

Audit Report

Financial Statements  
for the Financial Year 2021

**Berghof Foundation Operations  
gGmbH  
Berlin**

## Abbreviations

Abbreviation	Name
Berghof; Company	Berghof Foundation Operations gGmbH, Berlin
BilRUG	<i>Bilanzrichtlinie-Umsetzungsgesetz</i> : Act to Implement the European Accounting Directive
IDW	Institut der Wirtschaftsprüfer in Deutschland e. V. [Institute of Public Auditors in Germany], Düsseldorf
IDW AuS	IDW Audit Standard

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## 1. Audit Engagement

At the shareholders' meeting of

**Berghof Foundation Operations gGmbH, Berlin,**

which was held on 16 July 2021, we were elected the external auditor for the financial year 2021. On this basis, we were engaged by the Company's executive directors to conduct a voluntary audit of the annual financial statements as at 31 December 2021 in accordance with Secs. 316 et seq. HGB ["Handelsgesetzbuch": German Commercial Code] including the underlying accounting records and management report. This audit report is addressed solely to Berghof Foundation Operations gGmbH, Berlin, and has not been prepared for the purposes of third parties. We therefore accept no liability for the content nor for any other obligations towards third parties.

The General Engagement Terms for "Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften" [German Public Auditors and Public Audit Firms] dated 1 January 2017, which are attached to this report as Exhibit 6, apply to the execution of this engagement and govern our responsibilities, also to third parties. Our liability is limited by No. 9 of the General Engagement Terms. Our relationship with third parties is governed by No. 1 (2) and No. 9 of the General Engagement Terms. We refer to No. 6 of the General Engagement Terms for the conditions that must be met for disclosure of the report to third parties.

## 2. Copy of the Independent Auditor's Report

We have rendered an unqualified audit opinion, a copy of which now follows, on the annual financial statements as at 31 December 2021 attached as Exhibits 1 to 4:

### **"Independent Auditor's Report**

To Berghof Foundation Operations gGmbH, Berlin

#### *Audit Opinion*

We have audited the financial statements of **Berghof Foundation Operations gGmbH, Berlin**, which comprise the balance sheet as at 31 December 2021 and the statement of profit or loss for the financial year from 1 January to 31 December 2021 as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles.

Pursuant to Sec. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

*Basis for the Audit Opinion*

We conducted our audit of the financial statements in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

*Responsibilities of the Executive Directors for the Annual Financial Statements*

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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.

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 audit opinion. The risk 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 controls.
- Obtain an understanding of internal control system relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our respective audit opinions. 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 Company to cease to be able 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 present the underlying transactions and events in a manner that the financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."



### 3. General Findings

#### Comments on the Executive Directors' Assessment of the Situation

The Company is a small stock corporation pursuant to Sec. 267 (1) HGB. As permitted by Sec. 264 (1) sentence 4 HGB, the Company's executive directors did not prepare a management report. As the auditor of the financial statements, we are therefore unable to make any statement on the assessment of the situation of the Company, as would normally be expressed in the management report.

In our opinion, the position of the Company is presented accurately by the executive directors of the Company in the financial statements and agrees with the findings of our audit.

## 4. Execution of the Audit

### 4.1. Subject of the Audit

We audited the financial statements as at 31 December 2021, prepared in accordance with the German Commercial Code and the underlying accounting records.

During our audit, we examined compliance with the relevant provisions of commercial and company law and the additional provisions of the articles of incorporation as well as German Legally Required Accounting Principles ("*Grundsätze ordnungsmäßiger Buchführung*").

It was not within the scope of our engagement to review compliance with other legal provisions or make a statement on the appropriateness of the insurance coverage. The disclosure and clarification of criminal deeds, such as fraud or embezzlement, as well as findings of any violations of the law beyond the accounting system were not within the scope of our audit.

In accordance with Sec. 317 (4a) HGB, the audit does not extend to determining whether the going concern assumption applies beyond the information provided by the financial reporting or whether efficient or economical management could be secured.

