PKF FASSELT & PARTNER
Wirtschaftsprüfungsgesellschaft

Report on audit of the Control and Profit and Loss Transfer Agreement between

Deutsche Telekom AG, Bonn,

and

T-Mobile International AG, Bonn,

pursuant to § 293b (1) of the German Stock Corporation Act

Translation not legally binding

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PKF
Wirtschaftsprüfung &
Beratung

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List of abbreviations

AG	*Aktiengesellschaft* (stock corporation)
AktG	*Aktiengesetz* (German Stock Corporation Act)
DTAG	Deutsche Telekom AG, Bonn
Id.	See preceding citation
GmbH	*Gesellschaft mit beschränkter Haftung* [Limited Liability Company]
TMO AG	T-Mobile International AG, Bonn

I. Engagement and performance of the engagement

On February 7, 2007,

Deutsche Telekom AG, Bonn,
- hereinafter referred to as "DTAG" -

and

T-Mobile International AG, Bonn,
- hereinafter referred to as "TMO AG" -

concluded a Control and Profit and Loss Transfer Agreement pursuant to § 291 (1) first sentence AktG. At the extraordinary shareholders' meeting of TMO AG dated March 15, 2007, it is intended that a resolution will be passed on the grant of consent to this Control and Profit And Loss Transfer Agreement.

Pursuant to § 293 (1) first sentence AktG, an intercompany agreement only enters into force at such time as the shareholders' meeting approves it. If the other party to the agreement is a German stock corporation (*Aktiengesellschaft*), then in addition to the foregoing, pursuant to § 293 (2) first sentence AktG, an intercompany agreement only enters into force where the shareholders' meeting of that other stock corporation approves it as well. It is thus intended that, at the ordinary shareholders' meeting of DTAG called for May 3, 2007, the shareholders should adopt a resolution to grant consent to the Intercompany Agreement.

On March 21, 2007, the Board of Managements of DTAG and of TMO AG have submitted a detailed, joint written report pursuant to § 293a (1) first sentence, final clause AktG. In that report, they provide a detailed explanation and substantiation for the conclusion of the Control and Profit and Loss Transfer Agreement. In their report they explain that, due to the lack of outside shareholders, there was no need to stipulate the type and the amount of compensation pursuant to § 304 AktG and of a cash indemnity payment pursuant to § 305 AktG.

§ 293b (1) AktG provides that the Control and Profit and Loss Transfer Agreement must be audited by an expert auditor (contract auditor). By orders dated March 2 and 9, 2007, the Cologne Regional Court, upon a recommendation by the Chamber of Public Auditors and

upon the identical applications of DTAG and TMO AG of February 7, 2007 pursuant to §§ 293b (1), 293c (1) AktG, selected and appointed PKF Fasselt & Partner Wirtschaftsprüfungsgesellschaft, Duisburg, as the joint contract auditor.

We conducted our audit in March 2007, at the premises of DTAG and TMO AG in Bonn as well as at our offices in Duisburg. Pursuant to § 293b in conjunction with § 293e (1) AktG, the subject matter of the audit was the Control and Profit and Loss Transfer Agreement, as well as the correctness of the statement that no compensation is required pursuant to § 304 AktG and no cash indemnity payment pursuant to § 305 AktG.

The main documents and records furnished to us for our audit were as follows:

- Control and Profit and Loss Transfer Agreement by and between DTAG and TMO AG, dated February 7, 2007,
- Joint Report of the Board of Management of DTAG and of the Board of Management of TMO AG on the Control and Profit and Loss Transfer Agreement between DTAG and TMO AG, dated March 21, 2007,
- Extracts from the Commercial Register for Deutsche Telekom AG, T-Mobile International AG and T-Mobile International Holding GmbH,
- Articles of Incorporation of TMO AG dated April 16, 2003,
- Report on the audit of the annual financial statements of T-Mobile International AG as at December 31, 2006,
- Purchase and Sale Agreement dated February 11, 2003 for the purchase of all 50,000 no par value shares of T-Mobile International AG (the name of which at that time was Drachenfels 7. V V AG) by T-Mobile International Holding GmbH (the name of which at that time was Deutsche Telekom Assekuranz-Vermittlungsgesellschaft mbH, Mannheim) from Foratis AG, Bonn, and F1 Beteiligungs GmbH, Bonn,
- Statement of the Managing Directors of T-Mobile International Holding GmbH, dated March 21, 2007, regarding the ownership of the shares of TMO AG,
- Control and Profit and Loss Transfer Agreement by and between DTAG and TMO AG, dated March 26/April 18, 1996.

