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Nobia AB
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ES/JE – 18 March 2013

**Fairness Opinion for the envisaged disposal of all major net assets in OPTIFIT GmbH
and MARLIN GmbH
- Opinion Letter -**

Dear Sirs,

Against the background of the intended disposal of relevant assets and liabilities pertaining to the business of OPTIFIT Jaka-Möbel Gesellschaft mbH, Stemwede/Germany (in the following referred to as: "OPTIFIT GmbH"), and of MARLIN Badmöbel GmbH, Stemwede/Germany (in the following referred to as: "MARLIN GmbH"), you engaged us in a letter dated 5/6 February 2013 to assess whether the negotiated transaction price is financially fair and reasonable from the point of view of the sellers (OPTIFIT GmbH and MARLIN GmbH).

All shares in OPTIFIT GmbH are solely held by Poggenpohl Möbelwerke GmbH, Herford/Germany. OPTIFIT GmbH holds all shares in MARLIN GmbH (OPTIFIT GmbH and MARLIN GmbH together are in the following also referred to as: "OPTIFIT Group"). OPTIFIT Group and Poggenpohl Möbelwerke GmbH form part of Nobia Group with the ultimate parent being the publicly listed Nobia AB, Stockholm/Sweden.

Nobia AB has initiated a restructuring of the group companies in frame of a strategic decision to enhance efficiency by moving towards larger, brand independent production units. In the context of this restructuring, production volumes for Nobia AB's affiliate Hygena Cuisines SAS, Sedin/France, shall be relocated from OPTIFIT Group to Nobia AB's UK facilities.

After this relocation it is intended to sell all major net assets of OPTIFIT GmbH and MARLIN GmbH (asset deal) to the local management in a management buy-out transaction (MBO). The management buy-out transaction may require the approval of Nobia AB's General Meeting.

The negotiated transaction price amounts to -€2.4 million.

We prepared our Fairness Opinion in accordance with the German "Standards for performing Fairness Opinions" (IDW S 8: "Grundsätze zur Erstellung von Fairness Opinions") established by the Institute of Public Auditors in Germany, Incorporated Association (Institut der Wirtschaftsprüfer in Deutschland e.V.). We render this opinion on the MBO in our capacity as an independent and neutral expert.



We draw your attention to the fact that the scope of our work did not include an appraisal as to whether the terms of the transaction correspond to legal or taxation requirements or are consistent with Nobia AB's internal regulations.

The work we carried out in the course of our Fairness Opinion differs substantially in its scope as well as in its objectives from an audit of the financial statements, a due diligence, and an expert opinion in accordance with IDW S 1 ("Standards for performing company valuations") or similar examinations. Thus, our Fairness Opinion is not an audit opinion or any other certificate or confirmation relating to the financial statements, the internal controlling system, planning system or the business plan of OPTIFIT GmbH and MARLIN GmbH. We accept no responsibility for the realisation of the business plan or the respective underlying assumptions.

We wish to point out that we shall not receive remuneration for our services in connection with the contemplated transaction which is in any way dependent on the conclusion of the transaction.

In addition to this Opinion Letter a Valuation Memorandum is part of our reporting. The Valuation Memorandum is a summary of the analysis we carried out to reach a conclusion with respect to the fairness and reasonableness of the transaction price.

Our Fairness Opinion is intended solely for the management of Nobia AB in connection with the MBO. It is not a substitute for the requirement of management to independently assess whether the conditions of the transaction and the transaction price are fair and reasonable as part of their duty of care. Our Fairness Opinion does not contain any recommendation as to whether you should proceed with the transaction or not.

Subject to our prior written approval, the Fairness Opinion (Opinion Letter and Valuation Memorandum) may be released to third parties in its full version only. The release is conditional upon the third party agreeing in writing to accept the current General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften and the limitations in our liability as well as confirming that it will treat the report as confidential and will not release the report to any other party.

In case you request us either in a letter, by e-mail or fax to release our report to a third party you release us from any and all confidentiality requirements with respect to these parties.

