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# ***Independent Practitioner's Reasonable Assurance Report***

Heraeus Precious Metals GmbH & Co. KG  
Hanau

Reasonable assurance engagement on the LBMA Refiner's Compliance Report of Heraeus Limited, Hong Kong (China) for the period 1 January 2025 to 31 December 2025

Engagement: DEE00173462.1.1



## **Independent Practitioner’s Reasonable Assurance Report**

To Heraeus Precious Metals GmbH & Co. KG, Hanau (Germany)

We have been engaged to perform a reasonable assurance engagement on the accompanying Refiner's Compliance Report prepared by Heraeus Precious Metals GmbH & Co. KG, Hanau (Germany), (“Heraeus Deutschland”) for the business group Heraeus Limited, Hong Kong (China), (the "Refiner"), for the period 1 January 2025 to 31 December 2025 (the "Refiner's Compliance Report”).

### **Management’s Responsibility for the Refiner’s Compliance Report**

The Management of Heraeus Deutschland is responsible for the preparation and presentation of the Refiner’s Compliance Report in accordance with the LBMA Responsible Gold Guidance (version 9) as of November 2021 and the LBMA Responsible Silver Guidance (version 2) as of November 2023 (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 Guidance 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 German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer“: “BS WP/vBP”) as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis - IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

### **Practitioner’s Responsibility**

Our responsibility is to express a reasonable 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). "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB 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 reasonable assurance whether the Refiner's Compliance Report, prepared by the Refiner for the period 1 January 2025 to 31 December 2025 complies in all material respects with the Guidances.

A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence whether the Refiner's Compliance Report is prepared in accordance with the Guidances. 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 Guidances. Within the scope of our work, we performed primarily on a test basis amongst others the following procedures:

- Interviews with the precious metals compliance officer and compliance experts in charge of the preparation of the Refiner's Compliance Report;
- Inspection of relevant corporate guidelines and local documents describing the management systems for due diligence and the 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 and gold;
- Performance of site visit at the Refiner's location in Hong Kong (China) for the inspection of relevant systems, processes and controls, featuring a physical tour of the production site covering materials receipt and batch processing across production, as well as process walkthroughs for a sample of business partners;
- Evaluation of the consistency of the statements provided in the Refiner's Compliance Report with the findings obtained during our engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **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**

In our opinion, the Refiner's Compliance Report complies in all material respects with the LBMA Responsible Gold Guidance (version 9) as of November 2021 and the LBMA Responsible Silver Guidance (version 2) as of November 2023.

## **Restriction on Use**

Our report is issued to the Heraeus Deutschland. The accompanying Refiner's Compliance Report has been prepared for specific purposes of the Refiner and may not be suitable for other purposes. Accordingly, the audit of the Refiner's Compliance Report has been performed for purposes of Heraeus Deutschland and the assurance report is solely intended to inform Heraeus Deutschland about the results of the audit. The assurance report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

## **General Terms of Engagement**

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.

Cologne, 30 March 2026

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Theres Schäfer  
Wirtschaftsprüferin  
(German Public Auditor)

ppa. Isabel Urrutia

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## ***Appendices***

## Table of Appendices

- I. Heraeus Limited, Hong Kong (China) LBMA Compliance Report 2025

General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer  
and Wirtschaftsprüfungsgesellschaften dated January 1, 2024



## Compliance Report – Financial Year 2025

*Annual Compliance Report in accordance with LBMA Responsible Sourcing Programme*

### Heraeus Limited

*Reporting Period:*

01 January 2025 – 31 December 2025

*Standard:*

London Bullion Market Association (LBMA)

Responsible Gold Guidance 9, November 2021

Responsible Silver Guidance 2, November 2023

### Contents

<b>Introduction</b> .....	<b>2</b>
<b>1 Step 1: Company Management Systems</b> .....	<b>5</b>
1.1 Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of gold and/or silver? .....	5
1.2 Has the Refiner set up an internal management structure to support supply chain due diligence? .....	6
1.3 Has the Refiner established a traceability system over gold and/or silver supply chains, including chain of custody mapping and identification of supply chain actors? .....	8
1.4 Has the Refiner strengthened company engagement with gold and/or silver supplying counterparties, and, where possible, assisted gold and/or silver supplying counterparties in building due diligence capabilities? .....	9
1.5 Has the Refiner established a company-wide confidential grievance mechanism? .....	10
<b>2 Step 2: Risk Identification and Assessment</b> .....	<b>11</b>
2.1 Does the Refiner have a due diligence process to identify risks in the supply chain? .....	11
2.2 How does the Refiner classify identified risks in light of the standards of its due diligence system? .....	12
2.3 Has the Refiner undertaken Enhanced Due Diligence (EDD) measures for identified high-risk supply chains? .....	14
<b>3 Step 3: Risk Management</b> .....	<b>16</b>
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? .....	16
<b>4 Step 4: Independent Third-Party Assurance</b> .....	<b>18</b>
<b>5 Management Conclusion</b> .....	<b>19</b>
<b>6 Additional Notes and Sign-Off</b> .....	<b>19</b>

Refiner's details	
Refiner's name	Heraeus Limited
Location	Heraeus Technology Centre On Lok Tsuen, 30 On Chuen Street, Fanling, New Territories, Hong Kong SAR, China
Reporting year end	01 January 2025 – 31 December 2025
Date of Report	30 March 2026
Senior management responsible for this report	Patrick Hentritzi Email: Patrick.Hentritzi@heraeus.com
Company website	<a href="https://www.heraeus-precious-metals.com/en/responsibility/compliance/">https://www.heraeus-precious-metals.com/en/responsibility/compliance/</a>  <i>The Refiner's Supply Chain Due Diligence Policy is publicly available on the company website at the above link</i>

### Disclaimer

This Compliance Report has been prepared in accordance with the LBMA Responsible Gold Guidance (Version 9, November 2021) and the LBMA Responsible Silver Guidance (Version 2, November 2023). It covers the gold and silver supply chain due diligence of Heraeus Limited (Hong Kong) for the period 01 January 2025 to 31 December 2025 and does not constitute a general corporate sustainability report.

