Audit Report
(Translation)

Renewable Energy and Energy Efficiency Partnership (REEEP) - Partnerschaft für erneuerbare Energie und Energieeffizienz (REEEP), Vienna

Long-form Audit Report on the Financial Statements and Report on Assurance Services pursuant to Section 21 of the Austrian Associations Act (VerG) as of 31 March 2014

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Commercial Code (UGB) and of the Report on Assurance Services pursuant to Section 21 of the Austrian Associations Act (VerG) is presented for the convenience of the reader only and that the German wording is the only legally binding version.
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To the
Governing Board of the Association
Renewable Energy and Energy Efficiency
Partnership (REEEP) - Partnerschaft für erneuerbare
Energie und Energieeffizienz (REEEP)
Wagranter Straße 5
1400 Vienna

LONG-FORM AUDIT REPORT ON THE FINANCIAL STATEMENTS AND
REPORT ON ASSURANCE SERVICES PURSUANT TO SECTION 21 OF THE
AUSTRIAN ASSOCIATIONS ACT (VERG) AS OF 31 MARCH 2014
(TRANSLATION)

1. Engagement, Agreement for Assurance Services pursuant to Section 21
of the Austrian Associations Act (VerG) and Performance

In a letter dated 3 March 2014 we were engaged to audit the financial statements as of
31 March 2014 of Renewable Energy and Energy Efficiency Partnership (REEEP) - Partner-
schaft für erneuerbare Energie und Energieeffizienz (REEEP), Vienna, (hereinafter referred to
as the "Association" or "REEEP") according to Section 22 (2) VerG and to issue a report thereon.
Furthermore, we were engaged to perform assurance services pursuant to Section 21 VerG. Pri-
or to our appointment as auditor, we issued a declaration on our independence pursuant to
Section 270 UGB.

The Association is a large association pursuant to Section 22 (2) VerG. This audit is a statutory
audit.

Responsible for the proper performance of the engagement is Mr. Gerhard Prachner, Austrian
Certified Public Accountant.

In performing the audit, we adhered to the applicable legal provisions according to Section
269 ff UGB and the additional provisions of the VerG. The objective of the audit was to examine
compliance with legal requirements.
We draw attention to the fact that the audit provides adequate assurance as to whether the financial statements are free from material misstatement. Absolute assurance cannot be achieved, since the possibility of errors is inherent in each accounting and internal control system and since the audit is based on samples, there is an unavoidable risk that material misstatements in the financial statements are not detected. The accounting, the records, inventory listings, as well as the financial statements as of 31 March 2014 provided by the Association served as the basis for our audit.

The objective of the assurance services pursuant to Section 21 VerG was to examine if the accounting complies, in all material aspects, with Austrian Generally Accepted Accounting Principles and to state if the Association's funds received have been used in accordance with the Association's statutes. In performing the audit, we will report on any deficiencies in the finance system or on any risks of the Association’s position as a going concern. Special emphasis will be put on any unusual income and expenses, especially on self-dealing.

In performing the audit, we adhered to the applicable legal provisions and the relevant expert opinions and standards.

We performed the audit, with interruptions, from March to April 2014 at the Association's premises in Vienna. The audit was concluded by the date of this report.

Our audit is based on the audit contract concluded with the Association, an integral part of which are the General Conditions of Contract for the Public Accounting Professions (“AAB”) issued by the Austrian Chamber of Public Accountants and Tax Advisors on 8 March 2000, last amended on 21 February 2011 (refer to Appendix 4). These General Conditions of Contract do not only apply between the Association and us as the auditor and the assurance practitioner, but also towards third parties. Section 275 UGB and Section 24 (4) VerG apply with regard to our responsibility and liability as auditor and assurance practitioner according to Section 21 VerG towards the Association and towards third parties.
2. Legal and Tax Situation

2.1. Legal Situation

Foundation: Based on its statutes the Association was established according to Section 13 VerG 2002, BGBI. No. 66/2002 under registration number XV-6237/VVM/2004 as of 31 October 2003

Name: Renewable Energy and Energy Efficiency Partnership (REEEP)-Partnerschaft für erneuerbare Energie und Energieeffizienz (REEEP)

Register of associations: “Landespolizeidirektion Wien, Referat Vereins-, Versammlungs- und Medienrechtsangelegenheiten”, ZVR-number (registration number) 928296155

Statutes: last amended on 5 November 2013

Since the Association’s foundation the statutes have been amended repeatedly. The latest amendment refers to the integration of the “Commentary of the Statutes” (version 26 October 2010) into the Statutes.

Association domicile and headquarters: Vienna

Purpose of the Association:

- To further the objectives in the field of energy for sustainable development as negotiated at the World Summit on Sustainable Development (WSSD), Johannesburg 2002: to achieve a significant increase in the use of renewable energy and energy efficiency systems in order to improve energy security, tackle climate change and provide access to modern and reliable energy services

- To foster international collaboration to accelerate the market growth of modern renewable and energy efficiency systems, with the objective of removing the barriers (policy, regulatory, market and technical) to their development, to lower their costs and make them affordable energy options for all

- To translate the political commitment shown for renewable energy at WSSD into concrete action and take forward the key recommendations of the G8 Renewable Task Force Report 2001
The purpose of the Association shall be achieved by:

- Co-ordination of issue-focused networks, awareness raising and capacity building for all stakeholders

- Publication of information and other means of public relations and information management

- National and international symposia and conferences

- Any other activity as approved by the Meeting of Partners or the Governing Board

Members: Any legal person identifying with the aims of the Association

Governing Board: The Governing Board consists of no less than six and no more than nineteen persons serving in an honorary capacity. It is elected by the Meeting of Partners for a period of four years. The re-election of members of the Governing Board is permitted.

The Governing Board is responsible for the conduct of business of the Association based on its statutes. In addition, the Governing Board has to appoint, supervise and recall the International Secretariat, provide instructions to the International Secretariat, administer the assets of the Association in accordance with the purpose of the Association, and execute the resolutions of the Meeting of Partners.

International Secretariat: The main functions of the International Secretariat are to execute the resolutions of the Governing Board and to manage the projects financed by the Association. The International Secretariat is located in Vienna, at the legal seat of the Association, and was managed by the Director General, Martin Hiller.

Meetings of Partners: In the Meeting of Partners, which took place on 5 November 2013, the following resolutions were passed:

- Election of the Governing Board as proposed

- Approval of the audited financial statements for the fiscal years 2010/11, 2011/12 and 2012/13

- Discharge of the Governing Board and the International Secretariat from duties related to the fiscal years 2010/11, 2011/12 and 2012/13

- Approval of the budget for the fiscal year 2013/14 and draft estimates for the fiscal years 2014/15 and 2015/16
- Approval of the proposed amendments to the Statutes
- Adoption of the Programme for 2013 – 15

In the **Extraordinary Meeting of Partners**, which took place on 30 May 2013, the Governing Board was re-elected.

**Meetings of the Governing Board:** During the reporting period, meetings of the Governing Board were held on 30 May and 6 November 2013.

**Association size:** According to Section 22 (2) VerG the Association is a **large association**.

**Long-term contracts and obligations:** Agreements with regional secretariats for a duration of 12 months, as from 1 April 2013 and entered into with:

- General Secretariat of the Organization of American States for the Latin American and Caribbean region
- Chinese Renewable Energy Industries Association (CREIA) for the East Asian region
- Asian Energy Institute (AEI) for the South Asian region
- South African National Energy Development Institute (SANEDI) for the Southern African region

Office rent and service agreement with the United Nations Industrial Development Organization (UNIDO) regarding the office at Vienna International Centre, as from 1 August 2004 entered into for three years with the possibility of extension for further periods of one year each after written approval by UNIDO. With the supplementary agreement dated 5 March 2012, the agreement was extended until 31 August 2014. An amendment to the contract was signed on 2 October 2013 in order to rent additional office space for the period from 1 October 2013 to 31 August 2014.
2.2. Tax Situation

Corporate tax: According to the statutes, REEEP is a non-profit association.

Sections 34 ff. "Bundesabgabenordnung" (BAO, Austrian Fiscal Code) define the preferential tax treatment, provided the activities of the association serve non-profit, charitable or religious purposes. According to Section 1 (3) No. 3 KStG (Corporate Tax Code) the Association is subject to limited taxation only.

