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**Jaguar Land Rover Austria GmbH,
Salzburg, Austria**

Translation of the local
Report on the Audit of the Financial
Statements for the year ended
31 March 2020

26 June 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
10171734

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To the Management of
Jaguar Land Rover Austria GmbH,
Salzburg, Austria

We have audited the financial statements for the year ended 31 March 2020 of

Jaguar Land Rover Austria GmbH,
Salzburg, Austria
(referred to as "the Company"),

and **report** on the result of our audit as follows:

1. Audit Contract and Scope of the Engagement

By resolution of the shareholders of Jaguar Land Rover Austria GmbH, Salzburg, Austria, dated 27 September 2019, we were elected as auditors for the financial year 2019/20. The Company, represented by the management concluded an **audit contract** with us to audit the financial statements of the Company as at 31 March 2020. Our audit also comprised the accounting system and the management report in accordance with Section 269 et seq UGB (Austrian Commercial Code).

The audited Company is a large corporation per Section 221 and an **extra-large** corporation per Section 271a Paragraph 1 UGB.

The Company does not meet the criteria for the mandatory establishment of a **supervisory board**.

The audit is a **statutory** audit.

The **audit includes** assessing whether the statutory requirements concerning the preparation of the financial statements were adhered to. The management report is to be audited as to whether it is consistent with the financial statements and whether it was prepared in accordance with legal requirements.

Our audit was performed in accordance with the **legal requirements and Austrian Standards on Auditing**. These standards require that we comply with International Standards on Auditing – (ISAs). We would like to emphasize that the goal of the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Absolute assurance is not attainable due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system. There is an unavoidable risk that even material misstatements may remain undetected. Areas which are generally covered in special engagements were not included in our scope of work.

We performed the audit in February (interim audit) as well as between April and June 2020 (final audit). The audit was substantially completed at the date of this report.

Engagement partner of the engagement is Mr Gerhard Wolf, Wirtschaftsprüfer (Austrian Chartered Accountant).

Our audit is based on the audit contract concluded with the Company. The "General **Conditions of Contract**" issued by the Chamber of Tax Advisers and Auditors (see Annex III), form an integral part of the audit contract. The conditions of contract do not only apply to the Company and the auditor, but to third parties as well. Our liability as auditors is guided under Section 275 UGB.

2. Breakdown and Description of Significant Financial Statement Items

The breakdown and description of all significant financial statement items are included in the notes to the financial statements and the management report.

3. Summary of Audit Findings

3.1. Compliance with Statutory Requirements of the Accounting System, Financial Statements and Management Report

We obtain evidence that the **accounting system** is in compliance with statutory requirements.

In line with our risk and controls based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the **financial statements** and the **management report**, with all applicable statutory requirements, we refer to the auditor's report.

3.2. Explanations and Evidence

Management has sufficiently provided all evidence and explanations requested by us as well as their signed management representation letter.

3.3. Reporting per Section 273 Paragraphs 2 and 3 UGB

During our audit we did not note any facts which indicate that there could be substantial doubt about the Company's ability to continue as a going concern nor indicate a material deterioration of the Company's performance. Neither did we note any indications of non-compliance with Austrian law. We did not note any material weaknesses in the internal controls over the financial reporting process. The criteria for reorganization per Section 22 Paragraph 1 Subsection 1 URG (Austrian Corporate Restructuring Act) were not met.

4. Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

**Jaguar Land Rover Austria GmbH,
Salzburg, Austria,**

which comprise the Balance Sheet as at 31 March 2020, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2020 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatements – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports as applied in Austria.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements.



Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Engagement Partner

The engagement partner is Mr Gerhard Wolf.

Vienna, 26 June 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Gerhard Wolf
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

The financial statements together with our auditor's opinion may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Financial Statements

