



## **General Terms & Conditions**

### **1. The Agreement and the parties**

1.1. The terms stated in the Letter of Engagement and any subsequent amendments in writing in this respect, as well as these Terms of Engagement, collectively constitute the agreement (“the Agreement”) between the BAK Global Risk Management (hereafter “BAK-GRM”) firm and Your Firm (hereafter the “Client”).

1.2. The parties to the Agreement shall be BAK-GRM and the Client, and neither may assign or transfer rights or obligations under the Agreement or part of such Agreement to any other party without prior written consent by the other party.

1.3. BAK-GRM may engage other firms to assist in the provision of the service under the Agreement. When another firm assists BAK-GRM in providing the service, BAK-GRM shall be responsible for such service in all respects. The Client’s contractual arrangement is with BAK-GRM only, which has committed to providing the agreed-upon service to the Client.

1.4. The BAK-GRM network refers to Badreddine Kerkeni and the associated network of member firms and their respective affiliates, predecessors, successors, and representatives, as well as the partners, management, owners, directors, managers, employees, subcontractors, and agents of all such entities operating under the names of “BAK-GRM” or other related names. Each of the member firms and affiliates is a legally separate and independent entity and, except as provided expressly herein, has no liability for each other’s acts and omissions. These include, but are not limited to, BAK Global Risk Management CPA firm, a member of the Tunisian CPAs Association (OECT), BAK Global Risk Management LLC, and Badreddine Kerkeni, Management Consultant, Germany.

1.5. The Client’s indication of special terms in tender documents, orders, or in their own terms of engagement shall not be considered a departure from the Agreement and the terms below unless BAK-GRM has accepted such special terms in writing.

### **2. Scope and performance of the engagement**

2.1. The service provided by BAK-GRM (“the Service”) is described in the Letter of Engagement.

2.2. BAK-GRM will endeavor to provide the service in accordance with the schedule prearranged between the parties. Unless the Client and BAK-GRM have specifically and in writing agreed on a final delivery date, all dates stated by BAK-GRM shall be estimates only.

2.3. BAK-GRM shall not be obliged to update recommendations, conclusions, reports, presentations, or other products, either orally or in writing, once these records have been handed over in their final form to the Client.

2.4. Any increase or reduction in the scope of the service arranged shall be agreed to in writing by the parties. Any such work as BAK-GRM may perform in relation to the change in the scope of the engagement shall be governed by the Agreement and the terms therein, however, subject to adjustment of BAK-GRM's fees and the schedule.

### **3. Responsibilities:**

3.1. BAK-GRM will conduct the engagement with the highest level of care and commitment and will comply with applicable laws, regulations, and ethical requirements of the International Federation of Accountants (IFAC), the Association of Certified Fraud Examiners (ACFE), and/or any other ethical professional requirements applicable. Throughout the engagement, BAK-GRM will exercise professional judgment.

3.2. During the course of the engagement, BAK-GRM may identify and assess the risks, whether due to fraud or error, and design and perform professional procedures responsive to those risks. The risks arising from fraud are higher than those arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. If material risks have been identified, BAK-GRM will discuss those risks, orally and/or in writing, with the Client at the appropriate level. If such risks have been identified, BAK-GRM's level of quality may be affected. BAK-GRM should not have any responsibilities regarding any loss incurred by the Client if the data, information, reports, or statements provided, orally or in writing, by the Client, and upon which BAK-GRM relied to provide the service, were materially misstated. BAK-GRM has the right to limit the scope or terminate this agreement in case risk of Fraud is identified, assessed material, or when the Client is not able to provide reliable data, information, reports, or statements. The Client and BAK-GRM may propose to adjust this engagement to include additional services, allowing the Client to better assess, prevent, identify, detect, or investigate potential and/or actual fraud or other material errors.