With assessment of 6 December 2013, the preferential tax treatment of REEEP as a non-profit association has been extended until 2018 by the Austrian Federal Ministry of Finance.

Value added tax: The filing of VAT returns is not required for non-profit associations.

Local tax office: Payroll tax is filed with the tax authorities for the 2nd/20th/21st/22nd district in Vienna under tax number 176/5655.

Tax audit: In March 2013 an audit by the social security authority regarding payroll-related taxes and social security for the period 2008 to 2011 was finalized. There were no audits in the fiscal year 2013/14.
3. Notes on and Disclosure of Material Items in the Financial Statements

All required disclosures of material items in the balance sheet and income statement are included in the notes to the financial statements. We therefore refer you to the related disclosures by the Governing Board in the notes to the financial statements.
4. Audit Summary


In performing our audit, we established the compliance with statutory provisions and generally accepted accounting principles.

Under our risk and control oriented audit approach, we included in the audit - where we considered it necessary for our audit report - the internal controls in parts of the accounting process.

With regard to the legal compliance of the financial statements, we refer to our comments in the auditor's report.

4.2. Information Provided

We were allowed to inspect the Association’s documents, contracts and correspondence. All the information required was provided by the Governing Board and by the respective operative employees. A letter of representation signed by the representing members of the Governing Board has been included in our working papers.

4.3. Statement on Matters Pursuant to Section 273 (2) and (3) UGB

In performing our duties as auditor, we have not discovered any facts that might endanger the audited association’s position as a going concern or adversely affect its future development, nor that would constitute a serious breach of the law or of the Association’s statutes by the Governing Board or employees. Material weaknesses in the internal control of the accounting process have not come to our attention. The criteria for assuming a reorganization requirement (Section 22 (1) No. 1 URG (Austrian Reorganization Act)) are not met.
We draw attention to the fact that the English translation of this auditor’s report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

5. Auditor’s Report

We have audited the accompanying financial statements, including the accounting system, of Renewable Energy and Energy Efficiency Partnership (REEEP) - Partnerschaft für erneuerbare Energie und Energieeffizienz (REEEP), Vienna, for the fiscal year from 1 April 2013 to 31 March 2014. These financial statements comprise the balance sheet as of 31 March 2014, the income statement for the fiscal year ended 31 March 2014, and the notes.

The Governing Board’s Responsibility for the Financial Statements and for the Accounting System

The Association’s Governing Board is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with the Austrian Associations Act by analogy with the provisions of the Austria Commercial Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Association as of 31 March 2014 and of its financial performance for the fiscal year from 1 April 2013 to 31 March 2014 in accordance with Austrian Generally Accepted Accounting Principles.

Vienna, 30 April 2014

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:                                               signed:

Kristina Weis                                        Gerhard Prachner
Austrian Certified Public Accountant                  Austrian Certified Public Accountant

Disclosure, publication and duplication of the financial statements together with the auditor’s report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.
We draw attention to the fact that the English translation of this Report on Assurance Services pursuant to Section 21 of the Austrian Associations Act (VerG) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

6. Report on Assurance Services Pursuant to Section 21 of the Austrian Associations Act (VerG)

We have performed assurance services pursuant to Section 21 VerG for Renewable Energy and Energy Efficiency Partnership (REEEP) - Partnerschaft für erneuerbare Energie und Energieeffizienz (REEEP) Vienna, for the reporting year from 1 April 2013 to 31 March 2014.

*The Governing Board’s Responsibility for the Management of Finances*

The Governing Board of the Association is responsible for the management of finances, i.e. to ensure that the accounting complies with Austrian Generally Accepted Accounting Principles and that funds received are used in accordance with the Association’s statutes. This responsibility includes: implementing an appropriate accounting system and providing timely and sufficient information about the Association’s financial situation.

*Assurance Practitioner’s Responsibility*

Our responsibility is to express a positively formed conclusion based on our assurance services if the accounting system complies, in all material aspects, with Austrian Generally Accepted Accounting Principles and if the Association’s funds received have been used in accordance with the Association’s statutes. In performing the audit, we will report on any deficiencies in the finance system or any risks of the Association’s position as a going concern. Special emphasis will be put on unusual income and expenses, especially on self-dealing.

We conducted our assurance services pursuant to Section 21 VerG in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing of Associations. Those standards require that we comply with professional guidelines including independence rules and that we plan and perform the assurance services based on the principle of materiality to obtain reasonable assurance.

The procedures selected depend on the practitioner’s judgment, including the assessment of the risks of material misstatement of the accounting, whether due to fraud or error. In making those risk assessments, the practitioner considers internal control relevant to the Association’s accounting in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control. Funds received are used according to the statutes if the funds received are used for the fulfillment of the Association’s purpose, especially for financing activities in order to achieve the purpose of planned activities. The assurance services carried out pursuant to Section 21 VerG did not assess the thrift and profitability of the Association’s management.

The purpose of the assurance services pursuant to Section 21 VerG was neither to audit or review the financial statements nor to disclose and solve criminal acts, such as e.g. acts of embezzlement or other cases of fraud.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion, which is based on the results of our assurance services pursuant to Section 21 of the Austrian Associations Act (VerG) for the reporting year from 1 April 2013 to 31 March 2014, the Association's accounting complies, in all material aspects, with Austrian Generally Accepted Accounting Principles. Funds received have been used in accordance with the Association's statutes. We discovered no unusual income and expenses, in particular self-dealing.

Vienna, 30 April 2014

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:                          signed:
Kristina Weis                   Gerhard Prachner
Austrian Certified Public Accountant Austrian Certified Public Accountant
Appendices
## Balance Sheet as of 31 March 2014

### Assets

<table>
<thead>
<tr>
<th>A. Fixed assets</th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Intangible assets</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Industrial property and similar rights and assets, as well as licences derived from them</td>
<td>115,428.30</td>
<td>151,863.83</td>
</tr>
<tr>
<td>II. Tangible assets</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Other equipment, factory and office equipment</td>
<td>9,239.89</td>
<td>17,673.98</td>
</tr>
<tr>
<td></td>
<td>124,668.19</td>
<td>169,537.81</td>
</tr>
<tr>
<td>B. Current assets</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>I. Accounts receivable and other assets</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>0.00</td>
<td>247.00</td>
</tr>
<tr>
<td>Other assets</td>
<td>8,125.00</td>
<td>29,840.85</td>
</tr>
<tr>
<td>II. Cash on hand, bank balances</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>9,135,271.69</td>
<td>11,992,797.13</td>
<td></td>
</tr>
<tr>
<td>9,143,396.69</td>
<td>12,027,884.98</td>
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</tr>
<tr>
<td>C. Prepaid expenses and deferred charges</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>12,946.70</td>
<td>7,123.52</td>
<td></td>
</tr>
</tbody>
</table>

### Equity and Liabilities

<table>
<thead>
<tr>
<th>A. Equity</th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings reserves</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Other reserves (free reserves), thereof cash reserve EUR 900,000 (prior year: EUR 900,000)</td>
<td>1,797,399.34</td>
<td>2,249,387.02</td>
</tr>
<tr>
<td>B. Provisions</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Other provisions</td>
<td>1,104,050.43</td>
<td>1,065,638.12</td>
</tr>
<tr>
<td>C. Liabilities on account of earmarked funds</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>5,988,887.29</td>
<td>8,311,849.66</td>
<td></td>
</tr>
<tr>
<td>D. Liabilities</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>1. Accounts payable</td>
<td>91,923.93</td>
<td>181,453.23</td>
</tr>
<tr>
<td>2. Other liabilities, thereof tax liabilities EUR 13,838.69 (prior year: EUR 11,581.66) thereof social security payables EUR 16,555.09 (prior year: EUR 12,800.86)</td>
<td>390,674.52</td>
<td>577,671.51</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td></td>
<td>9,281,011.58</td>
<td>12,204,546.31</td>
</tr>
</tbody>
</table>
## Income Statement for the fiscal year 2013/14

