

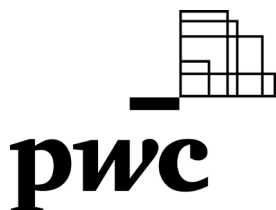
# Long-form Audit Report

(Translation)

Stiftung Projekt STOP,  
Vienna

Long-form Audit Report on the Financial Statements and  
Report on the Assurance Engagement in Relation to the Compliance  
of Spending for the Short Financial Year from  
14 February to 31 December 2022

We draw attention to the fact that the English translation of this report according to section 273 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

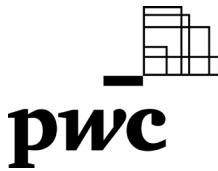


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To the  
Members of the  
Board of Directors of  
Stiftung Projekt STOP  
1020 Vienna

# Long-form Audit Report on the Financial Statements and Report on the Assurance Engagement in Relation to the Compliance of Spending for the Short Financial Year from 14 February to 31 December 2022

(Translation)

## 1. Engagement, Assurance Engagement in Relation to the Compliance of Spending and Performance

Through the declaration of establishment of the Public Foundation dated 14 February 2022 we were appointed as auditor of the Public Foundation Stiftung Projekt STOP, Vienna, by the founder for the period from 2022 to 2024.

The audited foundation is a public foundation pursuant to the Austrian Public Foundation and Funds Act 2015 (hereinafter "BStFG 2015").

The Public Foundation, represented by the Board of Directors, concluded an engagement letter with us to audit the financial statements for the short financial year from 14 February to 31 December 2022, including the accounting system and the management report pursuant to section 19 BStFG 2015 in conjunction with sections 269 et seq. UGB taking into account the special provisions of BStFG 2015 and assuming the responsibilities pursuant to section 20 para. 2 et seq. BStFG (hereinafter "assurance engagement in relation to the compliance of spending").

This audit is voluntary.

The audit performed is an initial audit.

Auditor responsible for the proper performance of the engagement is Mr. Alexander Riavitz, Austrian Certified Public Accountant.

The audit included assessing whether the statutory requirements of BStFG 2015, with the requirements of UGB applying accordingly, and the additional provisions of the declaration of establishment of the Public Foundation were adhered to concerning the preparation of the financial statements. The management report is to be assessed whether it is consistent with the financial statements and whether it was prepared in accordance with the applicable legal regulations.

The assurance engagement in relation to the compliance of spending included assessing whether the accounting was properly executed in all material aspects and whether the Public Foundation's funds were spent in compliance with the declaration of establishment of the Public Foundation. The funds are spent in compliance with the declaration of establishment of the Public Foundation if the funds are used to fulfill the purpose of the Public Foundation, especially for financing activities designated to achieve the purpose of the Public Foundation. Special attention is required in the case of unusual income or expenses, in particular self-dealings.

We conducted our audit in accordance with the legal requirements and Generally Accepted Standards on Auditing as applied in Austria. These standards require the application of the International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB).

We draw attention to the fact that the audit is to provide reasonable assurance as to the accuracy of the financial statements. Absolute assurance is not attainable due to the inherent limitations of any internal control system and due to the sample-based test nature of an audit, there is an unavoidable risk that material misstatements in the financial statements remain undetected. Areas which are generally covered in special engagements were not included in our scope of work.

We performed the audit, with interruptions, from August to September 2023 mainly in Vienna. Data was exchanged via platforms provided by us as well as via e-mail and mail. Interviews were conducted via telephone as well as via video conferencing. The audit was substantially completed at the date of this report.

Our audit is based on the engagement letter concluded with the Public Foundation, an integral part of which are the General Conditions of Contract for the Public Accounting Professions ("AAB") issued by the Austrian Chamber of Tax Advisers and Auditors on 18 April 2018 (refer to Appendix 7). These General Conditions of Contract do not only apply between the Public Foundation and the auditor, but also towards third parties. Section 275 UGB applies with regard to our responsibility and liability as auditor towards the Public Foundation and towards third parties. As provided under section 275 para. 2 UGB (liability provision regarding the audit of financial statements of small and medium-sized companies), our responsibility and liability towards the Public Foundation and any third parties arising from the audit are limited to a total of EUR 2 million.

