitation of liability also applies vis-à-vis third parties insofar as these fall within the scope of protection of the mandate relationship; § 334 BGB is expressly not waived in this respect. Individual contractual liability limitation agreements shall take precedence over this provision, but shall not affect the validity of this provision - unless expressly provided otherwise.
- (2) The limitation of liability applies retroactively from the beginning of the mandate relationship or the time of the higher insurance coverage, if correspondingly high insurance coverage existed, and also extends to these cases if the scope of the mandate is subsequently changed or expanded.
- (3) Providing oral information is not one of the tax advisor's main contractual services. In particular, they impose the risk of an incomplete oral presentation of the facts to be assessed as well as misunderstandings between the tax advisor and the client. It is therefore agreed that the tax adviser is only liable for information provided in text form and that liability for oral information provided by the tax advisor or his employees is excluded.
- (4) Claims for damages by the client, with the exception of those arising from injury to life, body or health, shall lapse 18 months after the client becomes aware or is grossly negligently unaware of the claims, but no later than five years after the claim arises. The earlier period shall be decisive.

**7. Duties of the client; failure to provide assistance and delay in acceptance of the client**

- (1) The client is obliged to provide assistance insofar as it is necessary in order to properly settle the assignment. He has in particular to hand over all documents, which are necessary for executing the assignment, in full and in plenty of time to the tax advisor without request so that reasonable processing time is available to the tax advisor. The same shall apply to the notification about all events and circumstances, which may be of significance for the execution of the assignment. The client undertakes to acknowledge all written and oral notifications of the tax advisor and to consult him in case of questions of doubt.
- (2) The client has to refrain from everything which could impair the autonomy of the tax advisor or his vicarious agents.
- (3) The client undertakes to only forward work results of the tax advisor with his consent insofar as the consent to forwarding to a certain third party is not otherwise derived from the contents of the assignment already.
- (4) If the tax advisor uses data processing programmes in the premises of the client then the client undertakes to follow the instructions of the tax advisor concerning the installation and application of the programmes. The client is further obliged to only use the programmes in the scope as stipulated by the tax advisor and he is also entitled to use them only to that extent. The client may not distribute the programmes. The tax advisor shall remain the holder of the rights of use. The client has to refrain from everything which opposes the exercising of the rights of use to the programmes by the tax advisor.
- (5) If the client fails to provide assistance for which he is responsible according to no. 6 par. 1 to 4 or otherwise or if he is in default with the acceptance of the service offered by the tax advisor then the tax advisor is entitled to terminate the contract without notice (cf. no. 9 par. 3). This shall have no effect on the entitlement of the tax advisor to reimbursement of the additional expenses incurred to him by the delay or the client's failure to provide assistance as well as the damages caused also if the tax advisor does not exercise the right to termination.

**8. Copyright protection**

- (1) The services of the tax advisor constitute his intellectual property. They are protected by copyright. The transfer of work results outside the intended use is only permitted with the prior consent of the tax advisor in text form.

**9. Remuneration; advance payment and set-off**

- (1) The remuneration (fees and expenses) of the tax advisor for his professional activity according to § 33 StBerG is assessed in accordance with the German tax advisor remuneration ordinance (StBVV). A higher or lower remuneration than the statutory remuneration can be agreed in text form. The agreement of a lower remuneration is only permissible in non-judicial matters. It must be in reasonable proportion to the performance, responsibility and liability risk of the tax advisor (§ 4 par. 3 StBVV).
- (2) The client agrees that the tax advisor issues invoices in text form.
- (3) The agreed remuneration shall apply to activities, which are not regulated in the StBVV (e.g. § 57 par. 3 no. 2 and 3 StBerG), otherwise the statutory remuneration envisaged for this activity, otherwise the customary remuneration (§§ 612 par. 2 and 632 par. 2 BGB).
- (4) An offsetting against a remuneration entitlement of the tax advisor is only permitted with undisputed claims or claims which have been declared final and binding. Any claims by the client for repayment of remuneration paid shall lapse 18 months after the client receives the invoice.
- (5) The tax advisor can request an advance payment for already incurred fees and expenses and those which are expected to incur. If the requested advance payment is not paid the tax advisor can suspend his further work for the client after prior notification until the advance payment is received. The tax advisor undertakes to announce his intention to suspend the work to the client in plenty of time if the client may suffer disadvantages from a suspension of the work. For the tax advisor, advance payments can be offset against all claims due from the contractual relationship, irrespective of the activity for which the advance payment was requested.
- (6) The client shall be in default if he does not pay within 14 days of the invoice date.