Jaguar Land Rover Austria GmbH,
Salzburg

Financial Statements as per March 31, 2020



JAGUAR LAND ROVER AUSTRIA GMBH
SALZBURG
Balance Sheet MARCH 31, 2020

ASSETS	2020-03-31 EUR	2019-03-31 EUR	SHAREHOLDER'S EQUITY AND LIABILITIES	2020-03-31 EUR	2019-03-31 EUR
A. Fixed assets			A. Shareholder's equity		
I. Intangible assets			I. Stated Capital called and paid in <i>Nominal capital</i>	145,000.00 145,000.00	145,000.00 145,000.00
1. Software	8,959.96	0.16	II. Capital reserves		
II. Tangible assets			1. not appropriated	87,564.16	87,564.16
1. Buildings on land owned by third parties	122,803.34	139,187.81	III. Earnings reserves		
2. Technical equipment	129,295.83	86,320.68	1. Statutory reserves	14,500.00	14,500.00
3. Other equipment, furniture and fixtures	185,656.99	238,119.62	IV. Unappropriated retained earnings	8,324,748.42	6,690,024.21
	<u>437,756.16</u>	<u>463,628.11</u>	<i>thereof prior period unappropriated retained earnings</i>	<u>6,690,024.21</u>	<u>4,797,351.56</u>
	446,716.12	463,628.27		8,571,812.58	6,937,088.37
B. Current assets			B. Provisions		
I. Inventories			1. Provisions for severance payments	520,000.00	408,000.00
1. Goods for resale	15,479,544.38	22,315,458.01	2. Provisions for taxation	427,098.89	721,321.00
II. Receivables and other assets			3. Other provisions	<u>11,860,446.20</u>	<u>14,616,994.41</u>
1. Accounts receivable - Trade	5,052,667.46	3,665,416.00		12,807,545.09	15,746,315.41
<i>thereof with a remaining maturity of more than one year</i>	<i>0.00</i>	<i>0.00</i>	C. Liabilities		
2. Accounts receivable - Affiliated companies	37,258,025.62	32,143,432.42	1. Accounts payable - Trade	3,709,137.93	3,081,235.09
<i>thereof with a remaining maturity of more than one year</i>	<i>0.00</i>	<i>0.00</i>	<i>thereof with a remaining maturity of up to one year</i>	<i>3,709,137.93</i>	<i>3,081,235.09</i>
3. Other receivables and assets	21,543.00	37,888.85	2. Accounts payable - Affiliated companies	22,508,378.51	22,020,305.74
<i>thereof with a remaining maturity of more than one year</i>	<i>0.00</i>	<i>0.00</i>	<i>thereof with a remaining maturity of up to one year</i>	<i>22,508,378.51</i>	<i>22,020,305.74</i>
	<u>42,332,236.08</u>	<u>35,846,737.27</u>	3. Other liabilities	12,837,749.40	12,797,019.56
III. Bank balances	<u>2,577,376.57</u>	<u>1,892,488.21</u>	<i>thereof taxes</i>	<i>6,042,594.15</i>	<i>3,987,108.74</i>
	60,389,157.03	60,054,683.49	<i>thereof social security</i>	<i>117,282.45</i>	<i>135,322.59</i>
C. Prepayments and accrued income	207,866.50	277,677.70	<i>thereof with a remaining maturity of up to one year</i>	<i>12,684,749.40</i>	<i>12,644,019.56</i>
D. Deferred tax assets	<u>139,217.57</u>	<u>120,173.98</u>	<i>thereof with a remaining maturity of more than one year</i>	<i>153,000.00</i>	<i>153,000.00</i>
			<i>thereof with a remaining maturity of up to one year</i>	39,055,265.84	37,898,560.39
			<i>thereof with a remaining maturity of more than one year</i>	<i>38,902,265.84</i>	<i>37,745,560.39</i>
				<i>153,000.00</i>	<i>153,000.00</i>
Total assets	<u>61,182,957.22</u>	<u>60,916,163.44</u>	D. Deferred income	748,333.71	334,199.27
			Total shareholder's equity and liabilities	<u>61,182,957.22</u>	<u>60,916,163.44</u>