## 2. Breakdown and Description of Significant Items in the Financial Statements

The breakdown and description of all significant financial statement items are included in the notes to the financial statements and in the management report. We therefore refer you to the respective disclosures by the Board of Directors in the notes to the financial statements and in the management report.

Figures in the tables may be rounded by +/- one unit (EUR, %, etc.) for calculatory reasons.

## 3. Summary of Audit Findings

### 3.1. Compliance of the Accounting System and the Financial Statements

In performing our audit, we obtained evidence that the statutory requirements, the additional provisions of the declaration of establishment of the Public Foundation and Generally Accepted Accounting Principles in Austria have been complied with.

In line with our risk and control based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub-processes of the financial reporting process as part of our audit.

With regard to the compliance of the financial statements and the management report with all applicable statutory requirements, we refer to the auditor's report.

### 3.2. Information Provided

The Board of Directors provided the information and evidence requested by us. A letter of representation signed by the Board of Directors has been included in our working papers.

### 3.3. Statement on Matters Pursuant to section 19 para. 5 BStFG 2015 in conjunction with section 273 para. 2 UGB (Execution of Reporting Obligation)

During our audit, we did not note any facts which indicate that there could be substantial doubt about the Public Foundation's ability to continue as a going concern, or which indicate a material deterioration of the Public Foundation's performance or which might indicate a material offence of the Board of Directors or employees against Austrian law or the declaration of establishment of the Public Foundation. We did not note any material weaknesses in the internal controls over the financial reporting process.

We draw attention to the fact that the English translation of this auditor's report according to section 274 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

## 4. Auditor's Report

### Report on the Financial Statements

#### **Audit Opinion**

We have audited the financial statements for the short financial year from 14 February to 31 December 2022 of Stiftung Projekt STOP, Vienna, which comprise the balance sheet as at 31 December 2022, the profit and loss account from February to December 2022 and the notes.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Public Foundation as at 31 December 2022, and of its financial performance for the short financial year then ended in accordance with the requirements of the Austrian Public Foundation and Funds Act 2015, with the requirements of the Austrian Company Code applying accordingly, and in accordance with the provisions of the declaration of establishment of the Public Foundation.

#### **Basis for Opinion**

We conducted our audit in accordance with Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the „Auditor's Responsibilities for the Audit of the Financial Statements“ section of our report. We are independent of the Public Foundation in accordance with the provisions of the Austrian Public Foundation and Funds Act 2015 and Austrian professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

As provided under section 275 para. 2 UGB (liability provision regarding the audit of financial statements of small and medium-sized companies), our responsibility and liability towards the Public Foundation and any third parties arising from the audit are limited to a total of EUR 2 million.

#### **Other Matter**

We draw attention to the fact that, due to the establishment the Public Foundation has not been audited as yet.

Our audit opinion is not modified in respect of this matter.

## **Responsibilities of the Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with the requirements of the Austrian Public Foundation and Funds Act 2015, with the requirements of the Austrian Company Code applying accordingly, and in accordance with the provisions of the declaration of establishment of the Public Foundation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Public Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Public Foundation or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stiftung internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Public Foundation to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Comments on the Management Report for the Public Foundation

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

The Board of Directors is responsible for the preparation of the management report in accordance with the requirements of the Austrian Public Foundation and Funds Act 2015, with the requirements of the Austrian Company Code applying accordingly, and in accordance with the provisions of the declaration of establishment of the Public Foundation.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report.

### **Opinion**

In our opinion, the management report was prepared in accordance with the applicable legal regulations and is consistent with the financial statements.

## Statement

Based on the findings during the audit of the financial statements and due to the obtained understanding concerning the Public Foundation and its circumstances no material misstatements in the management report came to our attention.

