

Rüter und Partner
Steuerberatungsgesellschaft mbB

Prielmayerstr. 3
80335 München

ANNUAL FINANCIAL STATEMENTS

at 31. December 2024

Versant GmbH
Entwicklung, Support, Vertrieb und Consulting

Halenreihe 40

22359 Hamburg

Tax office: Hamburg-Oberalster

Tax No.: 50/766/00394

Attestation report on the preparation by the tax advisory firm

In accordance with the terms of our engagement, we have prepared the following annual financial statements - comprising the balance sheet, income statement and the notes to the financial statements -

Versant GmbH
Entwicklung, Support, Vertrieb und Consulting

for the financial year from 01. January 2024 to 31. December 2024 in accordance with the provisions of German commercial law and the supplementary provisions of the shareholder/partnership agreement. The basis for the preparation of these documents were the type of activities performed such as payroll accounting and asset schedule by us and the other vouchers, accounting records and inventory records presented to us, which we have not audited in accordance with the terms of our engagement, and the information provided to us. The bookkeeping system and the preparation of the inventory records and the annual financial statements in accordance with the provisions of German commercial law and the supplementary provisions of the shareholder/partnership agreement are the responsibility of the management of the company.

We performed our engagement in accordance with the Verlautbarung der Bundessteuerberaterkammer zu den Grundsätzen für die Erstellung von Jahresabschlüssen (Pronouncement by the German Federal Chamber of Tax Advisers on the Principles for the Preparation of Annual Financial Statements). This engagement comprises the preparation of the balance sheet, income statement and the notes to the financial statements on the basis of the bookkeeping system and the inventory records, as well as of the accounting policies required to be applied.

Rüter und Partner
Steuerberatungsgesellschaft mbB

Balance sheet as at 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

ASSETS				TOTAL EQUITY AND LIABILITIES			
	Financial Year EUR	Financial Year EUR	Prior Year EUR		Financial Year EUR	Financial Year EUR	Prior Year EUR
A. Noncurrent assets				A. Equity			
I. Tangible fixed assets				I. Subscribed capital	180,000.00		180,000.00
1. Other equipment, operating and office equipment	51,608.00		33,314.00	II. Capital reserves	1,000,000.00		1,000,000.00
Total noncurrent asset	51,608.00		33,314.00	III. Retained profits brought forward	25,171,083.73		20,247,134.25
B. Current assets				IV. Net income for the financial year	3,280,802.65		4,923,949.48
I. Receivables and other assets				Total equity	29,631,886.38		26,351,083.73
1. Trade receivables	2,528,068.17		2,730,746.97	B. Provisions			
2. Receivables from other long-term investees and investors	31,888,620.35		27,315,564.47	1. Provisions for taxes	0.00		801,418.00
3. Other assets	829,162.91		328,718.70	2. Other provisions	442,383.22		705,217.03
Total current assets	35,245,851.43		30,375,030.14		442,383.22		1,506,635.03
II. Cash on hand, central bank balances, bank balances, and checks	2,831,851.03		491,766.85	C. Liabilities			
Total current assets	38,077,702.46		30,866,796.99	1. Trade payables	83.76		55,851.05
C. Prepaid expenses	14,402.87		12,402.77	- of which remaining term up to 1 year EUR 83.76 (EUR 55,851.05)			
				2. Other liabilities	3,257,524.41		299,781.55
				- of which taxes EUR 412,277.15 (EUR 299,781.55)			
				- of which remaining term up to 1 year EUR 3,257,524.41 (EUR 299,781.55)			
					3,257,608.17		355,632.60
Carried forward	38,143,713.33		30,912,513.76	Carried forward	33,331,877.77		28,213,351.36

Balance sheet as at 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

ASSETS				TOTAL EQUITY AND LIABILITIES	
	Financial Year EUR	Prior Year EUR		Financial Year EUR	Prior Year EUR
Brought forward	38,143,713.33	30,912,513.76	Brought forward	33,331,877.77	28,213,351.36
			D. Prepaid expenses	4,811,835.56	2,699,162.40
	38,143,713.33	30,912,513.76		38,143,713.33	30,912,513.76