### Introduction

Heraeus Precious Metals (HPM), a key division of the Heraeus Group, is recognized as a global leader in the precious metals industry. Headquartered in Hanau, Germany, the Heraeus Group operates worldwide with expertise in precious metals, medical technology, sensors, and specialty materials. Within this structure, HPM focuses on refining, trading, and recycling of precious metals, including gold, silver, and platinum group metals (PGMs<sup>1</sup>).

Our commitment to responsible sourcing is embedded within Heraeus Limited (HLH) and aligned with internationally recognized standards<sup>2</sup>, including:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- LBMA Responsible Gold and Silver Guidance
- LPPM Responsible Platinum and Palladium Guidance
- Responsible Jewellery Council (RJC) Code of Practices
- Responsible Minerals Initiative (RMI)
- Fairtrade Standard for Precious Metals

Heraeus Precious Metals operates multiple refining facilities worldwide. Table 1 provides an overview of our global footprint:

<sup>1</sup> PGMs include platinum, palladium, rhodium, ruthenium, iridium, and osmium

























<sup>2</sup> Refers to the most recent versions of the respective international standards and framework documents

**Table 1: Heraeus Precious Metals – Worldwide Refining Sites**

Entity	Location
Heraeus Precious Metals GmbH & Co. KG	Hanau, Germany
Heraeus Limited	Fanling, Hong Kong
Heraeus Precious Metals North America	Santa Fe Springs, USA
Heraeus Precious Metals Technologie (China) Co., Ltd	Nanjing, China
Heraeus PGM SA (Pty) Ltd	Gqeberha, South Africa
Argor-Heraeus SA <sup>3</sup>	Mendrisio, Switzerland
Choksi Heraeus Private Ltd. <sup>4</sup>	Udaipur, India
Ravindra Heraeus Private Ltd. <sup>4</sup>	Udaipur, India

To illustrate the certifications held by each site and applicable precious metals, Table 2 provides an overview:

**Table 2: Certifications by Site and Precious Metal**

Site	LBMA		LPPM		RMI	RJC	Fairtrade
	Au	Ag	Pd	Pt	Au		
Heraeus Precious Metals GmbH & Co. KG							
Heraeus Limited							
Heraeus Precious Metals North America							
Heraeus Precious Metals Technologie (China) Co., Ltd							
Heraeus PGM SA (Pty) Ltd							
Argor-Heraeus SA							
Choksi Heraeus Private Ltd.							
Ravindra Heraeus Private Ltd.							

The governance and management system is designed to ensure compliance with these standards and is supported by robust due diligence, traceability, and risk management processes. These measures apply to all precious metals processed, including gold, silver, platinum, palladium, rhodium, ruthenium, iridium and osmium.

Heraeus Precious Metals processes materials from different sources, such as:

- Material already certified as “Good Delivery”
- Recycled material, including returned material from industrial activities or old/scrap jewelry
- Primary mine material and by-products from primary mining

Highly industrialized mines are significant cooperation partners for Heraeus. Given the growing demand for precious metals and the environmental impact of primary mining, recycling has become increasingly important as an alternative source. Recycled material includes, among others, industrial returns, obsolete jewelry, and post-consumer precious metals such as spent catalysts and metal alloys.

<sup>3</sup> Wholly owned affiliate of Heraeus Precious Metals

<sup>4</sup> 50:50 joint venture with Heraeus Precious Metals

Heraeus Precious Metals is committed to creating sustainable and transparent value for all partners along the entire value chain. National governments, international standards, and industry associations are working to ensure that the supply chain, from raw material extraction to final business partner, is responsible, sustainable, and compliant with legal and ethical requirements. Heraeus Precious Metals actively supports these efforts and continuously improves its processes in line with global best practices.

Heraeus Precious Metals commitments, including Environmental, Social, and Governance (ESG) aspects, are reflected in publicly available policies and documents published on our website. More information can be accessed at:

<https://www.heraeus-precious-metals.com/en/responsibility/precious-to-us/>

### Scope of Report and Compliance Activities

This report specifically covers Heraeus Limited (HLH), located in Hong Kong. Heraeus Limited is a long-established member of the Heraeus Group and a key precious metals facility in the Asia-Pacific region. Since its establishment in 1974, HLH has operated a refinery and a precious metal manufacturing facility at the Heraeus Technology Centre in Fanling, New Territories, supporting the refining, trading, manufacturing, and marketing of precious metals.

HLH serves a broad business partner base, including jewelry manufacturers, industrial clients, mining partners, and trading partners, reflecting the site's strong integration into regional and global precious metals supply chains.

In line with the LBMA Responsible Gold Guidance (Version 9, November 2021) and the LBMA Responsible Silver Guidance (Version 2, November 2023), the scope of this report includes the due diligence and compliance activities conducted for the refining activities within the scope of this report to ensure adherence to internationally recognized standards.

HLH processes both secondary (recycled) and primary (mined) materials:

- Recycled materials: Primarily used jewelry, various scrap materials (including electronic scrap (e-scrap) and industrial residues), and occasionally pre-melted recycled inputs.
- Primary materials: Direct supplies of mined material from established mining partners.

All materials processed by HLH, whether recycled or primary, are subject to the company's responsible sourcing framework, including enhanced due diligence, risk assessments, and ongoing monitoring, ensuring full conformance with LBMA requirements throughout the reporting period.