Vienna  
21 September 2023

PwC Wirtschaftsprüfung GmbH

Alexander Riavitz  
Austrian Certified Public Accountant

signed

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the financial statements together with our auditor's report is only allowed if the financial statements and the management report are identical with the German audited version. This auditor's report is only applicable to the German and complete financial statements with the management report. For deviating versions, the provisions of section 281 para. 2 UGB apply.

We draw attention to the fact that the English translation of this report on the assurance engagement in relation to the compliance of spending of the fund is presented for the convenience of the reader only and that the German wording is the only legally binding version.

## 5. Report on the Assurance Engagement in Relation to the Compliance of Spending

We have performed an assurance engagement in relation to the compliance of spending for the short financial year from 14 February to 31 December 2022 of Stiftung Projekt STOP, Vienna.

### **Conclusion**

In our opinion, which is based on our findings obtained during our assurance engagement in relation to the compliance of spending, for the short financial year from 14 February to 31 December 2022, the Public Foundation's accounting was properly executed in all material aspects and the Public Foundation's funds were spent in compliance with the declaration of establishment of the Public Foundation; unusual income or expenses, in particular self-dealings were not identified.

### **Board of Directors' Responsibility for the Management of Finances**

The Board of Directors is responsible for the Public Foundation's proper management of finances regarding proper accounting and spending the Public Foundation's funds in compliance with the declaration of establishment as well as for ensuring that an accounting system complying with the Public Foundation's requirements is in place and that the financial situation of the Foundation can be identified adequately and in a timely manner.

### **Responsibility and Description of Nature and Scope of the Assurance Engagement in Relation to the Compliance of Spending**

Our responsibility is to express a conclusion based on our procedures as to whether the Public Foundation's accounting was properly executed in all material aspects and the Public Foundation's funds were spent in compliance with the declaration of establishment of the Public Foundation. The funds are spent in compliance with the declaration of establishment of the Public Foundation if the funds are used to fulfill the purpose of the Public Foundation, especially for financing activities designated to achieve the purpose of the Public Foundation. Special attention is required in the case of unusual income or expenses, in particular self-dealings.

We performed our assurance engagement in relation to the compliance of spending in accordance with the professional standards applicable in Austria with regard to other assurance engagements (KFS/PG 13). These standards require that we comply with our ethical requirements, including rules on independence, and that we plan and perform our procedures by considering the principle of materiality to be able to express a reasonable assurance conclusion based on the assurance obtained.

The selection of the procedures lies in the sole discretion of the auditor taking into account the assessment of the auditor regarding the risk of material misstatement of the financial statements,

whether due to fraud or error. In assessing the this risk the auditor takes into account internal control as far as it is relevant to the accounting of the Public Foundation, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Foundation's internal control. The funds are spent in compliance with the declaration of establishment of the Public Foundation if the funds are used to fulfill the purpose of the Public Foundation, especially for financing activities designated to achieve the purpose of the Public Foundation. Assessing the Board of Directors' economic efficiency or profitability is not objective of the engagement.

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

Neither an audit or a review of financial statements nor the disclosure and solution of fraud, such as e.g., embezzlement or other kinds of fraudulent acts and wrongful doings are objective of the assurance engagement in relation to the compliance of spending.

Vienna  
21 September 2023

PwC Wirtschaftsprüfung GmbH

Alexander Riavitz  
Austrian Certified Public Accountant

signed

## Appendices

Stiftung Projekt STOP  
Vienna

Balance sheet as at 31 December 2022

Assets	31/12/2022 EUR	Liabilities and Owner's Equity	31/12/2022 EUR
<b>A. Current Assets</b>		<b>A. Capital and Reserves</b>	
I. Bank deposits	<u>329,117.18</u>	1. Foundation capital	100,000.00
		2. Results carried forward	<u>-38,394.70</u>
			<b>61,605.30</b>
		<b>B. Accruals</b>	
		1. Other accruals	<u>267,511.88</u>
<b>Total assets</b>	<u><u>329,117.18</u></u>	<b>Total Liabilities and Owner's Equity</b>	<u><u>329,117.18</u></u>