Ingolstadt , Germany 05 June 2025

Income statement from 01/01/2024 to 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

	EUR	Financial Year EUR	Prior Year EUR
1. Sales		10,696,063.53	12,487,009.15
2. Gross revenue		10,696,063.53	12,487,009.15
3. Other operating income			
a) Income from disposal of items of noncurrent assets and from write-ups of items of fixed assets	0.00		1,067.00
b) Miscellaneous other operating income	12,840.75		0.00
- of which income from currency translation EUR 11,595.37 (EUR 0.00)			
		<u>12,840.75</u>	<u>1,067.00</u>
4. Cost of materials			
a) Expenses for purchased services		3,380,195.75	2,835,736.60
5. Personnel expenses			
a) Wages and salaries	2,690,850.25		2,795,264.79
b) Social security costs and expenses for old age pensions and other benefits	<u>385,482.25</u>		<u>381,778.99</u>
		3,076,332.50	3,177,043.78
6. Depreciation and amortization			
a) Of noncurrent intangible assets and property, plant and equipment		80,401.75	34,358.19
7. Other operating expenses			
a) Occupancy costs	160,594.71		208,516.24
b) Insurance premiums, fees and contributions	15,132.99		19,164.90
c) Cost of third-party repairs and maintenance	76,567.95		57,436.50
d) Advertising and travel costs	31,605.57		23,066.89
e) Miscellaneous operating costs	317,553.96		262,993.95
f) Losses from the disposal of noncurrent assets	6.00		14.43
g) Miscellaneous other operating expenses	0.00		24,380.50
- of which currency translation losses EUR 0.00 (EUR 24,380.50)			
		<u>601,461.18</u>	<u>595,573.41</u>
8. other interest and similar income		1,458,364.97	1,425,242.43
9. Interest and similar expenses		184,544.01	0.00
10. Taxes on income and earnings		1,563,531.41	2,346,657.12
11. Net income/net loss after tax		<u>3,280,802.65</u>	<u>4,923,949.48</u>
12. Net income for the financial year		<u><u>3,280,802.65</u></u>	<u><u>4,923,949.48</u></u>

Accounts as at 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

ASSETS

Account	Description	EUR	Financial Year EUR	Prior Year EUR
Machinery and equipment				
400	Operating equipment		43,394.00	1.00
Other operating and office equipment				
452	Computer Hardware		8,214.00	33,313.00
Trade receivables				
Other receivables				
1410	Trade receivables	2,472,534.42		2,675,213.22
1411	Trade receivables	<u>55,533.75</u>		<u>55,533.75</u>
			2,528,068.17	2,730,746.97
Receivables from other long-term investees and investors				
1597	Rec from othr l-t investees /investors	24,587,948.29		24,587,948.29
1598	Rec oth lg-tm inv/invnt rem. term 1 yr.	<u>7,300,672.06</u>		<u>2,727,616.18</u>
			31,888,620.35	27,315,564.47
Corporate income tax overpayments				
1549	Reclaimed corporate income tax		409,983.00	160,386.31
Trade tax overpayments				
1540	Receivables from trade tax overpaymts		399,142.00	166,719.00
Receivables from social security institutions				
1520	Rcvbls. health insurance funds AAG		156.20	0.00
Miscellaneous other assets				
1525	Security deposits		18,421.71	0.00
Not assignable				
1747	Direct insurance/Direktvers.	0.00		1,613.39
1747	Excise duties payable	<u>1,460.00</u>		<u>0.00</u>
			1,460.00	1,613.39
Cash-in-hand				
1000	Cash-in-hand		587.16	130.09
Bank balances				
1210	Commerzbank EUR	2,471,822.74		254,528.37
1295	Commerzbank USD	<u>359,441.13</u>		<u>237,108.39</u>
			2,831,263.87	491,636.76
Prepaid expenses				
980	Prepaid expenses		14,402.87	12,402.77
			<u>38,143,713.33</u>	<u>30,912,513.76</u>

