H & D Training und Consulting GmbH

Wolfsburg

Long-form audit report
on the annual financial statements
as at December 31, 2018

Table of Contents

		Page
1.	**Audit engagement**	**1**
2.	**Fundamental findings**	**2**
2.1.	**Economic bases**	**2**
2.2.	**Position of the company**	**2**
3.	**Fundamental findings**	**2**
3.1.	**Economic bases**	**2**
3.2.	**Scope of audit**	**3**
3.2.1.	**Audit strategy and audit emphasis**	**3**
3.2.2.	**Audit evidence**	**4**
3.2.3.	**Previous year's annual financial statements**	**4**
3.2.4.	**Statements provided by the management**	**5**
4.	**Findings and commentary regarding the accounting**	**5**
4.1.	**Compliance of the accounting**	**5**
4.1.1.	**Accounting records and other documents audited**	**5**
4.1.2.	**Annual financial statements**	**6**
4.2.	**Overall presentation of the annual financial statements**	**6**
4.2.1.	**Findings on the overall presentation of the annual financial statements**	**6**
4.2.2.	**Valuation bases for the annual financial statements as at December 31, 2018**	**6**
4.2.3.	**Changes to valuation bases as compared to the previous year`s financial statements, measures affecting the presentation of the annual financial statements as a whole**	**7**
4.3.	**Assets, liabilities, financial position and financial performance**	**7**
5.	**Reproduction of the Auditor`s Report**	**7**

Annexes	No.	Page
Balance sheet as at December 31, 2018	1	1
Profit and loss account for the financial year from January 1 to December 31, 2018	2	1
Notes to the annual financial statements for the 2018 financial year	3	1 - 3
Legal and tax bases	4	1 - 2
General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) as of January 1, 2017 by the Institut der Wirtschaftsprüfer in Deutschland e.V. and Special Engagement Terms PKF Fasselt Schlage Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte dated January 1, 2018	5	1 - 3

For technical reasons rounding differences of one unit (€'000, % etc.) may occur in the calculations.

1. Audit engagement

We were elected as auditors under Section 318 (1) sentence 1 HGB (German Commercial Code) by the general assembly held on June 18, 2018 and appointed by the management board of

H & D Training und Consulting GmbH, Wolfsburg,
(hereinafter also referred to as company)

on February 26, 2019 to audit the company's annual financial statements as at December 31, 2018 (financial year from January 1, 2018 to December 31, 2018) and the bookkeeping system under Section 316 et seq. HGB.

As at December 31, 2018 the company qualifies as a midget corporation according to Section 267a (1) HGB and therefore is not legally required to be audited under Section 316 (1) sentence 1 HGB. Anyhow the corporation is required to be audited voluntarily because of the general assembly on June 18, 2018. This long-form audit report is thus addressed to the company being audited.

We confirm, as required under Section 321 (4a) HGB, that we observed the rules for independency applicable on our audit.

The General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) as of January 1, 2017 by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) and our Special Engagement Terms PKF Fasselt Schlage Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte dated January 1, 2018, which are attached to this long-form audit report, are pertinent to the execution of this engagement and with regard to our responsibility also towards third parties.

Our audit was conducted in compliance with the General Principles for the Conduct of Audits of Financial Statements as set out in the relevant Auditing Standards issued by the Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany), Düsseldorf. This long-form audit report was prepared in accordance with the Generally Accepted Standards for the Issuance of Long-form Audit Reports (IDW AuS 450 revised).

2. Fundamental findings

2.1. Economic bases

The company executes trainings and performs certifications for companies of the Hönigsberg & Düvel group as well as other companies within the software and IT-systems area. In 2018 the company didn`t make any commercial operations.

2.2. Position of the company

As a 'midget corporation' according to Section 267a (1) HGB the company permissibly did not prepare a management report. Accordingly, it was not our duty as the company's auditor to take a position in accordance with sec. 321 (1) sentence 2 HGB on the managements' assessment of the position of the company as would otherwise be expressed in the management report.

3. Fundamental findings

3.1. Economic bases

According to Section 317 HGB the bookkeeping system for the fiscal year from January 1, 2018 to December 31, 2018 and the annual financial statements as at December 31, 2018 are subject to audit. The annual financial statements were prepared in accordance with the relevant legal requirements set out in the German legal requirements and the additional provisions of the company agreement.

As a 'midged corporation' according to Section 267a (1) HGB the company has used the size dependant reliefs, so that it hadn`t prepared a management report and surrendered some notes disclosures.

