

Letter of Representation

_____, _____
(Place) (date)

To

(Company)

Group Financial Statements and Group Management Report for the Financial Year from (date) _____ to (date) _____

In my / our capacity as officer(s) (executive board member(s) / executive officer(s) / _____) / sole proprietor / owner-manager(s) / _____ of the parent entity, having responsibility for the preparation of the group financial statements, I / we hereby declare to you, in your capacity as group auditor, the following:

A. Information and evidence

I / We have provided to you the information and evidence requested by you in accordance with § [Article] 320 Abs. [paragraph] 3 HGB ["Handelsgesetzbuch" German Commercial Code], which is complete and has been provided to the best of my / our knowledge and belief. With respect hereto, I / we have disclosed to you not only my / our own personal knowledge, but also the knowledge held by the other officer(s) / sole proprietor / owner-manager(s) / _____ of the parent entity. I / We have named the following persons as being authorized and qualified to furnish information.

These persons have been instructed by me / us to provide you with all required and requested information and evidence correctly and completely.

B. Internal Control over Financial Reporting

1. I / We have fulfilled my / our responsibility to implement internal controls over financial reporting that comply with all relevant legal requirements. This includes measures to prevent and detect material fraud and/or misappropriation of assets.
2. Breakdowns and/or material deficiencies of the internal controls over financial reporting
☐ did not occur and currently do not exist.
☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

¹ Please delete where inapplicable and add as necessary. Please delete inapplicable numbers or text passages.

☐ Please tick as applicable

M 1: Use for audits of annual financial statements (individual merchants and partnerships are to submit the letter of representation as owner(s) manager(s) and/or sole proprietor)

Issued by the Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany, Incorporated Association].

50289
01/2018

C. Group Financial Statements and Group Management Report

1. A list of
 - ☐ all entities in which ownership interests were held and/or which held ownership interests during the financial year (§ 271 Abs. 1 HGB),
 - ☐ all entities with which the entity had a parent/subsidiary relationship [hereinafter referred to as affiliated entities] during the financial year (§ 271 Abs. 2 HGB),
 - ☐ all other related entities and persons [related parties]has been submitted to you.² Associated entities and joint ventures have been specifically labelled.
2. On the balance sheet date of the group financial statements loans, receivables due from or liabilities (including contingent liabilities) due to affiliated entities, not included in the group financial statements and/or from/to entities in which ownership interests were held and/or which held ownership interests
 - ☐ did not exist.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
3. I / We have disclosed to you all transactions with related parties of which I am / we are aware.
4. Material transactions of the parent entity and its affiliated companies with related parties, which have not been conducted on terms equivalent to those prevailing in arm's length transactions, including the amounts of such transactions, the nature of the related party relationship as well as other information about the transactions necessary for an assessment of the financial position of the group
 - ☐ do not exist.
 - ☐ are disclosed in the notes to the group financial statements (§ 314 Abs. 1 no. 13 HGB).
 - ☐ have not been disclosed separately in the notes to the group financial statements, as all transactions with related entities and persons have been disclosed in the notes to the group financial statements.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
5. Relationships and transactions with related entities and persons are in my / our view appropriately accounted for and disclosed in the group financial statements and group management report.
6. I am / We are satisfied that the group financial statements submitted to you include all domestic and foreign group entities which are required to be included pursuant to § 294 HGB and which were not excluded pursuant to § 296 HGB. This also includes all special purpose entities which are required to be included in the group financial statements pursuant to § 290 Abs. 2 no. 4 HGB.
7. To my / our knowledge the financial statements (including "reporting packages") underlying the group financial statements reflect all assets, liabilities (obligations, risks, etc.), accruals and special items, all expenses and income as well as required disclosures in compliance with the accounting principles, which are applicable to the group financial statements.
8. The significant assumptions made in the determination of accounting estimates, including fair values, are reasonable and appropriately reflect my / our intent as well as the ability to carry out the related courses of action.
9. All transactions required to be accounted for on consolidation are fairly reflected in the group financial statements.
 - ☐ did not occur and are not expected to occur.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
10. Material losses incurred by group entities, which have not been included in the group financial statements,