<table>
<thead>
<tr>
<th>Description</th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>kEUR</td>
</tr>
<tr>
<td>1. Non-earmarked contributions</td>
<td>70,000.00</td>
<td>712</td>
</tr>
<tr>
<td>2. Earmarked contributions</td>
<td>1,679,408.56</td>
<td>3,806</td>
</tr>
<tr>
<td>3. Change in liabilities on account of earmarked funds</td>
<td>2,322,962.37</td>
<td>-366</td>
</tr>
<tr>
<td>4. Other income</td>
<td>26,567.25</td>
<td>5</td>
</tr>
<tr>
<td>5. Cost of purchased services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Expenses for projects</td>
<td>-3,083,405.33</td>
<td>-2,734</td>
</tr>
<tr>
<td>b) Expenses for regional secretariats</td>
<td>-288,497.67</td>
<td>-360</td>
</tr>
<tr>
<td></td>
<td>-3,371,903.00</td>
<td>-3,094</td>
</tr>
<tr>
<td>6. Personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Salaries</td>
<td>-610,907.14</td>
<td>-559</td>
</tr>
<tr>
<td>b) Contributions to staff provision funds</td>
<td>-8,923.68</td>
<td>-9</td>
</tr>
<tr>
<td>c) Expenses for statutory social security, payroll-related taxes and mandatory contributions</td>
<td>-134,904.63</td>
<td>-136</td>
</tr>
<tr>
<td>d) Other social benefits</td>
<td>-8,533.42</td>
<td>-16</td>
</tr>
<tr>
<td></td>
<td>-763,268.87</td>
<td>-720</td>
</tr>
<tr>
<td>7. Depreciation and amortization</td>
<td>-53,607.41</td>
<td>-47</td>
</tr>
<tr>
<td>8. Other operating expenses</td>
<td>-381,081.92</td>
<td>-450</td>
</tr>
<tr>
<td>9. Subtotal 1-8 (operating result)</td>
<td>-470,923.02</td>
<td>-154</td>
</tr>
<tr>
<td>10. Other interest and similar income</td>
<td>25,247.10</td>
<td>83</td>
</tr>
<tr>
<td>11. Subtotal 10 (financial result)</td>
<td>25,247.10</td>
<td>83</td>
</tr>
<tr>
<td>12. Operating result of the Partnership</td>
<td>-445,675.92</td>
<td>-71</td>
</tr>
<tr>
<td>13. Taxes on income</td>
<td>-6,311.76</td>
<td>-21</td>
</tr>
<tr>
<td>15. Release of earnings reserve</td>
<td>451,987.68</td>
<td>91</td>
</tr>
<tr>
<td>16. Retained earnings</td>
<td>0.00</td>
<td>0</td>
</tr>
</tbody>
</table>
1. GENERAL PRINCIPLES

The financial statements as of 31 March 2014 of the Renewable Energy and Energy Efficiency Partnership – Partnerschaft für erneuerbare Energie und Energieeffizienz (hereinafter referred to as "REEEP" or "Association") have been prepared in accordance with the provisions of Section 22 of the Austrian Associations Act by analogy with the provisions of the Austrian Commercial Code (UGB) in their respectively amended versions. The financial statements, prepared under Austrian generally accepted accounting principles, present a true and fair view of the assets and liabilities, the financial situation of the Association as of 31 March 2014, as well as of the results of its operations for the year then ended.

Accounting and valuation methods are based on generally accepted accounting principles. The provisions on classification and valuation of balance sheet and income statement items under Sections 195 to 211, 222 to 226 (1) and 226 (3) to 234 UGB were adhered to. Pursuant to the Austrian Associations Act, Section 226 (2) UGB does not apply.

The going-concern principle was applied to the valuation of the Association, as well as the unit-account method of valuation for assets and debts. The principle of prudence was observed by taking into account all identifiable risks and impending losses. Only the gains realized on the reporting date were shown.

The income statement was prepared using the total expenditure format.
2. REPORTING AND VALUATION METHODS

2.1. Fixed assets

**Intangible assets** are shown in the financial statements at their initial costs, plus ancillary costs of acquisition, minus scheduled amortisation. The scheduled straight-line amortisation/depreciation was charged according to the estimated useful life of the assets.

<table>
<thead>
<tr>
<th>Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP software</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Additions during the first half of the fiscal year were amortised at the full yearly rate, whereas additions during the second half of the fiscal year were only amortised at half of the yearly rate.

**Tangible assets** are shown in the financial statements at their initial costs or cost of production, including ancillary costs of acquisition, minus depreciations. Scheduled depreciation is charged on a straight-line depreciation over the estimated useful life of the assets.

<table>
<thead>
<tr>
<th>Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP hardware</td>
<td>3 - 5 years</td>
</tr>
</tbody>
</table>

Additions during the first half of the fiscal year were depreciated at the full yearly rate; additions during the second half of the fiscal year were depreciated at half of the yearly rate.

**Low-value assets** with maximum acquisition costs of EUR 400 pursuant to Section 226 (3) UGB were written off in the year of acquisition or production.
2.2. Current assets

Accounts receivable and other assets were entered at their nominal values.

Accounts receivable exclusively comprise binding pledges of contributions.

Bank balances denominated in foreign currencies are shown using the initial exchange rate or the lower foreign-currency buying rate at the balance sheet date.

2.3. Provisions

Observing the principle of prudence, provisions were set up in the estimated required amounts. In keeping with statutory requirements, all identifiable risks and uncertain liabilities were adequately taken into account when calculating provisions.

2.4. Liabilities on account of earmarked funds

Liabilities on account of earmarked funds refer to contributions made for specific purposes which will only be used for these purposes in future fiscal years. They are shown at the contributed amount.

2.5. Liabilities

Liabilities are stated at the repayable amount.
3. STRUCTURE OF AND COMMENTS ON BALANCE SHEET ITEMS

3.1. Fixed assets

Please refer to the annexed table for the development of items carried as fixed assets.

The item "other equipment, factory and office equipment" refers to hardware. There are no other items under this heading, as the rent and service agreement includes the right to use the available tools and equipment.

3.2. Current assets

3.2.1. Accounts receivable and other assets

3.2.1.1. Other assets

<table>
<thead>
<tr>
<th>Composition:</th>
<th>31 March 2014 EUR</th>
<th>31 March 2013 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued/deferred interest income</td>
<td>8,125.00</td>
<td>5,458.33</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>0.00</td>
<td>24,382.52</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>8,125.00</strong></td>
<td><strong>29,840.85</strong></td>
</tr>
</tbody>
</table>

3.2.1.2. Additional information pursuant to Section 225 (3), (4), Section 226 (5) of the Austrian Commercial Code

<table>
<thead>
<tr>
<th></th>
<th>Balance sheet value 31 March 2014 EUR</th>
<th>of these having a remaining maturity &gt; 1 year EUR</th>
<th>of these secured by bills of exchange EUR</th>
<th>Adjustment of lump-sum value EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>0.00</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Other assets</td>
<td>8,125.00</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>8,125.00</strong></td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
Prior year:

<table>
<thead>
<tr>
<th></th>
<th>Balance sheet value</th>
<th>of these having a remaining maturity &gt; 1 year</th>
<th>of these secured by bills of exchange</th>
<th>Adjustment of lump-sum value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2013 EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>247.00</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Other assets</td>
<td>29,840.85</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Sum total</td>
<td>30,087.85</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

3.2.2. Cash on hand, bank balances

The item bank balances includes an amount of EUR 248,120.68 and refers to a trust property at the amount of GBP 230,600.90 which REEEP manages for the UK Foreign and Commonwealth Office.

Moreover, this item includes a further amount of EUR 20,236.52 of trust property from credits for accrued interest which are managed on behalf of the Norwegian and Swiss governments (EUR 16,261.95 for Norway, EUR 3,974.57 for Switzerland). The amounts at the beginning of the project selection procedure are included in the amount available for the selection of projects, pursuant to trustees’ instructions. The amount shown in the balance sheet as at 31 March 2014 relates to new funds that have been accrued since the start of the previous project selection process.