**10. Termination of the contract**

- (1) The contract shall end by satisfaction of the agreed services, by expiry of the agreed term or by termination. The contract shall not end by the death, by the occurrence of the inability to enter into legal transactions of the client or in the event of a company by its dissolution.
- (2) The contract can –if and insofar as it represents a service contract within the meaning of §§ 611, 675 BGB – be terminated extraordinarily by each contractual partner, unless it is an employment relationship with fixed remuneration (§ 627 par. 1 BGB); the termination has to be carried out in text form. Any deviation from this rule in individual cases requires an agreement between the tax advisor and the client.
- (3) Upon termination of the contract the client has to hand over the data processing programmes used at the client for the execution of the assignment including any copies made as well as other programme documents to the tax advisor immediately or to delete these.
- (4) After termination of the contractual relationship the documents are to be picked up from the tax advisor.
- (5) If the assignment ends before its full execution, then the remuneration entitlement of the tax advisor is based on the legal regulations, in particular § 12 par. 4 StBVV. Insofar as there is to be a deviation from this regulation a separate agreement in text form is necessary.

**11. Right to retention with respect to work results and documents**

- (1) The tax advisor can make and retain copies or photocopies of documents which he returns to the client or do so by using electronic data processing.
- (2) The tax advisor can refuse to hand over the documents until his fees and expenses have been satisfied (§ 66 par. 2 StBerG). A contractual right of retention shall be considered as agreed regarding the work results.

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## 12. Place of jurisdiction, place of fulfilment, information VSBG

- (1) Exclusively German law shall apply to the assignment, its execution and the thus ensuing claims. If the client is a merchant, a legal entity under public law or a special fund under public law, the place of fulfilment and jurisdiction shall be the tax adviser's place of business. This

shall also apply in the case that the client moves his place of residence or usual place of residence abroad after the engagement or if the place of residence or usual place of residence is not known at the time the action is filed.

- (2) The tax advisor is – not - willing to participate in a dispute resolution procedure before a consumer arbitration board (§§ 36, 37 VSBG).

## 13. Validity in case of partial nullity

If individual provisions of these Terms and Conditions should be or become invalid this shall have no effect on the validity of the other provisions.

## II. Supplementary General Terms and Conditions of Pape & Co. GmbH Steuerberatungsgesellschaft Status: January 2024

The following "Supplementary General Terms and Conditions of Pape & Co. GmbH Steuerberatungsgesellschaft (in the following Pape & Co.) apply as a supplement to the General Terms and Conditions for tax advisors, authorized tax agents and tax consultancy companies (I.) to contracts and assignments of Pape & Co. with its clients insofar as not otherwise explicitly agreed in text form or stipulated as mandatory by law.

### 1. Scope and execution of the assignment

- (1) The afore-mentioned General Terms and Conditions for tax advisors, authorized tax agents and tax consultancy companies (I.) and these Supplementary General Terms and Conditions for Pape & Co. (II) apply to assignments, which the client places with Pape & Co. in addition to the statutory provisions (hereinafter jointly referred to as "Terms and Conditions").
- (2) The Terms and Conditions are the basis for respective separately placed assignments, such as in particular:
  1. the fiscal advice,
  2. the business management advice,
  3. the preparation of the annual financial statements within the meaning of the regulations of the third book of the HGB [Commercial Code],
  4. the preparation of profit calculations or tax balance sheets,
  5. the preparation of tax returns,
  6. the representation before financial authorities with the defence and correction of administrative acts,
  7. the settlement of the financial accounting including the preparation of business management evaluations,
  8. the settlement of the payroll accounting,
  9. other typical or agreed services of the tax advisors.