Accounts as at 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

TOTAL EQUITY AND LIABILITIES

Account	Description	EUR	Financial Year EUR	Prior Year EUR
	Subscribed capital			
800	Subscribed capital		180,000.00	180,000.00
	Capital reserves			
840	Capital reserves		1,000,000.00	1,000,000.00
	Retained profits brought forward			
860	Retained profits bef apprprtn net profit		25,171,083.73	20,247,134.25
	Net income for the financial year			
	Net income for the financial year		3,280,802.65	4,923,949.48
	Provision for trade tax			
956	Provision for trade tax, EStG s. 4(5b)		0.00	408,473.00
	Provision for corporate income tax			
963	Provisions for corporate income tax		0.00	392,945.00
	Other provisions			
971	Provisions for maintenance deferred 3 M	45,476.22		14,312.03
973	Provsns environmntl rmdtn/wst disp expns	33,855.00		61,657.00
975	Rückstellungen Boni / Accr. Liab. Bonus	258,001.00		551,356.00
977	Provsns period-end closing/ audit costs	18,000.00		14,000.00
979	Provisions for environmental protection	87,051.00		63,892.00
			442,383.22	705,217.03
	Trade payables			
	Other liabilities			
1610	Trade pybls, no sep. rec./pybls acctng		83.76	55,851.05
	Other liabilities			
	from taxes			
1741	Wage and church tax payables	44,674.01		44,511.70
1780	VAT prepayments	367,603.14		255,269.85
			412,277.15	299,781.55
	Miscellaneous other liabilities			
1701	Contra AR - Unbilled Receivable		2,845,247.26	0.00
	Prepaid expenses			
990	Deferred income		4,811,835.56	2,699,162.40
			38,143,713.33	30,912,513.76

Income statement accounts from 01/01/2024 to 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

Account	Description	EUR	Financial Year EUR	Prior Year EUR
Sales				
8200	Revenue	6,140,080.37		4,909,147.66
8210	Revenue - Other	50,000.00		0.00
8252	Revenue - Intercompany	<u>4,505,983.16</u>		<u>7,577,861.49</u>
			10,696,063.53	12,487,009.15
Income from disposal of items of noncurrent assets and from write-ups of items of fixed assets				
2315	Abgänge Sachanlagen Restbuchwert bei BG	0.00		762.00-
8829	Erlöse Sachanlageverkäufe Buchgewinn	<u>0.00</u>		<u>1,829.00</u>
			0.00	1,067.00
Miscellaneous other operating income				
2660	Currency translation gains	11,595.37		0.00
8603	Other operating income	<u>1,245.38</u>		<u>0.00</u>
			12,840.75	0.00
of which income from currency translation EUR 11,595.37 (EUR 0.00)				
2660	Currency translation gains			
Expenses for purchased services				
3102	Intercompany Royalties	2,034,179.68		1,745,907.08
3103	Intercompany Expenses	<u>1,346,016.07</u>		<u>1,089,829.52</u>
			3,380,195.75	2,835,736.60
Wages and salaries				
4102	Personal Time Off / Urlaubslöhne	20,596.00		8,833.00
4116	Car Allowance / Fahrtkostenzuschuss	20,566.56		20,566.56
4120	Salaries	2,160,025.31		2,061,379.79
4124	Mangng dir. salar. shrehldrs LLC (GmbH)	487,772.38		686,178.00
4146	Volunt. n-c bnft marg. part-t workers	1,890.00		3,124.44
4174	Jubilee/Dienstjubiläen	<u>0.00</u>		<u>15,183.00</u>
			2,690,850.25	2,795,264.79
Social security costs and expenses for old age pensions and other benefits				
4130	Statutory social security expenses	366,895.98		354,666.57
4138	Contrb. to occup. health/safety agency	6,805.84		4,833.68
4140	Vol. social benfts not subj to wage tx	15,308.34		8,511.20
4169	Employee benefit expenses	<u>3,527.91-</u>		<u>13,767.54</u>
			385,482.25	381,778.99
Depreciation and amortization				
Of noncurrent intangible assets and property, plant and equipment				
4830	Depreciation of tangible fixed assets	57,982.87		33,501.38
4860	Depr./amort. capitalised low-value ass.	<u>22,418.88</u>		<u>856.81</u>
			80,401.75	34,358.19
Carried forward			<u>4,171,974.28</u>	<u>6,440,937.58</u>