Management is responsible for the disclosures contained in the accounting of H & D Training und Consulting GmbH, the controls set up for that purpose and for representations to the auditor. Our responsibility as auditor is to assess these disclosures and (accounting) documents, including bookkeeping, and representations made, within the framework of an audit.

The audit was performed in accordance with the relevant laws, in particular Section 316 et seq. HGB and in accordance with the German generally accepted standards for the audit of financial statements promulgated by the IDW. Audit procedures not described in detail in this long-form audit report are recorded in our working papers including details of their nature, scope and result.

In performing our audit we examined the annual financial statements as to their compliance with legal requirements and any additional provisions set out in the company agreement.

Our audit included the determination of facts impairing development or endangering the going concern and of errors or violations of legal requirements as well as company agreement. The audit did not encompass the detection and examination of criminal acts such as misappropriation of assets.

According to Section 317 (4a) HGB the going concern of the company is not subject of the audit neither the going concern of the company nor effectiveness and efficiency of the management is subject of the audit.

We did not audit the adequacy of insurance coverage.

Our audit work was carried out mainly in November 2018 (interim financial statements) and from February to March 2018 on the premises of Hönigsberg & Düvel Datentechnik GmbH in Gifhorn as well as on our premises in Brunswick.

3.2. Scope of audit

3.2.1. Audit strategy and audit emphasis

For our audit we adopted the following risk-oriented audit strategy, taking into account materiality and efficiency principles.

In conducting the current and preceding audits we gathered information about the company and its environment, which enabled us to identify and understand events, transactions and practices which may have a material effect on the financial statements and management report under audit. We have also taken into account information provided by the company's legal representatives about the major strategies and business risks.

We exercise professional judgement and maintain professional skepticism throughout the audit. A further description of our responsibilities for the audit of the financial statements is located in the auditor’s report in Section 5.

For the year under review we determined the following areas of emphasis:

- intercompany receivables and liabilities;
- notes to the annual financial statements.

3.2.2. Audit evidence

We obtained from a credit institution with which the company did business in the financial year 2018 balance confirmations as at the balance sheet date, signature authorizations and the terms and conditions underlying the transactions.

In order to assess the risk involved in legal disputes we obtained confirmations from the company’s lawyers.

To assess the status of tax assessments and possible tax risks we obtained a tax consultant confirmation.

We maintained control over the external confirmation requests.

3.2.3. Previous year's annual financial statements

The previous year's annual financial statements as at December 31, 2017 was also audited by us. We issued an unqualified auditor’s report on February 13, 2018. The closing balances as at December 31, 2017 were correctly brought forward to the financial year 2018.

3.2.4. Statements provided by the management

The management and the staff designated to assist us have readily provided all explanations and evidence (sec. 320 HGB) necessary for our audit. In accordance with professional practice, we have obtained from the management a signed letter of representation. In signing this letter, the management confirmed that the books and documents presented to us contain all business transactions required to be accounted for and that the annual financial statements as at December 31, 2018 take account of all assets, liabilities (obligations, risks etc.), prepaid income and expenses and extraordinary items, all expenses and income as well as disclosures required to be shown on the financial statements, and that no significant events occurred after the balance sheet date.

4. Findings and commentary regarding the accounting

4.1. Compliance of the accounting

4.1.1. Accounting records and other documents audited

The accounting records and other audited documents comply with legal requirements and the additional provisions of the company agreement.

During the entire business year 2018 the bookkeeping system complied with the (German) principles of proper accounting. The information drawn from additional documents is appropriately reflected in the accounting and the annual financial statements.

The financial accounts and the sub-ledgers (fixed asset register and salaries and wages) are processed using the software SAP ECC 6.0.

During our audit we did not make any findings which gave us reason to suppose that the organisational and technical measures taken by the company are not appropriate to ensure the security of the accounting-relevant data and the IT systems used for this purpose.

4.1.2. Annual financial statements

In preparing the annual financial statements as at December 31, 2018 the company complied in all material respects with the legal provisions relating to accounting including the generally accepted accounting principles and all regulations relating to the size of the company, its legal form or industry and the provisions of its company agreement.

Balance sheet and profit and loss account have been properly derived from the accounts and other audited documents. The recognition, disclosure and valuation requirements have been adhered to in all material respects.

The notes to the annual financial statements are clear and clearly-structured and contain all required disclosures. The recognition and valuation principles applied to the items of the balance sheet and profit and loss account and the other obligatory disclosures, in particular the disclosures required under Section 284 et seq. HGB, are completely and correctly reflected in the notes to the annual financial statements.

