Appendix 1
GENERAL TERMS AND CONDITIONS OF THE ENGAGEMENT AGREEMENT – REVIEW OF FINANCIAL INFORMATION

Effective from 1 January 2023

The main difference between the version effective from 1 January 2023 and the previous one: the contractual penalties and the hourly fees have changed.

This Appendix to the Engagement Agreement uses the terms defined in the Engagement Agreement and takes into account the facts that:

- In connection with the position of the Audit Firm in society which requires it to be independent and objective in its activity, the review service provided under the Engagement Agreement is inseparably linked to its intended users (the general public and the users listed in the professional standards set forth in section 46 of the Auditors Activities Act) in whose interest the review service is provided under the Engagement Agreement.

- The Client has to organise its accounting and prepare its annual report in accordance with the Accounting Act and in compliance with the requirements and obligations related to the presentation of the annual report that are set forth in the Commercial Code.

- The provisions of the Law of Obligations Act shall apply to the Engagement Agreement along with the specifications provided in respect of engagement agreements in the Auditors Activities Act.

The Parties enter into the Engagement Agreement under the following terms and conditions:

1. The Review Service to be Provided by the Audit Firm and the Subject Matter

1.1. The Review service to be provided by the Audit Firm and the subject matter are set forth in the Engagement Agreement.

2. The Time Frame for the Service to be Provided by the Audit Firm

2.1. The duration of the Review (the work measured in hours) is set forth in the Engagement Agreement.

2.2. The date when the Audit Firm shall issue the Independent Auditor's Report is set forth in the Engagement Agreement.

3. The Independent Auditor's Report and the Signatory of the Report

3.1. Based on the Review performed, the Audit Firm shall issue the independent auditor's review report which is addressed to the Client's shareholders and in which it expresses, in the form a negative assurance conclusion, limited assurance obtained by conducting the Review (Auditors Activities Act section 51 subsection 3 and International Standard on Review Engagements (Estonia) 2400 (revised)). Examples of an independent auditor's review reports are provided on the website of Audiitorkogu (the Estonian Auditors' Association) in the Estonian language and are also available on pages 60-74 of International Standard on Review Engagements (Estonia) 2400 (revised).

3.2. The person that signs the Independent Auditor's Report on behalf of the Audit Firm is set forth in the Engagement Agreement.

3.3. For better fulfilment of its professional responsibilities and at own risk, the Audit Firm may involve in the performance of the Review experts, assistants and other persons that act under the supervision of the Audit Firm.

4. The Service Fee and the Settlement Procedure

4.1. The fee for the service provided by the Audit Firm is set forth in the Engagement Agreement.

4.2. The fee for the Review does not include the fees for other professional services provided by the Audit Firm. If a consultation or other service requested by the Client is beyond the scope of the Review, it will be agreed separately in writing.

4.3. If the scope of the Review increases because the Audit Firm has to perform additional or more extensive procedures to express a negative assurance conclusion or to obtain assurance about the fact that a modified report must be issued in accordance with the requirements of paragraph 58 of International Standard on Review Engagements (Estonia) 2400 (revised), the Audit Firm may charge an additional fee at the rate of 120 euros per hour.

4.4. The fee and time schedule of the Review performed by the Audit Firm are estimated, among other things, based on the Audit Firm's preliminary assessment of the Client's accounting and the information provided to the Audit Firm by the Client's staff and assuming a reasonable level of assistance from the Client's staff. When the scope and/or duration of the Review increase(s) because the Client fails to meet its contractual obligations or does not meet them properly, the Audit Firm may change its fee and the deadlines scheduled for performing the work. If, during the Review, circumstances arise that do not allow the Audit Firm to perform the Review for the fee agreed in subsection 4.1. of the Engagement Agreement, the Parties will agree an additional fee and the continuation of the Review (including the changes in deadlines).