JAGUAR LAND ROVER AUSTRIA GMBH

SALZBURG

Income Statement for the financial year 2019/20

	2019/2020 EUR	2018/2019 EUR
1. Net sales	206,873,252.86	223,817,772.05
2. Other operating income		
a) Income from release of provisions	134,404.59	1,066,706.55
b) Other	108,294.24	177,603.72
	242,698.83	1,244,310.27
3. Cost of materials and other purchased services		
a) Cost of materials	184,924,243.80	200,732,332.44
4. Personnel expenses		
a) Salaries	4,815,946.34	5,700,503.24
b) Social security costs	2,364,870.45	2,508,463.73
<i>thereof expenses for pensions</i>	92,022.66	70,042.26
aa) thereof expenses for severance payments and contributions to staff provision funds	189,224.50	290,116.97
bb) thereof expenses for statutory social security, payroll-related taxes and mandatory contributions	1,339,613.49	1,374,531.63
	7,180,816.79	8,208,966.97
5. Amortisation and depreciation		
a) of intangible assets and tangible fixed assets	104,652.50	101,988.44
6. Other operating expenses		
a) Taxes, as far as they are not on income or on revenue	422,433.01	387,177.92
b) Other	12,288,217.51	13,309,385.77
	12,710,650.52	13,696,563.69
7. Subtotal no. 1 to 6 (Operating result)	2,195,588.08	2,322,230.78
8. Other interest and similar income	10,433.52	6,744.86
9. Interest and similar expenses	0.00	22,643.97
10. Subtotal no. 8 to 9 (Financial result)	10,433.52	-15,899.11
11. Profit before taxes (Total no. 7 and no. 10)	2,206,021.60	2,306,331.67
12. Taxes on income	571,297.39	413,659.02
<i>thereof deferred taxes</i>	-19,043.59	-51,873.98
13. Profit after taxes	1,634,724.21	1,892,672.65
14. Net profit for the year	1,634,724.21	1,892,672.65
15. Profit carried forward from the previous years	6,690,024.21	4,797,351.56
16. Balance sheet profit	8,324,748.42	6,690,024.21

1. General principles

The financial statements as of 31 March 2020 have been prepared in accordance with the financial reporting requirements of the Austrian Commercial Code (UGB) as amended.

2. Accounting and valuation methods

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 company, as well as of the results of its operations for the year then ended.

The principle of completeness was observed in preparing the financial statements. With regard to the valuation, the company's ability to continue as a going concern was assumed.

Accounting and valuation methods are based on generally accepted accounting principles. Section 201 (2) UGB was adhered to, as were the provisions on classification and valuation of balance sheet and income statement items under sections 195 to 211 and 222 to 235 UGB.

Purchased intangible and tangible assets are valued at acquisition or production cost less scheduled straight-line amortization charged according to the estimated useful life ranging from 3 to 15 years of the assets.

Merchandise is measured at acquisition cost taking into account the strict lower-of-cost-or-market principle.

Cars and spare parts are measured using the specific identification method.

Receivables resulting from the sale of cars are settled by two financing institutions one day after invoicing.

Provisions are recognized taking into account all identifiable risks and potential losses based on reasonable judgment.

The provisions for severance and anniversary payments were calculated in accordance with UGB on the basis of actuarial principles.

	2019/2020	2018/2019
discount rate severance payments	0.00%	0.00%
discount rate anniversary payments	0.00%	0.00%
Retirement age for female employees	60 - 65 years	60 - 65 years
Retirement age for male employees	65 years	65 years

The selected method of calculation for severance and anniversary payment provisions are in accordance with the requirements under section 211 UGB.

Liabilities were stated at the settlement amount.

Receivables and liabilities denominated in foreign currencies were measured at an average cross rate at the date of transaction. Foreign exchange losses were recognized at the end of the year by valuating the respective amounts at the bid or ask rate as of the reporting date.

3. Comments on balance sheet items

3.1. Fixed assets

The movements in fixed assets are included in the enclosure 1 to the notes.

3.2. Current assets

3.2.1. Receivables and other assets

As of the reporting date, all receivables have a maturity of less than one year.

Receivables due from affiliated companies include:

	31.3.2020 EUR	31.3.2019 EUR
1. Accounts receivables	1,189,395.17	1,246,896.37
2. Other receivables	36,068,630.45	30,896,536.05
Total	37,258,025.62	32,143,432.42

Other receivables consist of short-term intra group cash pool receivables.

Other receivables and assets amount to EUR 21,543.00 (previous year: EUR 37,885.85). Other receivables don't include any income, for which payment will be received after the reporting date.

The item "other receivables and assets" includes the following:

	31.3.2020 EUR	31.3.2019 EUR
1. Suppliers with a debit balance	6,343.00	11,848.28
2. Miscellaneous	15,200.00	26,040.57
Total	21,543.00	37,888.85

3.3. Deferred charges

	31.3.2020 EUR	31.3.2019 EUR
Car insurance premiums	207,866.50	277,677.70

3.4. Deferred tax assets

	31.3.2020 EUR	31.3.2019 EUR
Deferred tax assets according to section 198 par. 10 UGB	139,217.57	120,173.98

3.5. Equity

The share capital amounts to EUR 145,000.00 (previous year: EUR 145,000.00) and is fully paid in.