## 1 Step 1: Company Management Systems

### Compliance Statement with Requirement:

Heraeus Limited (HLH) has fully complied with Step 1: Establish Strong Company Management Systems

#### 1.1 Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of gold and/or silver?

Yes, Heraeus Limited (HLH) has adopted a supply chain policy regarding due diligence for supply chains of gold and silver.

HLH applies the Heraeus Supply Chain Due Diligence Policy (Version 10/2024). This policy governs the responsible sourcing of all materials and services procured across the Heraeus Group. It explicitly applies to all Heraeus legal entities and companies, including HLH. At the Hong Kong refinery, this includes the responsible sourcing of gold, silver, and platinum group metals. The company structure and global footprint are outlined in the introduction section of this report.

The Supply Chain Due Diligence Policy is aligned with

- the LBMA Responsible Gold Guidance (Version 9, November 2021),
- the LBMA Responsible Silver Guidance (Version 2, November 2023),
- the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas,
- and other internationally recognized responsible sourcing standards.

The Supply Chain Due Diligence Policy addresses all OECD Annex II risks, including:

- Human rights violations and child labor
- Money laundering and financing of terrorism
- Corruption and bribery
- Environmental protection and health & safety
- Fraudulent misrepresentation of origin

The Supply Chain Due Diligence Policy was approved by the Board of Managing Directors of Heraeus Holding GmbH and last updated in October 2024. While reviews have historically been conducted as needed, Heraeus will perform and document an annual policy review starting in 2026 to ensure continuous improvement.

Heraeus integrates environmental, social and governance (ESG) considerations into its overall due diligence approach as outlined in the Supply Chain Due Diligence Policy. The Policy defines the company's sustainability expectations and responsible sourcing commitments.

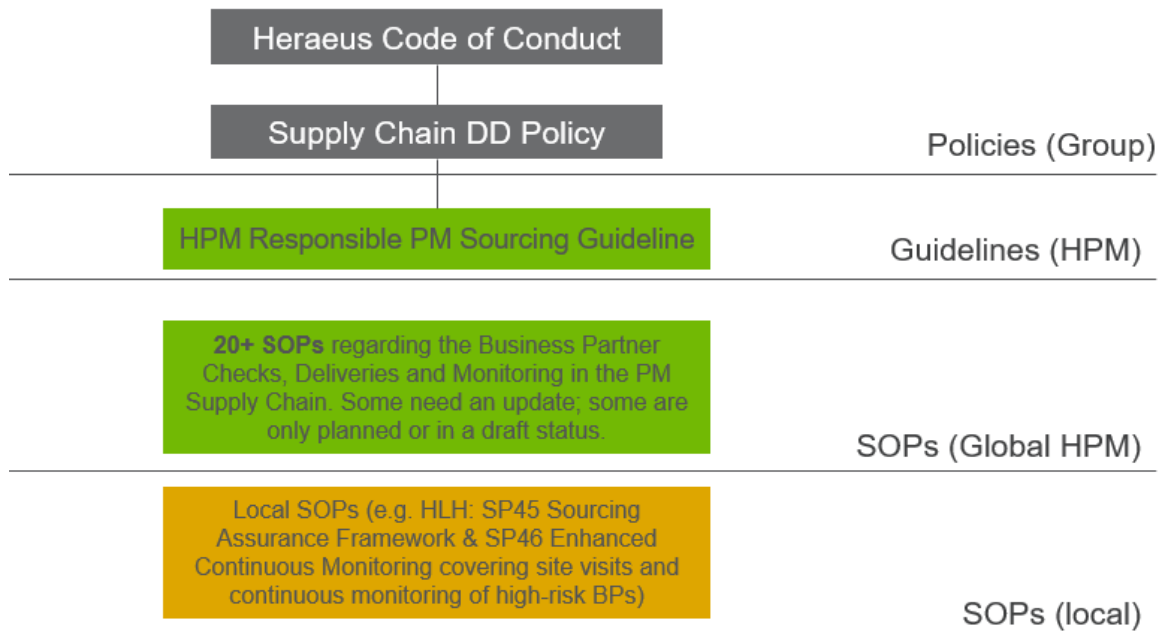
The Supply Chain Due Diligence Policy is publicly available on the Heraeus website and communicated internally via the Heraeus intranet platform Heraeus Touch.

The direct link to the Supply Chain Due Diligence Policy (Version 10/2024) can be accessed here:

<https://www.heraeus-group.com/dam/jcr:526bc9fb-0853-4257-a53d-15c09bef4dc0/2410-supply-chain-due-diligence-policy-en.pdf>

**Integration into Document Management System:**

The Supply Chain Due Diligence Policy is embedded within the Heraeus document management system. This system ensures alignment between group level policies, business segment guidelines, and operational Standard Operating Procedures (SOPs). The HPM Responsible PM Sourcing Guideline functions as the segment specific policy for responsible sourcing and due diligence in precious metals and operationalizes the requirements of the LBMA Responsible Gold and Silver Guidance for all precious metal activities at HPM. The structure is illustrated in Figure 1 below.



**Figure 1: Heraeus Document Hierarchy for Responsible Sourcing.**

At the local level, individual sites maintain site-specific SOPs to operationalize global requirements and to address local risks. For HLH, two dedicated SOPs are in place to regulate site visits and the continuous monitoring of high-risk business partners:

- SP45 - Responsible Precious Metals Sourcing Assurance Framework and
- SP46 - Precious Metals Enhanced Continuous Monitoring.

These SOPs complement the global HPM SOPs by defining HLH-specific controls for the ongoing assessment and monitoring of high-risk business partners.

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

Yes, Heraeus Limited (HLH) has implemented an internal management structure to support supply chain due diligence within the HPM global Compliance Management System (CMS). The CMS is integrated into Heraeus’s governance framework and ensures effective oversight and implementation of responsible sourcing requirements.