### 4.2. Nature and Scope of the Audit

We conducted our audit procedures intermittently in the months of May to June 2022 using remote access audit procedures.

Details of the nature, scope and findings of the audit engagement are documented in our working papers.

#### **Audit strategy**

Our audit was performed in accordance with the applicable legal requirements of Secs. 316 et seq. HGB, and in compliance with the Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW.

Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the assets, liabilities, financial position and financial performance in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance.

The audit took the financial statements for the financial year from 1 January to 31 December 2020, which we audited and upon which an unqualified audit opinion was rendered, as its point of departure.

The audit is based on a risk-oriented audit approach that is tailored to our knowledge of the business activity and the economic and legal environment of the Company and an analysis of specific areas of risk.

We prepared a risk profile for the financial statements in accordance with an assessment of the inherent risks, the Company's control environment and the internal system of accounting controls. On this basis, we defined the nature and scope of our analytical audit procedures (assessment of plausibility) and other substantive audit procedures. For our substantive testing we obtained audit evidence by making a conscious sample and also by using spot-tests. In the process, due care was given to the principles of materiality and feasibility.

In the year under review, our audit strategy led to the following key audit matters:

1. Recognition and valuation of fixed assets
2. Completeness and measurement of provisions
3. Completeness of liabilities
4. Revenue recognition

#### **Substantiations and confirmations from third parties**

No balance confirmations were obtained from debtors on account of the peculiarities of the business activities of Berghof Foundation Operations gGmbH. We applied alternative audit procedures to satisfy ourselves that the balances are correct.

To review trade payables, we obtained confirmations of the balances on a sampling basis on the reporting date.

A seamless sequence of bank confirmations was obtained.

Confirmations from lawyers regarding pending litigation were also obtained.

**Information sources and management representation letter**

We were provided with information from the executive directors and other employees named to us. All requested explanations and supporting documents were readily supplied to us.

In a letter of representation submitted to us, the executive directors confirmed in writing the completeness of the bookkeeping and the financial statements as well as the additional information required by IDW AuS 303. In this letter, the executive directors declare that they have complied with their responsibilities to compile the annual financial statements and the management report in accordance with the requirements of commercial law.

**4.3. Independence**

Pursuant to Sec. 321 (4a) HGB, we confirm that we have adhered to the applicable laws regarding our independence during our audit.

## 5. Findings and Comments on the Accounting Records and Financial Statements

### 5.1. Compliance of the Accounting with Legal Requirements

The accounting (general ledger accounts, debtors and creditors ledgers and cost center accounting) was performed using the standard DATEV Pro software. As far as we were able to determine in the course of our customary spot tests, transactions are recorded completely, sequentially and promptly. The journals, general ledger and subsidiary ledger accounts can be printed at will.

In our opinion, on the basis of the knowledge obtained in the audit, the accounting records and other audited documents comply, in all material respects, with the legal requirements.

Data gathered from other documentation examined (e.g. budgetary planning, contracts, minutes) are properly reflected in the accounting records and financial statements.

In the course of our audit there were no findings that the organizational and technical measures installed by the Company are not suitable for ensuring the security of the accounting data and IT systems used to process the accounting data.

We issued an unqualified audit opinion, a copy of which can be found in Section 2., which contains the following aspects related to the conclusions of the audit:

- Based on the figures of the closing balance sheet of the prior year and derived from the bookkeeping and other documents we audited, the elements of the financial statements comply, in all material respects, with the requirements
- The recognition, presentation and measurement policies comply with the requirements in all material respects
- Compliance with all laws applying to accounting, including German generally accepted accounting principles and all requirements associated with the legal form of the Company or specific rules or regulations pertaining to the sector
- Compliance with the terms of the articles of incorporation, where these concern the accounting
- Compliance of the disclosures in the notes to the financial statements in all material respects

In addition to the comments made in the auditor's report, we state the following:

The balance sheet and statement of profit or loss have been voluntarily prepared in accordance with the provisions of the HGB and GmbHG [“Gesetz betreffend die Gesellschaften mit beschränkter Haftung“: Law pertaining to Limited Liability Companies] applying to large stock corporations. The disclosures and explanations in the notes to the financial statements are complete and comply with the requirements for small stock corporations in all material respects.