In case you wish to make the Opinion Letter publicly available or make reference to the Opinion Letter in a publicly available document, we declare our consent under the provision that you adhere to the regulations/requirements of paragraph 20 of IDW S 8 and you agree to hold us harmless from any claims from third parties and costs that may arise as a consequence of the publication of our Opinion Letter or public reference thereto.

Our work is subject to the „General Engagement Terms“ (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) as of 1 January 2002 (Appendix 2).

1. Definition of the transaction price – point of reference

The transaction price negotiated between the parties and used as the point of reference for our analysis amounts to -€2.4 million, i.e. a payment of €2.4 million from the sellers of the relevant net assets to the acquirers.

The transaction price was fixed on a cash-free and debt-free basis, i.e. it reflects only the operating net assets of the business and excludes any financing items such as cash and cash equivalents, cash pool receivables, interest-bearing liabilities or equivalent items.

In a cash-free and debt-free transaction the transaction price is an entity purchase price. Our analyses within the Fairness Opinion therefore make reference to the entity value of the business.

2. Fairness of the transaction price within the meaning of this Fairness Opinion

According to IDW S 8, a transaction price is deemed as “fair and reasonable”, if the price lies within a range of values calculated using discounted cash flow methods and values derived from comparable transaction prices. The “fairness and reasonableness” are measured from the point of view of the sellers (OPTIFIT GmbH and MARLIN GmbH). Fairness Opinions do not express an opinion as to whether a more advantageous transaction price could be achieved with another party.

3. Reference date for the analysis

The reference date (also “valuation date”) for this Fairness Opinion is 15 March 2013.

4. Performance of the engagement and informational documents

We carried out our work in the period from 11 February 2013 to 18 March 2013 in our offices and in the offices of OPTIFIT GmbH in Stemwede-Wehden.

Our work is based on the information provided to us by you as well as publicly available information. You are solely responsible for the accuracy and completeness of the information provided to us. We undertook steps to satisfy ourselves, so far as possible, that the information we used in our work is consistent with other information which was made available to us. We did not, however, seek to establish the accuracy and completeness of the information provided and the reliability of the sources.

We conducted various interviews with the Financial Director of Nobia AB's affiliate ewe Küchen Gesellschaft m.b.H., Wels/Austria, Mr. Hermann Gischka and the Managing Director of OPTIFIT GmbH, Mr. Leo Brecklinghaus. The main emphases of our discussions were placed on their views on the course of business to date as well as the future development and the business plan based thereon.

We wish to point out that the preparation of the business plan, the underlying premises and the appropriateness of these factors lies exclusively in your responsibility.

Our analysis primarily consisted of the following:

- Analysis of the proposed contracts (or draft versions of contracts)
- Understanding of the business model of OPTIFIT GmbH and MARLIN GmbH

- Assessment of financial information of OPTIFIT GmbH and MARLIN GmbH (financial statements, business plans, other financial data)
- Assessment of the plausibility of the assumptions underlying the business plan and discussion of the expected development of the market and competitive situation with the sellers
- Application of income based valuation approaches (discounted cash flow methodology)
- Assessment of net asset (liquidation) values
- Application of market based valuation approaches (capitalised earnings methodology), as well as analysis of further capital market or transaction related information

The principal documents provided to us are set out in Appendix 1.

Nobia AB has provided us with a letter of representation confirming the accuracy and completeness of all information required for preparing this opinion.

5. Evaluation of the fairness and reasonableness of the transaction price

5.1. Approaches

In order to evaluate the fairness and reasonableness of the transaction price, we primarily used the discounted cash flow method. Furthermore, due to the specific situation of OPTIFIT Group, we derived liquidation scenarios. We complemented these analyses by the following market based valuation approaches:

- Stock exchange values in the broader sense (so-called trading multiples) derived on the basis of financial ratios of comparable listed companies
- Transaction values (so-called transaction multiples) derived on the basis of financial ratios of comparable companies or shares, which were recently traded

Additional information, e.g. alternative offers from third parties, was referred to when evaluating the transaction price.