The net profit includes the profit for the year of 1,634,724.21 (previous year: EUR 1,892,672.65).

The company is a large corporation pursuant to section 221 UGB.

3.6. Provisions**3.6.1. Other provisions**

The item "other provisions" includes the following:

Provisions for:

	31.3.2020 EUR	31.3.2019 EUR
employee benefits	1,167,000.00	1,054,000.00
spare parts bonification	670,000.00	1,346,994.00
sale promotions	5,137,755.31	3,554,498.86
dealer bonuses	2,568,954.19	7,062,251.20
miscellaneous costs	2,316,736.70	1,599,250.35
Total	11,860,446.20	14,616,994.41

3.7. Accounts payable

All liabilities reported in the financial statements, with the exception of other liabilities, have a maturity of less than one year. Other liabilities include security payments of EUR 153,000.00 (previous year: EUR 153,000.00) which have a maturity of more than one year.

Liabilities due to affiliated companies mainly relate to accounts payable.

Finance agreements related to receivables from car sales exist with FCA Bank for Austria and with UniCredit Leasing CZ for the Czech Republic. Due to the financing agreements, the receivables including all material related risks are taken over and settled by the financing banks. Therefore, the concerned receivables are no longer reported in the annual financial statements. Detailed information regarding the remaining company risks, which result from the financing agreements, are mentioned under point 6.1.

4. Comments on income statement items

The income statement was prepared using the aggregate cost method.

4.1. Breakdown of net sales

by activity	2019/2020 EUR	2018/2019 TEUR		2019/2020 EUR	2018/2019 TEUR
car sales	177,151,529.05	197,505	thereof in foreign countries	54,743,353.22	63,313
spare parts	22,233,284.15	19,102	thereof in foreign countries	7,964,377.73	6,168
after sales	4,544,383.77	4,306	thereof in foreign countries	1,350,320.59	1,327
other	2,944,055.89	2,904	thereof in foreign countries	1,826,976.83	64
Total	206,873,252.86	223,817	thereof in foreign countries	65,885,028.37	70,872

4.2. Personnel expenses

Expenses for severance payment obligations and contributions to severance funds of include:

	2019/2020 EUR	2018/2019 EUR
Expenses for severance payment obligations	88,100.00	30,011.00
Expenses related to contributions to severance funds	77,224.50	85,297.97
Expenses for voluntary severance payment obligation	0.00	174,808.00
Total	165,324.50	290,116.97

Salaries include expenses for anniversary bonuses of EUR 74,000.00 (previous year: EUR 120,106.48).

4.3. Corporate income tax

Corporate income tax expense is calculated based on the tax result and can be splitted as follows:

	2019/2020 EUR	2018/2019 EUR
Income tax	590,340.98	586,998.05
Income tax previous year	0.00	-121,465.05
Deferred tax	-19,043.59	-51,873.98
Total	571,297.39	413,659.02

4.4. Deferred tax assets

Deferred taxes were recognized in accordance with section 198 par. 9 UGB. The differences between the carrying amounts in the balance sheet and their tax bases are as follows:

	Statutory books EUR	Tax books EUR	Differences EUR
Severance payments	22,296.96	0.00	22,296.96
Provision for severance payment obligations	520,000.00	233,914.46	286,085.54
Provision for anniversary payment obligations	404,000.00	155,512.22	248,487.78
Total	<u>946,296.96</u>	<u>389,426.68</u>	<u>556,870.28</u>

Based on the corporate income tax rate of 25%, deferred tax assets amount to EUR 139,218 (previous year: EUR 120,174).

5. Group relations

The company is a 100% owned subsidiary of Jaguar Land Rover Limited, Coventry, Great Britain and thus is related to its shareholders and its affiliated companies as a group company.

Tata Motors Ltd., Mumbai, India, prepares the consolidated financial statements for the largest group of companies. These consolidated financial statements are deposited at the premises of the company.

Jaguar Land Rover Limited, prepares the consolidated financial statements for the smallest group of companies.

Receivables and liabilities to and from these companies, but also due to and from other group entities are presented as receivables to and liabilities from affiliated companies in accordance with section 189a subpar. 8 UGB.

