

Audit of the annual financial statements
of the company

**Veedol Deutschland GmbH,
Langenfeld, Germany,**

as of 31 March 2018

CONTENTS

	<u>Page</u>
1. Engagement and performance of engagement	1
2. Subject, type and scope of the audit	3
3. Conclusions and explanations on accounting	4
3.1 Supporting documentation and valuation	4
3.2 Annual financial statements	6
3.3 Management report	7
4. Opinion	8

1. Engagement and performance of engagement

The management of the Company

Veedol Deutschland GmbH, Langenfeld,

- also referred to in the following as „Company“ -

has engaged us for the audit of the

financial statements as of 31 March 2018

in accordance with the provisions of commercial law and to report on such. The audit was based on the „Principles for the Audit of Annual Financial Statements“ of the Institut der Wirtschaftsprüfer in Deutschland e. V., [German Institute of Public Accountants] Düsseldorf, (In brief: IDW 450).

The work was performed on our business premises. We report on the type and scope as well as on the result of our work in the following. The report is addressed to the Veedol Deutschland GmbH, Langenfeld.

The annual financial statements prepared by the company consisting of balance sheet, profit and loss statement and notes are attached as appendices 1 to 3.

For the performance of this engagement and our responsibility, also towards third parties, the agreed General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of 1 January 2017 which are attached to this report as Appendix 5 apply. For the liability limitation No. 9 of the General Engagement Terms applies. For the liability towards third parties Nr. 1 (2) and No. 9 of the General Engagement Terms are applicable.

2. Subject, type and scope of preparation

The subject of the audit of the annual financial statements is the balance sheet and income statement as well as the notes on the basis of the accounting records

Requested explanations and information were given to us by the management of the Company and the persons named to us.

The management is responsible for the annual financial statements and the information and documents provided to us. The completeness of the accounting records and the annual financial statements has been confirmed by the management in a letter of representation enclosed in this report as appendix 4.

An examination of the type and adequacy of insurance cover, in particular whether all risks were or are considered and adequately insured, was similarly not the subject of our engagement.

The nature, scope and result of our work are recorded in our working documents.

3. Conclusions and explanations on accounting

3.1 Supporting documentation and valuation

A fixed-assets index was submitted for the intangible assets and property, plant and equipment which contains the historical cost / cost of acquisition, the depreciation over the financial year, the accrued depreciation and the book values for each asset item on the individual reporting dates. An inventory of fixed assets was not taken. The fixed assets were carried at amortised cost. Depreciation was applied exclusively using the straight-line. Fixed assets with purchase costs of up to EUR 410,00 are fully depreciated in the year of purchase.

The inventory-taking records were submitted for inventories; we participated in inventory-taking. The valuation of inventories was carried out by the Company.

The value of the stock we could not prove up to now.

Lists of balances existed for the trade accounts receivable and payable.

Balance confirmations we have not got up to now.

Trade accounts receivable were basically carried at cost. Trade accounts payable are carried at the settlement amount.

Other assets are basically carried at purchase cost.

Bank balances are carried at their nominal amounts. The account statements we have not got up to now.

Subscribed capital is shown at nominal amount and in agreement with the entry in the commercial register.

Corresponding calculations were submitted for the creation of provisions.

Other provisions are shown at the settlement amount necessary in accordance with reasonable business assessment and take into consideration all risks accountable as liabilities and recognisable on the reporting date in an appropriate amount.

Other liabilities are evidenced by adequate accounting vouchers and carried at their settlement amount.

3.2 Annual financial statements

The company is classified as a small company by Section 267 German Commercial Code / HGB as the legal criteria for determination of the size are as follows at the balance sheet date:

Balance sheet total (thousand EUR)	5.062
Sales revenue (thousand EUR)	2.225
Employees	5

As the size criteria applicable for small companies are the same in comparison with those of the previous balance sheet date the financial accounting and reporting principles for small companies are still applicable.

The balance sheet was classified in accordance with Section 266 HGB.

The income statement has been classified according to the total cost format (Section 275 (2) HGB).

No material changes have been made to the methods of accounting, valuation and depreciation compared to the previous financial year; the requirements set out in Sections 246 (3) and 252 (1) No. 6 HGB have therefore been satisfied.

The notes for the financial year 2018 are attached to this report as Appendix 3.

3.3 Management report

The Company has made use of its option provided in Section 264 (1) Sentence 4 HGB and has decided not to prepare a management report.

