

AGREEMENT FOR AUDIT ENGAGEMENT

Client:			
Address:		Phone:	E-mail:
Registration no:		Member of the Board:	

and

Audit Firm: Donoway Eesti OÜ		
Address: Jõe 2B, 10151, Tallinn, Estonia	Phone: +372 68 25 750	E-mail: donoway@crowehorwath.ee
Registration no: 11353724; activity license no: 256	Member of the Board:	

have entered into this Agreement as follows:

MATERIAL PROVISIONS

1. Subject matter

1.1. The object of the Agreement is the performance of audit by the Auditor with respect to Client's financial statements in compliance with the Professional Standards and the terms and conditions specified in the Agreement (hereinafter Audit)

1.2. The subject of the audit are the financial statements prepared by the Client for the financial year that ended on 31.12.2016. a and presented in accordance with the accounting principles generally accepted in Estonia / International Financial Reporting Standards (IFRS) as adopted by the European Union. (hereinafter the financial statements)/ and the purpose of consolidation is special financial reporting, which has been prepared in accordance with the instructions of the group.

2. Audit services estimated duration in hours and audit stages

2.1. Audit estimated duration in hours

Interim Audit	hours
Year-End Audit	hours
Total	hours

2.2. Audit Plan

Description	Term
Submitting the Accounting Data to Auditor	Dates
Financial Statements Audit	Dates
Approval of the Annual Report by the Board	Dates
The audit reports issued by the auditor	Dates

2.3 If the annual report is delayed, the auditor has two weeks to submit the report or draft report starting from the day Client submitted the annual report approved by the Board.

3. Audit Fee and Payment Procedure

3.1 Based on the approximate number of hours in clause 2.1 of the Agreement, the audit fee is **EUR.....** (plus value added tax and other expenses directly attributable to the audit), which means that the hourly price is **EUR.....** (plus value added tax).

3.2 The invoices for the audit will be submitted to the client **on Date** (50% of section 3.1. fee) and **on Date** (50% of section 3.1. fee). The amount payable for the audit shall be paid by the Client within 7 calendar days after the date of submitting the invoice by the Audit Firm. In overrunning the deadline for payment of the amount specified in the invoice submitted by the Audit Firm, the Client shall pay default interest on the overdue amount at the rate of 0,15 percent a day for each calendar day of delay. The costs of collection of the overdue amount specified in the invoice shall be paid by the Client.

4. Audit Result

4.1 As a result of the audit, the Audit Firm shall issue the independent sworn auditor's report to the shareholder/shareholders of the Client concerning whether the financial statements present a true and fair view of the Client's (consolidated) financial position, financial results of period under review and cash flows in accordance with accounting principles generally accepted in Estonia / International Financial Reporting Standards (IFRS) as adopted by the European Union.

4.2. Board member and sworn auditor shall be the signatory of the sworn auditor's report on behalf of the Audit Firm.

Authorized signatures

In Tallinn, date of digital signatures

Client:	Audit Firm:

DONOWAY EESTI AUDIT ENGAGEMENTS GENERAL TERMS AND CONDITIONS

1. Scope

- 1.1. These audit terms and conditions (hereinafter "Terms and Conditions") are part of the audit services agreement (the "Agreement") between Donoway Eesti LLC (hereinafter „Audit Firm or Auditor") and legal entity (hereinafter "Client" or the "Company") hereafter named "Party" or "Parties..
- 1.2. This Agreement is subject to the Law of Obligations Act, taking into account the specifications provided for the Client Agreement in the Auditors Activities Act.