5.2. Discounted cash flow approach

In business studies and legal jurisdiction as well as valuation practice, it is generally accepted that the discounted cash flow (DCF) value is a reliable criterion for establishing the value of a company.

The discounted cash flow value of a company with purely financial goals is based on the present value of the company owner's incoming net earnings as a result of owning the company (present value of future cash flows).

The basis for our DCF valuation was the consolidated business plan provided to us, comprising a budget and a mid-term plan of the business as part of Nobia Group. We have analysed the business plan according to the requirements of IDW S 8.

In the initial phase, cash flows can be forecasted in detail. A residual or terminal value is applied for the subsequent phase under the assumption that the business will be continued as a going concern.

In the present case we have relied upon the Weighted Average Cost of Capital (WACC) method of the DCF approach in order to value the business. Under the WACC method the relevant cash flows are those cash flows (“free cash flows”) derived from the business plan to which all parties providing capital (debt and equity providers) are entitled (gross method). In the context of the WACC method the resulting value is an enterprise (or entity value) which can be directly compared to the cash-free and debt-free transaction price (see above 1. Definition of the transaction price – point of reference).

The enterprise value is the net present value of future free cash flows which are discounted back to the valuation date using an appropriate discount rate.

The discount rate represents the yield from an alternative investment comparable to the business being valued. The return from the alternative investment needs to be equivalent to the free cash flows to be discounted in terms of timing, taxation and risk.

Under the WACC method the appropriate discount rate is an average return reflecting a weighted average of the yield requirements of the providers of equity and debt.

The weighted costs of capital are calculated as the arithmetic mean of cost of equity and cost of debt (after-tax). The weightings of these components are the corresponding percentages of the market values of equity and debt in relation to the enterprise value.

In the case at hand the envisaged transaction price is defined as a cash- and debt-free price. Thus, the cost of debt is of no relevance. Also the weightings can be neglected. The WACC equals the unleveraged cost of equity.

5.3. Liquidation scenarios

In the case at hand, the above described DCF analysis needs to be complemented by the assessment of liquidation scenarios in order to compare the present value of the cash flows which result from the liquidation of the business to the present value of cash flows resulting from the business operations as a going concern within Nobia Group.

The liquidation value is generally calculated as the present value of net receipts resulting from the disposal of assets less liabilities and liquidation costs. The receipts resulting from the disposal of assets depend on the liquidation speed and intensity.

In general it can be assumed that a high liquidation speed leads to lower recoverable amounts. A lower liquidation speed might lead to higher recoverable amounts but normally implies higher liquidation costs.

Our valuation analysis included the assessment of a liquidation value of the net assets pertaining to the business and forming part of the proposed transaction under two potential liquidation scenarios (optimistic scenario, pessimistic scenario).

The two scenarios differ with regard to the assumptions set for potential net receipts resulting from the disposal of assets and to the estimated amount of redundancy costs. The assumptions that we used in our assessment were derived from calculations performed by Nobia AB, from discussions with Nobia AB management and from discussions with the lawyers in charge of the transaction (especially with regard to the assessment of redundancy costs).

5.4. Market based valuation approaches

Market based valuation approaches include the application of multipliers to key financial data (e.g. EBIT). Multipliers are derived either from comparable, listed companies (trading multipliers) or from shares recently involved in transactions (transaction multipliers).

The multipliers are obtained by dividing the price of the comparable companies (share price or transaction price) to the respective key financial data of the comparable companies (EBIT multiplier or net income multiplier).

The application of an EBIT multiplier directly yields an enterprise value of the business.

The analysis of the trading multipliers was based on a selected group of comparable companies (peer group) and was carried out for EBIT multiples. We did not identify any comparable transaction.

We wish to point out that in the case under review the multiplier analysis is of limited value due to the negative EBIT of OPTIFIT Group. In a market based valuation approach, multipliers basically represent the reciprocal of the cost of capital which is applied to a level of earnings which is assumed sustainable. We have therefore placed limited importance to the outcome of the multiplier analysis which complemented the more detailed fundamental valuation analysis under DCF approach and the liquidation analysis.