4. Opinion

We have issued the following unqualified auditor's opinion on our statutory audit of annual financial statements of Veedol Deutschland GmbH, Langenfeld, in accordance with § 322 HGB.

The English translation of the original auditor's opinion is as follows:

We have audited the annual financial statements - comprising the balance sheet, the income statement and the notes to the financial statements - together with the bookkeeping system of Veedol Deutschland GmbH, Langenfeld, for the business year from 1 April 2017 to 31 March 2018. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB (German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial

statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.


In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Qualification of the auditor's opinion:

We could not check claims to customers and bank balances as we have not got any balance confirmations of customers, suppliers or banks. Further on we had no documents regarding the inventory valuation. Outstanding is a letter of comfort from the mother company.

Cologne, 23. May 2018

UHY Deutschland AG
Wirtschaftsprüfungsgesellschaft


Gunter Stoeber
Wirtschaftsprüfer
(German Public Auditor)



LIST OF APPENDICES

- | | | |
|----------|---|---|
| Appendix | 1 | Balance sheet as per 31 March 2018 |
| Appendix | 2 | Income statement for the period 1 April to 31 March 2018 |
| Appendix | 3 | Notes to the annual financial statements for the financial year 2017/2018 |
| Appendix | 4 | Letter of representation for the financial year 2017/2018 |
| Appendix | 5 | General Engagement Terms for German Public Auditors and Public Audit Firms [Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften] as of 1 January 2017 |

Veedol Deutschland GmbH

Balance sheet as at 31 March 2018

ASSETS

	Status on 31.03.2018	Status on 31.03.2017
EUR	EUR	TEUR
A. FIXED ASSETS		
I. Intangible fixed assets		
Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	0,00	8
II. Tangible fixed assets		
Other, operating and office equipment	11.526,00	15
B. CURRENT ASSETS		
I. Inventories		
1. Finished goods and merchandise	403.754,48	300
2. Advance payments	0,00	0
II. Receivables and other assets		
1. Trade receivables	212.328,80	279
2. Receivables to affiliated companies	197.580,00	40
3. Other assets	24.131,46	30
III. Cash-in hand and bank balances	54.036,36	57
C. PREPAID EXPENSES	63.601,29	0
D. DEFICIT NOT COVERED BY EQUITY	4.094.670,36	0
	<u>5.061.628,78</u>	<u>721</u>

EQUITY AND LIABILITIES

	Status on 31.03.2018	Status on 31.03.2017
EUR	EUR	TEUR
A. EQUITY		
I. Subscribed capital	25.000,00	25
II. Capital reserves	0.00	3.784
III. Accumulated losses brought forward	3.342.369,64	-3.168
IV. Net loss for the financial year	-777.300,75	-174
Deficit not covered by equity	<u>4.094.670,39</u>	0,00
B. PROVISIONS		
Other provisions	30.081,28	6
C. LIABILITIES		
1. Credit	3.200.000,00	0
- of which with a term of up to one year: EUR 3.200.000,00 (prior year: TEUR 0) -		
2. Trade payables	301.559,88	210
- of which with a term of up to one year: EUR 301.559,88 (prior year: TEUR 263) -		
3. Liabilities to affiliated companies	818.570,45	0
- of which with a term of up to one year: EUR 0,00 (prior year: TEUR 0) -		
4. Other liabilities	<u>711.417,17</u>	39
- of which with a term of up to one year: EUR 711.417,17 (prior year: TEUR 39) - - of which to shareholders: EUR 500.000,00 (prior year: TEUR 0) -	5.031.547,50	
	<u>5.061.628,78</u>	<u>721</u>

Income Statement
Veedol Deutschland GmbH
Langenfeld (Rheinland)
01. April 2017 up to 31. March 2018

