

# Letter of Representation

\_\_\_\_\_  
(Place)

\_\_\_\_\_  
(Date)

To

(Company)

(Audit Firm)

## Audit of the Consolidated Financial Statements and of the Group Management Report for the Financial Year from (date) \_\_\_\_\_ to (date) \_\_\_\_\_

This letter of representation is provided in connection with your audit of the consolidated financial statements and of the group management report mentioned above (hereinafter: "audit"). The purpose of the audit is to express an opinion as to whether the consolidated financial statements comply, in all material respects with the requirements applicable to business corporations [and commercial partnerships within the meaning of § [Article] 264a HGB ["Handelsgesetzbuch" German Commercial Code]] and give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with German Legally Required Accounting Principles. With respect to the group management report, the group audit is designed to express an opinion as to whether the group management report as a whole provides an appropriate view of the group's position, as well as to whether, in all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

As executive director(s) of the parent entity, and being legally required to prepare the consolidated financial statements and the group management report, I / we hereby declare to you, as group auditor, the following to the best of my / our knowledge and belief, and as appropriate, having made such inquiries as I / we considered necessary for the purpose of appropriately informing myself / ourselves:

### A. Information, Explanations, and Evidence Made Available \*

I / We have correctly and completely provided to you the information, explanations, and evidence required to be made available to you in accordance with § 320 HGB.

I / We have made available to you:

- Access to all information (such as records, documentation and other) of which I am / we are aware that is relevant to the preparation of the consolidated financial statements and of the group management report;
- Additional information that you have requested from me / us for the purposes of the audit; and
- Unrestricted access to persons within the parent entity and the subsidiaries from whom you determined it necessary to obtain audit evidence.

\* Delete where inapplicable and add as necessary. Please delete inapplicable numbers or text passages.

Please tick as applicable.

Reference is made to ISA [DE] 200, Annex D.2 in respect to differences in the terminology used in IDW AuS resulting from the [German language] translations of the ISA, generally.

## B. Internal Control over Financial Reporting \*

1. I / We have fulfilled my / our responsibility to implement and maintain internal control over financial reporting, that I / we, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. With respect to the preparation of the group management report I / we have fulfilled my / our responsibility to implement and maintain such arrangements and measures (systems), that I / we have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to obtain sufficient appropriate evidence for the assertions in the group management report.
2. Significant breakdowns or deficiencies of internal control over financial reporting
  - did not occur in the aforementioned financial year and have not occurred up to the date of this letter of representation.
  - have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.

## C. Consolidated Financial Statements and Group Management Report \*

1. I / We have fulfilled my / our responsibilities, as set out in the terms of the group audit engagement dated \_\_\_\_\_ and in accordance with the provisions of [German] commercial law for the preparation of the consolidated financial statements and of the group management report.

The consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with German Legally Required Accounting Principles. The group management report as a whole provides an appropriate view of the group's position, and in all material respects is consistent with the group financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.
2. A list of
  - all entities involving an ownership interest (§ 271 Abs. [para.] 1 HGB) during the financial year,
  - all entities with which the company had a parent/subsidiary relationship during the financial year (§ 271 Abs. 2 HGB),
  - all other related entities and persons [related parties]has been submitted to you.<sup>1</sup> Associated entities (§ 311 Abs. 1 HGB) and joint ventures (§ 310 Abs. 1 HGB), respectively have been specifically identified.
3. As at the balance sheet date of the consolidated financial statements loans, receivables due from or liabilities (including contingent liabilities) due to those subsidiaries, that are not included in the consolidated financial statements and/or from/to entities in which ownership interests were held and/or which held ownership interests
  - did not exist.
  - have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
4. The consolidated financial statements presented 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 consolidated financial statements (§ 290 Abs. 2 no. 4 HGB).

<sup>1</sup> 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; see preamble of the government draft of the BilMoG, BT-Drs. 16/10067, page 72.