The company opted for providing certain information on to the balance sheet and the profit and loss account in the notes to the annual financial statements.

4.2. Overall presentation of the annual financial statements

4.2.1. Findings on the overall presentation of the annual financial statements

Under generally accepted accounting principles the annual financial statements as at December 31, 2018 of H & D Training und Consulting GmbH as a whole give a true and fair view of the company`s net assets, financial position and results of operations.

4.2.2. Valuation bases for the annual financial statements as at December 31, 2018

The valuation bases are shown in the notes to the annual financial statements (annex 3).

4.2.3. Changes to valuation bases as compared to the previous year`s financial statements, measures affecting the presentation of the annual financial statements as a whole

As compared to the previous year as at December 31, 2017 there were no changes in valuation bases and no measures were taken that significantly affected the annual financial statements as a whole, i.e. the view of the company`s net assets, financial position and results of operations.

4.3. Assets, liabilities, financial position and financial performance

The assets, liabilities, financial position and financial performance are shown with sufficient clarity in the annual financial statements (annexes 1 to 3).

5. Reproduction of the Auditor`s Report

On completion of our audit of the annual financial statements as at December 31, 2018 (**annexes 1 to 3**) we issued the following unqualified auditor's report to H & D Training und Consulting GmbH, Wolfsburg. This report was originally prepared in German. In case of ambiguities, the German version takes precedence.

„**INDEPENDANT AUDITOR`S REPORT**

To H & D Training und Consulting GmbH

Audit Opinion

We have audited the annual financial statements of H & D Training und Consulting GmbH, which comprise the balance sheet as at December 31, 2018, and the statement of profit and loss for the financial year from January 1, 2018 to December 31, 2018, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the assets, liabilities and financial position of the company as at December 31, 2018 and of its financial performance for the financial year from January 1, 2018 to December 31, 2018 in compliance with German generally accepted accounting principles.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations with regard to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with section 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 audit opinions on the annual financial statements.

Legal representatives` responsibility for the annual financial statements

The legal representatives are responsible for preparing annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to corporations, and that give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German generally accepted accounting principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German generally accepted 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 as well as to issue an auditor's report that includes our audit 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 section 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, whether due to fraud or error, in the annual financial statements, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit 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, misleading statements or the overriding internal controls.
- obtain an understanding of internal control system 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 audit opinion on the effectiveness of these systems of the company.
- evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and the related disclosures.
- conclude on the appropriateness of the legal representatives' 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 respective audit 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 generally accepted 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."

The above long-form audit report on the annual financial statements as at December 31, 2018 (balance sheet total € 7,800.44; profit of the year € 0.00) of H & D Training und Consulting GmbH was prepared in compliance with the legal provisions and the required Generally Accepted Standards for the Issuance of Long-form Audit Reports (IDW AuS 450 revised).

Brunswick, March 5, 2019

PKF Fasselt Schlage
Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

(Villwock)
Wirtschaftsprüfer

(Süß)
Wirtschaftsprüferin

H & D Training und Consulting GmbH
Wolfsburg

Balance Sheet as of December 31, 2018

Assets

	€	at 12/31/2017 €K
A. Fixed assets		
Tangible assets (Factory and office equipment)	1,932.42	2
B. Current assets		
Accounts receivables and other assets		
(Amounts owed by affiliated companies)	5,868.02	33
	7,800.44	35

Equity and Liabilities

	€	at 12/31/2017 €K
A. Shareholders' equity		
I. Subscribed capital (Share capital)	25,000.00	25
II. Cumulative losses brought forward	17,271.56	17
	7,728.44	8
B. Accounts payable		
(Amounts owed to affiliated companies)	72.00	27
	7,800.44	35

H & D Training und Consulting GmbH
Wolfsburg

Profit and Loss account
for the financial year from January 1 to December 31, 2018

	€	€	Previous year €K
1. Other operating income		1,687.53	1
2. Amortization and depreciation of intangible and tangible non-current assets	2,685.58		1
3. Other operating expenses	70,979.03		130
		73,664.61	131
		-71,977.08	-130
4. Interest and similar expenses (of which to affiliated companies: €372.82 / €1K)		372.82	1
5. Profit after taxes		-72,349.90	-131
6. Income from transfer of losses		72,349.90	131
7. Profit of the year		0.00	0

H & D Training und Consulting GmbH
Wolfsburg

Notes to the annual financial statements
for the 2018 financial year

I. General

The company having its registered office in Wolfsburg is registered with the commercial register kept by the local court in Brunswick under the number HRB 201254.