	01.04.2017-31.03.2018		short year	
	EUR	EUR	EUR	EUR
1. Sales		2.225.079,35 €		535.790,25 €
2. Other operating income		15.978,09 €		3.753,78 €
3. Cost of materials				
Cost of raw materials, consumables and supplies and of purchased merchandise	1.791.235,20 €		427.873,87 €	
Cost of purchased services	<u>3.717,25 €</u>	- 1.794.952,45 €	<u>117,10 €</u>	- 427.990,97 €
4. Personnel expenses				
Wages and salaries	379.006,98 €		92.592,00 €	
Social security, post-employment and other employee benefit costs	<u>66.049,41 €</u>	- 445.056,39 €	<u>16.240,54 €</u>	- 108.832,54 €
5. Depreciation, amortisation and write-downs				
Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-	3.760,50 €	-	9.184,41 €
6. Other operating expenses		- 694.772,62 €		- 151.791,55 €
7. Interest and similar income		255,00 €		- €
8. Interest and similar expenses		- <u>79.749,23 €</u>		- <u>16.000,00 €</u>
- of which from affiliated companies EUR 61.793,67 (prior year EUR 16.000,00)				
9. Result from ordinary activities		- 776.978,75 €		- 174.255,44 €
10. Other taxes		- 322,00 €		- €
11. Net loss		<u>- 777.300,75 €</u>		<u>- 174.255,44 €</u>

Notes to the annual financial statements

of

**Veedol Deutschland GmbH,
Langenfeld**

C O N T E N T S

- I. General information about the annual financial statements**
- II. Accounting and valuation principles**
- III. Notes to the balance sheet**
- IV. Other information**

I. General information about the annual financial statement

The annual financial statements of Veedol Deutschland GmbH, Langenfeld, as of 31 March 2017 were prepared in accordance with the regulations in Sections 242 ff. and Sections 264 ff. of the German Commercial Code/HGB as well as with the supplementary regulations of the GmbHG and the company's articles. The rules for small corporations apply.

The income statement is structured in accordance with the total-cost format.

II. Accounting and valuation principles

The balance sheet was prepared before appropriation of the net loss for the year.

The commercial-law accounting principles for corporations have been applied on a going-concern basis. The individual balance sheet items are valued as follows:

- Intangible fixed assets that have been purchased are valued at purchase cost reduced by straight-line depreciation.
- Tangible fixed assets are valued at purchase cost reduced by systematic depreciation. The useful economic life which is basis for the depreciation is estimated carefully considering technical progress and economic development. The depreciation is calculated according to the straight-line method. Depreciation on additions is calculated pro rata temporis. Fixed assets with purchase costs of up to EUR 410, 00 are fully depreciated in the year of purchase.
- Inventories are valued at purchase costs. The lower of cost or market value principle is observed.

- Trade receivables are valued at nominal value.
- Other assets and liquid funds are in general valued at their nominal value.
- Payments made before the balance sheet date that are expenses of the following year are shown as prepaid expenses at their nominal value.
- The subscribed capital is valued at its nominal value.
- Other provisions are shown at the settlement amount necessary in accordance with reasonable business assessment and take into consideration all risks accountable as liabilities and recognisable on the reporting date in an appropriate amount.
- Liabilities are reported at the amount repayable.
- Assets and liabilities in foreign currency with a remaining time to maturity of less than one year are converted in accordance with the regulations in Section 256a of the German Commercial Code/HGB with the average spot exchange rate of the day of the balance sheet date. The accounting principles to value / balance at purchase cost, the revenue recognition principle as well as the recognition-of-loss principle were not observed.

No material changes have been made to the methods of accounting, valuation and depreciation compared to the previous year; the requirements set out in Sections 246 (3) and 252 (1) No. 6 HGB have therefore been satisfied.

III. Notes to the balance sheet

1. Fixed assets

The composition and development of the company's fixed assets are shown in the appendix to the notes. The analysis of fixed assets shows the development of purchase costs as well as the development of depreciation including depreciation of the year.

2. Liabilities

Customary retention rights exist in the case of trade creditors.

IV. Other information

1. Managing directors

Arijit Chatterjee

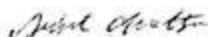
2. Group affiliation

The annual financial statements of the Company are included in the consolidated annual financial statements of Tide Water Oil Company Co. Ltd., India.

3. Employees

The average number of employees in 2017/2018 was 5.

Langenfeld, 22. May 2018



(Arijit Chatterjee)

Letter of Representation

VEEDOL

Deutschland GmbH,

Langfeld

(Company)

(Place)

To

(Date)

UHU Deutschland AG
Wirtschaftsprüfungsgesellschaft

Sieghartstraße 215 - 50679 Köln

Tel (0221) 36 00 678

Fax (0221) 36 00 666

Annual Financial Statements and Management Report for the Financial Year from (date)

01. April 2017 to (date) 31. März 2018

In my / our capacity as officer(s) (executive board member(s) / executive officer(s) / _____) / sole proprietor / owner-manager(s) / _____ of the entity I / we hereby declare to you, in your capacity as auditor, the following:

A. Information and evidence

I / we have provided to you the information and evidence requested by you in accordance with § [Article] 320 HGB ["Handelsgesetzbuch" German Commercial Code], which is complete and has been provided to the best of my / our knowledge and belief. With respect hereto, I / we have disclosed to you not only my / our own personal knowledge, but also the knowledge held by the other officer(s) / sole proprietor / owner-manager(s) / _____ of the entity. I / we have named the following persons as being authorized and qualified to furnish information:

These persons have been instructed by me / us to provide you with all required and requested information and evidence correctly and completely.