3.3. Equity

3.3.1. Earnings reserves

<table>
<thead>
<tr>
<th></th>
<th>2013/14 EUR</th>
<th>2012/13 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status at the beginning of the fiscal year</td>
<td>2,249,387.02</td>
<td>2,340,853.54</td>
</tr>
<tr>
<td>Release due to annual loss</td>
<td>-451,987.68</td>
<td>-91,466.52</td>
</tr>
<tr>
<td>Status at the end of the fiscal year</td>
<td>1,797,399.34</td>
<td>2,249,387.02</td>
</tr>
</tbody>
</table>

The assumption is that all earned surpluses will be used for work on future projects. As a result, the full amount of the profit carried forward since the creation of the Association has been allocated to the earnings reserve.
3.4. Provisions

3.4.1. Other provisions

The amount of EUR 1,104,050.43, as shown in the balance sheet, comprises the following items:

<table>
<thead>
<tr>
<th>Composition</th>
<th>31 March 2014 EUR</th>
<th>31 March 2013 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performed services, not yet invoiced</td>
<td>996,141.78</td>
<td>957,833.81</td>
</tr>
<tr>
<td>Holiday leaves and overtime, not yet consumed</td>
<td>57,348.65</td>
<td>43,707.55</td>
</tr>
<tr>
<td>Consultancy fees, other services, not yet invoiced</td>
<td>34,000.00</td>
<td>41,770.50</td>
</tr>
<tr>
<td>Legal, auditing and consultancy costs</td>
<td>11,560.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Tax audit</td>
<td>0.00</td>
<td>7,326.26</td>
</tr>
<tr>
<td>Annual Report</td>
<td>5,000.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>1,104,050.43</strong></td>
<td><strong>1,065,638.12</strong></td>
</tr>
</tbody>
</table>
### 3.5. Liabilities on account of earmarked funds

#### Composition:

<table>
<thead>
<tr>
<th>Break-down by members:</th>
<th>31 March 2014 EUR</th>
<th>31 March 2013 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORWAY</td>
<td>1,928,559.26</td>
<td>3,573,448.60</td>
</tr>
<tr>
<td>UK/Department of Energy and Climate Change</td>
<td>1,778,488.31</td>
<td>2,967,261.36</td>
</tr>
<tr>
<td>SWITZERLAND</td>
<td>1,138,834.74</td>
<td>1,848,000.00</td>
</tr>
<tr>
<td>AUSTRIA</td>
<td>1,680,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>UK/Foreign and Commonwealth Office</td>
<td>194,171.45</td>
<td>338,171.45</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>0.00</td>
<td>315,317.93</td>
</tr>
<tr>
<td>IRELAND</td>
<td>150,265.43</td>
<td>151,194.65</td>
</tr>
<tr>
<td>NEW ZEALAND</td>
<td>27,680.06</td>
<td>29,960.45</td>
</tr>
<tr>
<td>OFID</td>
<td>68,914.92</td>
<td>28,214.13</td>
</tr>
<tr>
<td>ITALY</td>
<td>18,114.90</td>
<td>18,114.90</td>
</tr>
<tr>
<td>Re-transfer for services performed, not yet invoiced</td>
<td>-996,141.78</td>
<td>-957,833.81</td>
</tr>
<tr>
<td>Sum total</td>
<td>5,988,887.29</td>
<td>8,311,849.66</td>
</tr>
</tbody>
</table>

#### Composition:

<table>
<thead>
<tr>
<th>Break-down by purpose:</th>
<th>31 March 2014 EUR</th>
<th>31 March 2013 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions to regional projects</td>
<td>6,547,031.10</td>
<td>8,076,421.25</td>
</tr>
<tr>
<td>Refund of expenses for the management of regional projects</td>
<td>190,677.28</td>
<td>517,757.59</td>
</tr>
<tr>
<td>Strategic projects</td>
<td>23,664.61</td>
<td>268,173.61</td>
</tr>
<tr>
<td>Strategic events</td>
<td>43,510.29</td>
<td>103,809.78</td>
</tr>
<tr>
<td>Central projects</td>
<td>49,889.33</td>
<td>100,465.16</td>
</tr>
<tr>
<td>Energy Efficiency Coalition</td>
<td>51,154.54</td>
<td>84,055.03</td>
</tr>
<tr>
<td>Reegle</td>
<td>73,077.45</td>
<td>67,054.45</td>
</tr>
<tr>
<td>Regional secretariats and local market assessments</td>
<td>6,024.47</td>
<td>51,946.60</td>
</tr>
<tr>
<td>Re-transfers for services performed, not yet invoiced</td>
<td>-996,141.78</td>
<td>-957,833.81</td>
</tr>
<tr>
<td>Sum total</td>
<td>5,988,887.29</td>
<td>8,311,849.66</td>
</tr>
</tbody>
</table>
3.6. Liabilities

3.6.1. Other liabilities

<table>
<thead>
<tr>
<th>Composition</th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust property: Foreign and Commonwealth Office, UK</td>
<td>248,120.29</td>
<td>245,564.51</td>
</tr>
<tr>
<td>Trust property: Department of the Environment, Heritage and Local Government, Ireland</td>
<td>0.00</td>
<td>112,014.77</td>
</tr>
<tr>
<td>Social security payables</td>
<td>16,555.09</td>
<td>12,800.86</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>13,838.69</td>
<td>11,581.66</td>
</tr>
<tr>
<td>Interest liabilities – AUSAid, Australia</td>
<td>0.00</td>
<td>8,887.90</td>
</tr>
<tr>
<td>Interest liabilities – Norwegian Foreign Office</td>
<td>16,261.95</td>
<td>4,643.58</td>
</tr>
<tr>
<td>Interest liabilities – SECO, Switzerland</td>
<td>3,974.57</td>
<td>725.00</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>298,750.59</strong></td>
<td><strong>396,218.28</strong></td>
</tr>
</tbody>
</table>

According to instructions, REEEP is to use the trust property managed for the Foreign and Commonwealth Office (UK) for the purchase of CO₂ certificates on behalf of the trustor.

According to instructions, the trust property managed for the Department of the Environment, Heritage and Local Government (Ireland) has been used for the purchase of CO₂ certificates on behalf of the trustor.

The interest liabilities in connection with the Norwegian Foreign Office and SECO refer to income from accrued interest for Norwegian and Swiss project credits which will be taken into account during the next round of projects, if the donors agree.

As in the prior year, all liabilities have a remaining term of less than one year.
3.6.2. **Commitments from the use of tangible assets not shown in the balance sheet**

Commitments in the amount of EUR 44,946.72 (prior year: EUR 40,131.00) for the coming fiscal year result from the existing rent and service agreement. The termination period is 3 months. The commitments amount to EUR 224,733.60 (prior year: EUR 200,655.00), projected for the next 5 years.
4. STRUCTURE OF INCOME STATEMENT ITEMS

4.1. Non-earmarked contributions

Non-earmarked contributions are entered as revenues in their full amount upon receipt and serve to cover general expenses in connection with maintaining the network during the fiscal year.

4.2. Earmarked contributions

Composition:

<table>
<thead>
<tr>
<th></th>
<th>2013/14 EUR</th>
<th>2012/13 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project-related contributions</td>
<td>1,662,587.61</td>
<td>3,417,409.61</td>
</tr>
<tr>
<td>Refund of expenses for the management of regional projects</td>
<td>16,820.95</td>
<td>388,195.13</td>
</tr>
<tr>
<td>Cost Refund for Regional Secretariats</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>1,679,408.56</strong></td>
<td><strong>3,805,604.74</strong></td>
</tr>
</tbody>
</table>

Project-related contributions are entered as revenues, as soon as there are project-related expenses that can be attributed directly. This item included EUR 149,546.09 (prior year: EUR 269,835.25) for expenses in connection with the Reegle project. To the extent that no project-related expenses have been incurred, the corresponding project-related contributions are shown under "liabilities on account of earmarked funds".

Refunds of expenses for the management of regional projects depend directly on the amount of project-related contributions and cover the costs connected with the selection and management of projects. The contributions are recorded, with effect on the result, over the full term of a given project (including the project selection period). Accordingly, in the fiscal year, -4 % of the refunds for the administrative expenses of ongoing 7th call projects (unspent project funds including administrative expenses had to be paid back to the Australian government due to expiry of the contract), 25 % of 8th call projects and 25 % of 9th call projects are recorded with effect on the result. The cost refunds that have not yet had any effect on the result are shown under "liabilities on account of earmarked funds."
4.3. Other income

The item “other income” consists of cost refunds and exchange rate gains.

