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

Heraeus Precious Metals GmbH & Co. KG  
Hanau

Reasonable assurance engagement on the LPPM Refiner's Compliance Report of Heraeus Precious Metals Technology (China) Co., Ltd., Nanjing (China) for the period 1 January 2025 to 31 December 2025

Engagement: DEE00173524.1.1



## **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 due diligence activities related to precious metals material received and used for refining purposes described in the accompanying Refiner's Compliance Report prepared by Heraeus Precious Metals GmbH & Co. KG, Hanau (Germany), (“Heraeus Deutschland”) for the business group Heraeus Precious Metals Technology (China) Co., Ltd., Nanjing (China), (the "Refiner"), for the period from 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 LPPM Responsible Platinum/Palladium Guidance (version 5) as of 2026 (the "Platinum/Palladium Guidance").

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 Platinum/Palladium 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 due diligence activities related to precious metals material received and used for refining purposes described in 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 LPPM Responsible Sourcing Programme – Third Party Audit Guidance (version 4) as of November 2022. This Audit Guidance 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, in all material aspects, describes fairly the due diligence activities related to precious metals material received and used for refining purposes undertaken during the period from 1 January 2025 to 31 December 2025 to demonstrate compliance, and management's overall conclusion contained therein is in accordance with the requirements of the Platinum/Palladium Guidance.

A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence whether the Refiner's Compliance Report describes fairly the due diligence activities related to precious metals material received and used for refining purposes undertaken during the period from 1 January 2025 to 31 December 2025 to demonstrate compliance, and management's overall conclusion contained therein is in accordance with the Platinum/Palladium Guidance. 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 regard to the Platinum/Palladium Guidance.

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 platinum/palladium;
- Performance of site visit at the Refiner's location in Nanjing (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 Platinum/Palladium 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/#suppliernguidelines>

## **Conclusion**

In our opinion, the Refiner's Compliance Report for the period 1 January 2025 to 31 December 2025, in all material aspects, describes fairly the due diligence activities related to precious metals material received and used for refining purposes undertaken during the period from 1 January 2025 to 31 December 2025 to demonstrate compliance, and management's overall conclusion contained therein is in accordance with the requirements of the LPPM Responsible Platinum/Palladium Guidance.

## **Emphasis of Matter**

Without qualifying our conclusion we draw attention to section "Scope of Report and Compliance Activities" of the Refiner's Compliance Report, which describe the fact that the information in the Refiner's Compliance Report is limited to the due diligence activities related to precious metals material received and used for refining purposes and does not contain information on the due diligence activities related to precious metals material received and used for non-refining purposes.

## **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.

## **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, 28 May 2026

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

 digitally  
signed by

Theres Schäfer  
Wirtschaftsprüferin  
(German Public Auditor)

 digital signiert von  
Maria Isabel Urrutia  
Villanueva  
am 29.05.2026

ppa. Isabel Urrutia

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and Wirtschaftsprüfungsgesellschaften dated January 1, 2024



## Compliance Report – Financial Year 2025

*Annual Compliance Report in accordance with the LPPM Responsible Sourcing Programme*

## Heraeus Precious Metals Technologie (China) Co., Ltd

*Reporting Period:*

01 January 2025 – 31 December 2025

*Standard:*

London Platinum and Palladium Market (LPPM)

LPPM Responsible PGM Guidance - Version 5 (RPG5)

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Refiner's details	
Refiner's name	Heraeus Precious Metals Technologie (China) Co., Ltd
Location	No. 139 ZhaoqiaoHe South Road, Nanjing Chemical Industry Park, Nanjing 210048, China Mainland
Reporting year end	01 January 2025 – 31 December 2025
Date of Report	28 May 2026
Senior management responsible for this report	Dr. Patrick Henritzi Email: Patrick.Henritzi@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 LPPM Responsible PGM Guidance Version 5 (RPG5). It covers only the platinum and palladium supply chain due diligence of Heraeus Precious Metals Technologie (China) Co., Ltd (Nanjing, China) 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 Precious Metals Technologie (China) Co., Ltd 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
- LPPM Responsible PGM Guidance
- LBMA Responsible Gold and Silver 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 LLC	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 LLC							
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

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

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

returns, obsolete jewelry, and post-consumer precious metals such as spent catalysts and metal alloys.

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 Precious Metals Technologie (China) Co., Ltd (HPMT) located in Nanjing, China. The Nanjing refinery is an integral part of the Heraeus network and focuses on the processing and refining of platinum group metals, in particular platinum and palladium, for the Chinese market. The refinery serves a diverse customer base, primarily consisting of industrial customers and recyclers from various sectors.