3.3. BAK-GRM will obtain an understanding of the internal control system for the purpose of assessing the effectiveness of the Client's internal control related to the processes in scope. However, BAK-GRM will communicate in writing to the Client's management any significant deficiencies in the internal controls identified during the engagement.

3.4. This engagement is conducted on the basis that the Client acknowledges and understands that they have responsibility (i) For the preparation and fair presentation of the financial and non-financial data, information, reports or statements; (ii) For the internal controls necessary to enable the preparation of the data, information, reports or statements that are free from material misstatement, whether due to fraud or error; and (iii) To provide BAK-GRM with (a) Access to all information of which management is aware that is relevant to perform the service such as records, documentation, and other matters; (b) Additional information that BAK-GRM may request from management for the purpose of the service.

#### **4. Cooperation**

4.1. The parties shall keep each other informed about any material circumstances relating to the performance of the engagement.

4.2. The Client shall appoint a qualified person to make decisions at the management level with respect to the Agreement.

4.3. Both parties shall cooperate in good faith. This shall include timely arrangements for BAK-GRM's access to all the Client's data, information, facilities, and staff as is necessary for providing the service agreed, and inform BAK-GRM immediately of any proposals, developments, or other circumstances or issues which are material to BAK-GRM's performance of the engagement and BAK-GRM's provision of the service agreed. This implies that the Client ensures that relevant employees and management allocate sufficient time to the engagement and, when necessary, provide appropriate office space and the necessary infrastructure for the BAK-GRM team. Also, this implied that BAK-GRM has unrestricted access to persons within the Client's organization whom BAK-GRM deems relevant to the conduct of the engagement with the expected quality.

4.4. When the data, information, and records are generated by a Designated Third-Party with which the Client has a business relationship, the Client should ensure that BAK-GRM timely obtains such data, information, and records, either directly from the Designated Third-Party or through the Client, including facilitating access to the Designated Third-Party's facilities, directors, executives, and staff. BAK-GRM, the Client, and the Designated Third-Party may agree on specific terms and conditions in a separate agreement. In such a case, this agreement will be added to this Letter of Engagement. The relationship between BAK-GRM and the Client remains exclusively governed by this Letter of Engagement.

#### **5. Confidentiality**

5.1. The parties shall be under a mutual duty to safeguard the confidentiality of all material, records, and information about the other party, as well as all information received from the other party in connection with the performance of the engagement.

5.2. This stipulation on confidentiality shall not apply to material, records, and information (i) that are known to the public, (ii) with which the recipient is already familiar, (iii) which have been passed on by any third parties without restrictions, (iv) which have been developed separately, or (v) which have been disclosed pursuant to a legal requirement or a court order. BAK-GRM and the Client may enter into a separate Non-Disclosure and Confidentiality Agreement (NDA), in which case the Agreement is attached to and becomes an integral part of this Letter of Engagement.

5.3. Irrespective of the stipulation stated in clause 5.1. and 5.2. BAK-GRM shall be entitled to pass on the Client's confidential information and material to the BAK-GRM member firm(s) and other relevant third parties assisting in the provision of the service or when this is necessary in order to attend to the Client's interests and to provide the service agreed.

5.4. Neither the Client nor BAK-GRM shall mention the other party or the service in public without such party's prior written consent.

5.5. After the time of delivery of the service, BAK-GRM shall be entitled to refer to the Client and the engagement in good faith by using the name and logo of the Client, for example, when submitting proposals or presentations, or during training, unless the Client explicitly forbids it.

## **6. Personal data**

6.1. This clause is not applicable when BAK-GRM is a data processor on behalf of the Client, in which case the data processing will be governed by a specific data processing agreement between the parties.

6.2. BAK-GRM respects its Client's expectations of privacy and confidentiality. Accordingly, BAK-GRM collects and processes personal data in accordance with applicable legislation, including, but not limited to, the EU General Data Protection Regulation (GDPR) or California's Consumer Privacy Act (CCPA).