² Pursuant to Article 43 paragraph 1 no. 7 b of the EC Accounting Directive in the form of the amending Council Directive the term "related parties" has the same meaning as in the International Accounting Standards adopted in accordance with the IAS directive, i.e. currently IAS 24 in the version applicable in the EU; cf. preamble of the government draft of the BilMoG, BT-Drs. 16/10067, page 72.

11. Transactions of the parent entity, of subsidiaries included in the group financial statements and of subsidiaries not included in the group financial statements, that are not included in the group balance sheet but are essential for assessing the financial position of the group or that could become so (e.g. factoring, reverse repurchase transactions, agreements as to consignment inventory, securitization via special purpose companies or entities that are not legal entities, pledging of assets, operating leasing contracts and also outsourcing of operations or functions),
- ☐ did not exist on the balance sheet date of the group financial statements.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
12. Type, purpose, risks, advantages and financial effect of transactions under no. 11 (§ 314 Abs. 1 no. 2 HGB) to the extent the risks and advantages are material and the disclosure is essential for assessing the financial position of the group have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
13. Material other financial commitments - insofar as not included in the balance sheet and not required to be disclosed in the notes to the group financial statements pursuant to § 268 Abs. 7 in association with § 298 Abs. 1 HGB or § 314 Abs. 1 no. 2 HGB - (§ 314 Abs. 1 no. 2a HGB)
- ☐ did not exist on the balance sheet date of the group financial statements.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
14. Post-balance sheet events of particular importance, which are not recognised in the group income statement or the group balance sheet
- ☐ did not occur.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
15. I / We have disclosed to you the results of my / our assessment of risks that the group financial statements and group management report may be materially misstated as a result of fraud and misappropriation of assets. All fraud and misappropriation of assets or suspected fraud and misappropriation of assets known to me / us affecting the group subject to audit, in particular, such involving the entity's officers and other members of its management, employees who have significant roles in internal control and other persons whose fraudulent actions could have a material effect on the group financial statements or the group management report
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- ☐ I / We have no knowledge as to the above.
16. All allegations of fraud and misappropriation of assets perpetrated or suspected, which were made known to me / us by employees, former employees, analysts, supervisory authorities or other persons, which could have a material effect on the group financial statements or group management report,
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
- ☐ I / We have no knowledge as to the above.
17. Other violations of statutory regulations and supplementary provisions of the shareholder agreement or the articles of incorporation which could be significant to the content of the group financial statements, group management report or the presentation of the net assets, financial position and results of operations of the group pursuant to § 297 Abs. 2 HGB
- ☐ did not occur.
- ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.
18. The escape clause (reporting restrictions pursuant to § 313 Abs. 3 HGB)
- ☐ has only been invoked to the extent disclosed in the notes to the group financial statements.
- ☐ has only been invoked to the extent stated in section E or Appendix ____ hereto.
19. The group management report includes all material aspects, including their anticipated development, that are significant for an assessment of the position of the group as well as all disclosures required by § 315 Abs. 2 HGB.

20. Material opportunities and risks of future development of the group, required to be reported in the group management report
- ☐ do not exist, as is stated in the group management report.
 - ☐ are reported fully in the group management report.
 - ☐ have been disclosed to you in writing completely or are stated in section E or Appendix ____ hereto.

D. Further details for specific Groups

Only to be answered if one of the consolidated subsidiaries or the parent entity is publicly listed or is seeking to be publicly listed within the meaning of § 264d HGB:

The material characteristics of the internal control and risk management systems over the group financial reporting process are disclosed completely in the group management report (§ 315 Abs. 4 HGB).

E. Other Information and Comments

Company stamp, signatures