In line with the LPPM Responsible PGM Guidance Version 5 (RPG5), 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.

For the avoidance of doubt, this Compliance Report relates exclusively to the platinum and palladium supply chains of HPMT and is prepared solely in accordance with the requirements of the LPPM Responsible PGM Guidance.

During the reporting period, HPMT exclusively processed recycled materials originating within China for refining. These materials were limited to four defined categories: chemical scrap components, process residues, spent petrochemical catalysts, and spent pharmaceutical catalysts. All materials were sourced domestically from within China. No primary or mining materials were processed during the reporting period.

## 1 Step 1: Company Management Systems

### Compliance Statement with Requirement:

Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) 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 Platinum Group Metal?

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has adopted a supply chain policy regarding due diligence for supply chains of Platinum Group Metals.

HPMT 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 HPMT. At Nanjing refinery, this includes the responsible sourcing of 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 LPPM Responsible PGM Guidance, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and other internationally recognized standards. It 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
- Direct or indirect support to public or private security forces

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 LPPM Responsible PGM Guidance for all precious metal activities at HPM. The structure is illustrated in Figure 1 below.

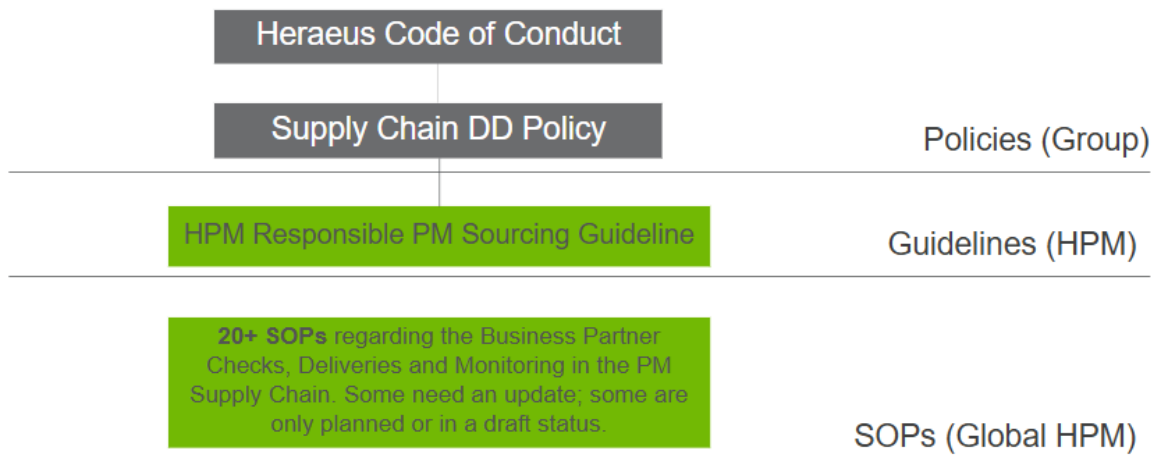


Figure 1: Heraeus Document Hierarchy for Responsible Sourcing.

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

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has implemented an internal management structure to support supply chain due diligence within its global Compliance Management System (CMS). The CMS is integrated into Heraeus’s governance framework and ensures effective oversight and implementation of responsible sourcing requirements.

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 Heraeus Precious Metals and who holds ultimate responsibility for precious metals due diligence at HPMT. The HPM China Head directly reports to the CEO of HPMG. This governance structure ensures clear oversight of precious metals due diligence at HPMT. The HPMG CEO participates in annual compliance training to maintain sufficient skills and knowledge for effective oversight.

HPMT has appointed a local Compliance Officer who covers general compliance activities. The implementation and daily operation of precious metals supply chain due diligence processes is carried out by the Customer Service Manager of HPMT. The Customer Service Manager reports to the Senior Sales Marketing Manager of HPMT, who reports to the HPM China Head.

Oversight of HPMT precious metals supply chain topics is provided by the Global Head of Precious Metals Experts (PMCE) who is also the Compliance Officer of HPMG. The Global Head of PMCE supported by adequately qualified and experienced personnel from the Responsible Sourcing Team and centrally manages precious metals compliance topics for the entire Heraeus Precious Metals organization worldwide from Hanau. The Global Head of PMCE completed specialist training in 2025 covering Customer Due Diligence, Enhanced Due Diligence, and risk management relevant to precious metals supply chains.