Income statement accounts from 01/01/2024 to 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

Account Description	EUR	Financial Year EUR	Prior Year EUR
Brought forward		4,171,974.28	6,440,937.58
Occupancy costs			
4210 Rent (immovable property)	134,697.84		175,362.90
4230 Heating	11,950.99		16,849.42
4250 Cleaning	<u>13,945.88</u>		<u>16,303.92</u>
		160,594.71	208,516.24
Insurance premiums, fees and contributions			
4380 Beiträge	0.00		440.64
4390 Other levies	<u>15,132.99</u>		<u>18,724.26</u>
		15,132.99	19,164.90
Cost of third-party repairs and maintenance			
4805 Repairs/maintenance operat/office equipm	17,687.75		5,777.35
4806 Hardware / software maintenance expenses	<u>58,880.20</u>		<u>51,659.15</u>
		76,567.95	57,436.50
Advertising and travel costs			
4605 Messeaufwendungen	0.00		1,735.86
4615 Trade show	988.66		0.00
4630 Geschenke abzugsfähig ohne § 37b EStG	0.00		80.01
4650 Entertainment expenses	258.42		553.33
4654 Nicht abzugsfähige Bewirtungskosten	0.00		237.13
4660 Employee travel expenses	668.20		2,025.50
4661 T&E - Air Travel / Flugkosten AN	19,021.22		11,185.52
4663 Employee travel expnses, cost of travel	946.89		2,078.70
4664 Employee trav. expn, addnl substnc costs	308.24		0.00
4666 Employee trav. expn, accommodation costs	<u>9,413.94</u>		<u>5,170.84</u>
		31,605.57	23,066.89
Miscellaneous operating costs			
4910 Postage	292.09		594.70
4920 Telephone	87,773.24		79,856.83
4930 Office supplies	11,280.06		1,322.66
4931 Computer Supplies / Computerbedarf	2,438.82		1,526.30
4950 Legal and consulting expenses	116,140.76		108,115.83
4955 Bookkeeping expenses	84,147.80		50,384.20
4957 Period-end closing and audit costs	4,000.00		14,000.00
4960 Rent fixtures/fittings (movable assets)	2,241.84		2,910.72
4964 Aufwendungen für Lizenzen, Konzessionen	0.00		81.37
4970 Incidental monetary transaction costs	<u>9,239.35</u>		<u>4,201.34</u>
		317,553.96	262,993.95
Losses from the disposal of noncurrent assets			
2310 Disposals tngbl fxd ass. net carr. amnt.		6.00	14.43
Miscellaneous other operating expenses			
2150 Currency translation losses		0.00	24,380.50
Carried forward		<u>3,570,513.10</u>	<u>5,845,364.17</u>

Income statement accounts from 01/01/2024 to 31/12/2024

Versant GmbH Entwicklung, Support, Vertrieb und Consulting, Hamburg

Account Description	EUR	Financial Year EUR	Prior Year EUR
Brought forward		3,570,513.10	5,845,364.17
of which currency translation losses EUR 0.00 (EUR 24,380.50)			
2150 Currency translation losses			
other interest and similar income			
2653 Int.incm.s.233a AO, s4(5b) EStG, tx-xmpt	1,458,306.97		1,425,242.43
2657 Interest income s. 233a AO, taxable	<u>58.00</u>		<u>0.00</u>
		1,458,364.97	1,425,242.43
Interest and similar expenses			
2140 Expenses similar to interest expenses		184,544.01	0.00
Taxes on income and earnings			
2200 Corporate income tax	726,661.00		1,090,626.00
2208 Solidarity surcharge	39,966.41		59,984.12
4320 Trade tax	<u>796,904.00</u>		<u>1,196,047.00</u>
		1,563,531.41	2,346,657.12
Net income for the financial year		<u>3,280,802.65</u>	<u>4,923,949.48</u>

Notes to the financial statements

General Notes to the Annual Financial Statements

Disclosures on the identification of the Company according to the registry court

Company name according to the registry court:	Versant GmbH
Company headquarters according to the registry court:	Hamburg
Entry in the commercial register:	16.04.2002
Registry court:	Hamburg
Registration No.:	54723

The foregoing annual financial statements were prepared on basis of the accounting principles of the German Commercial Code (HGB).