Effective 3 March 2025, HLH, with the exception of the precious metals trading business, is functionally integrated into the Argor-Heraeus organization.

Responsibility for supply chain due diligence lies with the Chief Executive Officer (CEO) of Heraeus Precious Metals GmbH & Co. KG (HPMG), who is the highest authority within HPM and who holds

ultimate responsibility for precious metals due diligence at HLH. The General Manager of HLH reports to the senior management of Argor-Heraeus, who in turn reports to the CEO of HPMG. This governance structure ensures clear oversight of precious metals due diligence at HLH. The HPMG CEO participates in annual compliance training to maintain sufficient skills and knowledge for oversight.

HLH has appointed a local Compliance Officer who covers general compliance activities. The implementation and daily operation of precious metals supply chain due diligence processes are carried out by two Compliance Assurance Officers located at HLH. The Compliance Assurance Officers of HLH report directly to the Compliance Officer of Argor-Heraeus, who in turn reports to the senior management of Argor-Heraeus.

Until March 2025, the Know Your Business Partner (KYBP) checks for HLH were performed centrally by the Precious Metals Compliance Experts (PMCE) of HPM. Following the organizational transition to Argor-Heraeus, the Hanau team continued these tasks on a transitional basis while responsibilities were progressively transferred to the Argor-Heraeus Compliance Team. The Precious Metals Compliance Experts of HPM report to the Head of PMCE, who also serves as the Compliance Officer of HPMG and reports directly to the HPMG CEO.

HLH has a local compliance team that supports the local Compliance Officer. This team includes additional experienced staff members who carry out operational tasks related to KYBP checks, business partner due diligence, supplier verification and on-site assessments. The availability of qualified personnel and appropriate resources ensures that HLH can fully implement all due diligence requirements.

HLH provides a structured compliance training program to ensure that relevant employees understand and comply with HLH's compliance framework. HLH delivers two training programs:

- Annual Compliance Training for all HPM employees worldwide, covering general compliance topics such as anti-corruption, anti-bribery, and anti-money laundering. In 2025, 31 employees (82 % of assigned staff) at HLH completed this training.
- Local Precious Metals (PM) awareness training covering PM sourcing, compliance and awareness related to PM-handling in daily tasks. In 2025, a total of 65 employees participated (63 with printed names and 2 voluntary sign-ups) the training. As such, 63 employees (i.e., assigned staff) completed the training, corresponding to a participation rate of approximately 68% of assigned staff (63 / 92 names were printed out in the attendance record).

HLH participates in the HPM Sourcing Committee. The General Manager of HLH is a permanent member of the committee. The committee meets regularly and is chaired by the Head of PMCE. The agenda includes a review of supply chain risks, escalation matters, compliance performance and updates to responsible sourcing processes. This ensures consistent decision making across the HPM organization. Since its introduction in the third quarter of 2025, the start of the HPM Sourcing Committee includes a brief training on precious metal supply chain due diligence before proceeding to the agenda covering current topics and management decisions.

No (0-Zero) material violations of internal due diligence processes were identified during the reporting period. Escalation procedures are in place should violations occur.

Cash payments are strictly prohibited with no exception; all transactions are processed through official banking channels. All transactions are recorded in SAP and retained for six years in the active system before being archived. Due diligence documentation is stored in the dedicated KYBP tool and on secure SharePoint folders. All due diligence documentation is securely retained and accessible in the KYBP system and archived records. Access to all records is restricted to authorized personnel only.

### 1.3 Has the Refiner established a traceability system over gold and/or silver supply chains, including chain of custody mapping and identification of supply chain actors?

Yes, Heraeus Limited (HLH) implemented a strong internal system of due diligence, controls, and transparency over the gold and silver supply chains, including traceability and identification of all supply chain actors. This system ensures full compliance in line with the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance.

Business partners are subject to a KYBP process prior to onboarding. As part of this process, partners complete a Recycling Material Questionnaire, which identifies their business model and clarifies whether they are a mining entity or another type of business partner. The questionnaire also specifies the origin and form of the material supplied. In certain cases, KYBP documentation may be completed outside the system, for example through written approval or email correspondence. These cases remain exceptions and are managed on a case-by-case basis supplied.

Incoming gold and silver at HLH typically fall into one of the following categories:

- **Primary material:** This includes material originating directly from mining operations. HLH sources gold and silver from established mining partners. In addition, HLH may receive primary material supplied as doré or semi refined intermediates.
- **Secondary (recycled) material:** This includes a wide range of post-consumer and industrial materials. These materials include used jewelry, partially processed jewelry scrap, e-scrap and other industrial residues containing recoverable precious metals. Since jewelry production is economically significant in Hong Kong, HLH frequently receives jewelry in original form as well as material that has already been melted by upstream suppliers. HLH applies defined internal procedures to assess and verify material received from its direct business partners.
- **LBMA Good Delivery certified material:** Material received from LBMA Good Delivery refiners under established industry assurance frameworks, including defective or damaged bars returned for remelting.

HLH maintains a structured process for enhanced due diligence (EDD) when material is identified as mining origin or when material appears in forms that require additional verification. The procedures are applied in line with LBMA Responsible Silver or Gold Guidance.

HLH has established a robust traceability system for all incoming precious metal-bearing material. For each lot received, the following information is recorded in SAP:

- Type of material received
- Weight and assay results
- Unique batch number linking input and output orders
- Date of arrival and date of assay finalization

Supporting transactional documents, depending on the respective business model, such as airwaybills, invoices, packing lists, and export forms are maintained outside SAP in designated e-mail folders managed by Customer Service/Sales.

Each incoming material lot is assigned a unique batch number, ensuring complete chain of custody mapping from material receipt to final output. All transactions are accurately registered in SAP, allowing full traceability at any time. Specific controls are carried out before processing the material, based on established operational practices applied consistently by the responsible teams. These controls are performed as part of routine day-to-day operations to ensure that all required verifications are completed prior to processing.