4.4. Cost of purchased services

4.4.1. Expenses for projects

<table>
<thead>
<tr>
<th>Composition</th>
<th>2013/14 EUR</th>
<th>2012/13 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional projects</td>
<td>2,758,820.48</td>
<td>2,223,816.45</td>
</tr>
<tr>
<td>Strategic projects</td>
<td>140,556.79</td>
<td>217,647.67</td>
</tr>
<tr>
<td>Reegle project</td>
<td>79,481.00</td>
<td>161,531.55</td>
</tr>
<tr>
<td>Central projects</td>
<td>46,009.57</td>
<td>73,493.03</td>
</tr>
<tr>
<td>Energy Efficiency Coalition</td>
<td>32,900.49</td>
<td>42,544.88</td>
</tr>
<tr>
<td>Strategic events</td>
<td>25,637.00</td>
<td>14,904.47</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>3,083,405.33</strong></td>
<td><strong>2,733,938.05</strong></td>
</tr>
</tbody>
</table>

The item “regional projects” includes the allocation to provisions for outstanding project invoices at the amount of EUR 38,307.97 (prior year: EUR 957,833.81).
4.5. Other operating expenses

<table>
<thead>
<tr>
<th>Sundry other operating expenses</th>
<th>2013/14 EUR</th>
<th>2012/13 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community support, website and EDP expenses</td>
<td>119,783.45</td>
<td>93,292.43</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>27,481.22</td>
<td>87,119.89</td>
</tr>
<tr>
<td>Public relations agency, public relations consultant</td>
<td>30,747.84</td>
<td>81,033.82</td>
</tr>
<tr>
<td>Rent</td>
<td>42,538.86</td>
<td>40,131.00</td>
</tr>
<tr>
<td>Fundraising support</td>
<td>37,706.24</td>
<td>0.00</td>
</tr>
<tr>
<td>Public relations, printing costs, cost of entertainment</td>
<td>15,298.09</td>
<td>32,753.70</td>
</tr>
<tr>
<td>Project administration, general administration</td>
<td>11,866.60</td>
<td>30,730.24</td>
</tr>
<tr>
<td>Project Management Information System, running costs</td>
<td>22,170.00</td>
<td>22,196.27</td>
</tr>
<tr>
<td>Cost of financial statements, payroll accounting</td>
<td>22,447.81</td>
<td>18,975.67</td>
</tr>
<tr>
<td>Meetings of Association bodies</td>
<td>10,183.51</td>
<td>13,916.99</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>11,488.47</td>
<td>11,831.55</td>
</tr>
<tr>
<td>Cost of money transactions</td>
<td>12,408.57</td>
<td>9,513.82</td>
</tr>
<tr>
<td>Legal and consultancy expenses</td>
<td>12,488.58</td>
<td>2,480.00</td>
</tr>
<tr>
<td>Office material</td>
<td>1,572.86</td>
<td>2,447.72</td>
</tr>
<tr>
<td>Cost of mailings</td>
<td>751.96</td>
<td>2,196.55</td>
</tr>
<tr>
<td>Travel insurance</td>
<td>1,629.11</td>
<td>1,322.89</td>
</tr>
<tr>
<td>Technical literature</td>
<td>518.70</td>
<td>361.17</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0.05</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>381,081.92</strong></td>
<td><strong>450,304.06</strong></td>
</tr>
</tbody>
</table>

The expenses for the auditor according to Section 237 No. 14 UGB amount to EUR 11,000 (prior year: EUR 10,500) and are broken down to EUR 9,200 (prior year: EUR 8,700) for the audit of the financial statements and EUR 1,800 (prior year: EUR 1,800.00) for assurance services according to Section 21 of the Austrian Associations Act.

4.6. Other interest and similar income

Interest income is generated by investing available project funds into time deposits accounts. This satisfies the requirement of a low-risk type of investment, yielding the best-possible return at the same time.
5. ASSOCIATION BODIES AND STAFF

5.1. Association bodies

The Governing Board represents the Association vis-à-vis third parties. Written documents containing commitments of the Association require the signature of the Chairperson and of the Secretary in order to become effective. The respective deputies shall replace them if they are prevented.

Members of the Governing Board:

Representing members:

- Alfred Ofosu-Ahenkorah, Accra (Ghana), Chairman (Chairman since 1 January 2014)
- Elfriede A. More, Vienna, Deputy Chairman and Secretary (Deputy Chairman since 1 January 2014)
- Henry Derwent, Geneva (Switzerland), Treasurer (since 1 January 2014)
- Martin Schöpe, Berlin (Germany), Deputy Treasurer
- Chris Barton, London (Great Britain), Chairman and Treasurer (until 31 December 2013)

Other members:

- Piotr Tulej, Brussels (Belgium)
- Even Stormoen, Oslo (Norway)
- Rajendra K. Pachauri, New Delhi (India)
- Martijn Wilder, Sydney (Australia)
- Maher Chebbo, Paris (France)
- Mark Fogarty/Ross Carter, Sydney (Australia)
- Pradeep Monga, Vienna
- Stefan Denzler, Bern (Switzerland)
- Henry Derwent, Geneva (Switzerland) (until 31 December 2013)
- Corrado Clini, Rome (Italy) (until 30 May 2013)

The Governing Board members did not receive any remuneration. No loans were granted to Governing Board members.
5.2. International Secretariat

Mr. Martin Hiller, Vienna, acted as the Director General during the fiscal year. Mr. Florian Bauer was Operations & IT Director, Ms. Eva Oberender was Programme Director.

The Director General approves incoming invoices up to an amount of EUR 25,000 (in case of projects up to an amount of EUR 70,000), together with either the Operations & IT or the Programme Director. In case of the Director General’s absence, the Operations & IT and Programme Directors are allowed to sign invoices up to the amounts stated above together on his behalf. Invoices for higher amounts are jointly signed by the Director General and the Chairman.

5.3. Staff

During the fiscal year, the average number of employees was 11 persons (prior year: 10).

The item “personnel expenses” includes contributions to staff provision funds amounting to EUR 8,923.68 (prior year: EUR 9,036.03).

Employees did not receive any advances or loans.

Vienna, 30 April 2014

Governing Board:


Henry Derwent m.p.                               Martin Schöpe m.p.
### Cost of acquisition and/or cost of production

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td><strong>I. Intangible assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial property and similar rights and assets, as well as licences derived from them</td>
<td>524,731.94</td>
<td>4,646.68</td>
<td>0.00</td>
<td>529,378.62</td>
<td>413,950.32</td>
<td>115,428.30</td>
<td>151,863.83</td>
<td>41,082.21</td>
</tr>
<tr>
<td><strong>II. Tangible assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other equipment, factory and office equipment *)</td>
<td>48,128.65</td>
<td>4,091.11</td>
<td>858.96</td>
<td>51,360.80</td>
<td>42,120.91</td>
<td>9,239.89</td>
<td>17,673.98</td>
<td>12,525.20</td>
</tr>
<tr>
<td>SUM TOTAL</td>
<td>572,860.59</td>
<td>8,737.79</td>
<td>858.96</td>
<td>580,739.42</td>
<td>456,071.23</td>
<td>124,668.19</td>
<td>169,537.81</td>
<td>53,607.41</td>
</tr>
<tr>
<td>*) thereof low-value assets in accordance with Section 13 EStG</td>
<td>858.96</td>
<td>858.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* *)

Preamble and General Points

(1) The General Conditions of Contract for the professions in the field of public accounting are divided into four sections: Section I deals with contracts for services, excluding contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions; Section II deals with contracts for rendering services in the field of accounting and administration and assessment of taxes and contributions; Section III covers contracts not regarded as contracts for the rendering of services, while Section IV is devoted to consumer business covered by the Austrian Consumer Act.

(2) In the event that individual provisions of these General Conditions of Contract are void, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

(3) The person entitled to exercise profession in the field of public accounting shall be obliged to render the services negotiated in accordance with the principles of due professional care and conduct. He/she shall have the right to engage suitable staff for the execution of the contract. This shall apply to all sections of The General Conditions of Contract.

(4) Finally, foreign law shall only be taken into account by the person entitled to exercise the profession, if this has been explicitly agreed upon in writing. This shall apply to all sections of the General Conditions of Contract.

(5) The work prepared in the offices of the person entitled to exercise the profession may, at the discretion of the person entitled to exercise the profession, be carried out with or without using electronic data processing. In case electronic data processing is used, the client – not the person entitled to exercise the profession – is obliged to effect the registrations or notifications required under the relevant provisions of the Data Protection Act.