B. Books, Records and Internal Control over Financial Reporting

1. I / We have fulfilled my / our responsibility to implement internal controls over financial reporting that complies with all relevant legal requirements. This includes compliance with the principles of proper accounting and measures to prevent and detect material fraud and/or misappropriation of assets.

2. Breakdowns and/or material deficiencies of the internal controls over financial reporting

☒ did not occur and currently do not exist.

☐ have been disclosed to you in writing completely or are stated in section E or Appendix _____ hereto.

* Please delete where inapplicable and add as necessary. Please delete inapplicable numbers or text passages.

☐ Please tick as applicable.

12.1 Use for audits of annual financial statements (individual merchants and partnerships are to submit the letter of representation as owner(s) manager(s) and/or sole proprietor)

Issued by the Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany, Incorporated Association]

3. I / We have ensured that the entity's books of accounts and other documents were made available completely including those that were maintained with IT support. The documents include contractual agreements with third-party IT service providers, work instructions and other organisational documents needed to understand the bookkeeping in particular.
4. All transactions which require recognition in the accounting records for the above-mentioned business year are recorded in the books presented. I / We have disclosed to you all material changes to the accounting system including the IT systems over financial reporting.
5. The books and records were processed
 - ☒ on the basis of organisational precautions and controls and only in programmes made available to you, the use of which was as recorded, as well as the work instructions and organisational documents also made available to you.
 - ☐ on the basis of the contractual agreements mentioned in no. 3 with external IT service providers in compliance with the legal requirements.
6. I / We have ensured that the unprinted data is also available at all times as is required by legal obligations for record retention and retention periods and can be made legible within a reasonable period of time, as far as accounting entries are concerned, in account number order.

C. Annual Financial Statements and Management Report

1. In compliance with the applicable accounting principles the annual financial statements to be audited by you reflect all assets, liabilities (obligations, risks etc.), accruals and special items, all expenses and income as well as required disclosures.
2. The significant assumptions made in the determination of accounting estimates, including fair values, are reasonable and appropriately reflect my / our intent as well as the ability to carry out the related courses of action.
3. Events after the balance sheet date relevant to accounting
 - ☒ did not occur.
 - ☐ are accounted for in the annual financial statements and/or the management report.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix _____ hereto.
4. Special circumstances which could adversely affect the continuation of the entity as a going concern or the presentation of a true and fair view of the entity's net assets, financial position and results of operations (§ 264 Abs. [paragraph] 2 HGB)
 - ☐ do not exist.
 - ☐ are separately stated in the notes and/or the management report.
 - ☒ have been disclosed to you in writing completely or are stated in section E or Appendix _____ hereto.
5. A list of
 - ☒ all entities in which ownership interests were held and/or which held ownership interests during the financial year (§ 271 Abs. 1 HGB).
 - ☐ all entities with which the entity had a parent/subsidiary relationship [hereinafter referred to as affiliated entities] during the financial year (§ 271 Abs. 2 HGB) and
 - ☐ all other related entities and persons [related parties]
 has been submitted to you.²
6. On the balance sheet date loans, receivables due from or liabilities (including contingent liabilities) due to affiliated entities and/or entities in which ownership interests were held and/or which held ownership interests
 - ☐ did not exist.
 - ☒ have been disclosed to you in writing completely or are stated in section E or Appendix _____ hereto.