**Disclosure for Reporting Period (2025):**

One instance of incomplete counterparty identification was identified during the reporting period. The KYBP assessment reflected only the legal entity of the parent company but did not fully consider that the supplied material was sourced from a subsidiary located in a different country. This discrepancy was identified during audit testing, after which the clarification process was initiated and a renewed due diligence review triggered.

**1.4 Has the Refiner strengthened company engagement with gold and/or silver supplying counterparties, and, where possible, assisted gold and/or silver supplying counterparties in building due diligence capabilities?**

Yes, Heraeus Limited (HLH) strengthened its engagement with precious-metals business partners (BPs) in 2025 by proactively communicating due-diligence expectations and responsible-sourcing requirements. These expectations are primarily conveyed through the KYBP process and the Responsible Sourcing Portal, where BPs complete mandatory questionnaires, submit supporting documentation, and acknowledge the Heraeus Code of Conduct for Precious Metal Suppliers. The review of alternative Codes of Conduct ensures alignment with OECD Due Diligence expectations and the LBMA Responsible Gold Guidance Version 9 and Responsible Silver Guidance Version 2.

HLH clearly communicates core compliance expectations to counterparties, including adherence to applicable laws, prevention of money laundering and terrorist financing, anti-corruption and anti-bribery requirements, respect for human rights, prohibition of child and forced labor, environmental protection, occupational health and safety standards, and the obligation to ensure that precious metals are not sourced from conflict-affected or high-risk areas. When documentation inconsistencies or uncertainties arise, HLH follows up directly by e-mail or through virtual meetings to ensure full understanding of the requirements.

To further strengthen business partner capabilities, HLH delivered targeted responsible sourcing training sessions to Business Partners providing Precious Metals. These sessions provided a concise overview of core due-diligence expectations, including AML and anti-bribery requirements, CAHRA<sup>5</sup> and conflict-free sourcing principles, KYC (Know-Your-Customer) and traceability obligations, documentation and record-keeping standards, as well as key human-rights, labor- and safety-related expectations. The training aimed to ensure business partners understand the essential OECD and LBMA Due Diligence elements and can apply them consistently within their own operations.

HLH supports the principles of the Extractive Industries Transparency Initiative (EITI). During the reporting period, HLH did not source gold and silver from a State Owned Enterprises in an EITI country.

**Disclosure for Reporting Period (2025):**

During the reporting period, HLH conducted a total of 18 business partner engagement activities. These activities consisted of external training sessions delivered by HLH Compliance to business partners, focusing on responsible sourcing expectations, documentation requirements and operational compliance topics. These trainings demonstrate HLH's continuous engagement with its supply chain during the 2025 period.

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<sup>5</sup> Conflict-Affected and High-Risk Areas, as defined by the OECD Due Diligence Guidance

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

Yes, Heraeus Limited (HLH) has established a company-wide confidential grievance mechanism called Heraeus SpeakUp, which enables internal and external stakeholders to report concerns related to responsible sourcing, compliance, human rights, and environmental obligations. The mechanism is designed to ensure accessibility, confidentiality, and protection against retaliation.

The grievance mechanism is accessible to employees, former employees, business partners, suppliers, and any parties affected by Heraeus' activities. Reports can be submitted through multiple channels, including a secure web portal, mobile app, telephone hotline, e-mail, postal mail, and personal meetings. Anonymous reporting is possible, and all submissions are handled confidentially by the Heraeus Compliance Officer (HCO) and, where necessary, the Group Audit Head, acting independently. The grievance mechanism is accessible in more than 50 languages through the multilingual SpeakUp system, ensuring global usability.

Grievances are recorded in the Heraeus SpeakUp system and processed according to defined procedures. The reporting process includes acknowledgment of receipt within seven days, preliminary review and investigation by the responsible Compliance Officer, and escalation to senior management if significant impact or high-level personnel are involved. Feedback on actions taken and planned measures is provided to the whistleblower within three months. Resolutions and corrective actions are communicated to relevant stakeholders where appropriate, while maintaining confidentiality. All case documentation is retained for at least three years in compliance with legal requirements. The identity of the whistleblower is protected throughout the process, and retaliation against whistleblowers is strictly prohibited.

Further details on the grievance mechanism are available at:

<https://www.heraeus-precious-metals.com/en/responsibility/compliance/#compliance-hotline>

#### Disclosure for Reporting Period (2025):

No (0-Zero) grievances related to responsible sourcing, human rights, environmental issues, or compliance were reported during the period related to HLH gold and silver business partners. Preventive measures include regular compliance trainings, management oversight, and quarterly sourcing committee meetings to ensure awareness and risk mitigation. Any future grievances will be addressed promptly and confidentially, with corrective and preventive actions implemented as required. The Refiner maintains a defined process to close out any remaining grievances transparently.

## 2 Step 2: Risk Identification and Assessment

### Compliance Statement with Requirement:

Heraeus Limited (HLH) has fully complied with Step 2: Identify and assess risks in the supply chain.

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

Yes, Heraeus Limited (HLH) has implemented a comprehensive due diligence process to identify and assess risks in the precious metals supply chain. The process applies to gold and silver and is aligned with the LBMA Responsible Gold Guidance Version 9, the LBMA Responsible Silver Guidance Version 2, and the OECD Due Diligence Framework. This process is embedded in our KYBP program and is mandatory prior to entering any business relationship.