In accordance with the size categories defined in Section 267 of the German Commercial Code (HGB), the Company is a small incorporated company.

The size-related simplified reporting system according to Section 288 of the German Commercial Code (HGB) was used.

Disclosures on the accounting and valuation principles used

Accounting and valuation principles

Balance sheet and income statement layout is in accordance with Sections 265, 266 and 275 of the German Commercial Code (HGB)

Purchased and internally generated intangible assets were valued at acquisition or production cost, less scheduled and - where appropriate - unscheduled depreciation reflecting their useful lives.

Low-value assets with net values of up to Euro 250.00 per item were recorded as expenses in the year of acquisition.

Low-value assets with net values of up to Euro 800.00 per item were fully depreciated in the year of acquisition and are recorded as disposals.

The scheduled depreciations and amortizations were performed using both the straight-line and the balance-declining method over the expected useful life of the respective assets.

Receivables and other assets were generally capitalized at their nominal values. Adequate valuation allowances were made for the general credit risk in respect of receivables and identifiable individual risks.

Liquid funds were carried at nominal value.

Notes to the financial statements

Other accruals were set aside for all other types of contingent liabilities, taking all identifiable risks into account.

Liabilities were recognized at the settlement amount.

The annual financial statements contain monetary items denominated in foreign currencies which were converted into Euros.

Assets and liabilities denominated in foreign currencies with a term of up to one year were translated at the mean spot exchange rate on the balance sheet date in accordance with Section 256a HGB.

Expenses incurred before the balance-sheet date are carried on the Liabilities side as prepaid expenses, provided they represent expenditure relating to a specific time after that date.

Payments received prior to the reporting date were reported as deferred income on the liabilities side to the extent that they represent income for a certain period after that date.

Accounting and valuation methods which have changed as compared with the previous year

The previously applied accounting and valuation principles were in all material respects also used for the annual financial statements.

There was no fundamental change in accounting and valuation principles compared to those used in the previous year.

Notes to the balance sheet

Disclosures on receivables owed to shareholders

The amount of the receivables owed to shareholders equals Euro 24.587.948,29 (previous year: Euro 24.587.948,29).

Disclosures on other provisions

At Euro 378.907,00 (previous year: Euro 676.905,00) other provisions mainly include personnel-related provisions.

Disclosures on the profit and loss statement

The profit and loss account was prepared after the aggregate cost method in accordance with Section 275 sub-section 2 of the German Commercial Code (HGB).

Other operating income includes income of Euro 11.595,37 (previous year: Euro 0,00) from currency translation.

Notes to the financial statements

Other operating expenses include Euro 0,00 (previous year: Euro 24.380,50) in expenses from currency translation.

Other information

Contingent liabilities not recognized in the balance sheet according to Section 251 of the German Commercial Code (HGB)

The company has other unrecognized financial obligations beside the liabilities shown on the balance sheet with a total amount of Euro 113.823,36.

Average number of staff members employed during the fiscal year

The average number of employees employed by the Company during the financial year was 22.

Management Board

Mr. Stephen Mark Padgett, Businessman, Cedar Park, Texas, United States (until April 1, 2025)
Mr. Marc Monahan, Businessman, Fremont, California, United States (until April 1, 2025)

Mr. Shobhit Agarwal, Businessman, Ingolstadt, Germany (since 01.04.2025)
Mr. Sushant Jain, Businessman, Berkshire, United Kingdom (since 01.04.2025)

The members of the Management Board did not receive any remuneration from the company in the 2024 financial year.

Corporate affiliation

The Versant GmbH was included in the consolidated financial statements of Actian Corporation in Santa Clara, California, USA.

Actian Corporation prepares the consolidated financial statements for the smallest group of companies.