4.5. When the performance of the Review procedures is delayed or the volume of the work planned by the Audit Firm increases (e.g. the Audit Firm has to make repeated corrections or re-check updated versions of Financial Statements) due to circumstances related to the Client, the Audit Firm may increase its fee based on the time spent on the additional work by applying an hourly fee of 120 euros (plus value added tax) as follows:

4.5.1. First-time Adjustment or Correction

If the Audit Firm concludes that the Financial Statements submitted by the Client contain deficiencies, the Audit Firm shall provide the Client, at the latter's request, with a written explanation of the deficiencies on the basis of which the Client shall change and/or supplement the Financial Statements. After that the Client shall submit the changed and/or supplemented Financial Statements, which have been approved by the management board, to the Audit Firm for issuance of the Independent Auditor's Report. The additional fee set out in subsection 4.3. does not apply to the first-time adjustment or correction of the Financial Statements.

4.5.2. Repeated Adjustment or Correction

If subsequent to the adjustment or correction specified in subsection 4.5.1. the Audit Firm concludes that the Client's Financial Statements require further changing and/or supplementing, the Client shall be notified thereof. If the Client wishes to additionally change and/or supplement the Financial Statements, the Client shall submit the new, changed and/or supplemented Financial Statements to the Audit Firm. In the case of any deficiencies therein the Audit Firm shall provide the Client with a new written explanation on the basis of which the Client shall change and/or supplement the Financial Statements. The Parties to the Engagement Agreement may continue this procedure until they come to a mutually satisfying conclusion concerning the Financial Statements. The Client shall pay for the work performed under this subsection in accordance with subsection 4.3. of the Engagement Agreement.

4.6. The Client shall pay the amount due for the Review within 7 calendar days after the date of issue of the Audit Firm's invoice to the current account of the Audit Firm. When the Client does not settle the amount invoiced by the Audit Firm by the due date, the Client shall pay interest on arrears accruing at the rate of 0.25% per day for each day of delay. The costs of collecting any overdue invoiced amounts shall be covered by the Client.

5. The Responsibilities of the Client

5.1. The Client shall be responsible for:

5.1.1. implementing and maintaining an effective internal control system that management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error;

5.1.2. selecting appropriate accounting policies and measurement bases, designing and applying internal accounting regulations and safeguarding the entity's assets in accordance with the requirements of applicable legislation, and preparing and retaining the required accounting records, registers and Financial Statements;

5.1.3. preparing the draft management report and Financial Statements in good faith and applying appropriate measures for verifying the correctness of information;

5.1.4. ensuring access and providing the Audit Firm with all the source documents and other information required for the performance of the Review as well as all valid contracts and agreements and information on any contracts and agreements the Client intends to conclude before the end of the Review. The Audit Firm may make copies, duplicates or extracts of the documents named in the previous sentence and obtain the evidence required for the performance of the Review in other ways. For example, information and documents are required when the source documents and other information required for the Review are not or are insufficiently recorded in the Client's accounting or when there is no data on them, but in the opinion of the Audit Firm they are required for the performance of the Review;

5.1.5. preparing the materials required for the performance of the Review at least 7 days before each stage of the Review based on the list provided by the Audit Firm and during the Review based on the requests of the Audit Firm;

5.1.6. ensuring the cooperation of its staff in all Review procedures throughout the performance of the Review and unlimited access to persons from whom the Audit Firm considers it necessary to obtain evidence for the Review;

5.1.7. paying for the Review in accordance with the terms set forth in the Engagement Agreement;

5.1.8. confirming in a management representation letter submitted before the issue of the independent auditor's report that all information presented in the Financial Statements is true, accurate and complete and that all contingent liabilities, transactions with related parties, significant subsequent events and other important matters are disclosed in the Financial Statements and that no information has been withheld from the Audit Firm that could affect making a true and fair assessment of the financial information;

5.1.9. making sure that the independent auditor's report is used only as an integral part of the full annual report;

5.1.10. cooperating with the Audit Firm in the performance of the Review in every possible way so as to help achieve the result of the Review.