The annual financial statements for the 2018 financial year were prepared in compliance with the accounting provisions of the German Commercial Code [Handelsgesetztbuch - HGB] taking into account the provisions applicable to corporations and the supplementary provisions of the Limited Liability Company Law [Gesetz betreffend die Gesellschaften mit beschränkter Haftung - GmbHG].

The company followed the consistency principle.

In order to enhance clarity almost all information legally required to be provided with regard to the items of the balance sheet and the profit and loss account is provided in the notes to the financial statements.

The profit and loss account was prepared using the nature of expense method.

The company complies with the general valuation provisions set out in sections 252 to 256a HGB and the special recognition and valuation provisions applicable to corporations under sections 270 to 274a and 277 et seq. HGB taking into account the going-concern principle.

The alleviations of accounting for small corporations concerning the notes to the annual financial statements were utilized.

The company surrendered the preparation of a management report according to section 264 (1) sentence 4 HGB.

II. Comments on the balance sheet

Fixed assets are recognised at cost and - if subject to wear and tear - are depriciated on a straight-line basis. In the reporting period the company expensed fixed assets costing between €250.00 and €800.00 in dependence on section 6 (2) German Income Tax Law [Einkommensteuergesetz]

Accounts receivable and other assets are recognised at their nominal values and are due within one year. Of the accounts receivable, €6K (PY €33K) are allotted to the parent company.

Subscribed capital is recognised at its nominal value.

As the company entered into a profit and loss transfer agreement with its parent company the loss of €72,349.90 was resumed by the parent company so that the **profit for the year** is €0.

Provisions take into account all recognisable risks and uncertain obligations and are stated at their settlement amounts.

Accounts payable are stated at the settlement amount and hold a maturity to one year, as at the previous balance sheet date. They are unsecured apart from the usual retentions of title.

III. Other information

In 2018 no employees have been employed.

Until September 30, 2018 the company had been jointly and severally liable for liabilities incurred by an affiliated company (December 31, 2017: €6,524K).

These annual financial statements are included in the consolidated financial statements of HCL Technologies Germany GmbH, Eschborn, which prepares the consolidated financial statements for the smallest number of enterprises. The consolidated financial statements are disclosed in the electronic federal gazette.

Wolfsburg, February 18, 2019

H & D Training und Consulting GmbH

signed Ms Anita Hönigsberg

Management

H & D Training und Consulting GmbH
Wolfsburg

Legal and Tax Bases

1. Legal Bases

1.1 General

Name of the company:	H & D Training und Consulting GmbH
Registered office:	Wolfsburg
Legal form:	Gesellschaft mit beschränkter Haftung [German limited liability company]
Commercial register:	The company is registered with the commercial register kept by the local court in Brunswick under number HRB 201254.
Company agreement:	The company agreement dates July 23, 2007, latest changes were made by shareholder`s meeting dated July 26, 2018.
Object of the company:	Referred to section 2 of the company agreement the object of the company is: - training and certifications in the usage of software and IT-systems of employees of the Hönigsberg & Düvel Datentechnik GmbH, their subsidiaries and other companies and persons - execution of workshops for personell and organisational development - assistance by structuring of IT and migration of IT-systems in SMEs - IT-Consulting for SMEs

- In addition, the company may carry out all business transactions that serve the company's above-mentioned object The company has the right to transfer its responsibilities to third parties.

Nominal capital and shareholders: The company's nominal capital amounts to €25,000.00 and is fully paid. At reporting date all shares were held by Hönigsberg & Düvel Datentechnik GmbH, Wolfsburg.

Financial year: calendar year

1.2 Bodies of the company

1.2.1 Shareholders' meeting

On June 18, 2018 a shareholders' meeting was held in which the 2017 annual financial statements were approved, a resolution on how to appropriate the 2017 result was taken, the actions of the management for the 2017 financial year were formally approved and the auditor for the 2018 financial year was appointed.

1.2.2 Management

The company`s managing director is Ms Anita Hönigsberg.

2. Tax bases

Tax number: 19/206/05360

Tax office Gifhorn

Tax group [Organschaft]: The company has formed a tax group for corporation tax, trade tax and VAT purposes with Hönigsberg & Düvel Datentechnik GmbH (taxable company).

Tax audit: The latest tax audit and the latest wage tax audit of all group companies covered the periods from 2013 to 2015.