2. Purpose and Subject of Performing Audit

- 2.1. The purpose of performing the audit is to issue the independent sworn auditor's report for the audit object specified in clause 1 of the Agreement for prescribed users as a result of the audit performed by the Audit Firm on the basis of the professional standards for sworn auditors (hereinafter Professional Standards).
- 2.2. The Client must organize its accounting and prepare the annual report in accordance with the Accounting Act and follow the requirements and obligations arising from the Commercial Code with respect to the presentation of the annual report;
- 2.3. Taking into account the test nature of the audit performed in providing the service ensuring reasonable assurance and the inherent limitations of any internal control system, there is always a certain risk that some relatively material misstatements of the financial statements may remain undiscovered. Thus, the sworn auditor's report does not express an opinion presuming absolute assurance.
- 2.4. The Board is responsible for the accuracy and the preparing of annual report. The Board must ensure the preparation and storage of the required accounting ledgers and journals and financial statements, selection of appropriate accounting policies and estimation methods, formation of an efficient internal control system, development of internal accounting regulations and preservation of assets according to the requirements of applicable legislation
- 2.5. Upon auditing, the Audit Firm only considers the internal control of the Client's financial accounting for the purpose of planning the audit by the Audit Firm and determining the nature, timing and scope of the audit procedures. However, this consideration is insufficient to express an opinion on the efficiency of the internal control or discovery of all the material deficiencies.
- 2.6. By signing the Agreement, the Client shall represent and warrant that the decision on entry into the Agreement with the Audit Firm and terms and conditions of remunerating the Audit Firm's work have been approved by the corresponding body of the Client and Client's audit committee, if applicable.
- 2.7. The Audit Firm shall have the right to involve experts, assistants or other persons at its own responsibility for better performance of the obligations related to its professional activities and they shall operate under the supervision of the Audit Firm.
- 2.8. The Audit Firm has the right to transfer the activities to third parties for better performance of the obligations related to its professional activities. The Audit Firm that has transferred the activities shall be liable for the violation of requirements arising from the Auditors Activities Act committed by the third party.
- 2.9. Audit Firm can recall the Auditor's report when there is good reason for that. In case of recall auditor notify Client in writing and Client's management is obliged to remove the report from their website and other places within 3 working days since receiving the notification. When auditor considers it's necessary to recall auditor's report, Client cannot use the report after it is recalled. When annual report is published then Client must disclose the fact that auditor's report has been recalled.

3. Parties Obligations

The Audit Firm is required to:

- 3.1. Submit an initial list of materials required to perform the audit by the date specified in section 2 in the Agreement;
- 3.2. As a result of the audit, issue the independent sworn auditor's report for the financial statements of the Client, on conditions that Client has provided all requested documents on time (agreed in section 2.2) and fulfilled other obligations on time. The independent sworn auditor's report shall be presented to the Client in the form prescribed by law and the Professional Standards in English signed by the Audit Firm in handwriting or with digital signature. The examples of an independent sworn auditor's reports are set out on Board of Auditors website www.auditorkogu.ee.
- 3.3. Notify the Client immediately of any problems preventing the Audit Firm from performing the assumed obligations and of measures that the Audit Firm uses to remove the circumstances preventing the performance of the audit.
- 3.4. Submit an invoice for work factually performed each month or after the completion of the respective stage of work.
- 3.5. If the Audit Firm finds evidence of fraud or potential violation of laws and regulations, forward the evidence to the respective management level. If the Audit Firm learns of fraud in which the management or employees playing a significant role in the internal control function or other employees are involved and the fraud results in misstatement of information in the financial statements, the Audit Firm shall directly inform the corresponding managing body thereof. The Audit Firm shall forward the corresponding managing body of the Client the issues that have caught the attention of the Audit Firm and are related to the violation of laws and regulations, unless the violations are obviously insignificant.

The Client is required to:

- 3.6. Ensure the preparation and storage of the required accounting ledgers and journals and financial statements, selection of appropriate accounting policies and estimation methods, formation of an efficient internal control system, development of internal accounting regulations and preservation of assets according to the requirements of applicable legislation;
- 3.7. Prepare the drafts of management report and financial statements in good faith and apply the required measures to prove that the information is adequate;
- 3.8. Prepare the Financial statements in accordance with accounting principles set on section 1 of the Agreement.
- 3.9. Implement such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