## 5.2. Overall Picture Conveyed by the Financial Statements

Overall, the financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Company in accordance with German principles of proper accounting.

In accordance with Sec. 321 (2) sentence 4 HGB, we address below the significant valuation bases and – where applicable – the influence of changes in the measurement policies, including the accounting options elected, the use of discretionary judgments and other contrived forms in addition to the presentations made in the notes to the financial statements.

### **Significant valuation bases and changes in accounting policies**

The policies used for the **recognition and measurement** of assets and liabilities comply with the statutory provisions and are presented in the notes to the financial statements.

The **special items for grants and subsidies** are the contra-accounts for assets financed by public-sector and private-sector donors. A special item is recognized in the case of each assistance program and is released to income in line with the depreciation or amortization recorded on the subsidized asset.

## 6. Final Remarks

We issue the above report on our audit of the financial statements of Berghof Foundation Operations gGmbH, Berlin, for the financial year from 1 January to 31 December 2021 in accordance with the legal requirements. The audit report is based on the "Generally Accepted Standards for the Issuance of Long-Form Audit Reports for the Audits of Financial Statements" (IDW AuS 450 revised).

Berlin, 17 June 2022

Ebner Stolz GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Karina Frille  
Wirtschaftsprüferin  
[German Public Auditor]

Thorsten Sommerfeld  
Wirtschaftsprüfer  
[German Public Auditor]

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When publishing or passing on a version of the financial statements (and/or the management report) that diverges from that on which we rendered our opinion (including translations into other languages) our prior approval is required to the extent that our audit opinion is quoted or reference is made to our audit; reference is made to Sec. 328 HGB.

# Exhibits



**Balance Sheet**  
of Berghof Foundation Operations gGmbH, Berlin,  
as at 31 December 2021

<b>Assets</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	EUR	EUR
<b>A. Fixed assets</b>		
I. Intangible assets		
Industrial rights and similar rights and assets acquired for a consideration	56.714,00	99.203,00
II. Property, plant and equipment		
Other equipment, furniture and fixtures	268.565,00	326.375,00
<b>B. Current assets</b>		
I. Inventories		
Raw materials, consumables and supplies	2.204,33	15.808,53
II. Receivables and other assets		
1. Trade Receivables	274.577,36	53.051,66
2. Receivables from shareholders	385.432,45	83.363,04
3. Other assets	418.274,31	644.489,98
	1.078.284,12	780.904,68
III. Bank deposits, cash on hand	3.101.625,00	2.842.598,32
<b>C. Prepaid expenses</b>	41.385,55	60.454,46
	4.548.778,00	4.125.343,99

Equity and liabilities	31 Dec 2021	31 Dec 2020
	EUR	EUR
<b>A. Equity</b>		
I. Subscribed capital	25.000,00	25.000,00
II. Revenue reserve		
Other revenue reserves	324.375,20	324.375,20
III. Retained earnings	497.385,25	80.879,76
	846.760,45	430.254,96
<b>B. Special item for subsidies</b>	246.760,00	327.101,79
<b>C. Provisions</b>		
1. Tax provisions	23.000,00	12.381,40
2. Other provisions	378.248,60	467.089,30
	401.248,60	479.470,70
<b>D. Liabilities</b>		
1. Liabilities to banks	20.356,77	21.025,33
2. Trade payables	450.270,78	405.653,44
3. Other liabilities	1.564.370,20	227.759,89
	2.034.997,75	654.438,66
<b>E. Deferred income</b>	1.019.011,20	2.234.077,88
	4.548.778,00	4.125.343,99