(6) The client undertakes not to employ staff of the person entitled to exercise the profession during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the person entitled to exercise the profession the amount of the annual salary of the employee taken over.

SECTION I

1. Scope

(1) The General Conditions of Contract in Section I shall apply to contracts concerning (statutory and voluntary) audits with or without auditor's certificate, expert opinions, court expert opinions, preparation of annual financial statements and other financial statements, tax consultancy and other services to be rendered within the framework of a contract for the rendering of services, excluding bookkeeping, payroll accounting and the administration and assessment of payroll-related taxes and contributions.

(2) The General Conditions of Contract shall apply, if their use has been explicitly or tacitly agreed upon. Furthermore, in the absence of another agreement, they shall be used for reference to facilitate interpretation.

(3) Point 8 shall also apply to third parties whose services, in certain cases, may be enlisted by the contractor for the execution of the contract.

2. Scope and Execution of Contract

(1) Reference shall be made to items 3 and 4 of the Preamble.

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

(3) An application submitted by the person entitled to exercise the profession to an authority (e.g. tax office, social security institution) by electronic means, shall be regarded as neither signed by the person entitled to exercise the profession nor by the person authorized to submit such an application.

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

(1) The client shall make sure that all documents required for the execution of the contract be placed in good time and without special request at the disposal of the person entitled to exercise the profession and that he/she is informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the person entitled to exercise the profession has commenced his/her work.

(2) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete. This statement may be made on the forms specifically designed for this purpose.

(3) If the client fails to disclose considerable risks in connection with the preparation of annual financial statements and other statements, the contractor shall not be obliged to render any compensation in this respect.

4. Maintenance of Independence

(1) The client shall be obliged to take all measures to make sure that the independence of the employees of the person entitled to exercise the profession be maintained and shall refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client consents that their personal details, meaning their name and the type and scope of the services, including the performance period, agreed between the professional practitioner and the client (both audit and non-audit services), shall be handled within the Information network (network), to which the professional practitioner belongs, and for the purposes transferred to the other members of the Information network (network) including abroad (a list of all recipients of communications shall be sent to the client at their request by the commissioned professional practitioner) for the purpose of examination of the existence of grounds of bias or grounds for exclusion within the meaning of Sections 271 et seq. of the Company Code (UGB). For this purpose the client expressly releases the professional practitioner in accordance with the Data Protection Act and in accordance with Section 91 Subsection 4 Clause 2 of the Auditing, Tax Advising and Related Professions Act (NTBG) from their obligation to maintain secrecy. Moreover, the client acknowledges in this regard that in states which are not EU members a lower level of data protection than in the EU may prevail. The client can revoke this consent at any time in writing to the professional practitioner.

5. Reporting Requirements

(1) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.
All information and opinions of the person entitled to exercise the profession and his employees shall only be binding provided they are set down or confirmed in writing. Written opinions shall only be those on which there is a company signature. Written opinions shall in no circumstances be information sent electronically, specifically not via e-mail.

Transmission errors cannot be excluded when information and data is transmitted electronically. The person entitled to exercise the profession and his employees shall not be liable for losses which arise as a result of electronic transmission. Electronic transmission shall be exclusively at the client’s risk. The client is aware that confidentiality is not guaranteed when the Internet is used. Furthermore, amendments or supplements to documents transmitted shall only be permissible subject to explicit approval.

Receipt and forwarding of information to the person entitled to exercise the profession and his employees are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other electronic means of communication. As a result, instructions and important information shall only be deemed to have been received by the person entitled to exercise the profession provided they are also received in writing, unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not as such constitute explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the person entitled to exercise the profession by post or courier. Delivery of documents to employees outside the firm’s offices shall not count as delivery.

The client agrees to being sent recurrent general tax law and general commercial law information by the person entitled to exercise the profession via electronic means. This shall not apply to unsolicited information in accordance with § 107 of the Austrian Telecommunications Act (TKG).

6. Protection of Intellectual Property of the Person Entitled to Exercise the Profession

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

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

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

7. Correction of Errors

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

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

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Point 8.

8. Liability

(1) The person entitled to exercise the profession shall only be liable for violating intentionally or by gross negligence the contractual duties and obligations entered into.

(2) In cases of gross negligence, the maximum liability for damages due from the appointed person entitled to exercise the profession is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 of the Act on Professions in the Field of Public Accounting (WTBG) in the currently valid version.

(3) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but not later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(4) Should Section 275 of the Austrian Business Enterprise Code (Commercial Code, UGB) be mandatorily applicable, the liability provisions pursuant to Section 275 shall apply where these represent mandatory law, even in cases where appraisal persons have participated in the execution of the contract or where several activities requiring compensation have taken place, irrespective of whether other participants have acted with intent.

(5) In cases where a formal audit certificate is issued, the applicable limitation period shall commence at the latest at the time of issue of said audit certificate.

(6) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, and the client is informed thereof, any warranty claims and claims for damages which arise against the third party according to law and in accordance with the conditions of the third party, shall be deemed as having been passed on to the client. The person entitled to exercise the profession shall only be liable for fault in choosing the third party.

(7) The person entitled to exercise the profession shall not be liable to a third party, if his/her professional statements are passed on by the client orally or in writing without the approval or knowledge of the person entitled to exercise the profession.

(8) The above provisions shall apply not only vis-à-vis the client but also vis-à-vis third parties, if the person entitled to exercise the profession, in exceptional cases, should be liable for his/her work. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have been wronged; the claims of the aggrieved parties shall be satisfied in the order in which the claims have been raised.

9. Secrecy, Data Protection

(1) According to Section 91 WTBG the person entitled to exercise the profession shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

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

(3) The person entitled to exercise the profession is authorized to process personal data entrusted to him/her within the framework of the purpose of the contract or to have them processed by a third party according to Point 8 item 5. The person entitled to exercise the profession shall guarantee that according to Section 15 of the Data Protection Act secrecy be maintained. According to Section 11 of the Data Protection Act the material made available to the person entitled to exercise the profession (data carrier, data, control numbers, analyses and programs) as well as all results obtained as a result of the work provided shall be returned to the client, unless the client has requested in writing that the material and/or results be transferred to a third party. The person entitled to exercise the profession shall be obliged to take measures to ensure that the client can meet his/her obligation to provide information according to Section 26 of the Data Protection Act. The client’s instructions required for this purpose shall be given in writing to the person entitled to exercise the profession. Unless a fee has been negotiated for providing such information, the client shall be charged only the actual efforts undertaken. The client shall meet his/her obligation to provide information to those concerned and/or to register in the data processing register, unless the contrary has been explicitly agreed in writing.

10. Termination

(1) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Point 12.

(2) However, a continuing agreement (even with a flat fee) – always to be presumed in case of doubt – may be terminated six months after the conclusion of the calendar month by giving a period of notice of three months, unless otherwise agreed in writing.
Appendix 4/3

(3) Except for cases listed in Item 5, in case of termination of a continuing agreement the person entitled to exercise the profession shall be entitled to receive payments for all tasks which have been included in the list of jobs to be completed and finished that can be completed fully or to the largest extent within the period of notice, with financial statements and annual income tax returns being deemed to be subject to successful completion within two months calculated from the balance sheet date. In this case the above-mentioned tasks actually have to be completed within a reasonable period of time, if all documents and records required are provided without delay and if no good reason within the meaning of Section 68 Paragraph 4 WGBG is cited.

(4) In case of a termination according to Item 2 the client shall be informed in writing within one month which assignments at the time of termination are considered to be part of the work to be completed.

(5) If the client is not informed within this period about the assignments still to be carried out, the continuing agreement shall be deemed terminated upon completion of the tasks under way at the date when the notice of termination is served.

(6) Should it happen that in case of a continuing agreement as defined under Items 2 and 3 – for whatever reason – more than two similar jobs which are usually completed only once a year (e.g., financial statements or annual tax returns etc.) are to be completed, any such jobs exceeding this number shall be regarded as assignments to be completed only with the client’s explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 4.