6.3. BAK-GRM may use data processors as suppliers to store and process personal data received from the Client or its representatives or from other BAK-GRM member firms or other sources. Furthermore, BAK-GRM may disclose personal data to other BAK-GRM member firms and other relevant third parties assisting with the provision of the service or when this is necessary in order to attend to the Client's interests and/or to deliver the services as agreed.

6.4. When the Client provides BAK-GRM with personal data on a third party, it is the responsibility of the Client to ensure that the Client is entitled to disclose such personal data to BAK-GRM.

## **7. Electronic communication**

7.1. Unless otherwise stipulated in the Agreement, both parties shall agree to use electronic communication through such means as emailing all documents and messages of relevance to this Agreement.

7.2. The parties shall accept that electronic communication is neither safe nor stable and that data may be destroyed, that messages will not always be delivered immediately (if at all) or be brought to the knowledge of third parties.

7.3. Electronic communications are prone to contamination by computer viruses. Each party shall be responsible for protecting its own systems and interests. BAK-GRM shall not be responsible to the Client for any loss or damage in any way arising from BAK-GRM's use of the Internet or the Client's or a Designated Third-Party's network, applications, electronic data, or other systems.

## **8. Conflict of interest**

8.1. It is the practice of BAK-GRM to check for conflicts of interest before accepting an engagement. BAK-GRM provides several different professional services to Clients, and BAK-GRM cannot guarantee prompt identification of all situations in which a conflict with the Client's interests may exist, although BAK-GRM will make all reasonable efforts to do so.

8.2. Should BAK-GRM or the Client be or become aware of possible conflicts of interest that may affect the engagement, the party that became aware of the possible conflict should notify the other party thereof without undue delay.

8.3. If a potential or actual conflict of interest has been identified, and BAK-GRM believes that the interests of the Client may be adequately safeguarded through the implementation of relevant procedures, BAK-GRM will discuss and agree on such procedures with the Client.

## **9. Fees, expenses, and terms of payment**

9.1. BAK-GRM's fees for performing an engagement shall be calculated in accordance with this Letter of Engagement, including any addendum attached to it.

9.2. If, prior to the commencement of the work, no arrangement has been made with the Client about the fee to be charged, the fee shall be charged on a time basis using the hourly rates fixed at €150, unless agreed differently with the client. The amounts due at this rate are paid from the Client's payments, whether regular or specific (e.g., Retainer), until they are exhausted. Any additional resources will be billed separately to the Client at the same rate until the service is finalized.

9.3. In the case that a special security set-up is deemed required due to the sensitivity of the service being provided or due to the environment in which the engagement is being conducted, the set-up and all the costs related to the safety and security of BAK-GRM staff will be separately discussed with the Client. The Client agrees to allocate a sufficient budget to conduct the engagement. The potential expenses include, but are not limited to, physical security, logical security, health and safety plans, backup plans, infiltration and/or exfiltration operations, consultancy, the use of security experts, consultants, or security agencies, or private intelligence firms. The terms of this arrangement will be set forth in a separate addendum to this Letter.

## **10. Rights**

10.1. Each party shall maintain the rights existing prior to the commencement of the engagement, irrespective of whether these rights form part of the service, and no party shall gain any right to the other party's rights existing prior to the Agreement.

10.2. BAK-GRM shall have the right of ownership of any intellectual property rights, products, and materials arising from the rendering of the service.

10.3. The Client shall be entitled to use the service rendered pursuant to the Agreement in-house in its own organization. The right of use, however, shall not include any models or methods, or similar means which have been applied in connection with the rendering of the service and which are the property of BAK-GRM.

10.4. The service provided by BAK-GRM to the Client may not be passed on to any third parties. The service may be applied for own use only and for the purpose specified in the Letter of Engagement, unless otherwise consented to by BAK-GRM in writing, or if United States Law or any judicial decision orders/allows the Client to do so.

10.5. BAK-GRM shall assume no responsibility or obligations if the service is used for any purpose other than that outlined in the Letter of Engagement.