Signature of the management

Ingolstadt, Germany
05 June 2025



Place, Date

Signature

General terms and conditions for German tax advisors (*Steuerberater, Steuerbevollmächtigte*) and professional- practice companies (*Berufsausübungsgesellschaften*) providing tax advice

as of January 2025

These "general terms and conditions" shall govern contracts between German qualified tax advisors (*Steuerberater, Steuerbevollmächtigte*) as well as professional-practice companies (*Berufsausübungsgesellschaften*) providing tax advice (hereinafter collectively referred to as the 'Tax Advisors', and each of them a 'Tax Advisor') and their clients (*Auftraggeber*), unless otherwise expressly agreed in text form (*Textform*) or mandatory by law.

I. Scope and execution of the engagement

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

II. Duty of confidentiality

1. In accordance with the law, the Tax Advisor shall be under a duty to maintain confidentiality with regard to all facts that have come to their attention in connection with the execution of the engagement unless the client releases them from this duty. The duty of confidentiality shall continue even beyond a termination of the engagement relationship. The duty of confidentiality shall apply, to the same extent, to the Tax Advisor's staff.
2. The duty of confidentiality shall not apply to the extent that a disclosure is necessary in order to protect the Tax Advisor's legitimate interests. Furthermore, the Tax Advisor is hereby released from the duty of confidentiality to the extent that, under the terms and conditions of their professional liability insurance, they have a duty to provide information and cooperate.
3. The foregoing shall not affect any statutory rights to refuse to provide information or to refuse to testify, *inter alia* under sect. 102 German General Tax Code (*Abgabenordnung — AO*), sect. 53 German Code of Criminal Procedure (*Strafprozessordnung — StPO*) and sect. 383 German Code of Civil Procedure (*Zivilprozessordnung — ZPO*).
4. The Tax Advisor is hereby released from the duty of confidentiality to the extent that (i) this is necessary for purposes of appointing a general representative (sect. 69 StBerG) or of carrying out a certification audit in the Tax Advisor's firm and (ii) the individuals who are acting in this regard, for their part, have been instructed as to their duty of confidentiality. The client hereby agrees that the general representative or the person carrying out the certification/audit may inspect the client file which was created and is being maintained by the Tax Advisor.

III. Involvement of third parties

The Tax Advisor shall be entitled to involve staff and, subject to the prerequisites of sect. 62a StBerG, also external service providers (in particular data-processing companies) for purposes of carrying out the engagement. The bringing-in of third-party experts (e.g. other Tax Advisors, auditors, German qualified attorneys (*Rechtsanwälte*)) for purposes of working on the engagement shall require consent and instruction on the part of the client. Without having been instructed by the client, the Tax Advisor shall be neither entitled nor obliged to bring in such third parties.

IV. Electronic communication, data protection

1. In the context of the engagements, the Tax Advisor shall be entitled to electronically collect personal data of the client and to process such data in an automated file or to transmit such data to a service computer center for further processing of the data related to the engagement.
2. In order to satisfy their obligations under the EU General Data Protection Regulation (hereinafter "**GDPR**") and the German Federal Data Protection Act (*Bundesdatenschutzgesetz — BDSG*), the Tax Advisor shall be entitled to appoint a data-protection officer. Unless this data-protection officer is already subject to a duty of confidentiality under clause 2(1) sent. 3 above, the Tax Advisor shall ensure that the data-protection officer, upon taking up their activity, shall undertake to maintain data secrecy.
3. It is hereby pointed out to the client that using electronic means of communication (email, etc.) may entail risks for the confidentiality of the communication. In the knowledge thereof, the client hereby consents to the Tax Advisor using electronic means of communication.
4. To the extent that the client wants to communicate with the Tax Advisor via a fax line or an e-mail address, the client must share in the costs for setting up and maintaining the use of signature procedures and encryption procedures of the Tax Advisor (e.g. for acquiring and setting up any necessary software and/or hardware).