- 3.10. Present to the Audit Firm all the source documents required and other information needed to perform the audit /and all the effective Agreements and information about Agreements that are to be entered into prior to the end of the audit. The Audit Firm may make copies, transcripts or extracts of the documents specified in the foregoing sentence and obtain evidence related to the audit in any other manner. The information and documents are also required when the source documents needed to perform the audit and other information necessary for the Audit Firm to perform the audit is not sufficiently reported in the Client's accounting or is missing at all or when there is no data with respect thereto that is necessary to perform the audit according to the reasonable opinion of the Audit Firm.
- 3.11. Prepare the materials required to perform the audit before of each respective stage of the audit, proceeding from the initial list presented by the Audit Firm and requirements of the Audit Firm during the audit in accordance with the time schedule and deadline of the audit set out in section 2 in this Agreement.
- 3.12. Ensure the employees' willingness to cooperate in procedures related to the audit during the entire process of the audit and unrestricted access to persons related to the Client from whom the Audit Firm wants to obtain the audit evidence;
- 3.13. Pay for the audit in accordance with the terms and conditions prescribed in the Agreement
- 3.14. Confirm in the management's representation letter prior to the issuance of the independent sworn auditor's report that all the information specified in the financial statements is true, correct and complete, that all the contingent liabilities, transactions with related parties, important events after the balance sheet date and other significant circumstances have been disclosed in the financial statements and that all such circumstances that could affect the provision of a true and fair view assessment about the financial information have been disclosed to the Audit Firm. The management's representation letter shall be signed by all the members of the Management Board of the Client and persons responsible for organizing the accounting. The sample of representation letter is set out on Board of Auditors website www.auditorkogu.ee.
- 3.15. Use the independent sworn auditor's report only as an inseparable part of the complete annual report. The publication of the sworn auditor's report separately or only with single parts of the annual report in a report or prospect aimed at the public is only permitted upon the Audit Firm's prior written consent and with a note that the statements attached to the sworn auditor's report do not form the complete financial statements.
- 3.16. Notify the Audit Firm of the circumstances of fraud learned by the Client's management or the corresponding managing bodies (irrespective of the source or form, including, but not limited to the assumptions of informants, employees, former employees, analysts, legislators or other persons), and provide the Audit Firm with complete access to these assumptions and materials of internal investigation in a timely manner. Fraud is presumable manipulation with financial results by the management or employees, misappropriation of assets by the management or employees, intentional evasion of internal control, inappropriate impact on transactions with related parties, intentional misleading of the Audit Firm or other allegedly illegal acts or frauds resulting in the misstatements in the financial statements or affecting the Client's financial accounting in any other manner. If the Client limits the information available to the Audit Firm under this clause in any other manner (on the basis of the confidentiality of information of Client's attorneys/customers, security of materials related to a potential litigation or another basis), the Client is required to immediately notify the Audit Firm that certain information is not presented to the Audit Firm. Failure to present such information shall be deemed as being the restriction on the scope of audit and it may prevent the Audit Firm from expressing an opinion on the Client's financial statements; it may change the form of the opinion submitted for such financial statements or influence the Audit Firm's ability to continue as an independent auditor of the Client in any other manner.
- 3.17. Cooperate with the Audit Firm with regard to matters not specified in clauses 3.1–3.16 as much as possible in connection with the audit provided under the Agreement, contributing to the achievement of audit results

4. Payment Procedure

- 4.1. The approximate price of the audit performed by the Audit Firm and the time schedule of the work, which is agreed in section 3, relies, among other things, on the preliminary assessment of information provided by the Client's accounting department and employees to the Audit Firm and depends on the reasonable level of assistance given by the Client's employees.
- 4.2. The audit fee does not include a fee for other professional activities of the sworn auditor. If the consulting or other services requested by the Client fall outside the scope of the audit, the Parties should agree it as a separated engagement.
- 4.3. If the scope of the audit and/or period of performance thereof expands in connection with the Client's failure to perform its Agreemental obligations or improper performance thereof, the Audit Firm may change its fee and planned work deadlines. If other circumstances appear during the audit that do not enable the audit to be performed within the limits of the fee agreed in this Agreement, an agreement shall be made on the additional cost and continuation (incl. change of deadlines) of the audit.
- 4.4. If the audit procedures should be expanded due to reasons arising from the Client and due to this the scope of work planned by the Audit Firm shall be increased (e.g. the Audit Firm shall make repeated adjustments or review the renewed versions of the financial statements prepared) in comparison with the budgeted time of section 2 of the Agreement , the Audit Firm has the right to increase the fee set in section 3 of the Agreement, proceeding from the time spent on additional work and applying an hourly price of 80 EUR plus value added tax.
- 4.5. If the auditor must provide on customer's request or order of a court or investigating authorities or other third party clarifications or prepare additional documentation, the auditor will be entitled to an additional fee, due to the additional expenditure of time.
- 4.6. Audit Firm will add to the invoices actual transport and accommodation costs made in engagement related business trips, car millage costs calculated as 70% of taxi price per kilometer in Tallinn for trips outside of Tallinn.
- 4.7. The auditor has the right to suspend performance of the Agreement, if the invoices are overdue by more than 15 calendar days.
- 4.8. The Audit Firm has the right of retention of report when Client has not paid the invoices submitted by the Audit Firm. In the case of delay, the auditor has the right to demand the payment of whole cost of services before the auditor's report is issued.