**Statement of Profit or Loss**  
**of Berghof Foundation Operations gGmbH, Berlin,**  
**for the Period from 1 January to 31 December 2021**

	<b>2 0 2 1</b>	<b>2 0 2 0</b>
	EUR	EUR
<b>1. Revenue</b>	13.255.257,26	10.721.868,55
2. Other operating income	346.139,89	224.753,69
	13.601.397,15	10.946.622,24
3. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	1.225,87	1.222,34
b) Cost of purchased services	5.026.467,15	3.785.508,87
	5.027.693,02	3.786.731,21
4. Personnel expenses		
a) Wages and salaries	4.618.898,50	4.511.928,53
b) Social security and other benefit costs	1.024.794,44	922.848,03
	5.643.692,94	5.434.776,56
5. Amortization of intangible assets and depreciation of property, plant and equipment	145.872,57	224.801,63
6. Other operating expenses	2.337.216,86	1.615.115,60
	<b>446.921,76</b>	<b>-114.802,76</b>
7. Taxes on income	30.391,27	33.856,72
<b>8. Earnings after tax</b>	<b>416.530,49</b>	<b>-148.659,48</b>
9. Other taxes	25,00	296,00
<b>10. Net profit for the year</b>	<b>416.505,49</b>	<b>-148.955,48</b>
11. Profit brought forward from prior year	80.879,76	229.835,24
<b>12. Retained earnings</b>	<b>497.385,25</b>	<b>80.879,76</b>

# Notes to the Financial Statements for 2021

## A. Valuation Principles

The provisions of HGB [“Handelsgesetzbuch”: German Commercial Code] for small stock corporations pursuant to Sec. 267 (1) HGB were applied to the accounting and valuation policies used in the financial statements.

The statement of profit or loss has been prepared using the cost-summary method.

**Intangible assets acquired for a consideration** have been stated at acquisition cost less accumulated systematic amortization. Amortization is generally recorded using the straight-line method over the customary useful life of the assets. Project-related intangible assets are amortized on a straight-line basis over the term of the project.

**Property, plant and equipment** are generally capitalized at acquisition or production cost and, if they have a limited life, depreciated over their customary useful life. Project-related property, plant and equipment is depreciated on a straight-line basis over the term of the project.

**Inventories** are valued at acquisition cost.

**Receivables and other assets** are stated at their face value. All identifiable risks are taken into account by specific valuation allowances.

With regard to project-related items of intangible assets and property, plant and equipment, **special items** are recognized at the time of acquisition at the amount of the subsidies received, which correspond to the historical cost of the assets acquired. The special items are released to income at the amount of the annual charge for depreciation or amortization. Additions to special items are posted to other operating expenses and they are released through other operating income.

**Provisions** take into account all foreseeable risks and contingent liabilities and are valued at the settlement amount on the basis of prudent business judgment.

**Liabilities** are recorded at the settlement amount.

Receivables and liabilities denominated in **foreign currency** are translated at the mean spot rate on closing date.

## **B. Notes to the Balance Sheet and Statement of Profit or Loss**

### **I. Balance Sheet**

#### **1. Fixed assets**

The analysis of fixed assets is presented in the attachment to these notes.

#### **2. Equity**

Subscribed capital is fully paid in.

#### **3. Provisions**

Other provisions amount to EUR 378k (prior year: EUR 467k) and, among other items, relate to other personnel expenses of EUR 13k (prior year: EUR 30k), vacation accrued as at the balance sheet date of EUR 123k (prior year: EUR 177k) and risks of having to repay unused funding of EUR 149k (prior year: EUR 49k).

#### **4. Receivables/liabilities**

Receivables and other assets came to a total of EUR 698k (prior year: EUR 698k). Receivables from shareholders amount to EUR 385k (prior year: EUR 83k).

As in the prior year, trade payables have a residual term of up to one year and come to EUR 450k (prior year: EUR 406k). Tax liabilities amount to EUR 329k (prior year: EUR 205k).