V. Remedying of deficiencies

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

VI. Liability

1. Any claims on the part of the client under the engagement relationship with the Tax Advisor for compensation regarding loss or damage caused by negligence shall be capped at EUR 4.000.000,00 (in words: four million euros). Liability claims in relation to any loss/damage arising from injuries to life, body or health shall be excluded from this limitation of liability.
2. The limitation of liability shall apply to the Tax Advisor's entire activity for the client, i.e. also, in particular, to an extension to the scope of the engagement; in this regard, there shall be no need for agreeing the limitation of liability again. The limitation of liability shall also apply in the case of the establishment of a joint practice (*Sozietät*) / partnership company (*Partnerschaft*) and assumption of the engagement by the joint practice / partnership company as well as for partners who join the joint practice / partnership company. Furthermore, the limitation of liability shall also apply vis-à-vis third parties to the extent that these fall within the scope of protection of the engagement; in this regard, sect. 334 BGB is expressly not waived. Any agreements, contained in individual contracts, providing for a limitation of liability shall take precedence over this provision but — unless otherwise expressly stipulated — shall not affect the validity of this provision.
3. Provided there was a sufficiently high insurance cover in place, the limitation of liability shall apply retroactively from the beginning of the engagement or, as the case may be, from the point of taking out higher insurance cover. If the scope of the engagement is subsequently modified or expanded, then the limitation of liability shall also extend to these cases.
4. Providing oral information does not form part of the Tax Advisor's primary contractual obligations. Doing so would risk, in particular, providing incomplete information regarding the facts to be considered as well giving rise to misunderstanding between the Tax Advisor and the client. As a result, the parties hereby agree that the Tax Advisor's liability shall only extend to information provided in text form, and that any liability for inaccurate oral information negligently provided by the Tax Advisor or by members of their staff shall be excluded.
5. The client's claims for damages – with the exception of claims arising from injury to life, limb or health – shall become time-barred at the end of the respective year that ends after the earlier of (a) 18 months of the client having obtained, or grossly negligently having failed to obtain, knowledge of the claims, or (b) five years of the claims having arisen.

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

1. The client shall be obliged to cooperate to the extent that this is necessary in order for the engagement to be duly executed. In particular, they shall submit to the Tax Advisor, unprompted, a complete set of all documents necessary in order to execute the engagement; such submission shall occur in such a timely manner as to afford the Tax Advisor a reasonable processing time. The same shall apply with regard to briefings about all events and circumstances which may be of importance for purposes of executing the engagement. The client shall be obliged to take note of communications issued by the Tax Advisor and to consult the Tax Advisor when in doubt.
2. The client shall refrain from anything that may prejudice the independence of the Tax Advisor or the Tax Advisor's persons employed in performing a contractual obligation for whom the Tax Advisor is vicariously liable (*Erfüllungsgehilfen*) ('Vicarious Agents').
3. The client hereby undertakes to pass on the results of the Tax Advisor's work only with the Tax Advisor's consent unless the consent to such results being passed on to a specific third party already flows from the content of the engagement.
4. Should the Tax Advisor employ data-processing programs at the client, then the client shall be obliged to comply with the instructions by the Tax Advisor with regard to installation and application of such programs. In addition, the client shall be obliged to only use the programs within the scope prescribed by the Tax Advisor, which shall also be the scope of use to which the client is entitled. The client must not disseminate the programs. The Tax Advisor shall remain the owner of the rights of use. The client shall refrain from anything which constitutes an obstacle to the exercise by the Tax Advisor of the rights of use with regard to the programs.
5. Should the client fail to comply with a duty to cooperate incumbent on them under clause 7(1)– (4) or as provided for elsewhere or be in default of acceptance in relation to the services tendered by the Tax Advisor, then the Tax Advisor shall have the right to terminate the contract without. This shall not affect the Tax Advisor's claim to be compensated for the additional expenses incurred by them owing to the client's default or failure to cooperate as well as for any loss/damage caused, even in the event that the Tax Advisor opts not to exercise their right of termination.

VIII. Copyright protection

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

IX. Fees, advance payment and offsetting

1. The Tax Advisor's fees (professional fees and reimbursement of out-of-pocket expenses) for their professional activity in accordance with sect. 33 StBerG shall be determined pursuant to the German Regulation on Tax Advisors' Fees (*Steuerberatervergütungsverordnung — StBVV*) (hereinafter "**StBVV**"). Fees above or below the statutory fees may be agreed

in text form. Agreeing fees below the statutory fees is permissible in out-of-court matters only. Such lower fees must bear an adequate relation to the services, responsibility and liability risk of the Tax Advisor.