5.2. By signing the Engagement Agreement, the Client confirms that the decision to enter into the Engagement Agreement with the Audit Firm and the terms of remunerating the Audit Firm have been approved by the Client's competent governing body.

6. The Responsibilities of the Audit Firm

6.1. The Audit Firm shall be responsible for:

6.1.1. issuing, based on the Review performed, an independent auditor's report on the Client's Financial Statements on the date agreed in the Engagement Agreement at the latest, provided that the Client has submitted its Financial Statements to the Audit Firm 7 days before the agreed date of issue of the independent auditor's report and has fulfilled all its other obligations in a timely manner. The independent auditor's report is issued to the Client in the format provided in the law and professional standards, in Estonian, signed or digitally signed by the audit Firm (Auditors Activities Act section 51 subsection 3, International Standard on Review Engagements (Estonia) 2400 (revised));

6.1.2. issuing, if necessary, a written memorandum to the Client's management in which the Audit Firm highlights its findings and makes recommendations and suggestions;

6.1.3. informing the Client forthwith of any problems that prevent the Audit Firm from fulfilling its obligations and the measures that the Audit Firm will apply to eliminate or overcome such problems.

7. Liability of the Parties

7.1. The Client shall not be liable for breaching its obligations under the Engagement Agreement if this was caused by unforeseen circumstances or circumstances beyond the control of the Parties (force majeure).

7.2. The Parties define force majeure as any event or circumstance that is beyond the Client's control such as a fire, activity of a military nature, strike, mass disorder, flooding or other event or circumstance with similar features which prevents the Client from duly meeting its obligations under the Engagement Agreement or renders it impossible. Events resulting from the negligence or deliberate acts of the Client or its staff do not qualify as force majeure.

7.3. The Audit Firm shall be liable to the Client in accordance with the provisions in the Auditors Activities Act.

7.4. The Audit Firm shall not be liable when the damage caused is not the fault of the Audit Firm; this includes cases where the damage caused results from misleading information provided by the Client during the Review either orally or in writing or the Client's failure to provide information.

8. Confidentiality

8.1. Any documents that the Audit Firm prepares in connection with performing the Review and/or any documents that the Client prepares and submits to the Audit Firm as well as any other materials and/or information presented to the Audit Firm during the Review shall be regarded as work papers, which are the property of the Audit Firm. Work papers are confidential and the Audit Firm retains them in accordance with the requirements of Estonian legislation and in conformity with the internal policies and regulations of the Audit Firm. Work papers may be disclosed in the cases provided by law.

8.2. The Client may not disclose and/or make available to third parties the Audit Firm's documents prepared during the Review without the prior written consent of the Audit Firm except in the cases provided by the legislation of the Republic of Estonia.

8.3. The Client shall keep confidential the methods and techniques of performing the Review that were used to reach the Review conclusion. The confidentiality requirement does not apply to information that is publicly available or to the client relationship between the Audit Firm and the Client whose existence the Audit Firm may disclose to clients, prospective clients and other third parties.

8.4. The Audit Firm shall keep confidential the information and documents obtained in the course of its professional activities. The obligation to keep professional secrets, which is set forth in the previous sentence, has no time limit and shall apply even when the Audit Firm ends its professional activity.

8.5. There is no obligation to maintain confidentiality when the Audit Firm has the Client's written permission to disclose information or when the Audit Firm is required to disclose information and documents under the Auditors Activities Act.

8.6. The Audit Firm shall maintain all copyright and other intellectual property rights to everything it has created, developed or designed before or during the performance of the Review including but not limited to systems, methods, software, know-how and work documents. The Audit Firm shall also maintain all copyright and other intellectual property rights to the reports, written advice and other materials it has submitted to the Client.

8.7. The Audit Firm shall use the information it obtains in the framework of the Engagement Agreement only for the performance of the Review and shall not disclose it to other parties.