6. Other disclosures**6.1. Contingencies**

The company didn't take over any contingent liability to FCA Bank GmbH/Vienna for car dealers. Towards UniCredit Leasing CZ a.s./Czech Republic, contingent liabilities amounting to approx. EUR 488,700.00 were taken over for selected car dealers. The company has contingent receivables in the same amount.

6.2. Expenses for the auditor

Expenses for the audit 2019 of EUR 60,000.00 (previous year: EUR 52,000.00) are recognized in the provisions.

7. Statutory disclosures on employees

The average number of employees in the fiscal year was: 68 (previous year: 73).

8. Other financial obligations

	following year EUR	previous year EUR	for the next five years EUR	previous year EUR
Continuing obligations	382,046.06	297,033.80	1,177,084.61	723,748.75

9. Composition of the management board

Composition of the management board in the fiscal year 2019/2020:

Mag. Dr. Hörmann Thomas until 31 December 2019
Mag. Monika Eder from 1 January 2020 until 20 April 2020
Dkfm. Felix J. Wannemacher since 21 April 2020

With regard to the disclosure of remuneration received by the managing director, the protection-of-interest clause pursuant to section 242 (4) UGB was applied.

10. Proposed appropriation of retained earnings

The company intends to distribute a dividend in the amount of EUR 0.00 and carry forward the balance sheet profit of the year 2019/20 amounting to 8,324,748.42 EUR .

11. Amount subject to a dividend distribution restriction

According to Section 235 UGB, unappropriated retained earnings amounting to EUR 51,653.41 (previous year: EUR 32,609.80) are not available for distribution.

12. Subsequent events

In March 2020, the COVID-19 pandemic reached Europe. In Austria and many parts of Europe, public life and business were subject to extensive restrictions. The JLR Group therefore had to partially suspend or limit production. Even if reductions in revenue are expected for the financial year 2020/21, it is currently impossible to estimate the effects of COVID-19 on the automotive industry and the JLR Group in particular. At present, the effects of COVID-19 on individual balance sheet items are of secondary importance, and no significant need has thus arisen to adjust carrying values. The going concern assumption continues to be realistic.

Signed by the management board pursuant to section 194 UGB:

Salzburg, on 26 June 2020

Jaguar Land Rover Austria GmbH
The management

Dkfm. Felix J. Wannemacher

Schedule of Fixed Assets for the Year 2019/20

		costs				accumulated depreciation and amortization					carrying amount		
		Balance on 2019-04-01 EUR	Additions EUR	Disposals EUR	Repostings EUR	Balance on 2020-03-31 EUR	Status 2019-04-01 EUR	Depreciations 2019/2020 EUR	Write-ups EUR	Disposals EUR	Status 2020-03-31 EUR	Carrying value 2019-04-01 EUR	Carrying value 2020-03-31 EUR
A. Fixed assets													
I. Intangible assets													
1.	Software	134,212.83	9,864.00	0.00	0.00	144,076.83	134,212.67	904.20	0.00	0.00	135,116.87	0.16	8,959.96
II. Tangible assets													
1.	Buildings on land owned by third parties	203,854.91	2,131.62	0.00	0.00	205,986.53	64,667.10	18,516.09	0.00	0.00	83,183.19	139,187.81	122,803.34
2.	Technical equipment	289,009.33	59,901.58	0.00	0.00	348,910.91	202,688.65	16,926.43	0.00	0.00	219,615.08	86,320.68	129,295.83
3.	Other equipment, furniture and fixtures *	436,003.98	15,843.15	14,215.66	0.00	437,631.47	197,884.36	68,305.78	0.00	14,215.66	251,974.48	238,119.62	185,656.99
		928,868.22	77,876.35	14,215.66	0.00	992,528.91	465,240.11	103,748.30	0.00	14,215.66	554,772.75	463,628.11	437,756.16
TOTAL ASSETS ANALYSIS		1,063,081.05	87,740.35	14,215.66	0.00	1,136,605.74	599,452.78	104,652.50	0.00	14,215.66	689,889.62	463,628.27	446,716.12
*) thereof low value items in accordance with section 204 par 1a UGB			14.215,66	14.215,66				14.215,66		14.215,66			

Management Report

of Jaguar Land Rover Austria GmbH

for the Financial Year 2019/20

Preamble

Jaguar Land Rover, the largest automobile manufacturer in the UK, brings together two car brands under one roof. Land Rover, the largest manufacturer of premium four-wheel drive vehicles, and Jaguar, a world-leading manufacturer of saloon cars, SUVs and luxury sports cars. Within this company group, Jaguar Land Rover Austria, domiciled in Salzburg, acts as the main importer for Austria and serves both the Austrian and Czech markets, for which it also bears market responsibility.