Supply chain due diligence topics are reviewed and reported to HPM leadership through the quarterly HPM Sourcing Committee. The Committee functions as the primary leadership forum for responsible sourcing and fulfills the LPPM Guidance requirement to report to leadership on high-risk supply chains, counterparty reviews, risk mitigation strategies, and progress on improvement actions.

The HPM Sourcing Committee meeting is being held quarterly, attended by the CEO, CFO, Business Line Heads, and other relevant stakeholders. The sessions are chaired by the Global Head of PMCE. HPMT participates in the HPM Sourcing Committee. The HPM China Head is a permanent member of the committee. The Committee reviews all management relevant responsible sourcing topics, including Know Your Business Partner (KYBP) assessments, accepted non conformities, unusual customer behavior, approvals of high risk customers, process maturity updates, and unusual business models. The Committee meets for sixty minutes each quarter and additional ad hoc meetings may be held when required. 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.

HPMT allocates sufficient resources and skilled personnel to support and implement general compliance processes. Training is provided through the annual compliance training:

- Annual Compliance Training for all HPM employees worldwide, covering general compliance topics such as anti-corruption, anti-bribery, and anti-money laundering. In 2025, 30 employees (100 % of assigned staff) completed this training.

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, ensuring compliance with the 10-year retention requirement applicable to HPMT. 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 achieved records.

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

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has implemented a strong internal system of due diligence, controls, and transparency over PGM supply chains, including traceability and identification of all supply chain actors. This system ensures compliance with LPPM Responsible PGM Guidance requirements. During the reporting year, these due diligence processes and controls were applicable solely to incoming PGM-bearing materials processed within HPMT's refining stream.

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 recycling entity or another type of supplier. 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.

PGM received at HPMT during the reporting period falls exclusively into the category of secondary (recycled) material:

#### **Secondary (recycled) material:**

- HPMT processes a defined range of recycled, precious metal bearing materials originating exclusively from domestic industrial and post-industrial sources within China. These materials are limited to chemical scrap components, process residues, spent petrochemical

catalysts, and spent pharmaceutical catalysts. All materials processed at HPMT are classified as secondary sources.

No primary mining material or mine derived PGM material is processed at HPMT. Consequently, no mining-origin materials fall within the scope of this report. All incoming refining materials are subject to supply chain due diligence measures in accordance with the LPPM Responsible PGM Guidance.

HPMT 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 archived in SAP.

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 as outlined in internal guidelines. These controls are embedded in prescribed work instructions, which define the handling of raw and starting materials and ensure that all required checks are performed prior to processing. Any form of non-conformity is unacceptable and must be reported immediately for clarification.

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

No (0-Zero) incidents relating to counterparties' identification, origin, or traceability occurred during the reporting period. In case of any future non-conformity or unclear information during initial or ongoing checks, HPMT will either reject the business partner or initiate extraordinary re-assessment and escalation to the Global Head of PMCE.

#### **1.4 Has the Refiner strengthened company engagement with PGM supplying counterparties, and, where possible, assisted PGM supplying counterparties in building due diligence capabilities?**

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has strengthened its engagement with precious metals business partners (BP) by clearly communicating due diligence expectations and requirements. BPs must accept the Heraeus Code of Conduct for Precious Metal Suppliers or submit their own Code of Conduct for review. For the Chinese market, the Heraeus Code of Conduct for Precious Metal Suppliers has also been translated into Chinese to ensure full understanding and accessibility for local business partners. As part of HPMT's General Terms and Conditions, BPs represent and warrant that the information and data provided by them in the Heraeus Code of Conduct for Precious Metal Suppliers and, where applicable, in the Recycling Materials Questionnaire are correct and complete. The review of an alternative Code of Conduct is carried out as part of the KYBP check by the Responsible Sourcing Manager to ensure alignment with OECD guidelines and LPPM Responsible PGM Guidance requirements. In rare cases where questions or uncertainties arise regarding requirements, HPMT clarifies these through email or virtual meetings to ensure full understanding.

Communication of expectations is primarily conducted through the KYBP process in the Responsible Sourcing Portal, where BPs register and complete mandatory questionnaires. The KYBP questionnaires are also made available in Chinese to ensure accessibility and full understanding for

local business partners. These questionnaires, together with the Code of Conduct acceptance, form the basis for onboarding and ongoing compliance monitoring. The expectations communicated include compliance with applicable laws, prevention of money laundering and terrorist financing, prohibition of corruption and bribery, respect for human rights, prohibition of child labor, occupational health and safety, environmental protection, and assurance that precious metals are not sourced from conflict-affected or high-risk areas. BPs are also required to provide certificates of origin upon request and inform HPMT immediately if material from questionable sources is offered.