All of the information and evidence requested by us were readily provided by the Board of Managements of Management of DTAG and TMO AG and the named persons. We had the

Boards of Management Board of Management of DTAG and TMO AG provide us with a written confirmation of the completeness and correctness of the information provided and the documents submitted to us by way of a professionally customary Statement of Completeness.

We are herewith providing the following report on the results of our audit pursuant to § 293e AktG.

Our engagement was based on the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2002, attached as **Annex 3** hereto, including with respect to third parties.

II. Audit of Intercompany Agreement

1. Subject matter of the audit

On February 7, 2007, DTAG concluded a Control and Profit and Loss Transfer Agreement with TMO AG which provides, in particular, that TMO AG is subordinating the management of its enterprise to DTAG, and in which TMO AG undertakes to transfer its entire profits to DTAG. The Control and Profit and Loss Transfer Agreement falls within the scope of § 291 AktG and is subject to mandatory auditing by a contract auditor pursuant to § 293b AktG.

2. Contents of the Intercompany Agreement and scope of the audit

§§ 1 through 4 of the Intercompany Agreement provide for the subordination of the management of the enterprise, DTAG's right of direction vis-à-vis TMO AG, TMO AG's obligation to transfer profits to DTAG and DTAG's obligation to offset any net losses incurred by TMO AG during the term of the Agreement. § 5 governs the inception, the term and how the Agreement enters into force. § 6 concludes the contractual provisions with a severability clause.

Pursuant to § 304 (1) first sentence AktG, a profit and loss transfer agreement must in principle provide reasonable compensation to outside shareholders by way of a recurring compensation payment. Pursuant to § 304 (1) third sentence AktG, it is only possible to abstain from such a provision where the company obliged to transfer its profits has no outside shareholders at the time the resolution on the profit and loss transfer agreement is passed by the shareholders' meeting. In addition, pursuant to § 305 (1) AktG a control or

profit and loss transfer agreement must contain the obligation, upon the request of an outside shareholder, to acquire the outside shareholder's shares against such cash indemnity payment as is stipulated in the agreement.

The Control and Profit and Loss Transfer Agreement does not contain provisions on cash indemnity and compensation payments under §§ 304, 305 AktG. On this point, the joint report of the Board of Managements of Management of DTAG and TMO AG states in section VI. that it was not necessary to stipulate a compensation payment pursuant to § 304 AktG and a cash indemnity under § 304 AktG in the Control and Profit and Loss Transfer Agreement, because TMO AG has no outside shareholders.

Our audit covers the Agreement itself as well as the statement that at the time of concluding the Agreement there were no outside shareholders on the side of TMO AG. The completeness and correctness of the report, containing an explanation of and substantiation for the conclusion of the Control and Profit and Loss Transfer Agreement in legal and commercial terms and which § 293a (1) first sentence AktG requires the Board of Managements of Management of DTAG and of TMO AG to provide in writing to the shareholders' meeting of the two companies, does not form part of the subject matter of the agreement audit.

3. Audit Findings

In § 1, the Intercompany Agreement subordinates the management of the business of TMO AG to DTAG. § 2 stipulates the right of DTAG to issue directions to the Board of Management of TMO AG in terms of its management. § 3 of the Intercompany Agreement provides that TMO AG must transfer its entire profits to DTAG (account being taken of § 301 AktG) throughout the term of the Agreement. § 4 of the Agreement imposes an obligation on DTAG pursuant to § 302 AktG to offset any net losses that might otherwise arise during the term of the Agreement.