5.5. Alternative offers from third parties

In addition to the valuation analyses outlined above, we discussed with management the transaction process and alternative offers received from third parties in the course of an intended disposal of OPTIFIT Group in 2012.

Two attempts to sell OPTIFIT Group in 2012 to third parties failed. The first potential buyer was only interested in the business under the prerequisite of a negative purchase price and required a payment of €4.4 million on a comparable transaction basis.

The second potential buyer declared an interest in the business but did not hold up his interest in a purchase of the business beyond a first analysis.

5.6. Results of our analyses

The transaction price lies within a value range calculated using discounted cash flow, liquidation and market based valuation approaches and taking into account alternative offers from third parties.

6. Concluding statement

On the basis of our analyses described above it is our opinion, that in connection with the intended disposal of all major net assets of OPTIFIT Jaka-Möbel Gesellschaft mbH and MARLIN Badmöbel GmbH (asset deal) to local management in a management buy-out-transaction (MBO), the proposed transaction price of -€2.4 million lies within a range of values calculated using discounted cash flow, liquidation and market based valuation approaches. In our view, therefore, the transaction price is fair and reasonable from the point of view of the sellers.

Yours sincerely,

TAP Dr. Schlumberger und Partner
German Public Audit Firm

Dr. Erik Schlumberger
German Public Auditor

Publicly certified expert for business valuations
Chamber of Commerce Munich and Upper Bavaria

Jörg Endras
German Public Auditor

Appendices:

1. *Principal documents provided by Nobia AB*
2. *General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) as of 1 January 2002*

Appendix 1 – Principal documents provided by Nobia AB

[Translator's notes are in square brackets]

- Audited financial statements of OPTIFIT GmbH and MARLIN GmbH for the years 2009 to 2011
- Unaudited income statements of OPTIFIT GmbH and MARLIN GmbH as of 31 December 2012 and 28 February 2013
- Consolidated business plan (income statement only) of OPTIFIT GmbH for the years 2013 to 2016
- Stand alone business plan (income statement only) of MARLIN GmbH for the years 2013 to 2016
- Letter of intent – Potential sale and purchase of the businesses of OPTIFIT JAKA-Möbel GmbH and its affiliate MARLIN Badmöbel GMBH between Nobia AB and Mr. Leo Brecklinghaus and Ms. Sonja Schumacher as of 7 December 2012 prepared by MANNHEIMER SWARTLING, Frankfurt am Main/Germany
- Draft – Kaufvertrag zwischen OPTIFIT JAKA Möbel GmbH, MARLIN Badmöbel GmbH und JAKA BKL GmbH as of 13 March 2013 prepared by MANNHEIMER SWARTLING, Frankfurt am Main/Germany [Draft – Asset Purchase Agreement (“APA”)]
- Projekt Norden – Investitionsprofil as of June 2012 and October 2012 prepared by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main/Germany [Project North – Investment profile]
- Projekt Norden – Unverbindliches Kaufpreisangebot as of June 2012 prepared by OPTIFIT GmbH [Project North – Non-binding offer]
- Closure analysis of OPTIFIT GmbH as of 2012 (Scenario: MARLIN GmbH kept as stand-alone business, Hygena business transferred to Nobia AB's UK facilities and external volumes discontinued) prepared by Nobia AB
- Assessment of redundancy costs prepared by Nobia AB and MANNHEIMER SWARTLING, Frankfurt am Main/Germany
- Purchase Agreement between Hygena Cuisines SAS and OPTIFIT GmbH (valid for the supply of products from 1 October 2009 until 31 December 2012) (unsigned version)
- Extracts from the commercial register for OPTIFIT GmbH and MARLIN GmbH

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services – not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires – except for financial attestation engagements – an express written agreement.

(3) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer – even without his special request – is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations – especially quantity and cost computations – prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw – also versus third parties – such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.

(2) Liability for negligence; An individual case of damages

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind – except for damages resulting from injury to life, body or health – for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. 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 without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim – at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.