5. The financial statements (including "reporting packages") underlying the consolidated financial statements include all assets, liabilities (obligations, risks, etc.), deferrals and special items, all expenses and income required to be recognized as well as required disclosures in compliance with the accounting principles applicable to the consolidated financial statements.
6. All events required to be accounted for on consolidation have been appropriately taken into account in the consolidated financial statements.
7. The methods, data and significant assumptions used in making the accounting estimates and related disclosures in the consolidated financial statements and the methods, data and significant assumptions used in the group management report are appropriate to achieve recognition, measurement or disclosure that are reasonable in the context of the requirements of German commercial law.
8. I / We have communicated to you all actual or possible litigation and claims known to me / us, whose effects are to be taken into account when preparing the consolidated financial statements or the group management report, and have accounted for and disclosed these in accordance with the requirements of German commercial law.
9. Special circumstances that could hinder giving a true and fair view of the assets, liabilities, financial position and financial performance of the group (§ 297 Abs. 2 HGB)
  - do not exist.
  - have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
10. Special circumstances that could hinder the group's or one of the group entities' ability to continue as a going concern
  - do not exist.
  - have been disclosed to you completely in writing or are set forth in section E or the Appendix \_\_\_\_\_ hereto. With respect to these, I / we have communicated to you all actions taken as well as all my / our plans for future action and communicated to you my / our views regarding their feasibility.
11. I / We have communicated to you all entities and persons related to the group [related parties]. Related party relationships and transactions have been communicated completely and appropriately recorded and disclosed in the consolidated financial statements or group management report in accordance with the requirements of German commercial law.
12. In respect of all events subsequent to the date of the consolidated financial statements and for which German commercial law requires adjustment to, or disclosure in, the consolidated financial statements or group management report the commensurate adjustments have been undertaken or commensurate disclosures made.
13. I / We have communicated to you the results of my / our assessment of risks that the consolidated financial statements and the group management report could be materially misstated as a result of fraud or error.
14. All fraudulent financial reporting and misappropriation of assets or suspected fraudulent financial reporting and misappropriation of assets known to me / us relating to the group subject to audit, in particular, such by the entity's officers and other members of its management, by employees who have a significant role in internal control and by other persons whose fraudulent financial reporting or asset misappropriation has had or could have a material effect on the consolidated financial statements or the group management report
  - have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
  - I / We have no knowledge as to the above.

15. All Information in relation to allegations or suspicions of fraudulent financial reporting and misappropriation of assets affecting the consolidated financial statements or the group management report that were communicated to me / us by employees, former employees, analysts, supervisory authorities or others,
- have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
- I / We have no knowledge as to the above.
16. Other actual or possible noncompliance with statutory requirements and supplementary provisions of the shareholder agreement or the articles of incorporation that could be significant to the content of the consolidated financial statements or the group management report or the presentation of the assets, liabilities, financial position and financial performance of the group pursuant to § 297 Abs. 2 HGB
- did not occur.
- have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
17. Contingencies (e.g., guarantees or letters of comfort), in particular pursuant to § 251 in conjunction with § 298 Abs. 1 HGB and § 314 Nr. [no.] 6 Buchst. [letter] c HGB,
- did not exist on the consolidated balance sheet date.
- have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
18. Transactions that are not included in the consolidated balance sheet but are necessary for the evaluation of the group's financial position or that could become so (e.g., return- or take-back-obligations or -rights, factoring, reverse pension repurchase transactions, consignment inventory agreements, securitization of receivables via special purpose companies or entities that are not legal entities, pledging of assets, operating leasing contracts and also outsourcing of operational functions)
- did not exist on the consolidated balance sheet date.
- have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
19. Derivative financial instruments (e.g., foreign currency, interest-, securities- or index-related option and futures contracts, commodity futures, futures, swaps, forward rate agreements and forward deposits) including those that are part of structured financial instruments,
- did not exist on the consolidated balance sheet date.
- have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
20. Contracts that are or may become significant for the evaluation of the group's economic position due to their subject matter, duration, or other reasons (e.g., contracts providing for settlement out of profits, joint venture contracts, consortium contracts, and trust contracts) as well as other material financial commitments (e.g., from general overhauls) - insofar as not included in the balance sheet -
- did not exist on the consolidated balance sheet date.
- have been communicated to you completely in writing or are set forth in section E or Appendix \_\_\_\_\_ hereto.
21. Uncorrected misstatements
- do not exist.
- do exist. The effects of uncorrected misstatements are immaterial, to the consolidated financial statements as a whole, both individually and in aggregate. A list of the uncorrected misstatements is attached as Appendix \_\_\_\_\_ to this representation letter.