### 2. Fee

- (1) The fees and expenses are assessed (subject to the following paragraphs) according to the statutory regulations of the StBVV (German tax advisor remuneration ordinance).
- (2) In addition to the statutory regulations the regulations of a remuneration agreement, which Pape & Co. concludes with the client, shall apply. The remuneration agreement documents the agreement of the client with the following fee regulations and confirms that a maximum fee, which is to be estimated according to the StBVV, may be exceeded by the estimate of the time-based fee rates, case flat rates and expenses for business trips. If a "separate fee agreement" signed by the client already exists between the client and Pape & Co., this shall be deemed as remuneration agreement within the meaning of § 4 par. 1 StBVV.
- (3) Unless the contracting parties agree otherwise in text form, time-based fees are agreed (§§ 4, 13 StBVV) for the activities tax advice and management consultancy (§§ 21 to 23, 28 to 32, 36 to 38, 40 to 45 StBVV) as well as for any other consulting and support services. This also applies if the consulting activities would have to be allocated to another type of fee according to the regulations of StBVV. The time-based fee also applies to the settlement of the financial accounting (§§ 33, 39 StBVV), the settlement of annual accounting operations (§ 35 StBVV) and the preparation of tax returns (§§ 24 to 27 StBVV), whereby the statutory remuneration shall apply primarily, unless it is not lower than the time-based fee. For individual activities of payroll accounting (§ 34 StBVV), the flat rates per case agreed in par. 4 shall apply in addition to the StBVV. Notwithstanding the foregoing, the parties may agree on a lump-sum fee within the limits and pursuant to § 14 StBVV; if a lump-sum agreement violates the limits of § 14 StBVV, the general provisions of this mandate agreement shall apply.

- (4) Two times 1 Euro as a flat rate for travelling expenses are charged for business trips (§§ 18 to 20 StBVV) for each kilometre of the distance between the responsible Pape & Co. branch and the travel destination. The separate charge of a per diem and absence allowance for periods of absence up to two hours per business trip ceases to apply. Periods of absence beyond this shall be invoiced separately at the hourly rates defined in the remuneration agreement according to par. 2.
- (5) The fee is due and payable without deduction with the receipt of the invoice.

### 3. Conclusion and scope of validity of the Terms and Conditions

- (1) The Terms and Conditions shall become valid by the acceptance of an assignment of the client to Pape & Co. by Pape & Co. The acceptance does not require any certain form.
- (2) The regulations of the remuneration agreement (no. 2 par. 2) become effective with the agreement of the remuneration agreement in text form by the client. The validity shall cover – also retrospectively – all assignments which are subject to these Terms and Conditions.
- (3) The Terms and Conditions are to apply to all existing and future assignment relationships, to personal and operational as well as to those with companies represented by the client. They are also to apply to assignment relationships with companies affiliated with the client insofar as the managing director or vicarious agent knows or must know the conditions.

### 4. Assistance of third parties

- (1) Pape & Co. is entitled to have services owed by it provided by sub-contracted third parties, Freelancers of Pape & Co. shall not be deemed as third parties within the meaning of this regulation; they are rather original vicarious agents of Pape & Co.
- (2) Pape & Co. further has the possibility to involve lawyers as cooperation partners in the event of questions of law. Such an involvement presumes that the lawyers report the willingness to take over the mandate towards the client and the client confirms the conclusion of the lawyer's contract at the known mandate conditions. All rights and duties of the client and the lawyers shall be exclusively derived from this lawyer's contract.
- (3) The client hereby releases Pape & Co. from the non-disclosure obligation to the extent that the parties, sub-contracted by him or the lawyers, who are involved owing to a mandate contract, require information and documents in order to execute the assignment. These information and documents may be forwarded to the authorized agents and used by these in full in connection with the sub-contracted assignment.
- (4) It is explicitly assured that the sub-contractors themselves are subject to professional secrecy and will not forward any information or documents to third parties without the explicit consent of the client.