I. Business development

Unless stated otherwise, the data on vehicle registrations was taken from the homepage of Statistik Austria (Statistics Austria). Despite careful research and the use of reliable sources, no responsibility or liability is accepted for the completeness and accuracy of this information.

In the financial year 2019/20, the automotive industry saw a decline. In the calendar year 2019, a total of 436,260 vehicles were registered for the first time (previous year: 444,459 / -1.8%/-8,199 registrations). The number of new car registrations was 3.4% lower than in 2018, decreasing to 329,363.

The number of new diesel car registrations decreased by 9.8% in comparison with the previous year (proportion: 38.4% / previous year: 41.1%), while the number of petrol cars registered decreased by 4.0% in comparison with the previous year (proportion: 53.7%, previous year: 54.0%). New registrations of pure electric vehicles rose by 36.8% (9,242 vs. 6,757) and resulted in a total share of all new car registrations of 2.8% (previous year: 2.0%). Registrations of hybrid petrol/electric cars rose by 47.8% on the previous year to 12,348 new registrations. As in the previous year, the registration data for Austria shows an increase in demand for electrified vehicles.

With a clear mobility strategy in Austria comprising both passive incentives (tax relief) and active incentives (purchase subsidies), the proportion of electric vehicles and hybrids/plug-in hybrids among new vehicle purchases as well as sales of existing stock will continue to rise. With its I-PACE, Jaguar is one of the first premium manufacturers to have brought a long-range electric car to the market, at a more attractive price than the main current competitors, and is expecting sustained demand. With its new plug-in hybrid versions of its two best-selling models, Land Rover offers an attractive range of technology specially designed for urban spaces, and expects a significant proportion of these variants in the model mix.

In the calendar year 2019, Jaguar Land Rover Austria GmbH was able to sell 1,607 new Land Rover vehicles (previous year: 1,798) and 828 new Jaguar vehicles (previous year: 1,154). This corresponds to a market share in Austria of 0.74% (previous year: 0.87%). In the Czech Republic, 248 (previous year: 277) Jaguar vehicles and 745 (previous year: 878) Land Rover vehicles were sold, a decrease of 14.0% on the previous year.

In the financial year 2019/20, Jaguar offered a broad portfolio of vehicle models with two SUVs and an electric vehicle in the high-price premium segment. Nevertheless, it was not possible to

compensate for the continued decline in the saloon car segment, in which Jaguar offered three models. In 2020/21, we expect this slight decrease to be reversed, at least in terms of market share, due to new, tax-efficient drive variants in the SUV segment. In 2019, Land Rover introduced new models of its two best-selling models, with a slow phase-out of the old model, and experienced slight declines in the total number of vehicles sold. The Land Rover portfolio will be extended in 2020 with the long-awaited modern successor to the Defender.

In 2019/20, the Jaguar Land Rover dealers in both Austria and the Czech Republic invested significantly in their sales locations with the new corporate identity and thus enhanced the public visibility of Jaguar Land Rover.

The revenue of the company in the financial year 2019/20 was € 206.9m (previous year: € 223.8m). Other business revenue in the financial year 2019/20 amounted to € 0.243m (previous year: € 1.2m), such that total operating revenue for the financial year 2019/20 amounted to € 207.1m (previous year: € 225.1m). Taking into account material costs of € 184.9m (previous year: € 200.7m), a gross profit of € 22.2m (previous year: € 24.3m) results for the financial year 2019/20. Taking into account personnel costs, amortisations and other business expenses, the operating result amounts to € 2.2m (previous year € 2.3m).

The annual net profit amounts to c. € 1.6m (previous year: c. € 1.9m). The company invested c. € 73,500 (previous year: € 64,700) in the financial year 2019/20.

In the financial year 2019/20, the company had on average 68 employees (previous year: 73 employees). Training and development is carried out within the company to the extent required. The necessary measures for employee retention within the company are being implemented.