**Profit and Loss Account from  
14 February to 31 December 2022**

<b>Profit and Loss Account</b>	14/02-31/12/2022 EUR
A. Other earnings	
1. Other operating expenses	<u>38,394.70</u>
<b>2. Subtotal from no. 1 to 1 (Other earnings)</b>	<b>-38,394.70</b>
B. Total Profit	
<b>3. Subtotal from no. 2 to 2 (Earnings before taxes)</b>	<b><u>-38,394.70</u></b>
<b>4. Net loss</b>	<b><u><u>-38,394.70</u></u></b>

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**Notes for the short financial year from 14 February to 31 December 2022****1. General principles**

The financial statements were prepared in accordance with the provisions of §§ 190 to 216, 222 to 226 (1), 226 (3) to 234, 236 to 239 (1 and 2) and § 243 of the Austrian Company Code (UGB) in compliance with the principles of proper accounting, as well as in compliance of the net assets, financial position and results of operations of the company.

The profit and loss account was drawn up in **total cost format**.

The Foundation was established by the declaration of establishment on 14 February 2022, in accordance with the Federal Foundation and Fund Act 2015. The registration in the foundation and fund register took place on 15 April 2022.

The purpose of the foundation is nature and environmental protection, in particular preventing plastic waste from entering the oceans.

Pursuant to § 20 (6) BStFG 2015, financial statements are prepared voluntarily for the respective financial year.

The foundation is classified as a **small foundation**.



## 2. Accounting and valuation principles

The Financial Statements were prepared under the Generally Accepted Accounting Principles, giving a true and fair view of the Company's financial position under application of the **principle of completeness**.

The evaluation of assets and liabilities was carried out considering the principle of **individual items valuation** and the **going concern concept**.

The **principle of prudence** was considered by showing only the realized gains at balance sheet date. All recognizable risks and possible future losses arisen in the fiscal year and in previous years - as far as required by law - were taken into account. Impairment losses were recognized regardless of whether the financial year ended with a profit or loss.

**Expenses and income** for the financial year have been included in the financial statements irrespective of the date of the corresponding payments.

### Bank deposits

Under the item "I. Bank deposits", the foreign currency valuation as of the reporting date 31 December 2022 concerning the USD-bank account no. AT77 3100 0070 5687 4753 is shown, as the amount of USD 249,970.00 received in the bank account will be passed on in full to a sub-service provider in 2023. Therefore, the principle of a valuation unit as defined in § 201 (3) of the Austrian Commercial Code (UGB) is applied. It concerns the following balance sheet items: bank deposits and other accruals.

### Other accruals

In accordance with the principle of prudence, **other accruals** include all risks identifiable at the time of preparation of the balance sheet, as well as liabilities of uncertain amount or substance, at the best estimate of the amounts required to settle the obligations.

**3. Notes to the balance sheet and the profit and loss account****Equity**

	31/12/2022 EUR
Foundation Capital	100,000.00
Result carried forward	-38,394.70
	<u>61,605.30</u>

The foundation capital of EUR 100,000.00 (previous year EUR 0k) currently consists entirely of the original assets.

The reconciliation of net income to net result carried forward is as follows:

	31/12/2022 EUR
Net loss	-38,394.70
Reversal of capital reserves	0.00
Result carried forward from the previous year	0.00
Result carried forward	<u>-38,394.70</u>

#### 4. Other information

##### Information on corporate bodies and employees

The Foundation does not have any employees.

The following persons served as members of the Board of Directors during the financial year:

Board of Directors:	<u>Name</u>	<u>Since</u>
	Markus Horcher	14/02/2022
	Benjamin James Dixon	14/02/2022

No advances or loans were granted to the Board of Directors. Moreover, no contingent liabilities were assumed.

##### Supplementary report

No events of particular significance occurred after the end of the financial year which could lead to a different assessment of the net assets, financial position and results of operations of the Company.

##### Proposed appropriation of earnings

The Board of Directors proposes to carry forward the reported result in the amount of EUR -38,394.70 to new account.