9. Money Laundering and Terrorist Financing Prevention

9.1. The Audit Firm has the obligation to identify the Client and its legal capacity, to identify and verify the identity and the right of representation of the members of the Client's management board and the actual beneficiary (or actual beneficiaries). Copies of the information gathered on verifying the identity and the right of representation of the members of the Client's management board and the actual beneficiary (or actual beneficiaries) are appended to the Engagement Agreement.

9.2. The Client has the obligation to submit at the request of the Audit Firm any documents that are necessary for applying the diligence measures arising from the Money Laundering and Terrorist Financing Prevention Act and to provide relevant information, including information about the transactions conducted and the funds used by the Client, which must be consistent with the nature and scope of the Client's economic activities, as well as information about any changes in the list of actual beneficiaries.

10. Notices of the Parties

10.1. Any agreement made between the Parties under the Engagement Agreement including any notice or information related to the performance or amendment of the Engagement Agreement or a dispute resulting from the Engagement Agreement shall be deemed to have been delivered in accordance with the Engagement Agreement when it has been sent to the other Party in a format which can be reproduced in writing either by fax or email or in writing or has been delivered to the other Party in exchange for a signature at the address recorded in the Engagement Agreement. Any data and declarations of intention related to the Engagement Agreement that have an informative nature and whose delivery to the other Party has no legal consequences shall be sent using a means of communication that a Party finds suitable (telephone, email).

10.2. A Party shall notify the other Party to the Engagement Agreement in the manner described in subsection 10.1. also of any circumstances that may affect or obstruct the discharge of the obligations or the realisation of the rights set forth in the Engagement Agreement.

10.3. A notice sent in a format that can be reproduced in writing shall be deemed to have been received when the other Party has confirmed its receipt in a format that can be reproduced in writing. A written notice shall be deemed to have been received when 5 calendar days have passed since it was mailed. A notice sent by registered mail shall be deemed to have been received when it has been delivered to the other Party in exchange for a signature or its postal retention period has expired.

10.4. Either Party shall notify the other Party of any changes in the data recorded in the Engagement Agreement within 2 business days after the change was made. If a Party breaches this provision, a notice sent by the other Party to the address recorded in the Engagement Agreement shall be deemed to have been properly delivered.

11. The Effective Date

10.1. The Engagement Agreement, any appendices to the Engagement Agreement and their changes and supplements shall take effect as of their signature by the Parties.

12. The Amendment of the Engagement Agreement

12.1. The terms and conditions of the Engagement Agreement can be amended and the Engagement Agreement can be supplemented only on the basis of a written agreement between the Parties.

13. The Expiry and Termination of the Engagement Agreement

13.1. Extraordinary cancellation of the Engagement Agreement may only take place with a good reason (subsection 57 (1) of the Auditors Activities Act), by giving the other Party a written notice of cancellation. A good reason means a circumstance in which, considering all the circumstances and the interests of both Parties, the cancelling Party cannot reasonably be expected to continue performing the Engagement Agreement.

13.2. In order to avoid disputes as to which circumstances entitle a Party to cancel the Engagement Agreement extraordinarily, the Parties have agreed on the following non-exhaustive list of circumstances which the Parties deem to constitute a good reason for extraordinary cancellation of the Engagement Agreement by the Review Firm. Such circumstances include, but are not limited to:

13.2.1. failure of the Client to settle an invoice submitted by the Review Firm within more than 60 (sixty) days after the due date in a situation where the Review Firm has warned the Client about extraordinary cancellation of the Engagement Agreement but the Client has still failed to promptly settle the invoice;

13.2.2. declaration of the Client's bankruptcy, abatement of bankruptcy proceedings, commencement of liquidation or compulsory dissolution proceedings in respect of the Client, or the Client's persistent insolvency;