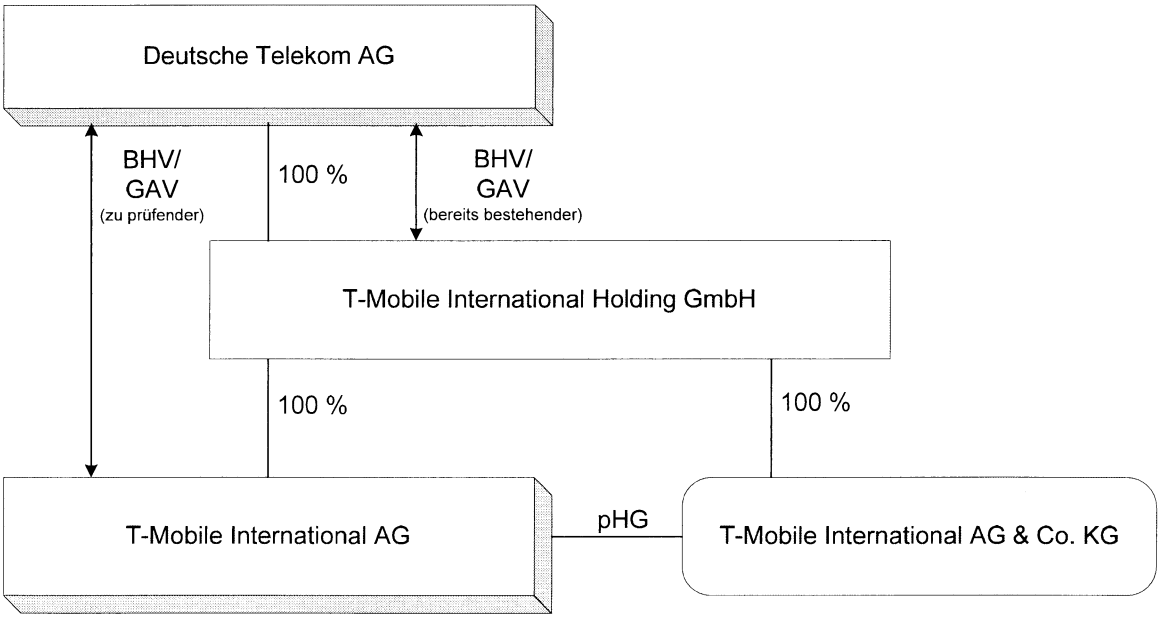
Thus, the Agreement is a control and profit and loss transfer agreement within the meaning of § 291 (1) AktG.

The consequence of this is that the Control and Profit and Loss Transfer Agreement between DTAG as controlling entity and TMO AG as controlled entity is, as a general principle, required to contain provisions on reasonable compensation pursuant to § 304 (1) first sentence as well as provisions on reasonable cash indemnity payment pursuant to

§ 305 (1) AktG for outside shareholders. It is only permissible to abstain from a provision on reasonable compensation to outside shareholders pursuant to § 304 (1) third sentence AktG, if TMO AG has no outside shareholders at the time the agreement is concluded. Pursuant to § 305 (1) AktG, an intercompany agreement must, in addition to the obligation to pay compensation, contain provisions on a reasonable cash indemnity. If it is possible to abstain from a payment of reasonable compensation, then this will also subsequently apply to cash indemnity payments pursuant to § 305 (1) AktG.

Because the present Intercompany Agreement does not provide either for a compensation payment or for a cash indemnity payment, we had to scrutinize whether the two parties to the Agreement were correct in their presumption that TMO AG, as controlled entity, has no outside shareholders.

At the date of the conclusion of the Agreement the situation of shareholdings and equity interests has been as follows:



[Key:
BHV/GAV (zu prüfender) = Control Agreement/Profit and Loss Transfer Agreement (to be audited)

BHV/GAV (bereits bestehender) = Control Agreement/Profit and Loss Transfer Agreement (previously existing)]

DTAG holds 100% of the shares of T-Mobile International Holding GmbH. In addition, there is already a Control and Profit and Loss Transfer Agreement in place between DTAG and T-Mobile International Holding GmbH. T-Mobile International Holding GmbH, in turn, has a 100% equity stake in TMO AG.

Accordingly, the auditors had to scrutinize whether T-Mobile International Holding GmbH is to be regarded as an 'outside shareholder' within the meaning of §§ 304, 305 AktG.

As a general principle, the question of which shareholder is to be attributed to the other party to the contract/to the controlling entity and thus does not constitute an outsider is determined in accordance with the safeguarding purpose of the legal norm (cf. Hüffer, Aktiengesetz, 7th ed. 2006 § 304, marg. note 3). In any event, shareholders should accordingly be attributed to the other contract party where 100% of their capital is held by that other party (cf. *id.* as well as Münchner Kommentar / Bilda, AktG, first ed. 2000, § 304, marg. notes 19-21).

As the shares of T-Mobile International Holding GmbH, being the sole shareholder of TMO AG, are held 100% by DTAG, T-Mobile International Holding GmbH is, accordingly, not to be regarded as an 'outside shareholder' within the meaning of §§ 304, 305 AktG. T-Mobile International Holding GmbH's [potential] position as an 'outside shareholder' vanishes completely due to the Control and Profit and Loss Transfer Agreement between it as controlled entity and DTAG as controlling entity.

We were persuaded of the existence of the shareholding relationships and of the existence of the Control and Profit and Loss Transfer Agreement between DTAG and T-Mobile International Holding GmbH at the date the Control and Profit and Loss Agreement between DTAG and TMO AG was concluded, as well as at the date of the audit.