## **11. Breach of agreement**

11.1. If either party materially defaults on its obligations pursuant to the Agreement and/or these Terms of Engagement, the other party shall be entitled to terminate the Agreement.

11.2. If the Client defaults on its payment obligations, BAK-GRM shall be entitled to terminate the Agreement.

11.3. However, the Agreement may be terminated only if the breach of the Agreement has not been rectified 15 days after submission of a written default notice. The default notice shall state the cause of the breach and that the Agreement will be terminated if the breach has not been rectified before the expiry of the notice period. This includes, but is not limited to, materially defaulting in cooperating under clause 3 of this Letter of Engagement.

11.4. In case of a material breach of the Agreement, a party shall be entitled to compensation pursuant to the general rules of United States law. However, responsibilities are limited under clause 12, which limits liability.

## **12. Limitation of responsibility**

12.1. BAK-GRM shall be responsible for the service rendered under the Agreement in accordance with the general rules of the United States Law. Any limitations on the overall liability for damages shall be stated in the Letter of Engagement.

12.2. BAK-GRM shall assume no responsibility for any indirect loss or consequential damage, including loss of goodwill, image, earnings, profit, or data.

12.3. BAK-GRM shall not be held responsible for any claims that might arise as a result of false, misleading, or incomplete information, data, or documentation provided by other parties to BAK-GRM, including the Client.

12.4. In connection with the preparation of any recommendation, conclusion, report, presentation, or any other product as part of the service, BAK-GRM shall have the right to orally discuss material issues and concerns or to present a draft of such products to the Client. BAK-GRM shall not be held responsible for the content of any oral reports or draft products that are subsequently replaced by final products.

12.5. BAK-GRM shall assume no responsibility in respect of any other parties (including third parties) who benefit from, use, or gain access to the service provided by BAK-GRM. The Client shall undertake to compensate BAK-GRM for obligations, losses, expenses, or other costs that BAK-GRM may reasonably incur in connection with claims from such other parties and claims against BAK-GRM attributable to the Client's default on the Agreement.

12.6. The limitation of responsibility under the Agreement shall apply to all BAK-GRM member firms as if they were direct parties to the Agreement.

12.7. When BAK-GRM is performing an audit, review, or attest services required by Law in the jurisdiction of service, including but not limited to Legal Audit Services, in which BAK-GRM is a registered concern, the Letter of Engagement, including responsibilities, will be, in addition to the above, limited to those governed by the applicable Professional Standards.

12.8. BAK-GRM shall not be held responsible for any failure or delay in the performance of the service obligations which are reasonably due to the Client's failure to provide data, information, records, reports on a timely manner, or limiting the BAK-GRM to timely obtain or access to data, information, records, reports, facilities or directors, officers and employees as necessary to perform the services.

12.9. In no event shall BAK-GRM be responsible or liable for any failure or delay in the performance of the obligations of services subject to the Letter of Engagement arising out of or caused by, directly or indirectly, forces beyond its control, including but not limited to strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and

hardware) services; it is being understood that BAK-GRM shall use reasonable efforts which are consistent with the professional practices and due care principles to resume performance as soon as practical under the circumstances in the safest manner.

### **13. Termination of the Agreement**

13.1. If the service is an audit engagement, it may be terminated in accordance with the applicable professional rules effective in this area, such as the International Auditing Standards.

13.2. Unless otherwise agreed, and subject to clause 12, both parties shall be entitled to terminate the Agreement at one month's notice. The termination shall be presented in writing.

13.3. Notwithstanding anything else stated herein, BAK-GRM may without being in default terminate this Agreement in whole or in part, with immediate effect upon written notice to Client if BAK-GRM determines that BAK-GRM's performance of any part of this Agreement due to law, regulation, change in circumstances (including, without limitation, changes in ownership or control of Client) will imply that BAK-GRM's performance of any part of the Agreement will be illegal or otherwise unlawful or in conflict with independence rules applicable to BAK-GRM.