11. Default in Acceptance and Failure to Cooperate on the part of the Client

If the client defaults on acceptance of the services rendered by the person entitled to exercise the profession or fails to carry out a task incumbent on him/her either according to Point 3 or imposed on him/her in another way, the person entitled to exercise the profession shall have the right to terminate the contract without prior notice. His/her fees shall be calculated according to Point 12. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the person entitled to exercise the profession for the extra time and labor thereby expended as well as for the damage caused, if the person entitled to exercise the profession does not invoke his/her right to terminate the contract.

12. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to termination), the person entitled to exercise the profession shall be entitled to the negotiated fee, provided he/she was prepared to render the services and was prevented from doing so by circumstances caused by the client (Section 1160 of the Civil Code (ABGB)); in this case the person entitled to exercise the profession need not deduct the amount he/she obtained or could have obtained through alternative use of his/her own professional services or those of his/her employees.

(2) If the client fails to cooperate and the assignment cannot be carried out because of lack of cooperation, the person entitled to exercise the profession shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed cancelled and the consequences indicated in Item 1) shall apply.

(3) If the person entitled to exercise the profession terminates the contract without good reason and at an inopportune moment, he/she shall compensate the client for the damage caused according to Point 8.

(4) If the client – having been made aware of the legal situation – agrees that the person entitled to exercise the profession duly completes the task, the work shall be completed accordingly.

13. Fee

(1) Unless the parties agreed that the services would be rendered free of charge or unless explicitly stipulated otherwise, an appropriate remuneration in accordance with Sections 1004 and 1152 of the Austrian Civil Code (ABGB) is due. Unless a different agreement has demonstrably been reached, payments by the client shall in all cases be credited against the oldest debt. The claim for remuneration by the person entitled to exercise the profession is based upon an agreement concluded between him/her and the principal involved.

(2) Proper understanding between the person entitled to exercise the profession and their principal is most effectively achieved by clearly expressed remuneration agreements.

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

(4) Travel time to the extent required is also charged in most cases.

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

(6) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or special requirements of the principal, additional negotiations for the agreement of a more suitable remuneration are usual. This also usually applies where inadequate fixed sum remunerations are concerned.

(7) Persons entitled to exercise the profession also include charges for supplementary costs and value-added (turnover) tax in addition to the above.

(8) Supplementary costs also include documented or flat-rate cash expenses, travelling expenses (first class for train journeys, sleeping car (wagon lits) if necessary, dietary requirements, mileage allowance, photocopy costs and similar supplementary costs.

(9) Should particular third party liabilities be involved, the necessary insurance premiums also count as supplementary costs.

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

(11) For the execution of a commission wherein mutual conclusion involves several persons entitled to exercise the profession, each of the latter will charge his/her own remuneration.

(12) Remunerations and advance payments required are due immediately after receipt of their written claim should no other agreements exist. Where payments of remuneration are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate of 8% above the base rate is agreed upon (CI, Section 352 of the Austrian Business Enterprise Code (Commercial Code, UGB)).

(13) Time limitation is in accordance with Section 1486 of the Austrian Civil Code (ABGB), starting at the time of conclusion of the service involved or a later rendering of accounts after an appropriate time-limit.

(14) An objection may be raised in writing against bills presented by the appointed trustee up to 4 weeks after the date of presentation. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(15) Application of § 934 ABGB (Austrian Civil Code) within the meaning of § 351 Austrian Business Enterprise Code (Commercial Code, UGB), i.e. rescission for laesio enormis (loss beyond remedy) among entrepreneurs, is hereby renounced.


(1) In addition to the reasonable rate or fee charged, the person entitled to exercise the profession shall have the right to claim reimbursement of expenses. He/she can ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her right to his/her demands. In this context reference shall be made to the legal right of retention (Section 471 of the Civil Code (ABGB), Section 369 of the Austrian Business Enterprise Code (Commercial Code, UGB)). If the right of retention is wrongfully exercised, the person entitled to exercise the profession shall be liable only in case of gross negligence up to the outstanding amount of his/her fee. As regards standing orders, the provision of further services may be denied until payment of previous services has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(2) After all the data to be archived, which has been prepared by the public accountant and tax advisor, has been delivered to the client or to the succeeding public accountant and tax advisor, the person entitled to exercise the profession shall be entitled to delete the data in question.

(3) With the exception of obvious essential errors, a complaint concerning the work of the person entitled to exercise the profession shall not justify the retention of remuneration owed in accordance with Item 1.

(4) Offsetting the remuneration claims made by the person entitled to exercise the profession in accordance with Item 1 shall only be permitted, if the demands are uncontested and legally valid.

(5) At the request and expense of the client, the person entitled to exercise the profession shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the person entitled to exercise the profession and his/her client, to original documents in his/her possession or to
documents which have to be kept in accordance with the directive on money laundering. The person entitled to exercise the profession may make or retain copies or duplicates of the documents to be returned to the client. The client shall be obliged to bear these expenses in so far as these copies or duplicates may be required as a proof of the orderly execution of all professional duties by the person entitled to exercise the profession.

(6) In the event of termination of the contract, the contractor shall be entitled to charge an appropriate fee for further queries after termination of the contract and for granting access to the relevant information about the audited company.

(7) The client shall fetch the documents handed over to the person entitled to exercise the profession within three months after the work has been completed. If the client fails to do so, the person entitled to exercise the profession shall have the right to return them to the client at the cost of the client or to charge safe custody charges, if the person entitled to exercise the profession can prove that he/she has asked the client twice to pick up the documents handed over.

(8) The person entitled to exercise the profession shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid resources at his/her disposal even if these funds are explicitly intended for safe keeping. If the client had to reckon with a counterclaim of the person entitled to exercise the profession.

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

15. Applicable Law, Place of Performance, Jurisdiction

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

(2) The place of performance shall be the place of business of the person entitled to exercise the profession.

(3) In case of disputes, the court of the place of performance shall be the competent court.

16. Supplementary Provisions for Audits

(1) For statutory audits of financial statements which are carried out in order to issue a formal audit certificate (e.g. Section 268 and the following sections of the Company Code), the purpose of the contract, unless otherwise agreed to in writing, shall not be to investigate whether regulations concerning tax laws or specific regulations, e.g. price fixing, restriction of competition and foreign exchange regulations have been adhered to. Neither shall the purpose of the statutory audit of financial statements be to investigate whether the business is run in an economical, efficient and expedient manner. Within the framework of a statutory audit of a financial statement there shall be no obligation to detect the falsification of accounts or other irregularities.

(2) When a qualified or unqualified audit certificate is issued within the scope of a statutory audit of the annual financial statement, the audit certificate issued shall be appropriate for the respective type of business organization.

(3) If financial statements are published together with the audit certificate, they shall only be published in the form confirmed or explicitly permitted by the auditor.

(4) If the auditor revokes his/her audit certificate, the further use thereof shall no longer be permitted. If the financial statements have been published with the audit certificate, the revocation thereof shall also be published.

(5) For other statutory and voluntary audits of financial statements as well as for other audits, the above principles shall apply accordingly.

17. Supplementary Provisions concerning the Preparation of Annual Financial Statements and Other Financial Statements, Consultation and Other Services to be Provided within the Framework of a Contract for the Rendering of Services

(1) The person entitled to exercise the profession, when performing the aforementioned activities, shall be justified in accepting information provided by the client, in particular figures, as correct. However, he/she is obliged to inform the client of any errors identified by him/her. The client shall present the person entitled to exercise the profession with all important documents required for keeping deadlines, in particular tax assessment notices, in good time so as to ensure that the person entitled to exercise the profession has a reasonable amount of time, but not less than one week, to process the information.

(2) In the absence of written agreements to the contrary, consultation shall consist of the following activities:

a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or prepared by the contractor;

b) examining the tax assessment notices for the tax returns mentioned under a);

c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b);

d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a);

e) participating in appeal procedures with regard to the taxes mentioned under a), if the person entitled to exercise the profession receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Particular matters pertaining to income tax, corporate tax and reliable value tax return as well as all matters relating to value-added tax, withholding tax on salaries and wages and other taxes and duties shall only be prepared on the basis of a specific contract. This shall also apply to:

a) processing non-recurring matters pertaining to tax, e.g. inheritance tax, capital transfer tax, land transfer tax,

b) the defense and consultation in penal procedures relating to the taxes mentioned,

c) providing consultation and expert opinions in matters pertaining to the foundation, restructuring, merger, capital increase and decrease, and reorganization of a company, entry and retirement of a shareholder or partner, sale of a business, winding up, management consultancy and other activities according to Sections 3 to 5 of the Act on Professions in the Field of Public Accounting (WTBGl).

d) the preparation of applications to the Register of Companies in connection with annual financial statements, including the keeping of records required.