Risk identification and assessment follow the methodology of the LBMA Responsible Gold and Silver Guidance and the Due Diligence Requirements. These requirements are embedded into the KYBP process, which is supported by an automated tool. Customer Service initiates the process by creating a business partner profile, which triggers the issuance of the relevant questionnaires to the business partner. These questionnaires include, depending on the business model, the LBMA based Recycling Material Questionnaire, the Beneficial Owner Questionnaire, and other forms required to assess governance practices, material type, country of origin, and other LBMA relevant risk indicators. Business partners complete the questionnaires via the Responsible Sourcing Portal, after which they are reviewed either by the Precious Metals Compliance Experts located in Hanau or, following the organizational transition, by the Argor-Heraeus Compliance Team. Additional checks, including sanctions screening, Politically Exposed Persons (PEP) screening, and adverse media searches, are conducted using commercial and open source tools. Based on the information collected, the KYBP Tool automatically assigns a preliminary risk rating and triggers re assessments as required. The preliminary risk rating assigned by the KYBP Tool may be manually adjusted in justified cases. Such adjustments reflect the expert judgment of the reviewers and are logged in the system, for example when risk mitigating factors justify a different review frequency. The detailed procedure for such adjustments will be further formalized in 2026. All KYBP documentation and supporting evidence are retained for at least 6 years in compliance with legal requirements. Records are stored systematically in the KYBP Tool and archived in SharePoint. The process is subject to continuous improvement and periodic review. In 2025, HPM implemented a new KYBP Tool with enhanced functionality, including digital questionnaires and automated risk scoring, significantly improving screening efficiency and transparency.

Risk profiles are classified as low, medium, or high according to predefined criteria. As a general principle, review intervals follow a risk-based cycle: low-risk partners are reviewed every three years, medium-risk every two years, and high-risk annually. However, review frequencies may deviate from these standard intervals when specific risk-mitigating factors allow for a differentiated assessment. This may apply, for example, where material is inherently low-risk, such as spent catalysts sourced directly from established industrial operations, while in other cases a high-risk classification may be influenced by factors such as the type of material or the country of origin. In such low-risk situations, extended review intervals may be applied, provided that the rationale is documented and the overall risk is considered sufficiently low. Enhanced Due Diligence (EDD) is triggered by specific factors such as the form of material (e.g., mined material or pre-melted material), business model (e.g., mine, intermediate refiner), high-risk country exposure (including CAHRAs and other indices), or significant adverse media findings.

The Responsible Sourcing and Compliance activities relevant for HLH are carried out by qualified compliance personnel. Until March 2025, the KYBP checks for HLH were performed centrally by the Precious Metals Compliance Experts in Hanau, who have expertise in AML/CFT (Anti-Money Laundering/ Combating the Financing of Terrorism) requirements and OECD Annex II risks. Following the organizational transition to Argor-Heraeus, these responsibilities were gradually transferred to the Argor-Heraeus Compliance Team. High-risk cases continue to follow the established four eyes principle, with escalation to the Argor-Heraeus Compliance Officer and senior management as required. The governance structure and responsibilities are described in Section 1.2 of this report.

On-site assessments are part of our risk-based approach and are primarily linked to EDD for high-risk business partners. They are conducted for mining companies, smelters, intermediate refiners and melters when required by LBMA standards or internal risk triggers. The frequency is not fixed but depends on risk classification, country exposure, and certification status. For example, CAHRA-related mining sites require more frequent checks and may involve third-party auditors to ensure compliance with the six-eyes principle over a ten-year period. In addition to scheduled assessments, ad-hoc visits are performed whenever incident reports or significant changes in risk profile occur. Certified schemes and sustainability reports may be considered as part of the process, provided they meet OECD requirements. Detailed EDD procedures, including on-site methodology, are described in Section 2.3.

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

Yes, Heraeus Limited (HLH) classifies identified risks based on a risk-based approach aligned with LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance, the OECD Due Diligence Framework, and applicable legal requirements. The classification process uses predefined criteria and thresholds embedded in our KYBP system to ensure consistency and transparency.

Risk assessment considers multiple factors, including the form and country of origin of the precious metal, the location and business model of business partners, and their responses to the Risk Questionnaire. Additional indicators include Politically Exposed Persons (PEP), ultimate beneficial ownership, sanctions lists, complex corporate structures, and adverse media findings. Country risk is determined using the internal high-risk country list, which incorporate CAHRAs and other recognized indices such as the Heidelberg Barometer, Financial Action Task Force on Money Laundering (FATF) lists, SECO<sup>6</sup> and international sanctions lists, EU CAHRA list, and Dodd-Frank Section 1502.

The KYBP Tool assigns a risk rating of low, medium, or high using the predefined criteria, which include risk levels set by the personnel responsible for conducting the KYBP checks for business models and forms of material, as well as indicators derived from the Risk Questionnaire and the factors described above. Certain responses in the Risk Questionnaire, such as the absence of a company website or the use of a free email provider, may contribute to a medium-risk assessment. A business partner is classified as low-risk if none of the predefined medium- or high-risk criteria apply. If any single criterion is rated high-risk, the overall classification for the business partner is high-risk. Zero-tolerance risks, such as confirmed sanctions breaches, severe human rights violations, or evidence of money laundering or terrorist financing, would lead to non-approval of a new business relationship or to discontinuation of an existing one, if such a case occurred. In line with LBMA requirements, the LBMA would be notified immediately in case such a zero tolerance finding occurs. High-risk classifications may prompt EDD, as outlined in Section 2.3, depending on the overall risk profile of the business partner and the characteristics of the material. Escalation

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<sup>6</sup> SECO refers to the State Secretariat for Economic Affairs, the Swiss federal authority responsible for economic policy and the administration and enforcement of international sanctions.

decisions follow a risk-based approach and are made on a case-by-case basis. Supporting sources used in the KYBP risk assessment include commercial platforms such as Orbis, Factiva, and RepRisk.

Risk Criteria resulting in a high-risk rating include:

- Country Risk: If the business partner location or origin country of the material is listed on the internal high-risk country list, as described above.
- Business Model: Assessed using KYBP categories (e.g., mine, intermediate refiner).
- Form of Material: Certain material types, such as mined or pre-melted material, are considered high risk.
- Internal Risk Questionnaire: Responses contribute to the overall evaluation.