13.4. When terminating the Agreement, the Client shall pay BAK-GRM for the services provided until the termination and/or any unsettled hours used and costs and outlays incurred, as well as any reasonable expenses that BAK-GRM may incur as a result of the termination.

13.5. Unless the Agreement is terminated prematurely in accordance with the above, it shall terminate when the service has been provided.

### **14. Export control and sanctions laws and Russia and Belarus restrictions**

14.1. For the purpose of this Clause (a) "Export Control Laws" means all export control laws and regulations of the United Nations, the United States, the European Union and/or its Member States, the United Kingdom, and any other relevant jurisdiction; (b) "Product" means the services, deliverables, goods, software, and/or other material performed, delivered, procured, or made available under this Agreement; and (c) "Sanctions" means economic, trade or financial sanctions laid down, administered or enforced by under the laws of the United Nations, the United States, the European Union and/or its Member States, the United Kingdom or any other relevant jurisdiction.

14.2. Each Party shall comply with all present and future Sanctions and Export Control Laws applicable to such Party or to the Products. Irrespective of anything set out in this Agreement, including the service descriptions: (a) BAK-GRM shall not be obligated and may refuse to perform, deliver, procure, or make available any Product in, to, or from any jurisdiction or legal person that will or may violate, or risk BAK-GRM becoming exposed to, any Sanctions or Export Control Laws; and (b) the Client shall not, and shall not permit any third parties to, directly or indirectly, export, re-export, or release any Product to any jurisdiction or country to which, or any legal party to whom, the

export, re-export, or release of any Product is prohibited by applicable Sanctions or Export Control Laws.

14.3. The Client represents and warrants that neither the Client nor any of the Client's employees, officers, directors, affiliates, direct or indirect shareholders nor any other person or entity having direct or indirect ownership or controlling interest in them or the Client, are or become (i) a person targeted by Sanctions, including, but not limited to, persons designated on the U.S. Department of the Treasury, Office of Foreign Assets Control's List of Specially Designated Nationals and Other Blocked Persons and Consolidated Sanctions List, the U.S. State Department's Non-proliferation Sanctions Lists, the UN Financial Sanctions Lists, the EU's Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, and the UK HM Treasury Consolidated Lists of Financial Sanctions Targets; or (ii) directly or indirectly owned or controlled by any such person (each a "Sanctioned Person"). BAK-GRM may terminate this Agreement with immediate effect in case of breach of the foregoing. The Client agrees, represents, and warrants that it will notify BAK-GRM in writing immediately, and BAK-GRM may terminate this Agreement with immediate effect, if the Client or any of the Client's employees, officers, directors, affiliates, direct or indirect shareholders, or any other person or entity having direct or indirect ownership or controlling interest in them or the Client, becomes or reasonably risks becoming a Sanctioned Person or if the Client or they become directly or indirectly owned or controlled by one or more Sanctioned Persons.

14.4. Irrespective of anything set out in this Agreement, including the service descriptions, BAK-GRM shall not be obligated and may refuse to perform, deliver, procure, or make available any Product and the Client shall not, and shall not permit any third parties to, directly or indirectly, export, re-export, or release any Product: (a) in, from, or to Russia, Belarus, Crimea, Donetsk, or Luhansk; (b) to, from, or for the benefit of (i) any Sanctioned Person; (ii) any citizen of, any legal person established in, any legal person located in, or to any state or a government authority of Russia, Belarus, Crimea, Donetsk, or Luhansk (each a "Restricted Person"); or (iii) any legal person where a Restricted Person or Restriction Persons, directly or indirectly, owns more than 5% of share capital or voting rights.

## **16. Applicable law and venue**

16.1. Any disagreement or dispute arising between the parties on the interpretation of the Agreement and/or these Terms of Engagement shall be settled by the application of German or Tunisian Law before German or Tunisian courts as applicable.