As a result, we find that T-Mobile International Holding GmbH does not constitute a shareholder requiring protection in accordance with §§ 304, 305 AktG and is thus not an 'outside shareholder' within the meaning of those statutory provisions. Consequently, there was no requirement for the Control and Profit and Loss Transfer Agreement we audited to provide for reasonable compensation pursuant to § 304 (1) first sentence AktG as well as a reasonable cash indemnity pursuant to § 305 (1).

III. Results of audit and concluding remarks

Our audit pursuant to § 293b (1) AktG of the Control and Profit and Loss Transfer Agreement concluded by and between Deutsche Telekom AG and T-Mobile International AG revealed that there were no objections to be raised in respect of the Intercompany Agreement of February 7, 2007. The Intercompany Agreement is an agreement within the meaning of § 291 AktG. Pursuant to our findings, at the time of conclusion of the Agreement, there were no outside shareholders of T-Mobile International AG. Accordingly, the Control and Profit and Loss Transfer Agreement correctly dispensed with determining reasonable compensation pursuant to § 304 AktG and a reasonable cash indemnity under § 305 AktG. Therefore, there is no need for us, as contract auditor pursuant to § 293e AktG, to issue a concluding statement with respect to the reasonableness of the compensation and cash indemnity payment.

Duisburg, dated March 22, 2007

PKF FASSELT & PARTNER
Wirtschaftsprüfungsgesellschaft

[original signed by:]
Pflugfelder
Wirtschaftsprüfer
[German Public Auditor]

[original signed by:]
Dr. Ellerich
Wirtschaftsprüfer
[German Public Auditor]

ENCLOSURES

Anlage 1

82 OH 1/07

LANDGERICHT KÖLN

BESCHLUSS

In Sachen
Deutsche Telekom AG

Der von der Wirtschaftsprüferkamer NRW vorgeschlagene
Sachverständige

PKF Fasselt & Partner
Wirtschaftsprüfungsgesellschaft
Schifferstr. 210
47059 Duisburg
Ansprechpartner: Herr WP/StB Dr. Marian Ellerich
Tel.: 0203/30001-465
Fax: 0203/30001-50

wird mit der Prüfung des Unternehmensvertrages zwischen der Deutschen Telekom AG, Bonn, und der T-Mobile International AG, Bonn
gem. § 293 c Abs. 1 S. 1 AktG bestellt.

Gegenstandswert: 5.000,00 €.

Anlage 1

Köln, den 2.3.2007

Landgericht, 2. Kammer für Handelssachen

Lauber

Vorsitzender Richter am Landgericht

Ausgefertigt

(Krawinkel),Justizangestellte
als Urkundsbeamter der Geschäftsstelle

Anlage 2

82 OH 1/07

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LANDGERICHT KÖLN

BESCHLUSS

In Sachen

der Deutsche Telekom AG,
Friedrich-Ebert-Allee 140, 53113 Bonn,
vertreten durch ihre gemeinsam zu Vertretung berechtigten Mitglieder des Vorstands,
Herrn René Obermann und Herrn Dr. Karl-Gerhard Eick

Antragstellerin zu 1),

und

der T-Mobile International AG, Landgrabenweg 151, 53227 Bonn,
vertreten durch ihre gemeinsam zur Vertretung berechtigten Mitglieder des Vorstands,
Herrn Michael Günther und Herrn Lothar A. Harings,

Antragstellerin zu 2),

wird der Beschluss der Kammer vom 02.03.2007 wie folgt geändert:

Der von der Wirtschaftsprüferkammer NRW vorgeschlagene Sachverständige

PKF Fasselt & Partner,
Wirtschaftsprüfungsgesellschaft,
Schifferstraße 210, 47059 Duisburg,
Anprechpartner: Herr WP/StB Dr. Marian Ellerich,
Telefon: 0203/30001-465
Telefax: 0203/30001-50

wird auf den gemeinsamen Antrag der Vorstände der Antragstellerinnen für die vertragsschließenden Gesellschaften für die Prüfung des Unternehmensvertrages zwischen der Deutschen Telekom AG, Bonn, und der T-Mobile International AG, Bonn, gemeinsam bestellt, § 293 c Abs. 1 S. 1,2 AktG.

Gegenstandswert: 5.000,00 €.

Köln, den 09.03.2007
Landgericht, 2.Kammer für Handelssachen

Lauber
Vorsitzender Richter am Landgericht

Ausgefertigt

(Krawinkel),Justizangestellte
als Urkundsbeamter der Geschäftsstelle

[Translator's notes are in square brackets]

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 – expecially 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.

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10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgernent 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 prerequisities 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 seven 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.

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