13.2.3. the Client's failure, within a reasonable additional term granted by the Review Firm, to provide the information, documents or explanations necessary for the performance of the Review (including the Financial Statements and the management report), or the Client's obstruction of the Review Firm's access to information, documents or persons from whom the Review Firm considers it necessary to obtain evidence (section 56 of the Auditors Activities Act), as a result of which the performance of the Review or the issuance of the Auditor's Report is impossible or materially impeded;

13.2.4. unreasonably long delay of the Review for reasons attributable to the Client, including where the Client has delayed the performance of an obligation under the Engagement Agreement or a response to an inquiry of the Review Firm for more than 30 (thirty) consecutive days, or where the timetable agreed between the Parties has become unachievable for reasons attributable to the Client, and the Client has failed to remedy the breach within an additional term granted by the Review Firm;

13.2.5. the preconditions for a review engagement within the meaning of International Standard on Review Engagements (EE) 2400 (Revised) are not met or cease to exist during the term of the Engagement Agreement, including where the Client's management does not acknowledge or understand its responsibility for the preparation of the Financial Statements, for such internal control as is necessary, or for providing the Review Firm with information and access, or refuses to provide the representation letter or a written confirmation of its responsibilities, or withdraws a confirmation already given;

13.2.6. the Client has knowingly provided the Review Firm with false, incomplete or misleading information or forged documents, has concealed circumstances material to the Review, or the Review Firm has reasonable doubts as to the integrity of the Client's management (including suspected fraud) in respect of which the Client's management or supervisory board fails to take appropriate action;

13.2.7. the Review Firm becomes aware of the Client's non-compliance, or reasonably suspected non-compliance, with laws and regulations (including tax, environmental, licensing or other requirements), and the Client's management or supervisory board does not take remedial action that the Review Firm considers appropriate, even where such non-compliance is not material to the Financial Statements;

13.2.8. the mandatory annual client relationship and engagement continuance risk assessment performed by the Review Firm in accordance with the professional standards of sworn auditors and quality management requirements concludes that continuing the client relationship or the engagement is not permissible or would expose the Review Firm to unacceptable risk, including material reputational risk;

13.2.9. after the conclusion of the Engagement Agreement, the Review Firm becomes aware of information concerning circumstances which, had they been known before the conclusion of the Engagement Agreement, would under the Review Firm's client and engagement acceptance requirements have caused the Review Firm to decline to conclude the Engagement Agreement or to accept the engagement;

13.2.10. the Review Firm is unable to apply the due diligence measures required under the Money Laundering and Terrorist Financing Prevention Act, the Client fails to provide the information or documents necessary for that purpose, or the Review Firm comes to suspect money laundering, terrorist financing or a breach of international sanctions;

13.2.11. circumstances emerge or arise (including as a result of changes in the Client's shareholders, members of governing bodies or beneficial owner) which threaten the independence of the Review Firm or the sworn auditor or create a conflict of interest, and which cannot be adequately mitigated by the application of safeguards;

13.2.12. after the conclusion of the Engagement Agreement, the Client's management imposes a limitation on the scope of the Review which, in the Review Firm's assessment, would be likely to result in a disclaimer of conclusion;

13.2.13. the Client attempts to improperly influence the content of the Auditor's Report or the professional judgment of the sworn auditor (including by means of pressure, threats or the offering of inducements), or demands that the Review be performed in a manner contrary to legislation, ISRE (EE) 2400 (Revised) or professional ethics requirements;

13.2.14. the conduct of the Client or its representatives towards the Review Firm, the sworn auditor or the Review Firm's staff is abusive, threatening or otherwise such that the relationship of trust between the Parties has been irreparably damaged;

13.2.15. the employment or cooperation relationship between the Review Firm and an expert with industry-specific knowledge, or the project manager of the engagement, whose involvement is necessary for the performance of the Review, has ended, and the Review Firm is unable, using reasonable efforts, to secure a replacement, as a result of which the Review can no longer be performed in accordance with the professional standards of sworn auditors (including quality management and professional competence and due care requirements);

13.2.16. the Client otherwise materially breaches its obligations under the Engagement Agreement or legislation and fails to remedy the breach within a reasonable additional term granted by the Review Firm.