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

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) 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.com/de/sustainability/compliance/#>

### **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 HPMT PGM 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 Precious Metals Technologie (China) Co., Ltd (HPMT) 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 PGM supply chain?

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has implemented a comprehensive due diligence process to identify and assess risks in the PGM supply chain, aligned with the LPPM Responsible PGM Guidance 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 LPPM Responsible PGM Guidance and the Due Diligence Requirements. These requirements are embedded into the KYBP process, which is supported by an automated tool. The Customer Service Manager 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 LPPM-oriented Recycling Material Questionnaire, the Beneficial Owner Questionnaire, and other forms required to assess governance practices, material type, country of origin, and other LPPM relevant risk indicators. Business partners complete the questionnaires via the Responsible Sourcing Portal, after which they are reviewed by the Responsible Sourcing Team. Additional checks, including sanctions screening, Politically Exposed Persons (PEP) screening, and adverse media searches, are conducted by the Responsible Sourcing Team using commercial and open-source tools. Based on the collected information, 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 expert judgment of the Responsible Sourcing Team and are being logged in the system, for example when risk-mitigating factors support 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 ten 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 material originating from spent auto catalysts), business model (e.g., mine, intermediate refiner), high-risk country exposure (including CAHRAs<sup>5</sup> and other indices), or significant adverse media findings.

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

The Responsible Sourcing Team in Hanau consists of two full-time employees supporting the Global Head of PMCE. The team has expertise in AML/CFT (Anti-Money Laundering/ Combating the Financing of Terrorism) requirements and OECD Annex II risks. All decisions and approvals are documented within the KYBP Tool. High-risk cases require approval under the four-eyes principle (4EP). In situations where the Responsible Sourcing Team identifies the need for additional senior-level review – based on the nature or complexity of a case – matters may be escalated to the Head of PMCE and, where appropriate, further discussed with senior management or the Sourcing Committee. The governance structure and roles are detailed 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 at smelters, intermediate refiners, melters and spent auto catalyst suppliers, and, if applicable, also for mining customers when required by LPPM 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 assess risks of its supply chain due diligence system?

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) assess risks of its supply chain based on a risk-based approach aligned with the LPPM Responsible PGM Guidance, 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<sup>6</sup>, which incorporate CAHRAs and other recognized indices such as the Heidelberg Barometer, Financial Action Task Force on Money Laundering (FATF) lists, SECO<sup>7</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 Responsible Sourcing Team 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 LPPM requirements, the LPPM would be notified immediately in case such a zero-tolerance finding occurs. The non-approval would require a decision by the Global Head of PMCE or deliberation in the Sourcing Committee. High-risk classifications may prompt EDD, as outlined in Section 2.3, depending on the overall risk profile of

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<sup>6</sup> The reference list reflects the status as of FY2024. The 2025 update of the list was in course during the reporting year FY2025.

<sup>7</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.

the business partner and the characteristics of the material. Escalation 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 customer 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 spent auto catalysts, are considered high risk.
- Internal Risk Questionnaire: Responses contribute to the overall evaluation.

### Disclosure for Reporting Period (2025):

During the reporting period, HPMT had 14 business partners (30 % of all business partners assessed during the KYBP process in 2025) classified as high-risk. This outcome reflects the application of a revised KYBP assessment methodology introduced in early 2025, rather than a change in the underlying risk profile of the business partners.

As part of the transition, business partners are being progressively re-rated under the new system. As a result, risk ratings are not yet fully consistent across the entire portfolio and will continue to be aligned as reassessments are completed.

The updated methodology places greater emphasis on country risk factors. As country risk classifications remain unchanged, the enhanced methodology may lead to a higher number of high-risk classifications without any actual change in underlying risk exposure.

The high-risk classification in the context of HPMT's China-based business partners is primarily driven by country risk considerations under the revised KYBP methodology and is not linked to material-related or business model risks. All materials sourced and processed by HPMT are limited to predefined recycled material categories originating from chemical, pharmaceutical, and petrochemical industries, which are considered low risk in terms of origin and traceability. In addition, all business activities are conducted domestically within China, with both suppliers and HPMT located within the same jurisdiction, which, from an operational perspective, mitigates supply chain risks despite the country risk classification applied in the methodology.

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

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

Yes, Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has defined an EDD approach for high-risk supply chains in line with the LPPM Responsible PGM Guidance and OECD Due Diligence Framework. This approach is designed to be applied whenever high-risk supply chains are identified within the KYBP process.