#### **5. Other revenue reserves**

The revenue reserves have remained unchanged in comparison to the prior year.

## **II. Statement of Profit or Loss**

### **1. Revenue**

Revenue amounts to EUR 13,255k (prior year: EUR 10,722k) and generally consists of funds received, primarily from public sector donors for project work. The subsidies received from Berghof Foundation Trust GmbH, Berlin, amount to EUR 1,675k (prior year: EUR 1,525k). Revenue also includes out-of-period income of EUR 87k (prior year: EUR 2k).

### **2. Other operating income**

Other operating income primarily contains income from currency translation of EUR 76k (prior year: EUR 23k) and income from the reversal of valuation provisions of EUR 40k (prior year: EUR 12k).

### **3. Pension costs**

The item "Social security, pension and other benefit costs" contains statutory social security costs of EUR 903k (prior year: EUR 784k) and pension costs of EUR 88k (prior year: EUR 111k).

## **C. Other Notes**

### **1. Identity of the Company**

Berghof Foundation Operations gGmbH, HRB 95319 B, based in Berlin.

### **2. Human capital**

The average number of employees came to 98 in 2021 (prior year: 89) of which two were managing employees.

### **3. Company boards**

The managing directors and authorized signatories are and were:

Mr. Andrew Gilmour, managing director

Mr. Sven Arndt, authorized signatory

The managing director/authorized signatory are authorized to represent the Company alone and are exempted from the restrictions of Sec. 181 BGB [“Bürgerliches Gesetzbuch“: German Civil Code].

The following were members of the Board as at 31 December 2021:

Johannes Zundel, CEO Berghof Foundation Trust, Tübingen, Germany (Chairman)

Sandra Breka, Member of the Board of Management, Robert Bosch Stiftung, Berlin, Germany

Diana Chigas, The Fletcher School of Law and Diplomacy, Tufts University, Medford, MA, USA

Hilde Frafjord Johnson, Former Norwegian Minister of International Development, Oslo, Norway

Prof. Dr. Kjell Åke Nordquist, University of Uppsala, Uppsala, Sweden

Dr. Paikiasothy Saravanamuttu, Executive Director, Center for Policy Alternatives, Colombo, Sri Lanka

Prof. Dr. em. Dr. h.c. mult. Dieter Senghaas, formerly University of Bremen, Bremen, Germany

Dr. Christian Sundermann, State Secretary in non-active service, Berlin, Germany

Dr. Mathias Terheggen, Partner ImpActRelation GmbH, Zurich, Switzerland

### **4. Contingent liabilities**

There are no contingent liabilities as defined by Sec. 251 HGB.

### **5. Other financial obligations**

There are no other financial obligations as at the reporting date.

### **6. Equity investments**

Until 31 October 2020 the Company was a partner in a consortium under German law (“*Arbeitsgemeinschaft*”) with Como Consulting für Projektmanagement und Organisation GmbH, Hamburg. The consortium was created to conduct the “ARGE PROPAZ” project. Each

partner holds 50%. The consortium had no fixed capital. The final balance at the end of 2020 was EUR 68,358.68. The invoice was issued on 25 June 2021.

**D. Protective Clauses**

The Company has availed of the protective clauses pursuant to Sec. 286 (4) and Sec. 288 (1) HGB.

**E. Proposal for the Appropriation of Profits**

The net profit for the year is carried forward to new account.

**D. Subsequent Events**

There have not been any significant events since the reporting date and prior to compilation of the financial statements that would be material to an assessment of the assets, liabilities, financial position and financial performance of the Company.