5. Parties' Liability

- 5.1. The Client and Audit Firm shall be liable for the violation of obligations provided for in the Agreement, unless it is caused by unforeseeable circumstances or circumstances independent of the activities of the Parties (Force majeure). The Parties consider that Force majeure shall be any event or circumstance independent of the will or out of control of the Client, such as fire, military acts, strike, disorder, flood, or any other event or circumstance conforming to the listed qualities that hinder proper performance of the obligations of the Client arising from the Agreement or renders the same impossible. Force majeure shall not include events caused due to the negligence or deliberate action of the Client or Client's employees.
- 5.2. The Audit Firm shall be liable for the Client for direct proprietary damage wrongfully caused by the professional activities of the sworn auditor. The maximum liability limit is a ten times Agreement fee. The maximum limit is not applied upon damage caused by gross negligence or deliberate violation.
- 5.3. The Audit Firm shall not bear any liability if it is not culpable of causing the damage, among other things, if the damage arises from misleading information presented during the audit by the Client either orally or in writing or by the Client's failure to present information.
- 5.4. Client is responsible for preventing and detecting its management and employees' fraud and errors and non-compliance with legislation.
- 5.5. The Audit Firm may give recommendations to Client for decision-making while performing the Agreement, but the ultimate decision is made by Client and responsibility for consequences lies only with the Client management.

6. Confidentiality

- 6.1. Documentation prepared by the Audit Firm in connection with the audit and/or documents prepared by the Client and submitted to the Audit Firm as well as other materials and/or information presented to the Audit Firm during the audit is deemed as being working papers (incl. electronic working papers) that belong to the Audit Firm. Working papers are confidential and the Audit Firm shall store them in accordance with the requirements established by the legislation of the Republic of Estonia and internal principles and regulations established in the Audit Firm. The working papers may be disclosed in the cases prescribed by legislation.
- 6.2. Client may not disclose the documents of the Audit Firm prepared during the audit and/or submit them to third parties without the prior written consent of the Audit Firm, except in cases prescribed by the legislation of the Republic of Estonia.
- 6.3. The Parties are agreed to exchange data using internet. Parties acknowledge the risks related to using of internet and that any Party cannot fully guarantee confidentiality on data proceed in the internet and exclude unauthorised access by third parties to data. A Party may not be blamed by other Party for the threads connected with data proceeding in the internet, including any obligation appeared when data is used by third parties or third party activity incurs a damage to any Party.
- 6.4. The Client is required to keep the confidentiality of the audit methods and techniques that were used in developing the audit opinion. The confidentiality requirement is not applied to information that is publicly available or to the mutual relations between the Audit Firm and the Client the existence of which may be disclosed by the Audit Firm to clients, potential clients and other third parties.
- 6.5. The Audit Firm is required to keep the confidentiality of information and documents obtained during the performance of the professional activities. The obligation to keep the professional secret specified in the foregoing sentence is not limited in time and is also effective after the Audit Firm terminates its professional activities.
- 6.6. There is no obligation to keep confidentiality, if the Audit Firm has the Client's written permit to disclose the circumstances or if the Audit Firm is required to disclose the information and documents specified in clause 6.5 of the General Terms due to legislation,
- 6.7. The Audit Firm shall retain all the copyrights and other intellectual property rights to anything created, developed or designed prior to or during the audit, including, but not limited to the systems, methods, software, know-how and working documentation. The Audit Firm shall retain all the copyrights and other intellectual property rights to the reports, written advice and other materials submitted by the Audit Firm to the Client.