13.3. Good reasons for extraordinary cancellation of the Engagement Agreement by the Client include, but are not limited to:

13.3.1. revocation of the Review Firm's activity licence, or the withdrawal or suspension of the professional title of the sworn auditor signing the Auditor's Report, where the Review Firm does not ensure the replacement of the signatory;

13.3.2. a material breach of independence or professional ethics requirements by the Review Firm;

13.3.3. a material breach of confidentiality obligations by the Review Firm;

13.3.4. a material and continuing delay in the performance of the Review for reasons attributable to the Review Firm, where the Review Firm has failed to remedy the breach within a reasonable additional term granted by the Client;

13.3.5. the Review Firm's failure to ensure the replacement of an expert with industry-specific knowledge or of the project manager necessary for the performance of the Review, where the previous employment or cooperation relationship with such person has ended and the proper performance of the Review is thereby materially impeded.

13.4. In accordance with subsection 57 (2) of the Auditors Activities Act, disagreements regarding accounting issues or matters related to the professional activities of the sworn auditor do not qualify as a good reason for cancellation of the Engagement Agreement. A good reason does not include, among other things:

13.4.1. a disagreement between the Parties on accounting policies, accounting estimates or the information to be disclosed in the Financial Statements;

13.4.2. the fact that the sworn auditor intends to issue, or has issued, a modified Auditor's Report;

13.4.3. the Client's wish to obtain an auditor's conclusion of a different content, or to replace the Review Firm with a view to obtaining a conclusion more agreeable to the Client;

13.4.4. the ordinary volume of work of the Review, the extent of the review procedures, or the Review Firm's justified requests for additional information.

13.5. Where the good reason consists in a breach of an obligation by the other Party which is capable of being remedied, the Party intending to cancel shall, before cancelling the Engagement Agreement, give the other Party a written warning describing the breach, granting a reasonable additional term for remedying the breach and giving notice of the intention to cancel the Engagement Agreement extraordinarily upon the expiry of that term without result. A warning and an additional term are not required where the breach is by its nature incapable of being remedied or where the need or obligation to cancel arises from legislation or the professional standards of sworn auditors (including in the cases specified in subsections 13.2.8–13.2.11).

13.6. The Party entitled to cancel shall cancel the Engagement Agreement within a reasonable time after becoming aware of the good reason (subsection 196 (3) of the Law of Obligations Act). The notice of cancellation shall be given in writing and shall state the reason(s) for the cancellation of the Engagement Agreement.

13.7. When the Engagement Agreement is cancelled, the Parties shall immediately notify the Auditors Activities Oversight Board using the Commercial Register's information system and provide their explanations of the reasons for the cancellation of the Engagement Agreement (subsection 57 (3) of the Auditors Activities Act). Immediately after notifying the Auditors Activities Oversight Board, the Review Firm shall provide the Client with a report on the Review procedures performed.

13.8. The Client shall immediately pay the Review Firm for all work agreed in the Engagement Agreement that was performed prior to the cancellation of the Engagement Agreement and is recorded in the report specified in subsection 13.7 that has been submitted to the Client, as well as compensate the justified expenditures already incurred by the Review Firm in connection with the performance of the Review (subsection 57 (4) of the Auditors Activities Act). The preceding sentence shall not apply where the cancellation of the Engagement Agreement results from the suspension or expiry of the Audit Firm's activity licence.

13.9. If the Engagement Agreement has been entered into for performing the Review of the Financial Statements of one financial year of the Client, the Engagement Agreement shall expire upon due performance by the Audit Firm.

14. The Resolution of Disputes

14.1. The Engagement Agreement shall be performed and construed in accordance with the laws of the Republic of Estonia.

14.2. Any differences of opinion, disputes and complaints that cannot be resolved by agreement between the Parties shall be resolved in Harju Maakohus (Harju County Court).