##### Signature financial statements

These financial statements, consisting of the balance sheet, profit and loss account and notes to the financial statements, have been prepared by the Board of Directors and signed below.

Vienna, 21 September 2023

.....  
member of Board of Directors: Markus Horcher

.....  
member of Board of Directors: Benjamin James Dixon

## Stiftung Projekt STOP, Vienna

Explanatory Remarks on the Balance Sheet  
and the Profit and Loss Account**Assets**

<b>A. Current Assets</b>	EUR	329,117.18
<b>I. Bank deposits</b>	EUR	329,117.18
		31/12/2022
		EUR
Bank deposits		<u>329,117.18</u>
		<u><u>329,117.18</u></u>

**Liabilities and Owner's Equity**

<b>A. Capital and Reserves</b>	EUR	61,605.30
		14/02/2022
		31/12/2022
		EUR
Foundation capital		<u>100,000.00</u>
Results carried forward		<u>-38,394.70</u>
		<u><b>61,605.30</b></u>
Development of the result carried forward:		31/12/2022
		EUR
Net loss		<u><u>-38,394.70</u></u>

**B. Accruals**

Allocation and development of accruals:

	Status 14/02/2022 EUR	Allocation EUR	Status 31/12/2022 EUR
Other accruals	<u>0.00</u>	<u>267,511.88</u>	<u>267,511.88</u>

**Profit and Loss Account**

	14/02/2022 - 31/12/2022
<b>1. Other operating expenses</b>	<b><u>38,394.70</u></b>
	14/02-31/12/2022 EUR
Tax consulting expenses	24,760.00
Legal and consulting expenses	11,895.90
Fees for monetary transactions	<u>1,738.80</u>
	<b><u>38,394.70</u></b>
<b>2. Subtotal from no. 1 to 1 (Other earnings)</b>	<b>EUR 38,394.70</b>
<b>3. Subtotal from no. 2 to 2 (Earnings before taxes)</b>	<b>EUR 38,394.70</b>
<b>4. Net loss</b>	<b>EUR 38,394.70</b>

**Stiftung Projekt STOP, Vienna****Legal and Tax Status****1. Legal Status**

Company:	Stiftung Projekt STOP (founded by declaration of establishment dated 14 February 2022)				
Registered Office:	1020 Vienna, Trabrennstraße 6				
Foundation purpose:	Nature and environmental protection, in particular preventing plastic waste from entering the oceans.				
Foundation register:	The Foundation was registered on 15 April 2022.				
Legal form:	Foundation				
Beneficiary:	The beneficiary of the foundation is the general public as defined by the purpose of the foundation.				
Foundation bodies:	Board of Directors and Foundation auditor				
Board of Directors:	Markus Horcher, born 06-05-1971 Benjamin James Dixon, born 13-09-1978				
Foundation auditor:	PwC Wirtschaftsprüfung GmbH Donau-City-Straße 7 1220 Vienna				
Representation:	The Foundation is represented jointly by two members of the Board of Directors.				
Founder and donated assets:	<table> <thead> <tr> <th><u>Name</u></th> <th><u>in EUR</u></th> </tr> </thead> <tbody> <tr> <td>Borealis AG</td> <td>100,000</td> </tr> </tbody> </table>	<u>Name</u>	<u>in EUR</u>	Borealis AG	100,000
<u>Name</u>	<u>in EUR</u>				
Borealis AG	100,000				

**2. Tax Status**

Tax authority:	Tax authority for large traders
Tax number:	09 390/7335
VAT number:	none
Tax representative:	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft 1090 Vienna, Porzellangasse 51
Tax Assessments:	No tax assessments were made in the reporting period.
Financial year:	The short financial year relates to the period from 14 February to 31 December 2022.

**Management Report  
pertaining to the financial statements as at 31 December 2022  
of Stiftung Projekt STOP**

Stiftung Projekt STOP (“the Foundation”) was established by Borealis AG (“the Founder”) on 14 February 2022 in accordance with the Austrian Bundes-Stiftungs- und Fondsgesetz 2015 (hereinafter “BStFG”). The Foundation came into existence as legal entity upon registration in the designated BStFGregister. The registered office of the Foundation is in Vienna.