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

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

SECTION II
18. Scope

The General Conditions of Contract in Section II shall apply to contracts for the rendering of services in the field of bookkeeping, payroll accounting and the administration and assessment of payroll-related taxes and contributions.

19. Scope and Execution of Contract

(1) Reference shall be made to Items 3 and 4 of the Preamble.

(2) The person entitled to exercise the profession shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and in using them as a basis for accounting. The person entitled to exercise the profession shall not be obliged to identify errors, unless he/she has been specifically instructed to do so in writing. However, if errors are identified, he/she shall inform the client thereof.

(3) If a flat fee has been negotiated for the activities mentioned in Point 18, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately.

(4) Particular individual services in connection with the services mentioned in Point 18, in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only
on the basis of a specific contract and shall be treated according to Section I or Section III of the General Conditions of Contract.

(5) Any application submitted to authorities (e.g., tax office, social insurance institution) electronically, shall be regarded as neither signed by the person entitled to exercise the profession nor by the person authorized to transmit the application.

20. Client’s Duty to Cooperate

The client shall make sure that all information and documents required for bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions be placed at the disposal of the person entitled to exercise the profession on an agreed date without his/her specific request.

21. Termination

(1) Unless otherwise agreed to in writing, either contractual partner may terminate the contract at the end of each month with three months’ notice without giving a particular reason.

(2) If the client repeatedly fails to fulfill his/her duties according to Point 20, the person entitled to exercise the profession shall have the right to terminate the contract immediately without prior notice.

(3) If the person entitled to exercise the profession delays in rendering services due to reasons for which he/she is solely responsible, the client shall have the right to terminate the contract immediately without prior notice.

(4) In case of a termination of the contractual relationship only those assignments shall be considered part of the contract which the contractor is already working on or major parts of which can be completed within the period of notice and which are notified to the client within one month.

22. Fee and Entitlement to Fee

(1) Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(2) If the contract is terminated pursuant to Point 21 Item 2 the person entitled to exercise the profession shall have the right to the full fee negotiated for three months. This shall also apply if the client fails to observe the period of notice.

(3) If the contract is terminated pursuant to Point 21 Item 3, the person entitled to exercise the profession shall only have the right to the fee corresponding to the services rendered up to this point, provided they are of value to the client.

(4) If a flat fee has not been negotiated, the fee shall be calculated pursuant to Item 2 according to the monthly average of the current year of contract until termination.

(5) Unless the parties agreed that the services would be rendered free of charge or unless explicitly stipulated otherwise, an appropriate remuneration in accordance with Sections 1004 and 1152 of the Austrian Civil Code (ABGB) is due. Unless a different agreement has demonstrably been reached, payments by the client shall in all cases be credited against the oldest debt. The claim for remuneration by the person entitled to exercise the profession is based upon an agreement concluded between him/her and the principal involved. Furthermore, the basics standardized under section 13 apply.

(6) Application of § 934 ABGB (Austrian Civil Code) within the meaning of § 351 Austrian Business Enterprise Code (Commercial Code, UGB), i.e. rescission for lapsed enormis (lesion beyond moiety) among entrepreneurs, is hereby renounced.

23. Other Provisions

In all other cases, the provisions of Section I of the General Conditions of Contract shall apply accordingly.

SECTION III

24. Scope

(1) The General Conditions of Contract in Section III shall apply to all contracts not mentioned in the previous sections, which are not to be regarded as contracts for rendering services and are not related to the contracts mentioned in the previous sections.

(2) In particular, Section III of the General Conditions of Contract shall apply to contracts concerning the non-recurring participation in negotiations, to services as an agent in matters pertaining to insolvency, to contracts concerning non-recurring interventions and the handling of the individual matters mentioned in Point 17 Item 3 in the absence of a continuing agreement.

25. Scope and Execution of Contract

(1) Reference shall be made to Items 3 and 4 of the Preamble.

(2) The person entitled to exercise the profession shall be justified in regarding and obliged to regard information and documents presented to him/her by the client, in particular figures, as correct and complete. In case of penal procedures he/she shall protect the rights of the client.

(3) The person entitled to exercise the profession shall not be obliged to identify errors, unless he/she has been specifically instructed to do so in writing. However, if he/she identifies errors, the client shall be informed accordingly.

26. Client’s Duty to Cooperate

The client shall make sure that all the necessary information and documents be placed at the disposal of the person entitled to exercise the profession in good time and without his/her special request.

27. Termination

Unless otherwise agreed to in writing or stipulated by force of law, either contractual party shall have the right to terminate the contract at any time with immediate effect (Section 1020 of the Civil Code (ABGB)).

28. Fee and Entitlement to Fee

(1) Unless the parties agreed that the services would be rendered free of charge or unless explicitly stipulated otherwise, an appropriate remuneration in accordance with Sections 1004 and 1152 of the Austrian Civil Code (ABGB) is due. Unless a different agreement has demonstrably been reached, payments by the client shall in all cases be credited against the oldest debt. The claim for remuneration by the person entitled to exercise the profession is based upon an agreement concluded between him/her and the principal involved. Furthermore, the basics standardized under section 13 apply.

(2) In the event of termination the fee shall be calculated according to the services rendered up to this point, provided they are of value to the client.

(3) Application of § 934 ABGB (Austrian Civil Code) within the meaning of § 351 Austrian Business Enterprise Code (Commercial Code, UGB), i.e. rescission for lapsed enormis (lesion beyond moiety) among entrepreneurs, is hereby renounced.

29. Other Provisions

The reference in Point 23 to provisions in Section I shall apply accordingly.

SECTION IV

30. Scope

The Conditions of Contract of Section IV shall only apply to consumer business in accordance with the Consumer Act (Federal Law of March 8, 1979/Federal Law Gazette No. 140 as amended).

31. Supplementary Provisions for Consumer Transactions

(1) Contracts between persons entitled to exercise the profession and consumers shall fall under the obligatory provisions of the Consumer Act.

(2) The person entitled to exercise the profession shall only be liable for the deliberate and gross negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Point 8 Item 2 of the General Conditions of Contract, the duty to compensate on the part of the person entitled to exercise the profession shall not be limited in case of gross negligence.

(4) Point 8 Item 3 of the General Conditions of Contract (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal according to Section 3 of the Consumer Protection Act

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

The consumer shall not have the right to withdraw from the contract,

1. if the consumer himself/herself established the business
relationship concerning the conclusion of this contract with the person
entitled to exercise the profession or his/her agent,

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

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

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

If the consumer withdraws from the contract according to Section 3 of the
Consumer Act,

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

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

According to Section 4 Paragraph 3 of the Consumer Act claims for
damages shall remain unaffected.

(8) Cost Estimates according to Section 5 of the Consumer Act

The consumer shall pay for the preparation of a cost estimate in
accordance with Section 1170a of the Austrian Civil Code by the person
entitled to exercise the profession only, if this payment obligation has
been notified to the consumer beforehand.

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

(7) Correction of Errors: Supplement to Point 7

If the person entitled to exercise the profession is obliged according to
Section 932 of the Austrian Civil Code to improve or complement his/her
services, he/she shall execute this duty at the place where the matter was
transferred to him/her. If it is in the interest of the consumer to have the
work and the documents returned by the person entitled to exercise the
profession, the consumer may carry out this transfer at his/her own risk
and expense.

(8) Jurisdiction: Instead of Point 15 Item 3:

If the domicile or the usual residence of the consumer is within the
country or if he/she is employed within the country, in case of an action
against him/her according to Sections 88, 89, 93 Paragraph 2 and 104
Paragraph 1 JN the jurisdiction of a court shall depend on the district
where the consumer has his domicile, usual residence or place of
employment.

(9) Contracts on Recurring Services

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

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

(c) If the execution of a certain contract indicated in lit.a) 1
requires considerable expenses on the part of the person entitled to
exercise the profession and if he/she informed the consumer about this
not later than when the contract was concluded, reasonable dates of
termination and periods of notice which deviate from lit.a) and b) and
which fit the respective circumstances may be agreed.

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