### 5. Liability

- (1) When subcontracting to third parties within the meaning of no. 4 par. 1 Pape & Co. and the sub-contractor shall be liable for the object of the sub-contracted assignment as joint and several debtors. The limitation to liability determined in no. 6 of the General Terms and Conditions (I.) to 4,000,000 Euro shall only apply jointly to all parties with joint and several liability one time per damaging event.
- (2) As determined in no. 6 par. 2 of the General Terms and Conditions (I.) the liability of Pape & Co. as well as its vicarious agents or the sub-contractor in the event of negligence is limited to 4,000,000 Euro. Excluded from the limitation to liability are liability claims for damages from the injury to life, the body or the health.

- (3) If several claimants derive claims from the contractual relationship with the tax advisor from a negligent breach of duty by the tax advisor, the maximum amount of 4,000,000 Euro (in words: four million Euro) specified in no. 6 of the General Terms and Conditions (I.) shall apply to the relevant claims of all claimants in total.
- (4) In concrete terms, this also means that the liability does not multiply to x times 4,000,000 Euro if several joint clients engage Pape & Co. for a joint project.
- (5) A single case of damage also applies to uniform damage resulting from multiple breaches of duty. The individual case of damage includes all consequences of a breach of duty irrespective of whether damage occurred in one or several consecutive years. Multiple actions or omissions based on the same or similar source of error are considered a single breach of duty if the matters concerned are legally or economically connected to one another. In this case, Pape & Co. or its subcontractors or vicarious agents can only be held liable up to an amount of 4,000,000 Euro (in words: four million Euro).
- (6) The liability insurance stipulated according to § 67 a par. 1 no. 2 StBG (sum insured 4,000,000 Euro with unlimited maximum annual payment) is maintained by Pape & Co.

### 6. Oral declarations and declarations by e-mail

- (1) If Pape & Co. has to present the results of its activity in writing then only the written presentation is decisive.
- (2) Oral declarations and information from employees of Pape & Co. are always non-binding. The same applies to declarations and information by e-mail.

### 7. Right to retention

- (1) Pape & Co. is entitled to a right to retention both to the documents handed over by the client as well as to the work results and the manual files until its charges, fees and expenses have been satisfied. § 273 par. 3 BGB is excluded.
- (2) Insofar as the client presents and proves that there is a threat that he will suffer damages if the retained documents are not handed over to him, which exceeds the still outstanding fee by ten times, he can request that the documents are handed over after provision of collateral.

### 8. Statute-of-limitations and exclusion deadlines

- (1) A claim for damages shall lapse if an action is not asserted within a period of six months since the written rejection of compensation and the client was informed of this consequence.
- (2) The right to assert the plea of statute-of-limitations remains unaffected.

### 9. E-mail

Insofar as the client does not object hereto in a text form Pape & Co. shall also communicate with him via e-mail without a separate encoding procedure. The client is aware of the lack of secrecy of this communication medium and nevertheless approves this kind of communication.

### 10. Place of jurisdiction, place of fulfilment, information VSBG, Effectiveness in the event of partial invalidity written form

- (1) The numbers 12 and 13 of the General Terms and Conditions (I.) shall apply accordingly.
- (2) Pape & Co. is however also entitled to assert its claims at any other place of jurisdiction which is permitted according to applicable law.
- (3) The validity of amendments and supplements to these Terms and Conditions by Pape & Co. are oriented to the regulations concerning the announcement and validity of General Business Terms according to §§ 305 ff BGB.