² Pursuant to Article 43 paragraph 1 no. 7 b of the EC Accounting Directive in the form of the amending Council Directive the term 'related parties' has the same meaning as in the International Accounting Standards adopted in accordance with the IAS directive, i.e. currently IAS 24 in the version applicable in the EU, cf. preamble of the government draft of the BilMoG, BT-Drs. 16/10067, page 72

- 7 I / We have disclosed to you all transactions with related parties of which I am / we are aware.
8. Material transactions with related parties, which have not been conducted on terms equivalent to those prevailing in arm's length transactions, including the amounts of such transactions, the nature of the related party relationship as well as other information about the transactions necessary for an assessment of the financial position:
- ☒ do not exist.
 - ☐ are disclosed in the notes as required by § 285 no. 21 HGB.
 - ☐ are, pursuant to the size-dependent exemption of § 288 Abs. 1 HGB, not stated in the notes.
 - ☐ are only stated in the notes to the extent required when making use of the size-dependent simplifications of § 288 Abs. 2 Satz [sentence] 3 HGB.
 - ☐ have not been disclosed separately in the notes, as all transactions with related entities and persons have been disclosed in the notes.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
9. Relationships and transactions with related entities and persons are in my / our view appropriately accounted for and disclosed in the annual financial statements and the management report.
10. On the balance sheet date, liabilities resulting from the issuance and endorsement of bills, from guarantees, warranties on bills and cheques and from guarantee agreements as well as contingencies from providing collateral for third party liabilities:
- ☒ did not exist.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
11. Contracts benefiting third parties (e.g. letters of comfort issued) which are not evident in the annual financial statements:
- ☒ did not exist on the balance sheet date.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
12. Collateralisation rendered for liabilities (including contingent liabilities) via liens or similar rights:
- ☒ did not exist on the balance sheet date.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
13. Guaranteed monetary advances, loans granted as well as contingencies assumed, which are subject to § 285 no. 9 letter c) HGB:
- ☒ did not exist on the balance sheet date.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
14. Return obligations affecting assets recognized in the balance sheet as well as return obligations for assets not recognised in the balance sheet:
- ☒ did not exist on the balance sheet date.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
15. Derivative financial instruments (e.g. foreign currency, interest-, stock- or index-related option and futures contracts, commodity futures, Futures, Swaps, Forward Rate Agreements and Forward Deposits) including those that are part of structured financial instruments:
- ☒ did not exist on the balance sheet date.
 - ☐ are recorded in the entity's books and have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
16. Valuation units pursuant to § 254 HGB:
- ☒ were not established as permitted by the option right.
 - ☐ were only established to the extent evident in the annual financial statements.
- The exercise of the option is disclosed in the notes as required by § 284 Abs. 2 no. 1 HGB.

- 17 Transactions that are not included in the balance sheet but are essential for assessing the financial position or that could become so (e.g. factoring, reverse purchase transactions, agreements as to consignment inventory, securitization via special purpose companies or entities that are not legal entities, pledging of assets, operating leasing contracts and also outsourcing of operations or functions)
- ☒ did not exist on the balance sheet date.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- 18 Type, purpose, risks, advantages and financial effect of the transactions under no. 17 (§ 285 no. 3 HGB) to the extent the risks and advantages are material and the disclosure is essential for the assessment of the entity's financial position, have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- 19 Contracts, to the extent not already mentioned under no. 17, that are or might be significant for the assessment of the entity's financial position due to their subject matter, duration, possible contractual penalties or some other reasons (e.g. contracts with suppliers, customers and affiliated entities as well as syndicate, pension, option, bidding, leasing, trust contracts and contracts providing for settlement out of profits)
- ☒ did not exist on the balance sheet date.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- 20 The financial commitments arising from contracts mentioned under no. 19 as well as other material financial commitments (e.g. from general overhauls) – insofar as not included in the balance sheet and not required to be disclosed in the notes pursuant to § 251 HGB, § 268 Abs. 7 HGB or § 285 no. 3 HGB – (§ 285 no. 3a HGB) have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- 21 Litigation and other disputes significant for the assessment of the entity's financial position
- ☒ were not pending on either the balance sheet date or the date of this letter.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- 22 Post-balance sheet events of particular importance, which are not recognised in the income statement or the balance sheet
- ☒ did not occur.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- 23 I / We have disclosed to you the results of my / our assessment of risks that the annual financial statements and the management report may be materially misstated as a result of fraud and misappropriation of assets. All fraud and misappropriation of assets or suspected fraud and misappropriation of assets known to me / us affecting the entity subject to audit, in particular, such involving the entity's officers and other members of its management, employees who have significant roles in internal control and other persons whose fraudulent actions could have a material effect on the annual financial statements or the management report
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- ☒ I / We have no knowledge as to the above.
- 24 All allegations of fraud and misappropriation of assets perpetrated or suspected which were made known to me / us by employees, former employees, analysts, supervisory authorities or other persons, which could have a material effect on the annual financial statements or the management report
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- ☒ I / We have no knowledge as to the above.