The Founder contributed an initial capital in the amount of EUR 100,000 to the Foundation. In future, additional financial means needed to accomplish the purpose of the Foundation shall be provided through voluntary funds and grants provided by the Founder as well as other third party funders (both, private sector and government funding).

In addition to contributions from third party funders as mentioned above, the purpose of the Foundation can be achieved by the following means:

- Voluntary contributions of all kinds (donations, gifts, benefits causa mortis, subsidies, etc.);
- Income from asset management;
- Other income;
- The assets of the foundation.

The Foundation directly and exclusively pursues charitable purposes as defined by Sections 34 et seqq. of the Austrian Bundesabgabenordnung (“Federal Fiscal Code”, hereinafter “BAO”) and is not profit-oriented. The Foundation does not seek to generate any profit but may pursue secondary purposes to a minor extent (i.e. not more than 10 % of its activities).

Mr. Markus Horcher and Mr. Benjamin James Dixon are appointed as members of the Board of Directors. Together with Mrs. Dorothea Wiplinger as General Secretary, they are responsible for the management of the Foundation. The respective term of office is three years. KPMG Alpen-Treuhand GmbH supports the Board by providing accounting consultant services. PwC Wirtschaftsprüfung GmbH was appointed to provide services as external auditor (“Stiftungsprüfer” according to sec 19 BStFG).

To fulfill the purpose of the Foundation, the Board Members have appointed Pt. Systemiq Lestari Indonesia as an Auxiliary Agent based on the Service Level Agreement from 9 September 2022 as responsible implementation partner in the countries of operation.

The Founder, Board Members as well as any subsequent and additional Founder, Board Members or employees shall not receive any contribution from the Foundation related to their role, activities, expenses related to the role and responsibilities of such Board Member; no assets may be contributed to any individual or institution related to a founder and shall not be entitled to be reimbursed for their out-of-pocket expenses.

Since the Foundation particularly intends to carry out projects in developing and emerging countries, its purpose is not limited to the interests of Austria.



## **Purpose of the Foundation**

Plastic waste is one of the most urgent challenges faced by society today. Collection rates are lowest in developing and emerging countries where the pace of population growth and consumption has outpaced the establishment of effective solid waste management systems. Plastics ending up in the environment harm biodiversity, as well as people's health and livelihoods. Solving this challenge requires financially viable, sustainable and circular waste management systems, where waste is being valued and therefore collected, sorted and recycled. The Foundation was created to provide an effective solution to these challenges and to transform today's inadequate linear systems in hot spot areas into sustainable and more circular ones.

This shall be achieved by:

- providing access to affordable, reliable and formal waste collection to all citizens
- establishing a business model to transform waste into feedstock for recycling
- establishing a financial model to ensure economic sustainability;
- providing support and advice (free of charge) to local institutions to create necessary institutions with clear responsibilities to continue and manage the program, after handing over the projects to local authorities.
- transferring necessary knowledge

The Foundation's activities will contribute to achieving the United Nations Sustainable Development Goals (UN SDGs) 3, 8, 9, 11, 12, 14 and 17.

## **Activities of the Foundation**

As the Foundation was newly established in 2022, the activities during the financial year mainly focused on establishing the governance and framework:

- Appointment of Board Members;
- Two formal Board Meetings were held (7 July and 29 November);
- Appointment of an external auditor ("Stiftungsprüfer" according to sec 19 BStFG) as well as of a legal and accounting consultant;
- Development of Rules of Procedure for the Board of Directors and Board Meetings;
- Opening of two bank accounts (EUR/USD) at Raiffeisen Bank International AG (RBI);
- Establishment of a Service Level Agreement with Pt. Systemiq Lestari Jakarta, an Auxiliary Agent and implementation partner in Indonesia;
- Development of a Foundation's website (not yet launched);
- Initiating the development of a fundraising strategy, supported by a professional fundraising agency; and
- An audit of Project STOP in Indonesia was executed by the Founder.