2. For activities not dealt with in the Regulation on Fees (e.g. sect. 57(3) nos. 2 and 3 StBerG), the applicable fees shall be those agreed; otherwise, the fees determined by statute for such activity; or else the customary fees (sects. 612(2) and 632(2) BGB).
3. Only claims that are undisputed or have been determined with final and absolute effect (*rechtskräftig*) may be set off against a fee claim of the Tax Advisor. Any claims of the client for repayment of a fee paid shall become time-barred at the end of the year after 18 months have elapsed since the client has received the invoice.
4. The Tax Advisor shall be entitled to request an advance payment for professional fees and out-of-pocket expenses already incurred or expected to be incurred. In the event that the requested advance payment is not made, the Tax Advisor may, upon prior notice, cease working for the client until the advance payment is received. Where a cessation of work may adversely affect the client, the Tax Advisor will notify the client, in a timely manner, of the Tax Advisor's intention to cease working. The Tax Advisor may offset any advance payment received against all claims under the engagement that have fallen due, irrespective of which activity the advance payment was requested for.
5. The client defaults on payment if they fail to settle the invoice within 14 days of the date of the invoice.

X. Termination of the engagement

1. The engagement shall terminate upon completion of the services, by giving notice or – if the contract was concluded for a fixed term – upon expiry of the agreed term. The contract shall not terminate upon the client's death or upon the client becoming legally incapacitated or, in the case of a company, upon the company's dissolution.
2. The contract can be cancelled by each party at any time with a notice period of 3 months to the end of the month. Termination requires written form. To the extent that this is to be deviated from in individual cases, a written agreement is required, which must be prepared separately.
3. If and to the extent that the engagement constitutes a contract for services within the meaning of sects. 611, 675 BGS, either party may terminate the contract for cause (*außerordentlich*) except in the case of a service relationship with fixed earnings (*Dienstverhältnis mit festen Bezügen*), sect. 627(1) BGB; notice must be given in text form. Any deviation from the foregoing in individual cases shall require an agreement between the Tax Advisor and the client.
4. In order to prevent legal disadvantages for the client, upon termination of the contract by the Tax Advisor the Tax Advisor must, in any event, still take those actions which may reasonably be expected of him/her and which ought not to be postponed (e.g. application for the extension of a deadline which is about to expire).
5. The Tax Advisor shall be obliged to hand over to the client anything the Tax Advisor receives or has received for purposes of executing the engagement and anything the Tax Advisor obtains in the context of the management of the affairs of another (*Geschäftsbesorgung*). In addition, the Tax Advisor shall be obliged, upon request, to provide the client with a progress report and to render account for the Tax Advisor's activities.
6. Upon termination of the contract, the client must promptly hand over to the Tax Advisor the data-processing programs employed at the client's office for purposes of executing the engagement, including any copies created, as well as any other program documents, and/or delete them.
7. Upon termination of the engagement, the documents must be collected from the Tax Advisor.
8. In the event that the engagement terminates before it has been completed, the Tax Advisor's fee claim shall be governed by statutory provisions, in particular sect. 12(4) StBVV. Any deviation from the foregoing in individual cases shall require a separate agreement in text form.

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

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

XII. Miscellaneous

1. The engagement, its execution and the claims resulting therefrom shall be exclusively governed by German law. The place of performance shall be the client's place of residence unless they are a merchant (Kaufmann), legal person under public law, or special fund (*Sondervermögen*) under public law; otherwise, the place of performance shall be the professional establishment of the Tax Advisor. This also applies in the event that (i) the client relocates their place of residence or habitual place of abode abroad once the Tax Advisor has been engaged, or (ii) the client's place of residence or habitual place of abode is unknown at the time the action is brought.
2. The Tax Advisor is — not — prepared to participate in dispute-resolution proceedings before a consumer conciliation body (sects. 36, 37 German Act on Alternative Dispute Resolution in Consumer Matters [Gesetz über die alternative Streitbeilegung in Verbrauchersachen — VSBG]).

XIII. Validity in the event of partial nullity

Should individual provisions of these terms and conditions of engagement be or become invalid, then this shall not affect the validity of the remaining provisions.