7. Money Laundering and Terrorist Financing Prevention

- 7.1. The Audit Firm is required to establish the identity of the Client and the existence of passive legal capacity, establish and verify the identity and right of representation of the members of the management board of the Client and identify the beneficial owner. Copies of the extract of Client's registry card and of data collected in establishing the identity and right of representation of the members of the Management Board as well as the identity of the beneficial owner have been appended to the Agreement.
- 7.2. At the request of the Audit Firm, the Client is required to submit the necessary document and provide information relevant for application of diligence measures arising from the Money Laundering and Terrorist Financing Prevention Act, incl. information about the transactions concluded and funds used by the Client that must be in compliance with the nature and scope of the Client's economic activities as well as information about the change in beneficial owners.

8. Notifications of the Parties

- 8.1. All the agreements entered into by the Parties within the framework of this General Terms, including notifications and information related to the performance and amendment of the Agreement and disputes arising there from, are presented in accordance with the Agreement, if the said notifications have been forwarded to the Party in a format that can be reproduced in writing by e-mail or in writing or delivered to the other Party against signature at the address specified in the Agreement. The data and declarations of intention between the Parties related to the Agreement that are of an informative nature and the communication of which does not cause any legal consequences to the other Party are forwarded directly using the means of communication suitable for the Party (e.g. telephone, e-mail).
- 8.2. The Parties are also required to notify the other Party of the Agreement of all the circumstances that may affect or hinder the performance of obligations or exercise of rights provided for in the Agreement in the form set out in clause 8.1 of the General Terms.
- 8.3. A notification sent in a format that can be reproduced in writing shall be considered as being received, if the other Party has confirmed the receipt thereof in a format that can be reproduced in writing. A written notification shall be deemed as being received after 5 calendar days have passed from posting the notification. A notification forwarded by

registered mail is considered as being received, if it has been delivered to the other Party against signature or if its deposit deadline has passed.

8.4. The other Party shall be notified of any changes to the details mentioned in the Agreement within 2 business days such changes being made. If a Party is in breach of this clause, a notification that the other Party has sent to the post address or by e-mail indicated in the Agreement shall be deemed as being properly sent.

9. Entry Into Force, Amendment, Expiry and Termination of the Agreement

9.1. The Agreement and any annexes, amendments and modifications thereof shall take effect from the moment of their signing by the Parties.

9.2. The terms and conditions of the Agreement may only be amended and modified under a written agreement of the Parties.

9.3. The Parties may only cancel the Agreement with good reason.

9.4. The Parties must immediately notify the Auditors Activities Oversight Board of the cancellation of the Agreement through the information system of the Auditors Activities register, providing their explanations regarding the reasons for cancellation of the Agreement.

9.5. Cancelling the Agreement, the Client is immediately required to pay to the Audit Firm for all the work agreed in the Agreement performed prior to the cancellation, but not less than 50% of fee agreed in section 3 of the Agreement.

9.6. If the Agreement has been entered into to perform the audit of a single financial year of the Client, the Agreement shall expire after the conforming performance of the Audit Firm.

9.7. Audit Firm has the right to cancel the Agreement extraordinarily if the Client does not respond to the inquiries from Audit Firm and therefore, considering all the circumstances and mutual interest, it cannot be reasonably assumed to continue the Agreement. Multiple non-response to the Audit Firm inquiries is deemed to be fundamental breach of Agreement.

10. Settlement of Disputes

10.1. The Parties shall perform and interpret the Agreement in accordance with the legislation effective in the Republic of Estonia.

10.2. The disagreements, disputes and claims arising from the Agreement that the Parties fail to solve by way of an agreement are settled in court of the location of the defendant

The Agreement has been made in English in two original counterparts of equal legal force, one of which shall be for each Party.

date of digital signatures	
Client:	Audit Firm: