Independent Practitioner's Limited Assurance Report

Choksi Heraeus Pvt. Ltd.
Udaipur, India

Limited assurance engagement on the LBMA Refiner's Compliance Report of Choksi Heraeus Pvt. Ltd., Udaipur (India) for the period 1 April 2024 to 31 March 2025

Engagement: DEE00150868.1.1

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Independent Practitioner's Limited Assurance Report

To Choksi Heraeus Pvt. Ltd., Udaipur (India)

We have been engaged to perform a limited assurance engagement on the accompanying Refiner's Compliance Report prepared by Heraeus Precious Metals GmbH & Co. KG, Hanau (Germany), ("Heraeus Deutschland") for the joint venture Choksi Heraeus Pvt. Ltd., Udaipur (India), (the "Refiner") as defined in the Compliance Report for the period 1 April 2024 to 31 March 2025 (the "Refiner's Compliance Report").

Management's Responsibility for the Refiner's Compliance Report

The Refiner’s Management is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LBMA Responsible Silver Guidance (version 2) as of November 2023 as well as the Supplement on Tin, Tantalum and Tungsten of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as of April 2016 (the "Guidances").

This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by management as relevant for demonstrating compliance with the Guidances are the activities described in the Refiner's Compliance Report. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant to the proper preparation and presentation of the Refiner's Compliance Report, which is free of material misstatements due to intentional or unintentional errors.

Audit Firm's Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our audit firm applies International Standard on Quality Management 1, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Refiner's Compliance Report based on our work performed. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Refiner's Compliance Report.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and the supplementary guidance set out in the LBMA Responsible Sourcing Programme – Third Party Audit Guidance (version 2) as of November 2022. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Refiner's Compliance Report, prepared by Heraeus Deutschland for the joint venture Choksi Heraeus Pvt. Ltd., Udaipur (India), for the period 1 April 2024 to 31 March 2025, does not comply in all material respects with the requirements of the Guidances.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement of the Refiner's Compliance Report with the Guidance. Within the scope of our work we performed amongst others the following procedures:

- Interviews with the compliance officers in charge of the preparation of the Refiner's Compliance Report;
- Interviews with management and employees of departments in charge of compliance, purchasing, material and environmental management;
- Inspection of relevant corporate guidelines and local documents describing the management systems, due diligence and risk management approach towards a responsible supply chain;
- Live inspection of the due diligence IT system and related documentation (Know Your Business Partner - KYBP);
- Review of documentation of requirements on the group-wide processes for collecting, analyzing and aggregating data on the supply chain of silver;
- Performance of site visits at the Refiner's location in Udaipur (India) as part of the inspection of relevant systems, processes and controls; including process walkthroughs from supplier selection to materials receipt and lot processing as well as a physical tour of the production site;
- Evaluation of the consistency of the statements provided in the Refiner's Compliance Report with the findings obtained during our engagement.

Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by the Refiner to comply with the Guidance may differ. It is important to read the Supply Chain Due Diligence Policy available in the download section on Refiner's website:

https://www.heraeus-group.com/en/sustainability/#supplierguidelines

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that, in all material respects, the Refiner's Compliance Report, prepared by Heraeus Deutschland for the joint venture Choksi Heraeus Pvt. Ltd., Udaipur (India), for the period 1 April 2024 to 31 March 2025 does not comply with the Guidance.

Restriction on Use and Distribution

Our report is issued to the Refiner. The accompanying Refiner's Compliance Report has been prepared for specific purposes of the Refiner and may not be suitable for other purposes.

We issue this report on the basis of the engagement agreed with the Refiner, which comprises the attached General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2024, which are also applicable to third parties.

The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

We refer to the fact that the Refiner's Compliance Report subject to our assurance engagement comprises the Annex list "Country of origin for Silver (mined and recycled)" of countries of origin of silver (mined and recycled) and the treatment of the Refiner. According to the LBMA Responsible Silver Guidance (version 2) as of November 2023, this Annex detailing the countries of origin of mined and recycled silver has to be submitted to the LBMA Executive only and does not need to be disclosed publicly.

Cologne, 18 July 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

digitally signed by

Theres Schäfer
Wirtschaftsprüfer
(German Public Auditor)

digital signiert von Maria Isabel Urrutia Villanueva
am 21.07.2025

ppa. Isabel Urrutia
Managerin

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Choksi Heraeus Pvt. Ltd., Udaipur (India) 1

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General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2024

Choksi Heraeus Pvt. Ltd.

Refiner's Compliance Report FY 2024 - 2025

Choksi Heraeus Private Limited

April 1st 2024 – March 31st 2025
London Bullion Market Association

Choksi Heraeus Pvt. Ltd.

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Introduction

In 1952, pioneer Ravindra Choksi laid the foundation in India for industrial use of Platinum and other precious metals. Since then, the family-owned company has been in the forefront of innovation, developing technology for application of precious metals in various walks of life. Year 1994 saw the advent of a very successful Indo-German joint-venture with world renowned Heraeus, one of the leading addresses in Industrial precious and special metals business. Heraeus, the technology group headquartered in Hanau, Germany, is an international family-owned company, founded in 1851.

Since the founding of the Choksi Heraeus Private Limited ("CHPL / Choksi Heraeus") in 1988, our entrepreneurial activities have repeatedly required adjustments to changing conditions to take advantage of new opportunities. Sustainability has become a central entrepreneurial guiding principle and has long been incorporated into the principles of our entrepreneurial and social actions.

The plant is spread over 7500 Sq.m. floor area, situated in Udaipur, a city of lakes & palaces, and well connected to major cities of India. The Company follows a well proven Quality Management System (ISO 9001:2015) and has established its obligation to the society with Environmental Management System (ISO 14001:2004).

Choksi Heraeus serves the needs of Industries in Switchgear, Automotive, Aerospace, Electronics, Ceramic & Glass Surface Decoration, Jewellery and Photovoltaic with solutions and products of Precious Metals & Special Materials.

Manufacture is carried out using the latest technology that is developed in-house and also from our joint venture collaborator Heraeus Precious Metals, Germany. CHPL being part of the multinational Heraeus group of Germany are in the same league with the major global manufacturers. Choksi Heraeus is not only manufacturers of catalysts; but the whole gamut of precious metal products falls within their range and combines businesses in the environmental, energy, electronics, health, mobility and industrial applications sectors.

Table 1: Choksi Heraeus & Heraeus Precious Metals with his worldwide sites

▪ Choksi Heraeus Private Ltd.	Udaipur	India[1]
▪ Ravindra Heraeus Private Ltd.	Udaipur	India[1]
▪ Heraeus Precious Metals GmbH & Co.KG	Hanau	Germany
▪ Heraeus Limited	Fanling	Hongkong
▪ Heraeus Precious Metals North America	Santa Fe Springs	USA
▪ Heraeus Precious Metals Technology (China) Co., Ltd	Nanjing	China
▪ Heraeus PGM SA (Pty) Ltd.	Gqeberha	South Africa
▪ Argor-Heraeus SA	Mendrisio	Switzerland[2]

Although the same due diligence procedure is applied to all precious metals, this designated LBMA report will focus on Silver. All relevant guidances are implemented into local due diligence, including LBMA Responsible Silver Guidance (see Scheme 1 below) on which will be the focus of this report. It should be emphasized that all regulations apply without restriction to all precious metals processed. CHPL products and services includes:

- Engineered Materials.
- Thin Film Materials.
- Electronic Assembly Materials
- Solder pastes and SMT adhesives.
- Jewellery and Investment
- Gold & Silver Coins, Silver bars – Casted & Minted are available in various design.

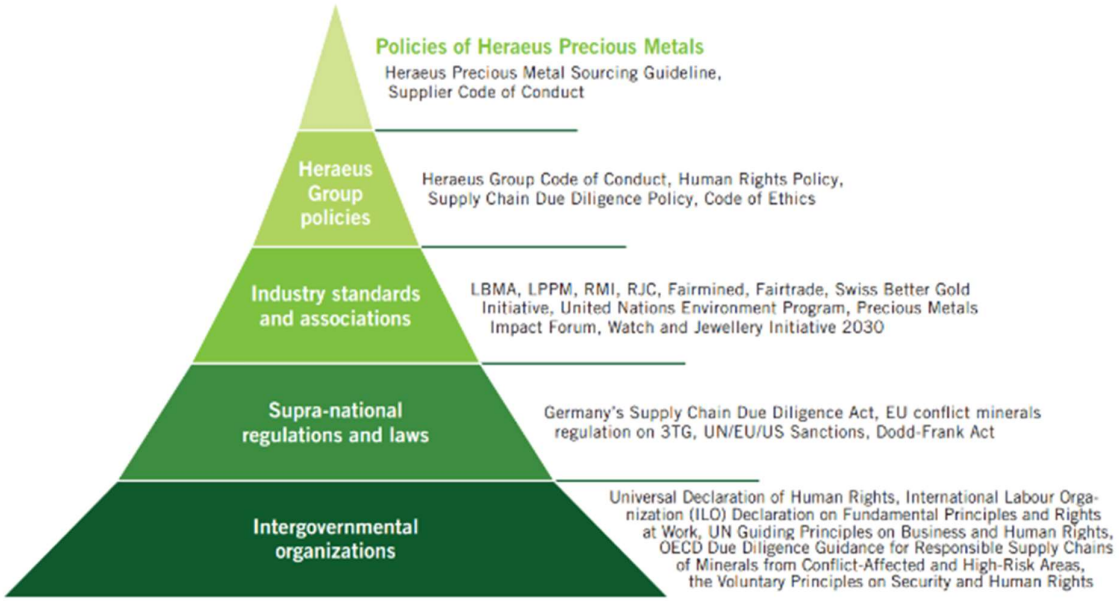
[1] 50 % - 50 % joint venture of Heraeus Precious Metals, Germany
[2] 100 % affiliate of Heraeus Precious Metals, Germany

Scheme 1: International standards for precious metals supply chain due diligence currently met by Heraeus

Choksi Heraeus & Heraeus Precious Metals' work and management system is design with respect to the following "standards"[3]:

- OECD for Economic Co-operation and Development (OECD)
  - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3rd edition, 2016
- Responsible Mineral initiative Guidance (RMI)
  - Responsible Minerals Assurance Process, Gold Refiner Standard, Version 7, February 2020
- London Bullion Market Association (LBMA)
  - Responsible Gold Guidance (RGG9); Version 9, November 2021
  - Responsible Silver Guidance, Version 2, November 2023
- London Platinum and Palladium Market (LPPM)
  - Responsible Platinum/Palladium Guidance, Version 4, November 2022
- Responsible Jewellery Council (RJC)
  - Code of Practices (COP) Version 1.3, June 2023
- Fairtrade
  - Fairtrade Standard, Version 1.2, November 2018

The system was developed in such a way that the prerequisites for the standards above and their appropriate guidelines[4], related to national and international laws and requirements.



[3] To simplify readability, the term "standards" is used in the remainder of the text, standing for the standards mentioned in Scheme 1

[4] Standards of organizations; current versions see Scheme 11

The following scheme 2 shows the Heraeus sites and their certification by the standards[4]:

Scheme 2: certifications by sites and precious metal

	LBMA		LPPM		RMI	RJC	Fairtrade
	Au	Ag	Pd	Pt	Au		
Udaipur - Choksi							
Udaipur - Ravindra							
Hanau							
Fanling							
Santa Fe Springs							
Nanjing							
Gqeberha							
Mendrisio							

Furthermore, the processes, guidelines and policies are applied to all precious metals mentioned above. While our system is designed to support all applicable standards, we apply a risk-based differentiated approach where necessary. This refers to specific material and metal risks, which may need a differentiated analysis depending on the metal in question. Choksi Heraeus' products and services include the refining of precious metals, as well as the production of a wide variety of functional materials containing Silver and much more. CHPL processes precious metals that come from three different sources:

- from Choksi Heraeus & Heraeus Precious Metals (HPM) own material (so called "loop business")
- from material already certified as "Good Delivery"
- from recycling material, such as returned material from industrial activity or old jewelry.

Since the annual demand for precious metals exceeds the capacity of primary production and the negative impact of primary mine material for the environment is huge, recycling becomes more and more important as alternative source.

Choksi Heraeus is continuously committed to creating sustainable and transparent value for all partners along the entire value chain.

National governments, international standards and industry associations are working on rules and regulations to ensure that the chain from the extraction of the raw material to the final business partner is responsible, sustainable, compliant with all legal requirements and in accordance with ethical standards. Choksi Heraeus is committed to continues so in the future within the scope of continuous improvement.

All standards[3] applicable to all the good delivery refiners, in addition to the measures to combat money laundering, terrorist financing and human rights abuses globally, have extended their scope to Environmental, Social and Governance (ESG) responsibilities.

Choksi Heraeus's commitments, including ESG aspects, are reflected in our policies published on the website:

- https://www.choksiheraeus.com/csr.html
- https://www.choksiheraeus.com/suspolicy.pdf

Summary of activities undertaken to demonstrate compliance:

This report includes information in particular on Choksi Heraeus and all HPM's (see table 1) refining sites worldwide. All systems, measures, and statements refer to Choksi Heraeus, HPM and their precious metals sourcing principles. Hence, the report also includes references to non-local Choksi Heraeus officers and committees, which provides an additional layer of compliance management systems.

This report represents a summary of measures, actions and processes in place at Choksi Heraeus to comply with guidances of the standards[4] and this one refers to LBMA London Bullion Market Association guidance.

1 Step 1: Company management systems

We have fully complied with Step 1: Established strong company management systems.

1.1 Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of precious metals?

Compliance Statement with Requirement:

Heraeus has a well-established company-wide policy regarding due diligence for the supply chain of Precious Metals, the Heraeus Supply Chain Due Diligence Policy. This policy also applies to Choksi Heraeus. In addition, CHPL has a local supply chain policy that applies only to CHPL. The CHPL Supply Chain Policy refers to the OECD Guidelines on Conflict Minerals.

Being a secondary extractor and refiner of precious metals from out of spent material received from various industries viz. Chemical, process chemistry, electrical, Photovoltaic which are mostly large enterprises. Before entering into an agreement with them, CHPL ensures that the source of the material is transparently available. We process only secondary material – and with one exception only from within India.

The Heraeus Supply Chain Due Diligence Policy is fully compliant with Annex II of the OECD Due Diligence Guidance as well as LBMA Responsible Silver Guidance. The document includes requirements on prevention of money- laundering and terrorist financing.

Regarding the latter, the policy sets out our full commitment to:

- Compliance with Applicable Law
- Prevention of Money Laundering
- Combating of financing terrorism
- Prohibition of Corruption and Bribery
- Fight human rights abuses associated with extraction, transportation, and trade of precious metals
- Prohibition of Child Labor
- Employee Health Safety
- Environmental Protection

Heraeus Supply chain due diligence policy, CHPL Supply Chain Policy as well as other relevant policies and processes, are approved, regularly reviewed, and updated, when required, by the Choksi Heraeus's senior management as well as by the Heraeus Precious Metals senior management and the respective committees. The latest version of Supply policy issued by Heraeus, can be found on the website in the download section

https://www.heraeus-precious-metals.com/en/responsibility/compliance

Policies on local India and Heraeus group level are made available on the respective websites:

- http://www.choksiheraeus.com/scp.pdf

With those policies, Choksi Heraeus emphasizes to reasonably ensure that the precious metals in its supply chain originate from legal and ethical sources, that the precious metals are not associated with "illegal actions"

like crimes, armed conflicts, or human rights abuses and that they will not be used for money laundering, financing terrorism, tax evasion, fraud, or any other crime.

1.2 Has the Refiner set up an internal management structure to support supply chain due diligence?

Choksi Heraeus has set up an internal management structure to support supply chain due diligence.

Comments and Demonstration of Compliance:

At Choksi Heraeus, we are committed to meeting the highest standards of the LBMA Responsible Silver Guidance. Below, we outline our measures to comply with these standards[4].

Internal Compliance Management System

An efficient internal compliance management system (CMS) is an integral part of Choksi Heraeus and HPM's world-wide overall management system. CHPL has allocated supply chain due diligence within its company-wide compliance management system with sufficient resources.

Within CHPL, the CMS has the task of identifying, evaluating, managing, and removing inherent compliance risks within the company. In principle, various internal risk categories can be defined as follows:

- Risk regarding legal and regulatory requirements
- Risk regarding regulations of trade and industry associations, professional and association rules, and guidelines
- Litigation risk
- Risk of financial losses (country risk, counterparty risk, business, and transaction risk)
- Reputational Risk

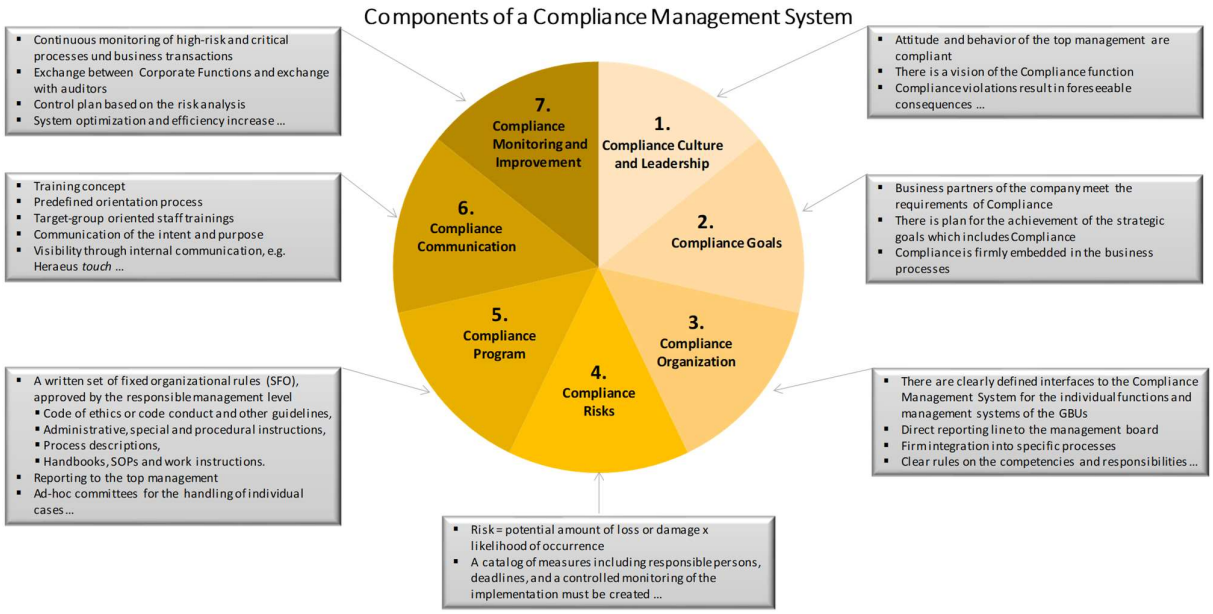


Figure 3: Components of the Choksi Heraeus and Heraeus[Fehler! Textmarke nicht definiert.] Compliance Management System

The CMS is therefore effective within Choksi- and Ravindra-Heraeus, Heraeus Precious Metals and Argor-Heraeus.

Structure of Choksi Heraeus's Internal CMS

An internal management system has been set up to define the governance, roles and responsibilities and communication as per the Heraeus Supply Chain Due Diligence Policy. The assigned local Compliance Officer designs and supervises the overall process. The Compliance Officer is supported by officers, who are responsible for implementing and enforcing these policies within our organization and further fine tuning the process with corresponding operating procedures. The Compliance Officer also performs the day-to-day KYBP checks. The Compliance Officer is assigned with the right competence and knowledge to manage the entire process.

Compliance Function

The management of the due diligence process is clearly defined. The CHPL compliance officer is assigned with the right competence and knowledge to take responsibility for the implementation of the supply chain due diligence processes and to report to the general management.

For the efficient implementation of the CMS at Choksi Heraeus, clear decision-making powers and reporting channels were defined. The system is based on three elements:

- Clear allocation of responsibilities
- Strict separation of competencies in compliance with the dual control principle
- A clear set of rules and transparent processes

Reporting channels and accountability for control and decision-making:

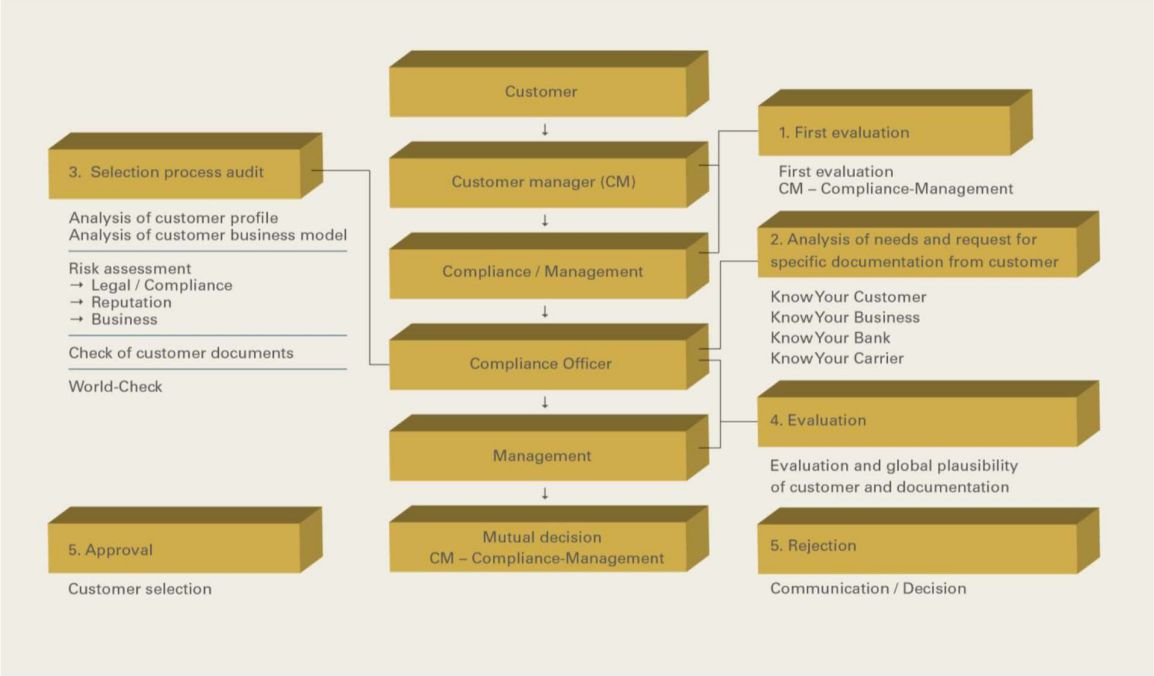


Figure 3: accountability for control and decision-making

The CHPL compliance officer is responsible for deciding on non-high-risk business relationships. The decision-making power over high-risk partners, in turn, lies with our management committees. The general management and its associated boards both locally (risk committee) and on group level (sourcing committee) review major decisions. At the same time the global compliance officer oversees local decisions continuously. Part of the committee meetings is also transparency and training to foster transparency for all senior committee members.

At least annually, Choksi Heraeus and HPM conducts internal training to all the relevant employees on anti-money laundering, responsible sourcing, and other pertinent topics.

In the year 2024-25 we trained in sum 12 employees for CHPL. The internal compliance management system is continuously subject to updates as per applicable legislation, regulations, and internal standards within the scope of continuous improvement. In 2024/2025 no breaches of the internal due diligence processes triggering internal sanctions have been noted.

In addition to this worldwide training, local compliance trainings were conducted at the different sites.

The internal compliance management system is continuously subject to updates as per applicable legislation, regulations, and internal standards within the scope of continuous improvement.

1.3 Has the Refiner established a strong internal system of due diligence, controls, and transparency over precious metal supply chain, including traceability and identification of other supply chain actors?

Choksi Heraeus has established a strong internal system of due diligence, controls, and transparency over precious metal supply chains, including traceability and identification of other supply chain actors.

CHPL's compliance function responsibility includes evaluation, monitoring and plausibility checks of existing and potential business relationships upstream and downstream, as well as checking the economic background of its business activities and, if necessary, also their partners along the value chain and to assess them.

Central elements of the evaluation process are:

- Identification and verification of the business partner, the acting persons, their partners, and suppliers (operating licenses, tax compliance, etc.)
- Determination and examination of the economic grounds as well as the shareholder and controlling person/s
- Determination and plausibility check of the intended business activity (assessment of economic sense, volume check)
- Determination and assessment of the origin of the material including respect of human rights, ESG factors and other relevant criteria as per the standard's guidance and other relevant standards

New business partners, except loop[5] business partners must adhere to our principles with regard to the responsible sourcing of our precious metal-bearing goods. They either accept our own supplier code of conduct or have published their own with equivalent regulations. We further sharpened-up our documentation requirements in our updated business partner check standard operating procedure (SOP) and have addressed that for the rating of new and existing business partners.

We are renewing our due diligence checks for all our suppliers in one, two- or three-years intervals based on the risk assessment we conducted in our KYBP system and the results are archived in a database. We maintain many long-standing relationships with most of our supplying partners which are typically well-known industry global players with similar due diligence requirements as Choksi Heraeus & HPM. Furthermore, there are numerous smaller business partners, like small jewelry manufactures.

As per the above summary, we have established a strong internal system of due diligence, controls, and transparency over Precious Metal supply chain, including traceability.

We have adopted a robust Precious Metals incoming receipts process: specific documents must be received, and transactional details entered before we process the precious metal-bearing material.

Particularly, within our traceability system, for each lot, based on the type of the material, we collect for example, the following information/documents:

- Type of material received.
- Weight and assay
- A unique reference number assigned to each input and output order.
- Date of arrival and date of assay finalization.

Each lot received is accurately registered in our transactional system. Specific controls are carried out before processing the material as outlined in our internal guidelines. All transactions are monitored within CHPL's ERP-System. CHPL organizes together with HPM regular training for the employees involved in the process to make sure the guidelines are followed and respected. Any form of non-conformity is unacceptable and must be reported, which proceeds with internal clarifications.

[5] Loop business: Choksi Heraeus – business partner – Choksi Heraeus

1.4 Has the Refiner strengthened company engagement with precious metal supplying counterparties, and where possible, assisted precious metals supplying counterparties in building due diligence capabilities?

Choksi Heraeus has strengthened its engagement with precious metals supplying counterparties.

In the reporting year, CHPL continued to be actively engaged with large business organizations both in the public sector and Private sector.

CHPL does not deal with mining companies or process any mining materials which are generally perceived to be from high- risk areas.

CHPL conduct audits of the partners which are used to share CHPL values and standards and to assess their alignment with the requirements stated in our supply chain guidelines, with special focus on Child labor, Human rights and ESG issues. No audits were conducted during the reporting period.

In principle, we expect all counterparties to adhere to OECD standards and submit respective assurance. Where visits are conducted by CHPL, documentation and agenda are at a minimum followed along the most recent versions of the LBMA questionnaires.

No such risk was identified during the reporting period.

1.5 Has the Refiner established a company-wide confidential grievance mechanism?

Choksi Heraeus has established, together with HPM, a company-wide grievance mechanism composed of various channels through which internal and external stakeholders can submit grievances and complaints. We promote broad-based employee participation and risk identification to management.

We have implemented a Grievance mechanism, which is accessible to any interested party, in person or anonymously, to voice concerns regarding the circumstances of precious metals extraction, trade, handling and export in a conflict-affected or high-risk area or any other issue. Besides the possibility to raise compliance violations through internal channels, CHPL is also offering employees and business partners the opportunity to voice concerns over any compliance violations anonymously. All reports can be made via phone, e-mail or post to Compliance Officer, Mrs. Bhanupriya Mehta Jain at bhanupriya.mehta@ravindraheraeus.com

In addition to this, CHPL did not receive grievances through the proposed reporting channels. Furthermore, we utilized the Heraeus Precious Metals grievance mechanism “SpeakUp”, publishes on the internal and external websites.

https://www.heraeus-group.com/en/corporate-responsibility/compliance/

However, no relevant grievance were raised to Choksi Heraeus in the reporting year 2024/25.

2 Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:

We have fully complied with Step 2: identify and assess risks in the supply chain.

2.1 Does the Refiner have a process to identify risks in the supply chain?

Choksi Heraeus has a process to identify risks in the supply chain.

We identify and assess risks in the supply chain. For every supplier, we have established a client database and allocated a risk profile according to our risk profile criteria. The process is a formal requirement before entering any business relationship with a supplying counterparty. Our due diligence process is carried out on a risk-oriented approach.

In particular, the time interval between checks on existing upstream business partners depends on whether the business partner is classified as high-risk, medium or a low-high risk. The frequency of the reviews is once a year for high-risk business partners, two years for medium-risk and every three years for low-risk ones.

Within our KYBP process, we use the Heraeus Precious Metals risk assessment technique to identify possible risks in our supply chain based on a set of criteria and external information sources. The Compliance Officer takes care of the risk assessments and continuous monitoring based on the information received internally or from the relevant tools. KYBP screening tools include different commercial and open sources.

2.2 How does the Refiner classify identified risks in light of the standards of its due diligence system?

Comments and Demonstrations of Compliance:

Choksi Heraeus performs its supply chain due diligence in line with all measures required by standards[3] and other applicable standards before entering into a business relationship with any precious metal counterparties. We constantly monitor all transactions which take place through the course of the entire business relationship, and we conduct appropriate scrutiny and monitoring of the counterparts on a regular basis. Identified risks that require further investigation are managed by applying a strong risk-based approach.

The criteria for high-risk business relationships and transactions are regularly reviewed and updated, when required. These are based mainly on the organisation[4]guidances. We use Internet search and commercial databases to verify the nature of our customers' business, including on-site visits, especially for smaller customers (proprietorship). Written confirmation from them is required to confirm adherence to our "Code of Conduct and material questionnaire for precious metals suppliers". No supplier risks were identified in the financial year 2024 / 2025 which would require a site visit.

Supply chain due diligence risk-based approach includes the risk categories based on the identification of the business partner, the industry the company is active in, on the origin of the material and on the country of origin. These include (non-exhaustive list): politically exposed persons; nationality, domicile of the business partner, banking details, ultimate beneficial owner, legal representatives in high-risk countries; complex structures; presence in international sanctions lists; location of the operations in the high-risk area; origin of the material from CAHRA, world heritage site, protected area; transportation of precious metals via CAHRA; human rights and ESG negative impacts including mercury use - which is not tolerated; artisanal small-scale mining; money-laundering and terrorism financing risks and other illegal actions.

High-risk assessment is performed by Compliance Officer with the use of external reliable sources and indexes such as Heidelberg barometer, FATF lists, SECO and International Sanctions lists, UNICEF workplace index; EU CAHRA List, Dodd Frank`s 1502, NGO reports, others. Supporting instruments are also platforms like Orbis, FACTIVA and RepRisk.

The following graphic summarizes the various sources and criteria (governance, human rights and conflicts) we use to define our own high risk country list (including conflict affect and high-risk areas), following the guidelines of the standards[3] Then enhanced “Know your business partner” (KYBP) check is necessary. Further tools have been implemented to monitor transactions for irregularities.

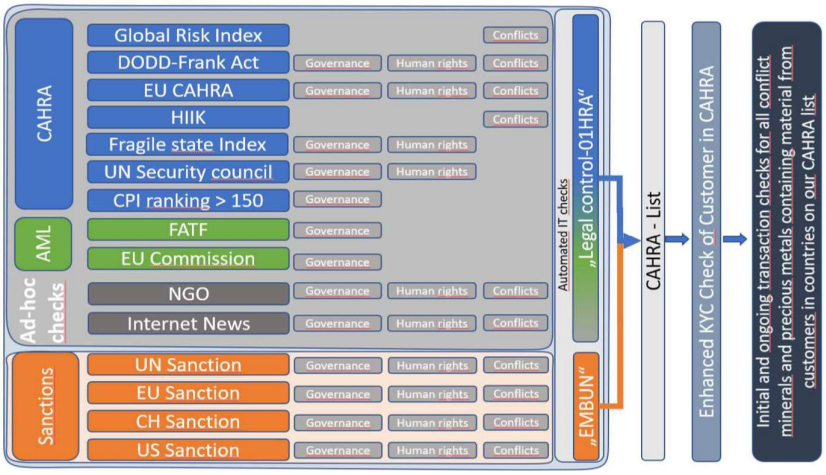


Figure 2: Process to define a high risk country

2.3 Has the Refiner undertaken EDD measures for identified high-risk supply chains?

Choksi Heraeus undertakes enhanced due diligence (EDD) measures based on the type of the precious metals bearing material. Such measures include (non-exhaustive list): identification of upstream high-risk supply chains risks individually and risk-based, until we can trace the material to a definitive form, requirement of compliance with environmental standards and with tax requirements, assessment of the nature of security services provided at a mine, assessment of due diligence processes at the recycling business partners. For such measures, we pay special attention to understanding any risk of human rights violations and of support to illegitimate non-state armed groups.

In our partnership we had no high-risk supplier, therefore we did not conduct any EDD measures in the financial year 2024/2025.

2.4 Does the Refiner report risk assessments to the designated manager?

Choksi Heraeus reports risk assessment to general management.

The Compliance Officer verifies the potential risks in line with requirements of the standards[4] as well as the OECD guidelines and the FATF-Rules. All new high-risk suppliers must be approved by HPM**Fehler! Textmarke nicht definiert.**s PMCE[6]. Quarterly an internal risk review is conducted, and its outcome presented to the Heraeus Precious Metals Sourcing Committee.

3 Step 3: Risk management

Compliance Statement with Requirement:

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

[6] PMCE: Heraeus Precious Metals Compliance Experts; responsible sourcing team and its management

3.1 Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade or (iii) disengagement from the risk?

Choksi Heraeus has adopted a process of screening of all business partners to identify risks in the supply chain. The screening allows us to manage risk through a rigorous risk assessment of all business partners and transactions through a regular re-assessment. In addition, identified risks are brought up from compliance or business or any other stakeholder to the Choksi Heraeus & Heraeus Sourcing Committee which after a careful analysis decides how to proceed and what kind of action and/ or measures must be taken.

For existing business partners, in case of identification of risks as per internal management strategies and processes, internal clarifications are performed. Based on their results, the business relationship will be terminated, suspended, continued with improvement plan, or continued regularly, if potential risks are not confirmed or are mitigated. In cases of known instances and founded suspicion it is mandatory to proceed with communication to the relevant authorities and standards.

Based on the results of the KYBP-screening, the following actions are taken to address the risk: (i) mitigation of the risk while continuing to trade,

(ii) mitigation of the risk while suspending trade or

(iii) disengagement from the risk, reporting accordingly.

3.2 Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.

Choksi Heraeus & Heraeus Precious Metals continuously cooperates with the relevant stakeholders including national, international authorities, associations, NGO's. Constructive and efficient cooperation is a necessary step to a transparent and responsible supply chain.

In India, bids are submitted for the materials. For this reason, an adequate inspection must be carried out beforehand, which must have a positive outcome. Transactions are released by the director of Choksi Heraeus.

4 Step 4: Arrange for an independent third-party audit of the supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 4: Arrange for an independent third-party assessment of the supply chain due diligence.

Comments and Demonstration of Compliance:

Choksi Heraeus engaged the services of the assurance provider PricewaterhouseCoopers GmbH, and their independent reasonable assurance report can be viewed as soon as available on:

https://www.choksiheraeus.com/rar.pdf

www.heraeus.com/en/hpm/responsibility/compliance_hpm/compliance.html

PwC has been chosen as a trusted, independent, and accredited global LBMA partner.

5 Step 5: Report on supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 5: Report on supply chain due diligence.

Further information and specific details of how Choksi Heraeus´s systems, procedures, processes, and controls have been implemented to align to the specific requirements have been set out in our supply chain policy, which is available on our company website.

Refiner's details	
Refiner's name	Choksi Heraeus Private Limited - CHPL
Location	A-195-196, F' Road, M.I.A. Madri, Udaipur 313003, India
Reporting year-end	April 01st 2024 – 31st March 2025
Date of Report	July 18th 2025
Senior management responsible for this report	Kishore Choksi, Managing Director, CHPL Kishore.choksi@choksiheraeus.com
Company website: www.choksiheraeus.com	

6 Management conclusion

6.1 Is the Refiner in compliance with the requirements of the LBMA Silver for the reporting period?

Yes, Choksi Heraeus is compliant with the requirements of the LBMA.

In conclusion, Choksi Heraeus implemented effective management systems, procedures, processes, and practices to conform to the requirements of the

- London Bullion Market Association (LBMA)
  - Responsible Silver Guidance, Version 2, November 2023

as explained above in the "Summary of the activities undertaken to demonstrate compliance", for the reporting year April 1st 2024 to 31st March 2025. Choksi Heraeus is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.

7 Other report comments

If users of this report wish to provide any feedback to Choksi Heraeus with respect to this report, they can contact corporate relations on the compliance officer Mrs. Bhanupriya Mehta Jain at bhanupriya.mehta@ravindraheraeus.com

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Ph.: 0294-6644222, Fax: 2491825
Email: info@choksiheraeus.com

Heraeus Precious Metals GmbH & Co. KG
Heraeusstrasse 12-14
63450 Hanau
GERMANY

Kishore Choksi
Managing director

Dr. Patrick Henritzi
Compliance Officer Heraeus Precious Metals

Note:
The "Refiners Data Collection, including Country of Origin" will be submitted through the official channel of LBMA GBI database.

Allgemeine Auftragsbedingungen

für
Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften

vom 1. Januar 2024

1. Geltungsbereich

(1) Die Auftragsbedingungen gelten für Verträge zwischen Wirtschaftsprüferinnen, Wirtschaftsprüfern oder Wirtschaftsprüfungsgesellschaften (im Nachstehenden zusammenfassend „Wirtschaftsprüfer“ genannt) und ihren Auftraggebern über Prüfungen, Steuerberatung, Beratungen in wirtschaftlichen Angelegenheiten und sonstige Aufträge, soweit nicht etwas anderes ausdrücklich in Textform vereinbart oder gesetzlich zwingend vorgeschrieben ist.

(2) Dritte können nur dann Ansprüche aus dem Vertrag zwischen Wirtschaftsprüfer und Auftraggeber herleiten, wenn dies vereinbart ist oder sich aus zwingenden gesetzlichen Regelungen ergibt. Im Hinblick auf solche Ansprüche gelten diese Auftragsbedingungen auch diesen Dritten gegenüber. Einreden und Einwendungen aus dem Vertragsverhältnis mit dem Auftraggeber stehen dem Wirtschaftsprüfer auch gegenüber Dritten zu.

2. Umfang und Ausführung des Auftrags

(1) Gegenstand des Auftrags ist die vereinbarte Leistung, nicht ein bestimmter wirtschaftlicher Erfolg. Der Auftrag wird nach den Grundsätzen ordnungsmäßiger Berufsausübung ausgeführt. Der Wirtschaftsprüfer übernimmt im Zusammenhang mit seinen Leistungen keine Aufgaben der Geschäftsführung. Der Wirtschaftsprüfer ist für die Nutzung oder Umsetzung der Ergebnisse seiner Leistungen nicht verantwortlich. Der Wirtschaftsprüfer ist berechtigt, sich zur Durchführung des Auftrags sachverständiger Personen zu bedienen.

(2) Die Berücksichtigung ausländischen Rechts bedarf – außer bei betriebswirtschaftlichen Prüfungen – der ausdrücklichen Vereinbarung in Textform.

(3) Ändert sich die Sach- oder Rechtslage nach Abgabe der abschließenden beruflichen Äußerung, so ist der Wirtschaftsprüfer nicht verpflichtet, den Auftraggeber auf Änderungen oder sich daraus ergebende Folgerungen hinzuweisen.

3. Mitwirkungspflichten des Auftraggebers

(1) Der Auftraggeber hat dafür zu sorgen, dass dem Wirtschaftsprüfer alle für die Ausführung des Auftrags notwendigen Unterlagen und weiteren Informationen rechtzeitig übermittelt werden und ihm von allen Vorgängen und Umständen Kenntnis gegeben wird, die für die Ausführung des Auftrags von Bedeutung sein können. Dies gilt auch für die Unterlagen und weiteren Informationen, Vorgänge und Umstände, die erst während der Tätigkeit des Wirtschaftsprüfers bekannt werden. Der Auftraggeber wird dem Wirtschaftsprüfer geeignete Auskunftspersonen benennen.

(2) Auf Verlangen des Wirtschaftsprüfers hat der Auftraggeber die Vollständigkeit der vorgelegten Unterlagen und der weiteren Informationen sowie der gegebenen Auskünfte und Erklärungen in einer vom Wirtschaftsprüfer formulierten Erklärung in gesetzlicher Schriftform oder einer sonstigen vom Wirtschaftsprüfer bestimmten Form zu bestätigen.

4. Sicherung der Unabhängigkeit

(1) Der Auftraggeber hat alles zu unterlassen, was die Unabhängigkeit der Mitarbeiter des Wirtschaftsprüfers gefährdet. Dies gilt für die Dauer des Auftragsverhältnisses insbesondere für Angebote auf Anstellung oder Übernahme von Organfunktionen und für Angebote, Aufträge auf eigene Rechnung zu übernehmen.

(2) Sollte die Durchführung des Auftrags die Unabhängigkeit des Wirtschaftsprüfers, die der mit ihm verbundenen Unternehmen, seiner Netzwerkunternehmen oder solcher mit ihm assoziierten Unternehmen, auf die die Unabhängigkeitsvorschriften in gleicher Weise Anwendung finden wie auf den Wirtschaftsprüfer, in anderen Auftragsverhältnissen beeinträchtigen, ist der Wirtschaftsprüfer zur außerordentlichen Kündigung des Auftrags berechtigt.

5. Berichterstattung und mündliche Auskünfte

Soweit der Wirtschaftsprüfer Ergebnisse im Rahmen der Bearbeitung des Auftrags in gesetzlicher Schriftform oder Textform darzustellen hat, ist allein diese Darstellung maßgebend. Entwürfe solcher Darstellungen sind unverbindlich. Sofern nicht anders gesetzlich vorgesehen oder vertraglich vereinbart, sind mündliche Erklärungen und Auskünfte des Wirtschaftsprüfers nur dann verbindlich, wenn sie in Textform bestätigt werden. Erklärungen und Auskünfte des Wirtschaftsprüfers außerhalb des erteilten Auftrags sind stets unverbindlich.

6. Weitergabe einer beruflichen Äußerung des Wirtschaftsprüfers

(1) Die Weitergabe beruflicher Äußerungen des Wirtschaftsprüfers (Arbeitsergebnisse oder Auszüge von Arbeitsergebnissen – sei es im Entwurf oder in der Endfassung) oder die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber an einen Dritten bedarf der in Textform erteilten Zustimmung des Wirtschaftsprüfers, es sei denn, der Auftraggeber ist zur Weitergabe oder Information aufgrund eines Gesetzes oder einer behördlichen Anordnung verpflichtet.

(2) Die Verwendung beruflicher Äußerungen des Wirtschaftsprüfers und die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber zu Werbezwecken durch den Auftraggeber sind unzulässig.

7. Mängelbeseitigung

(1) Bei etwaigen Mängeln hat der Auftraggeber Anspruch auf Nacherfüllung durch den Wirtschaftsprüfer. Nur bei Fehlschlagen, Unterlassen bzw. unberechtigter Verweigerung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung kann er die Vergütung mindern oder vom Vertrag zurücktreten; ist der Auftrag nicht von einem Verbraucher erteilt worden, so kann der Auftraggeber wegen eines Mangels nur dann vom Vertrag zurücktreten, wenn die erbrachte Leistung wegen Fehlschlagens, Unterlassung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung für ihn ohne Interesse ist. Soweit darüber hinaus Schadensersatzansprüche bestehen, gilt Nr. 9.

(2) Ein Nacherfüllungsanspruch aus Abs. 1 muss vom Auftraggeber unverzüglich in Textform geltend gemacht werden. Nacherfüllungsansprüche nach Abs. 1, die nicht auf einer vorsätzlichen Handlung beruhen, verjähren nach Ablauf eines Jahres ab dem gesetzlichen Verjährungsbeginn.

(3) Offenbare Unrichtigkeiten, wie z.B. Schreibfehler, Rechenfehler und formelle Mängel, die in einer beruflichen Äußerung (Bericht, Gutachten und dgl.) des Wirtschaftsprüfers enthalten sind, können jederzeit vom Wirtschaftsprüfer auch Dritten gegenüber berichtigt werden. Unrichtigkeiten, die geeignet sind, in der beruflichen Äußerung des Wirtschaftsprüfers enthaltene Ergebnisse infrage zu stellen, berechtigen diesen, die Äußerung auch Dritten gegenüber zurückzunehmen. In den vorgenannten Fällen ist der Auftraggeber vom Wirtschaftsprüfer tunlichst vorher zu hören.

8. Schweigepflicht gegenüber Dritten, Datenschutz

(1) Der Wirtschaftsprüfer ist nach Maßgabe der Gesetze (§ 323 Abs. 1 HGB, § 43 WPO, § 203 StGB) verpflichtet, über Tatsachen und Umstände, die ihm bei seiner Berufstätigkeit anvertraut oder bekannt werden, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn von dieser Schweigepflicht entbindet.

(2) Der Wirtschaftsprüfer wird bei der Verarbeitung von personenbezogenen Daten die nationalen und europarechtlichen Regelungen zum Datenschutz beachten.

9. Haftung

(1) Für gesetzlich vorgeschriebene Leistungen des Wirtschaftsprüfers, insbesondere Prüfungen, gelten die jeweils anzuwendenden gesetzlichen Haftungsbeschränkungen, insbesondere die Haftungsbeschränkung des § 323 Abs. 2 HGB.

(2) Sofern weder eine gesetzliche Haftungsbeschränkung Anwendung findet noch eine einzelvertragliche Haftungsbeschränkung besteht, ist der Anspruch des Auftraggebers aus dem zwischen ihm und dem Wirtschaftsprüfer bestehenden Vertragsverhältnis auf Ersatz eines fahrlässig verursachten Schadens, mit Ausnahme von Schäden aus der Verletzung von Leben, Körper und Gesundheit sowie von Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen, gemäß § 54a Abs. 1 Nr. 2 WPO auf 4 Mio. € beschränkt. Gleiches gilt für Ansprüche, die Dritte aus oder im Zusammenhang mit dem Vertragsverhältnis gegenüber dem Wirtschaftsprüfer geltend machen.

Alle Rechte vorbehalten. Ohne Genehmigung des Verlages ist es nicht gestattet, die Vordrucke ganz oder teilweise nachzudrucken bzw. auf fotomechanischem oder elektronischem Wege zu vervielfältigen und/oder zu verbreiten.
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(3) Leiten mehrere Anspruchsteller aus dem mit dem Wirtschaftsprüfer bestehenden Vertragsverhältnis Ansprüche aus einer fahrlässigen Pflichtverletzung des Wirtschaftsprüfers her, gilt der in Abs. 2 genannte Höchstbetrag für die betreffenden Ansprüche aller Anspruchsteller insgesamt.

(4) Der Höchstbetrag nach Abs. 2 bezieht sich auf einen einzelnen Schadensfall. Ein einzelner Schadensfall ist auch bezüglich eines aus mehreren Pflichtverletzungen stammenden einheitlichen Schadens gegeben. Der einzelne Schadensfall umfasst sämtliche Folgen einer Pflichtverletzung ohne Rücksicht darauf, ob Schäden in einem oder in mehreren aufeinanderfolgenden Jahren entstanden sind. Dabei gilt mehrfaches auf gleicher oder gleichartiger Fehlerquelle beruhendes Tun oder Unterlassen als einheitliche Pflichtverletzung, wenn die betreffenden Angelegenheiten miteinander in rechtlichem oder wirtschaftlichem Zusammenhang stehen. In diesem Fall kann der Wirtschaftsprüfer nur bis zur Höhe von 5 Mio. € in Anspruch genommen werden.

(5) Ein Schadensersatzanspruch erlischt, wenn nicht innerhalb von sechs Monaten nach der in Textform erklärten Ablehnung der Ersatzleistung Klage erhoben wird und der Auftraggeber auf diese Folge hingewiesen wurde. Dies gilt nicht für Schadensersatzansprüche, die auf vorsätzliches Verhalten zurückzuführen sind, sowie bei einer schuldhaften Verletzung von Leben, Körper oder Gesundheit sowie bei Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen. Das Recht, die Einrede der Verjährung geltend zu machen, bleibt unberührt.

(6) § 323 HGB bleibt von den Regelungen in Abs. 2 bis 5 unberührt.

10. Ergänzende Bestimmungen für Prüfungsaufträge

(1) Ändert der Auftraggeber nachträglich den durch den Wirtschaftsprüfer geprüften und mit einem Bestätigungsvermerk versehenen Abschluss oder Lagebericht, darf er diesen Bestätigungsvermerk nicht weiterverwenden.

Hat der Wirtschaftsprüfer einen Bestätigungsvermerk nicht erteilt, so ist ein Hinweis auf die durch den Wirtschaftsprüfer durchgeführte Prüfung im Lagebericht oder an anderer für die Öffentlichkeit bestimmter Stelle nur mit in gesetzlicher Schriftform erteilter Einwilligung des Wirtschaftsprüfers und mit dem von ihm genehmigten Wortlaut zulässig.

(2) Widerruft der Wirtschaftsprüfer den Bestätigungsvermerk, so darf der Bestätigungsvermerk nicht weiterverwendet werden. Hat der Auftraggeber den Bestätigungsvermerk bereits verwendet, so hat er auf Verlangen des Wirtschaftsprüfers den Widerruf bekanntzugeben.

(3) Der Auftraggeber hat Anspruch auf fünf Berichtsausfertigungen. Weitere Ausfertigungen werden besonders in Rechnung gestellt.

11. Ergänzende Bestimmungen für Hilfeleistung in Steuersachen

(1) Der Wirtschaftsprüfer ist berechtigt, sowohl bei der Beratung in steuerlichen Einzelfragen als auch im Falle der Dauerberatung die vom Auftraggeber genannten Tatsachen, insbesondere Zahlenangaben, als richtig und vollständig zugrunde zu legen; dies gilt auch für Buchführungsaufträge. Er hat jedoch den Auftraggeber auf von ihm festgestellte wesentliche Unrichtigkeiten hinzuweisen.

(2) Der Steuerberatungsauftrag umfasst nicht die zur Wahrung von Fristen erforderlichen Handlungen, es sei denn, dass der Wirtschaftsprüfer hierzu ausdrücklich den Auftrag übernommen hat. In diesem Fall hat der Auftraggeber dem Wirtschaftsprüfer alle für die Wahrung von Fristen wesentlichen Unterlagen, insbesondere Steuerbescheide, so rechtzeitig vorzulegen, dass dem Wirtschaftsprüfer eine angemessene Bearbeitungszeit zur Verfügung steht.

(3) Mangels einer anderweitigen Vereinbarung in Textform umfasst die laufende Steuerberatung folgende, in die Vertragsdauer fallenden Tätigkeiten:

a) Ausarbeitung und elektronische Übermittlung der Jahressteuererklärungen, einschließlich E-Bilanzen, für die Einkommensteuer, Körperschaftsteuer und Gewerbesteuer, und zwar auf Grund der vom Auftraggeber vorzulegenden Jahresabschlüsse und sonstiger für die Besteuerung erforderlichen Aufstellungen und Nachweise
b) Nachprüfung von Steuerbescheiden zu den unter a) genannten Steuern
c) Verhandlungen mit den Finanzbehörden im Zusammenhang mit den unter a) und b) genannten Erklärungen und Bescheiden
d) Mitwirkung bei Betriebsprüfungen und Auswertung der Ergebnisse von Betriebsprüfungen hinsichtlich der unter a) genannten Steuern
e) Mitwirkung in Einspruchs- und Beschwerdeverfahren hinsichtlich der unter a) genannten Steuern.

Der Wirtschaftsprüfer berücksichtigt bei den vorgenannten Aufgaben die wesentliche veröffentlichte Rechtsprechung und Verwaltungsauffassung.

(4) Erhält der Wirtschaftsprüfer für die laufende Steuerberatung ein Pauschalhonorar, so sind mangels anderweitiger Vereinbarungen in Textform die unter Abs. 3 Buchst. d) und e) genannten Tätigkeiten gesondert zu honorieren.

(5) Sofern der Wirtschaftsprüfer auch Steuerberater ist und die Steuerberatervergütungsverordnung für die Bemessung der Vergütung anzuwenden ist, kann eine höhere oder niedrigere als die gesetzliche Vergütung in Textform vereinbart werden.

(6) Die Bearbeitung besonderer Einzelfragen der Einkommensteuer, Körperschaftsteuer, Gewerbesteuer und Einheitsbewertung sowie aller Fragen der Umsatzsteuer, Lohnsteuer, sonstigen Steuern und Abgaben erfolgt auf Grund eines besonderen Auftrags. Dies gilt auch für

a) die Bearbeitung einmalig anfallender Steuerangelegenheiten, z.B. auf dem Gebiet der Erbschaftsteuer und Grunderwerbsteuer,
b) die Mitwirkung und Vertretung in Verfahren vor den Gerichten der Finanz- und der Verwaltungsgerichtsbarkeit sowie in Steuerstrafsachen,
c) die beratende und gutachtliche Tätigkeit im Zusammenhang mit Umwandlungen, Kapitalerhöhung und -herabsetzung, Sanierung, Eintritt und Ausscheiden eines Gesellschafters, Betriebsveräußerung, Liquidation und dergleichen und
d) die Unterstützung bei der Erfüllung von Anzeige- und Dokumentationspflichten.

(7) Soweit auch die Ausarbeitung der Umsatzsteuerjahreserklärung als zusätzliche Tätigkeit übernommen wird, gehört dazu nicht die Überprüfung etwaiger besonderer buchmäßiger Voraussetzungen sowie die Frage, ob alle in Betracht kommenden umsatzsteuerrechtlichen Vergünstigungen wahrgenommen worden sind. Eine Gewähr für die vollständige Erfassung der Unterlagen zur Geltendmachung des Vorsteuerabzugs wird nicht übernommen.

12. Elektronische Kommunikation

Die Kommunikation zwischen dem Wirtschaftsprüfer und dem Auftraggeber kann auch per E-Mail erfolgen. Soweit der Auftraggeber eine Kommunikation per E-Mail nicht wünscht oder besondere Sicherheitsanforderungen stellt, wie etwa die Verschlüsselung von E-Mails, wird der Auftraggeber den Wirtschaftsprüfer entsprechend in Textform informieren.

13. Vergütung

(1) Der Wirtschaftsprüfer hat neben seiner Gebühren- oder Honorarforderung Anspruch auf Erstattung seiner Auslagen; die Umsatzsteuer wird zusätzlich berechnet. Er kann angemessene Vorschüsse auf Vergütung und Auslagenersatz verlangen und die Auslieferung seiner Leistung von der vollen Befriedigung seiner Ansprüche abhängig machen. Mehrere Auftraggeber haften als Gesamtschuldner.

(2) Ist der Auftraggeber kein Verbraucher, so ist eine Aufrechnung gegen Forderungen des Wirtschaftsprüfers auf Vergütung und Auslagenersatz nur mit unbestrittenen oder rechtskräftig festgestellten Forderungen zulässig.

14. Streitschlichtungen

Der Wirtschaftsprüfer ist nicht bereit, an Streitbeilegungsverfahren vor einer Verbraucherschlichtungsstelle im Sinne des § 2 des Verbraucherstreitbeilegungsgesetzes teilzunehmen.

15. Anzuwendendes Recht

Für den Auftrag, seine Durchführung und die sich hieraus ergebenden Ansprüche gilt nur deutsches Recht.

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[Translator's notes are in square brackets]

General Engagement Terms

for
Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/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 (Textform) 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 agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to 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 ordnungsmäßiger 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 agreement in writing (Textform).

(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 submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined 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 a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). 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 consent be issued in writing (Textform), 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 subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance 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. Misstatements 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], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided 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, claims for damages due to negligence arising out of the contractual relationship between the

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engaging party and the German Public Auditor, 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], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) 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.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages 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.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of 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.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

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 (Bestätigungsvermerk), 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 consent, issued in a legally accepted written form (gesetzliche Schriftform), 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; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material 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 (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, 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
b) examination of tax assessments in relation to the taxes referred to in (a)
c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
e) 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 (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) 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 and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
c) 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
d) 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 compilation 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 (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

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

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