II. Position of the company

With the sales figures for Jaguar and Land Rover in Austria and the Czech Republic, Jaguar Land Rover Austria GmbH was able to make a positive contribution to the global sales success of Jaguar Land Rover in 2019/20, despite slight declines. As in the previous financial year, Jaguar was able to make a more balanced contribution to the overall result than was the case in preceding years.

Jaguar is working intensively on the development of pure electric vehicles powered by battery. The support of the Jaguar Formula 1 Racing Team is helping to accelerate the development of performance electric drive systems. The technology transfer began with the Jaguar I-PACE and will be continued in the financial year 2020/21 with an additional new model.

The company has equity amounting to c. € 8.6m (previous year: c. € 6.9m), with a balance sheet total of c. € 61.2m (previous year: € 60.9m). This results in an equity ratio of 14.0% (previous year 11.4%).

The financial situation is secure and can be seen from the balance sheet. In general, the outlook for the financial situation can be deemed positive.

With an annual net profit of c. € 1.6m (previous year € 1.9m), using the 'practitioner method' (mean value method), a cash flow results amounting to c. € 1.7m (previous year c. € 2.0m).

III. Expected development of the company

Due to the recent range of models and the planned expansion of the range of alternative drive technologies (especially plug-in hybrids), the long-term prospects for important models can generally be deemed positive. The effects of the economic and tax environment, in particular the impact of the measures required to combat COVID-19, on the entire industry are difficult to estimate. The slight increase in sales figures anticipated in planning for the next financial year will presumably no longer be realised. Without state intervention to support sales, it can be assumed that there will probably be a reduction in market volume. For this reason, it is impossible to exclude the possibility of corresponding revenue reductions in the period 2020/21. However, we anticipate that the market share will be maintained with the mentioned new products.

IV. Research and development

The company is a trading company. Research and development activities are not carried out by definition – research and development is carried out centrally within the group.

V. Existing branch offices

The company does not have any branch offices.

VI. Risk report

The company is exposed to a variety of risks in the context of its business activities, which are inextricably linked with those activities. Our risk policy aims to make optimal use of the opportunities available and only to take on risks if there is a chance the company will benefit from corresponding added value.

There is virtually no default risk from customer receivables, as Jaguar Land Rover Austria GmbH has concluded corresponding financing agreements with FCA Bank GmbH for Austria and with UniCredit Leasing CZ, a.s. for the Czech Republic and with the dealerships in Austria as well as the Czech Republic. All dealerships are covered by these contracts. Under the agreements, customer receivables from vehicle sales can be redeemed one to two days after invoicing.

Short-term price alteration risks in connection with supplies of goods are restricted using supply agreements. The risk of a change in interest rates exists exclusively in respect of short-term deposits with banks and internal group financing agreements and we estimate these to be non-material. There were no financial liabilities as at balance sheet date.

Any financing agreements required are concluded within the company group and are linked to short- and medium-term liquidity requirements. Financial support (cash pooling) provided to group companies is subject to regular monitoring with regard to the applicable conditions and recoverability. Even taking COVID-19 into account, there are currently no indications that recoverability might be impaired. There is therefore no need to conclude independent framework agreements for financing.

No foreign exchange risk exists for the Czech Republic. All goods and services are invoiced in Euros and paid for in Euros by the invoice recipient.

VII. Financial instruments

The company does not use financial instruments as defined in Section 243 para 3 subpara 5 Austrian Business Code (UGB).

Salzburg, on 26 June 2020

Jaguar Land Rover Austria GmbH

Represented by the managing director

Dkfm. Felix J. Wannemacher

General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, 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 (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- 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 contractor 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) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor 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.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, 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 contractor the amount of the annual salary of the member of staff taken over.

2. 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 without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be 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 contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) 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.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself 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 acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such 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 contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

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

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

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

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made 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 professional 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 them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor 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 Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) 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 no 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.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. 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 sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her 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) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor 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.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) 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 Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments 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 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor 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 ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

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

(3) Travel time to the extent required is also charged.

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

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

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

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation 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 at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, 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. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), 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.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor 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 contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor 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 funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor 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 of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

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

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSchG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSchG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, 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 contractor as well as instructions on the right to withdraw from 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 contractor or his/her representative,

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

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

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

If the consumer withdraws from the contract according to Section 3 KSchG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and 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 contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSchG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSchG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

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

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (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 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor 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) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time 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.