Pre-melted material is only accepted when sufficient transparency on the melting process is provided.

### Disclosure for Reporting Period (2025):

During the reporting period, HLH had 213 business partners of which 53 (25% of total) classified as high-risk. The high-risk classifications were based on a diverse set of risk drivers, including:

- mining companies supplying mined gold or silver,
- intermediate refiners,
- melters delivering pre-melted material, and
- business partners located in countries with elevated jurisdictional risk.

No (0-Zero) red flags or zero-tolerance findings were identified. However, five concerns were identified and addressed through targeted mitigation actions.

### Summary of Identified Concerns (2025)

(1–2) Worker-rights concerns at mining operations (category: mine)

- Two concerns related to delays in returning identity documents (e.g., passports) to workers after administrative procedures.
- Actions taken:
  - o HLH requested that the mining sites ensure timely return of the documents and provide secure storage options for workers.

(3) Security-conduct concern at a mining site (category: mine)

- One concern involved misconduct by site security personnel, posing potential risks to workers or community relations.
- Actions taken:
  - o HLH requested that the site conducted targeted training on human-rights expectations and strengthened ongoing monitoring through its community-engagement framework.

(4) Community health & safety concern at a mining site (category: mine)

- One concern related to potential worker and community health-and-safety impacts associated with mining activities.
- Actions taken:
  - o HLH requested that the site expanded training on health, safety and human-rights topics and strengthened its internal reporting channels.

(5) Documentation completeness concern at a melter (category: melter / recycled material provider)

- One concern related to high and steadily increasing volumes of recycled or pre-melted material, requiring enhanced scrutiny to ensure alignment with declared operations.
- Actions taken:
  - o HLH intensified monitoring, including daily or shipment-based verification of screening results, KYBP records and origin documentation.

Across all five concerns, mitigation measures were implemented

### 2.3 Has the Refiner undertaken Enhanced Due Diligence (EDD) measures for identified high-risk supply chains?

Yes, Heraeus Limited (HLH) applies EDD measures for high-risk supply chains in accordance with the LBMA Responsible Gold and Silver Guidance and the OECD Due Diligence Framework. EDD is triggered by risk factors described in Section 2.2, such as CAHRA exposure, business model, or material type.

EDD is triggered for high-risk business partners where the elevated risk arises from mined material or from situations in which the traceability of the material back to the applicable starting material is not sufficiently clear. In practice, the material characteristics are typically the decisive factor for initiating EDD.

EDD procedures may include a comprehensive review of the high-risk supply chain, focusing on identification of relevant participants up to the starting material and an assessment of supply chain risks in line with LBMA expectations. For recycled material, EDD also evaluates the due-diligence processes of intermediate refiners and melters.

The key EDD measure is the on-site assessment. These visits follow LBMA templates and Heraeus-specific requirements and include a production site tour and office-based reviews (e.g., interviews, policy checks, and verification of due-diligence processes). HLH conducts on-site assessments not only for mining business partners but also for high-risk recyclers and melters. This enhanced assessment scope reflects regional market structures in Asia and responds to the elevated risk exposure for pre-melted or semi-processed material.

The LBMA mine assessment questionnaire continues to serve as the main guidance for documentation and agenda setting for mine on-site assessments. These assessments are conducted by the Compliance Officers of Argor-Heraeus or HPMG or the Precious Metals Compliance Experts. New assessors accompany experienced colleagues during their first on-site visit to ensure proper familiarization with the assessment process. External consultants may be engaged where capacity, travel restrictions, or local expertise require it. Heraeus Precious Metals maintains a pool of pre-approved external providers capable of performing OECD-aligned assessments, with local representation and language skills.

For recyclers and melters, HLH applies its own on-site assessment documents, which are content-wise based on the LBMA Site Visit Report for Recyclers. In addition, HLH performs a separate EDD measure requiring evidence on the original form of the material, such as photos or videos. This evidence check is not linked to the on-site visit itself. It is frequently applied prior to conducting a site visit and may be discontinued afterwards or shifted to periodic spot-checking depending on the risk profile. The request and documentation of these evidence are managed directly by HLH staff. In HLH, a dedicated specialist is responsible for planning, conducting, and documenting recycling on-site assessments, as well as tracking corrective and mitigation measures. This ensures consistent quality, timely follow-up and alignment with LBMA requirement.

The timing and frequency of mining on-site visits follow LBMA standards:

- for mining business partners, the first visit should be conducted within six months of onboarding in line with the LBMA Mine Assessment requirements. Subsequent

reassessments follow the Mine Assessment Standard (typically every three years, with a six-eyes principle applied over a ten-year cycle).

- for melters, HLH applies a risk-based approach, as set out in the internal Responsible Precious Metals Sourcing Assurance Framework.

Exceptions may apply based on risk-reducing factors such as mine type, country risk, or availability of external certifications. If an on-site visit cannot be conducted internally, HLH first engages an external provider. If neither option is feasible, the case is escalated to the Sourcing Committee for decision-making and documentation. No deviations from the on-site visit standard required escalation to the Sourcing Committee during the reporting period. As of the date of reporting, no transparency notes or compliance roadmaps related to on-site visit deviations were issued or submitted to the Sourcing Committee.

For high-risk recycled material from smelters, melters, or intermediate refiners, HLH may request independent assurance reports or credible third-party certifications that are applicable to the specific material and sector. This is evaluated case-by-case.

### **Disclosure for Reporting Period (2025):**

During the reporting period, HLH conducted multiple EDD measures. These included:

- 26 EDD processes for high-risk business partners,
  - o 5 on-site visits to mining partners, of which 4 were conducted by external independent assessors and 1 by internal personnel, and
  - o 21 on-site visits to high-risk melters.