Berlin, 16 June 2022

Berghof Foundation Operations gGmbH  
Management

signed Sven Arndt



Statement of Changes in Fixed Assets  
of Berghof Foundation Operations gGmbH, Berlin,  
for the Financial Year 2021

Historical cost

	1 Jan 2021	Additions	Disposals	31 Dec 2021
	EUR	EUR	EUR	EUR
<b>I. Intangible assets</b>				
Industrial rights and similar rights and assets acquired for a consideration	316.447,25	8.330,00	6.923,44	317.853,81
<b>II. Property, plant and equipment</b>				
Other equipment, furniture and fixtures	963.705,72	40.247,57	92.247,71	911.705,58
	1.280.152,97	48.577,57	99.171,15	1.229.559,39

Exhibit 4

Accumulated depreciation and amortization				Book value	
1 Jan 2021	Additions	Disposals	31 Dec 2021	31 Dec 2021	31 Dec 2020
EUR	EUR	EUR	EUR	EUR	EUR
217.244,25	50.819,00	6.923,44	261.139,81	56.714,00	99.203,00
637.330,72	95.053,57	89.243,71	643.140,58	268.565,00	326.375,00
854.574,97	145.872,57	96.167,15	904.280,39	325.279,00	425.578,00

## Legal and Tax Background

### 1. Legal Background

Registered name	Berghof Foundation Operations gGmbH
Registered offices	Berlin
Articles of incorporation	Articles of incorporation dated 23 July 2004 last amended on 2 August 2019
Registered business activity	<p>Promoting intercultural understanding, promoting science and research, promoting education and upbringing and procuring funding in the sense of Sec. 58 No. 1 AO ["Abgabenordnung": German Fiscal Code]. The Company fulfills its registered purpose, as defined in its articles of incorporation, primarily by conducting measures aimed at fostering peaceful conflict mediation, peace education, and peace and conflict research. These measures include activities and projects that the Company performs or promotes either in its own name or under contract from third parties. In this regard, bundling experience across multiple disciplines is of particular significance. The Company sees itself as part of a global network and pursues cooperative approaches when performing its activities. The spectrum of activities includes, among others: a) creation of professional publications, b) setting up institutions and creating capacity as well as developing concepts to support peace initiatives, c) conducting training, certified courses and seminars – in the case of scholarships, these are awarded by public competition, d) supporting and facilitating dialog and mediation processes between conflicting parties, e) setting up and maintaining networks, f) organizing and participating in conferences, workshops, seminars and learning events, g) providing advice during mediation processes either directly or via the participants and institutions involved, h) creating educational media and curricula for peace education, i) conducting theoretical and empirical projects in peace and conflict research, including use of action research methods; research results are published promptly, j) conducting and supporting projects to evaluate and analyze effectiveness, k) providing well-founded information to the public, including, but not limited to, contracts, presentations and media work.</p>
Financial year	The financial year corresponds to the calendar year.
Share capital	EUR 25,000.00 Share capital has been paid in full.

Shareholders			
		<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		EUR	EUR
	Berghof Foundation Trust GmbH, Berlin	25,000.00	25,000.00
		25,000.00	25,000.00
Executive directors	Andrew Gilmour, Berlin		
Authorized signatories	Sven Oliver Arndt, Potsdam		
Commercial register	The Company is registered in the Commercial Register at the Local Court of Berlin-Charlottenburg under HRB 95319 B. An extract from the commercial register dated 25 May 2022 was made available to us.		
Prior-year financial statements	<p>The following resolutions were passed at the shareholders' meeting on 16 July 2021:</p> <p>Ratification of the financial statements as at 31 December 2020</p> <p>Retained earnings of EUR 80,879.76 will be carried forward to the following year.</p> <p>Discharge of the managing directors, Ms. Andrea Joras and Mr. Andrew Gilmour for the financial year 2020.</p>		

## 2. Tax Background

The Company is registered at the Berlin Tax Office for Corporations I ("Finanzamt für Körperschaften I") under tax registration number 27/640/02186.

There has not been any tax field audit to date. The last VAT tax field audit covered the period from 1 January 2016 to 31 December 2016. Tax assessments have been made up to and including the year 2020.

# General Engagement Terms

for

## Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]  
as of January 1, 2017

DokID:

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer*: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 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 regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