EDD is generally triggered where elevated risks arise from factors such as limited traceability of recycled material, complex upstream supply chains, material-specific risks, or higher-risk business models (e.g., intermediate refiners). The EDD process follows a risk-based approach and may include detailed supply chain mapping, enhanced documentation reviews, and on-site assessments of relevant counterparties.

Key EDD measures may include on-site assessments. These assessments follow LPPM 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). For recycled materials, the LPPM Site Visit Report for Recycled Materials serves as the primary basis for planning, documenting, and conducting recycler on-site visits. The on-site assessments are conducted by the Members of the Responsible Sourcing Team. 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. HPM maintains a pool of pre-approved external providers capable of performing OECD-aligned assessments, with local representation and language skills.

The timing and frequency of on-site visits follow LPPM standards and are based on a defined risk-based cycle. Where applicable, additional assurance measures, such as independent third-party certifications or audit reports, may be requested to support the due diligence process.

If an on-site visit cannot be conducted internally, HPMT first engages an external provider. If neither option is feasible, the case is escalated to the Sourcing Committee for decision-making and documentation. No (0-Zero) 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.

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

During the reporting period, HPMT did not identify any high-risk supply chains requiring EDD measures. While 14 out of 47 business partners were classified as high-risk within the KYBP tool, this classification is primarily driven by the application of the updated KYBP methodology introduced in 2025, including an increased emphasis on country risk factors.

As outlined in Section 2.2, risk ratings are currently subject to an ongoing transition to the new KYBP system and are not yet fully aligned across the entire business partner base.

The high-risk classification of the business partners is not linked to material risk or business model risk. All materials processed by HPMT originate from defined recycled sources within chemical, pharmaceutical, and petrochemical industries and are considered low risk with regard to origin, traceability, and supply chain complexity. In addition, the exclusively domestic nature of the supply chain significantly reduces upstream risk exposure.

Within the updated KYBP framework, the overall risk rating reflects a combination of multiple factors and scoring thresholds. While business partners may share similar country and material profiles, differences in the level of available due diligence information and the stage of reassessment under the new system can result in different final risk classifications.

As a result, no (0-Zero) Enhanced Due Diligence (EDD) measures, including on-site assessments, were triggered or conducted by HPMT during the reporting period, based on the overall risk profile of the assessed supply chains.

This approach ensures alignment with LPPM expectations while appropriately reflecting the specific risk profile and operating environment of HPMT.

### 3 Step 3: Risk Management

#### Compliance Statement with Requirement:

Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) 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 Precious Metals Technologie (China) Co., Ltd (HPMT) has implemented a robust risk-management strategy in accordance with Step 3 of the LPPM Responsible PGM Guidance. HPMT'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.

HPMT'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, no issues were identified during routine risk assessment activities. Consequently, no cases approached the threshold for Step 3 escalation, and no actions related to conditional continued trade, trade suspension or disengagement were required.

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

During the reporting period 2025, HPMT 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 suppliers were subject to temporary suspension or disengagement. No issues were identified in 2025, and therefore no cases met the criteria for Step 3 under the LPPM framework.

No (0-Zero) cases of cooperation with authorities were required in relation to the PGM supply chain due diligence in the reporting period. HPMT notes that HPMG 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 HPMG's own recycling processes and has no connection to the PGM supply chain covered in this report.

HPMT remains committed to continuous improvement in line with LPPM requirements.

## 4 Step 4: Independent Third-Party Assurance

### Compliance Statement with Requirement:

Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has fully complied with Step 4: Obtain Independent Third-Party Assurance on Supply Chain Due Diligence Practices

### Comments and Demonstration of Compliance:

Heraeus Precious Metals Technologie (China) Co., Ltd (HPMT) has arranged for an independent third-party assurance of its supply chain due diligence, in full compliance with LPPM Responsible PGM Guidance requirements.

### Assurance Provider Selection Process:

HPMT conducts a formal tender process every three years to select the most suitable assurance provider. Key selection criteria include LPPM and LBMA 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 LPPM independence requirements.

### Disclosure of Non-Conformances:

During the FY2025, assurance cycle, six non-conformances were identified for the HPMT, 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/>

HPMT 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 Precious Metals Technologie (China) Co., Ltd confirms effective implementation of LPPM Responsible PGM Guidance - Version 5 (RPG5) requirements for 01 January 2025 – 31 December 2025. The Refiner is in full compliance with LPPM's Responsible Sourcing Programme objectives. Heraeus 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 Compliance Officer:

**Dr. Patrick Henritzi**

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Dr. Patrick Henritzi

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### Note:

The "Refiners Data Collection, including Country of Origin" is provided in the Annex to this report.

# 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.