EDD measures were triggered by elevated country risk, business model, material form or supply-chain complexity. EDD assessments focused on verifying origin, governance practices, material characteristics, ownership structure, and in the case of melter, evidence demonstrating the original form of incoming material.

No (0-Zero) zero-tolerance issues were identified during the reporting period.

### 3 Step 3: Risk Management

#### Compliance Statement with Requirement:

Heraeus Limited (HLH) has fully complied with Step 3: Design and Implement a Management Strategy to Respond to Identified Risks

#### 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?

Yes, Heraeus Limited (HLH) has implemented a robust risk-management strategy in accordance with Step 3 of the LBMA Responsible Gold and Silver Guidance. HLH's escalation process is designed to determine whether identified risks require formal Step-3 mitigation measures, namely:

- i. continued trade under corrective actions,
- ii. temporary suspension of trade, or
- iii. disengagement from a counterparty.

HLH's Step-3 process is triggered only when risks identified under Step-2 due-diligence activities cannot be sufficiently mitigated through standard follow-up actions or where significant, persistent or structural risks remain unresolved.

In 2025, although several issues were identified during routine risk assessment activities (as disclosed in Section 2.2), none of these cases met the threshold for Step-3 escalation. All issues were fully managed through HLH's Step-2 processes and did not require conditional continued trade, trade suspension or disengagement.

#### Disclosure for Reporting Period (2025):

During the reporting period 2025, HLH recorded:

- 0 (zero) cases of risk mitigation while continuing trade
- 0 (zero) cases of risk mitigation while suspending trade
- 0 (zero) cases of disengagement from a counterparty

No corrective-action plans linked to conditional continued trade were issued, and no business partners were subject to temporary suspension or disengagement. All identified issues were addressed through Step-2 follow-up measures and therefore did not constitute Step-3 cases under the LBMA framework.

No (0-Zero) cases of cooperation with authorities were required in relation to the gold and silver supply chain due diligence in the reporting period. HLH notes that Heraeus has publicly communicated an investigation concerning irregularities identified in its internal precious-metals recycling operations. As stated in the official Heraeus communication:

*"Following internal indications of possible deviations in the recycling process at the Heraeus Precious Metals operating company, Heraeus initiated a comprehensive and objective investigation by an external law firm. [...] We have informed the relevant authorities on our own initiative, are cooperating fully with them, and are supporting a comprehensive investigation of the matter."*

Source: <https://www.heraeus-precious-metals.com/en/responsibility/compliance/compliance-statement/>

This matter relates exclusively to Heraeus's own recycling processes and has no connection to the gold and silver supply chain covered in this report.

Further details on the LBMA Incident Review Process triggered in relation to this matter are available in the LBMA's public communication linked below:

<https://www.lbma.org.uk/articles/heraeus-precious-metals-gmbh-co-kg-incident-review-process-invoked>

HLH remains committed to continuous improvement in line with LBMA requirements.

## 4 Step 4: Independent Third-Party Assurance

### Compliance Statement with Requirement:

Heraeus Limited (HLH) has fully complied with Step 4: Obtain Independent Third-Party Assurance on Supply Chain Due Diligence Practices

### Comments and Demonstration of Compliance:

HLH has arranged for an independent third-party assurance of its supply chain due diligence, in full compliance with LBMA Responsible Gold and Silver Guidance requirements.

### Assurance Provider Selection Process:

HLH conducts a formal tender process every three years to select the most suitable assurance provider. Key selection criteria include LBMA and LPPM accreditation, global auditing capability across all Heraeus sites, and proven expertise in responsible sourcing audits. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) currently meets these requirements and has been chosen as a trusted, independent provider.

### Board Oversight and Independence:

The independence of the assurance provider is ensured through Heraeus' governance framework. The selection process is managed transparently by the Procurement Department without external influence. Additionally, the HPM management receives annual written independence declaration confirming that the assurance provider has no financial or operational relationship with Heraeus beyond the assurance engagement. This process guarantees compliance with LBMA independence requirements.

### Disclosure of Non-Conformances:

During the FY2025 assurance cycle, seven non-conformances were identified for the HLH, including two medium-risk non-conformances. The medium-risk findings have been assigned immediate corrective actions and are planned to be resolved as quickly as possible. Implementation is currently in progress and will be completed within the defined remediation timelines. All remaining non-conformances were classified as low risk. There were no outstanding non-conformances from previous audit cycles.

### Public Availability of Assurance Report:

The independent third-party assurance report will be published on the Heraeus website upon completion and can be accessed at:

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

HLH remains committed to continuous improvement and transparency in its responsible sourcing practices.

### 5 Management Conclusion

Based on the activities and controls described in this Compliance Report, Heraeus Limited (HLH) confirms effective implementation of LBMA Responsible Gold Guidance (Version 9, November 2021) and LBMA Responsible Silver Guidance (Version 2, November 2023) requirements for 01 January 2025 – 31 December 2025. The Refiner is in full compliance with LBMA’s Responsible Sourcing Programme objectives. HLH remains committed to continuous improvement and will monitor any corrective actions identified on a regular basis to ensure ongoing conformance and best practice alignment.

### 6 Additional Notes and Sign-Off

If users of this Compliance Report wish to provide any feedback to Heraeus regarding its content, they may contact the HPM Compliance Officer:

**Dr. Patrick Henritzi**

Email: [Patrick.Henritzi@heraeus.com](mailto:Patrick.Henritzi@heraeus.com)



Dr. Steffen Metzger

CEO



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

Dr. Patrick Henritzi

Compliance Officer / Global Head of PMCE

#### Note:

The “Refiners Data Collection, including Country of Origin” will be submitted through the official LBMA GBI database.

# 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

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.