Recognition Agreement

The following agreement is entered into

by and between the German Federal Ministry of Justice (BMJ)
represented by the Federal Minister of Justice, Ms. Brigitte Zypries,

and

the Deutsche Prüfstelle für Rechnungslegung DPR e.V. (German Financial Reporting Enforcement Panel) (FREP),
represented by the Chairman of its Governing Board, Dr. Werner Brandt, and its Treasurer, Mr. Roland Oetker.
Article 1 Recognition of the German Financial Reporting Enforcement Panel (FREP)

(1) The German Federal Ministry of Justice (Bundesministerium der Justiz - BMJ), in consultation with the German Federal Ministry of Finance (Bundesministerium der Finanzen - BMF) recognizes the FREP as the competent institution organized under private law pursuant to Section 342b of the German Commercial Code (Handelsgesetzbuch - HGB) to examine infringements of German financial reporting requirements, this recognition to take effect as of the date of the signing of this Agreement. The above notwithstanding, examinations by the FREP pursuant to Article 56 (1) sentence 2 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch - EGHGB) shall not be performed until on or after July 1, 2005 at the earliest.

(2) The FREP agrees, in accordance with the provisions in Sections 342b et seq. HGB and the appended Articles,

1. to establish an “Enforcement Panel” as operating body for performing the roles and responsibilities stipulated in Section 342b (1) HGB and
2. to ensure that the Enforcement Panel, by virtue of its membership and its Rules of Procedure, will be able to discharge its roles and responsibilities in a manner that is independent, competent and confidential, and in compliance with the defined procedure.

(3) The FREP agrees to make its Articles and its Rules of Procedure permanently available to the public via the internet (“www.frep.info”). This shall apply for both the respective versions currently in effect as well as for all outdated versions, which shall be archived accordingly so that they remain publicly available.

(4) Beyond the Annual Financial Statements that it is required to prepare in accordance with Section 342d sentence 4 HGB, the FREP agrees to disclose any income and expenditures incurred each year to the extent necessary.

Article 2 Cooperation between the FREP and the BMJ/BMF

(1) The FREP will reach an understanding with the BMJ and the BMF before making any changes and amendments to the Articles and to the Rules of Procedure for the Enforcement
Panel. The approval of both sets of regulations pursuant to Section 342b (1) sentence 3 HGB shall remain unaffected thereby.

(2) The principles for sampling examinations within the meaning of Section 342b (2) sentence 3 no. 3 HGB shall be agreed in consultations between the FREP, the BMJ and the BMF, which may, in turn, delegate the authority to express its agreement to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) in accordance with Section 342b (2) sentence 6 HGB (Section 342b (2) sentence 5 HGB). As long as none of the parties requests changes or amendments, the principles as stipulated shall remain unaffected.

(3) The FREP shall inform the BMJ about intended changes to the Rules of Procedure for the Nomination Committee and about the adoption of resolutions.

(4) The FREP shall inform the BMJ and the BMF on request about national and international enforcement activities in a general way, and shall be available for consultations in the area of enforcement. Its obligations to maintain confidentiality in accordance with Section 342c HGB shall remain unaffected thereby.

Article 3  Cooperation between the FREP and BaFin

The FREP shall consult with BaFin on all organizational and substantive questions in order to ensure smooth and effective cooperation within the framework of the two-tiered enforcement structure provided for by law. To this end, the two institutions will enter into a specific agreement to set out the details in coordination with the BMJ and the BMF.

Article 4  Separate Agreements

The BMJ and the FREP may enter into separate understandings and agreements on specific pertinent issues without prejudice to the effectiveness of the present Agreement.
Article 5  Duration of the Agreement

This Agreement is entered into for an indefinite period. Either party may terminate this Agreement as of the end of each year subject to a notice period of eighteen months. The right to terminate this Agreement for material cause shall remain unaffected by the above.

Berlin, … March 2005  
(Brigitte Zypries)

Berlin, … March 2005  
(Dr. Werner Brandt)

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(Roland Oetker)