25. Other violations of statutory regulations and supplementary provisions of the shareholder agreement or the articles of incorporation which could be significant to the content of the annual financial statements, the management report or the presentation of the net asset, financial position and results of operations pursuant to § 264 Abs. 2 HGB

☒ did not occur.
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

26. Escape clauses (suppression of disclosures in accordance with § 266 HGB, § 160 Abs. 2 AktG ["Aktiengesetz" German Stock Corporation Law])

☒ have not been invoked.
☐ have only been invoked to the extent disclosed in the notes.
☐ have only been invoked to the extent stated in Section E or Appendix ____ hereto.

27. The management report includes all material aspects, including their anticipated development, that are significant for an assessment of the position of the entity as well as all disclosures required by § 289 HGB.

28. Material opportunities and risks of future development of the entity, required to be reported in the management report.

☐ do not exist as is stated in the management report.
☐ are reported fully in the management report.
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

D. Further Details for Specific Entities

Only to be answered in respect of partnerships pursuant to § 264a HGB and limited liability companies

1. Loans, receivables due from and liabilities due to partners / shareholders (§ 264c Abs. 1 HGB, § 42 Abs. 3 GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung" German Limited Liability Companies Act])

☐ did not exist on the balance sheet date.
☒ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

Only to be answered in respect of companies limited by shares but not publicly listed, partnerships limited by shares (KGaA) and European public companies (SE).

2. Shareholders notifications pursuant to § 20 AktG that require disclosure in the notes (§ 160 Abs. 1 no. 8 AktG)

☐ do not exist.
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

Only to be answered in respect of publicly listed companies limited by shares, partnerships limited by shares (KGaA) and European public companies (SE).

3. Shareholdings in large corporations where such holdings exceed 5 % of the voting shares

☐ did not exist on the balance sheet date.
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

4. Shareholders notifications pursuant to § 21 WpHG "Wertpapierhandelsgesetz" - German Securities Trading Act that mandate a disclosure in the notes (§ 160 Abs. 1 no. 8 AktG)

☐ did not exist (on the balance sheet date).
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

5. Positions that members of the management body hold in supervisory boards and other controlling bodies within the meaning of § 125 Abs. 1 Satz 5 AktG

☐ did not exist on the balance sheet date.
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

6. Positions that persons who serve on the supervisory board hold in other supervisory boards and other controlling bodies within the meaning of § 125 Abs. 1 Satz 5 AktG
- ☐ did not exist on the balance sheet date to our knowledge and according to statements made by the members of the supervisory board.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix _____ hereto

Applicable to statutory or voluntary audits pursuant to § 317 Abs. 4 HGB of the risk early recognition system required by § 91 Abs. 2 AktG.

7. A risk early recognition system
- ☐ has been established and is operating.
- ☐ has not been established
8. The documentation on the risk early recognition system
- ☐ has been submitted to you completely
- ☐ does not exist
9. The areas and operating procedures of the entity and its subsidiaries that are covered by the risk early recognition system and from which developments endangering the going concern of our entity could originate
- ☐ are completely set forth in the documentation on the risk early recognition system submitted to you.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix _____ hereto


Only to be answered in respect of companies limited by shares that are publicly listed or seeking to be publicly listed (including partnerships pursuant to § 264a HGB) within the meaning of § 264d HGB.

10. The material characteristics of the internal control and risk management systems over the financial reporting process are disclosed completely in the management report (§ 289 Abs. 5 HGB).

E. Other Information and Comments

Supplementary modules

- ☐
- ☐
- ☐
- ☐
- ☐
- ☐
- ☐
- ☐


Company stamp: signatures

Veedol Deutschland GmbH

Hans-Böckler-Str. 10
D-40764 Langenfeld

General Engagement Terms

for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as “German Public Auditors” – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements, except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsgemäßer Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (Textform) [Translator's Note: The German term “Textform” means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Mistatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs. 1 [paragraph 1] HGB [German Commercial Code; Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer; Wirtschaftsprüferordnung], § 200 StGB [German Criminal Code; Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confined to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act; Produkthaftungsgesetz] for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; he is also obliged to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules, and evidence documents required for the taxation, to be provided by the engaging party
- examination of tax assessments in relation to the taxes referred to in (a)
- negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public Auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete completion of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherschlichtungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.