In 2022, no R&D activities were financed by the Foundation.

In 2023, the activities will focus on enhancing and professionalising fundraising activities based on the fundraising strategy being developed.

## **Business results, results of operation, financial position, and net assets**

In the financial year 2022, a net loss of EUR - 38,394.70 was incurred. This was mainly due to expenses accrued for establishing the Foundation and for preparing and auditing of the financial statements. Other operating expenses include expenses for consultancy services, expenses for the audit of the financial statements and expenses for monetary transactions. As of 31 December 2022 the Foundation disposes of a foundation capital amounting to 18.72% of the balance sheet total.

The position "other accruals" includes provisions for the preparation and audit of the annual financial statements and for passing through a fund received from Accenture Foundation, Inc. to a sub-service provider in 2023.

## **Events of particular significance after the balance sheet date**

There were no events of particular significance or other developments after the balance sheet date up to the preparation of the management report.

To achieve the Foundation's ambition to enable two million people to access an effective and financially sustainable waste management system and collecting 230,000 tonnes of waste by end of 2026, the programme will be expanded to the entire region of Banyuwangi, East Java, starting in 2023. Besides building up processes and the infrastructure for waste management, the programme will also include "system enabler" activities, such as waste recycling supply chain development, launch of plastic- and carbon credits to generate funding for the programme, digitalisation of fee collection & waste flow tracking, and development of a blended finance model.

This ambitious expansion requires substantial financial funds to be raised via the Foundation. Furthermore, COVID pandemic and consequent economic downturns caused unfavourable exchange rates of Euro (EUR) and Norwegian Krone (NOK) to local Indonesian Rupiah (IDR) and – additionally – increases in infrastructure prices. Consequently, the budget plan needed to be adapted and funding activities needed to be increased. The project duration also had to be extended to 2027.

The Foundation is not exposed to any significant risks; risks identified are only those that might delay or challenge the implementation of Project STOP such as a lack of necessary funding needed to roll out the entire expansion program within the planned time frame. The Foundation's main objective is to secure the necessary funding in time in order to roll out Project STOP as planned in full scope and without delays. The Foundation has initiated the development of a fundraising strategy with the support of a professional fundraising agency.

In 2022, a funding commitment of USD 250,000.00 could be secured from Accenture Foundation, Inc. The received fund will be passed through in full to the sub-service provider Systemiq in 2023. Fundraising efforts will be continued during 2023 and beyond and remain the main focus and priority for the Foundation.

To furthermore de-risk the funding, Project STOP's expansion program has been split into three sub-projects, each with a clear budget and impact target. Funds for the first two

sub-projects are already secured; fundraising for sub-project three is currently ongoing. This approach allows to downsize or discontinue the third project phase in case of insufficient funding or delays in raising the funds whilst the phase one and two can be continued and finalised in full scope, not being impacted by a potential downsizing or cancellation of phase.

Other risks related to the implementation of Project STOP and therefore the achievement of the Foundation's objectives:

- A changing political environment in Indonesia might affect governmental support and commitment needed for Project STOP. This is mitigated through formal agreements between government agencies and Project STOP, and continued stakeholder engagement by the Project STOP team.
- Financial sustainability might not be achieved at the planned time of closing and handover of the project leading to additional resource need and to a postponement of the scheduled time of handover. This is mitigated by Project STOP's investments in financial planning and monitoring and capacity building for local counterparts.
- Ethical risks such as corruption and bribery are mitigated by strict financial controls and by training of all Project STOP staff on ethical conduct standards, as well as audits by the founder and other sponsors.

Vienna, 21 September 2023

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member of Board of Directors: Markus Horcher

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member of Board of Directors: Benjamin James Dixon

# General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

## Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

## SECTION I

### 1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

### 2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

### 3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

#### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

#### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

#### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

#### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2<sup>nd</sup> Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

#### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

#### 9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

#### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

#### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

#### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1<sup>st</sup> and 2<sup>nd</sup> Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

## SECTION II

## 15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.