

## APPENDIX

### Terms & Conditions for Assurance, Accounting and Consulting Services

#### 1. Introduction

- a. This Appendix supplements Clark Nuber's Terms and Conditions for Professional Services and sets forth additional terms and conditions for engagements to provide assurance, accounting and/or consulting services. In the event of a conflict between this Appendix and the Terms and Conditions for Professional Services, this Appendix will govern.
- b. Clark Nuber will provide assurance, consulting, and other accounting services (the "Services") from time to time described in Statements of Work (each, an "SOW"), or other written agreement between Clark Nuber and the Client which describes the Services.

#### 2. Management Responsibility Over Services

- a. The Client shall make and be responsible for all management decisions and perform all management functions in connection with or related to the Services. Clark Nuber may support the Client in rendering management decisions or assist the Client in carrying out management functions in connection with or related to the Services. More specifically, Clark Nuber may provide advice, research material or findings, or recommendations; however, Clark Nuber will not make any decisions or perform any management functions. Clark Nuber may refrain from performing any action to the extent that Clark Nuber determines, in its sole discretion, that the Services constitute a management decision or a management function.
- b. The Client accepts responsibility for the results of the Services. The Client further agrees to establish and maintain internal controls in connection with the Services, including monitoring Clark Nuber's performance under this Agreement.
- c. The Client shall designate an employee possessing the required skill, knowledge and/or experience (but not necessarily the skills or experience to perform the Services) to oversee, evaluate the effectiveness of, and approve, the Services.
- d. As part of an assurance services engagement, we may propose standard, adjusting or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries, as well as understanding the nature and impact of the proposed entries to the financial statements. Further, you agree that the Client is responsible to establish and maintain internal controls over nonattest services provided by

Clark Nuber, to evaluate the adequacy and results of the nonattest services performed and to accept responsibility for the results of such services.

#### 3. Engagement Limitations for Audit Services

- a. If we are performing an **audit engagement**, our audit will be based primarily on tests of accounting records and related supporting data, and it will not involve testing of more than a sample of representative transactions. For example, our audit procedures will include tests of certain documentary evidence to support the transactions recorded in the accounts. We also may confirm with third parties outside the Client accounts receivable and bank and investment accounts, as well as certain other assets and liabilities, including leased assets, through contact with selected customers, creditors, financial institutions, and your legal counsel. Due to the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with generally accepted auditing standards.
- b. As auditors, we are not insurers or guarantors of the accuracy of financial statements and we cannot, as a result of our audit, tell you we are certain there are no material misstatements, illegal acts, defalcations, or other irregularities affecting the financial statements. As such, although our audit will be designed to provide reasonable assurance of detecting errors and fraud that are material to the financial statements, it is not designed and should not be relied on to disclose all fraud, illegal acts, or other irregularities affecting the financial statements. However, we will inform you of any material errors, and illegal acts or irregularities which we detect, unless they are clearly inconsequential, that come to our attention. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to matters that might arise during any earlier periods or later periods for which we are not engaged as auditors.

#### 4. Engagement Limitations for Review, Compilation, or Preparation Engagements

- a. If we are performing an engagement involving the **review, compilation or preparation** of your financial statements, we will not act as insurers or guarantors of the accuracy or the integrity of financial statements that we may prepare from your records. The financial statements we produce during a review, compilation, or

preparation engagement are prepared from information provided by management utilizing data and records kept by management. **These types of engagements do not include any procedures guaranteed or designed to discover fraud, material misstatements, material errors, illegal acts, theft, defalcations or other irregularities.** You agree that we have no responsibility to discover same. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of review, compilation, or financial statement preparation procedures that fraud or an illegal act may have occurred unless they are clearly inconsequential.

## 5. Use of Financial Statements

- a. If we are performing an audit, review, compilation, or preparation engagement, our report is prepared for use by management and the board in conjunction with their evaluation of the Client's performance. We also understand that the audited, reviewed, compiled, or prepared financial statements may be provided to investors, creditors, lenders, and others in the normal course of business for borrowing, insurance and other purposes. Information provided by the financial statements is limited, however, in a number of ways. For example, the information is often the result of approximate, rather than exact measures; the information largely reflects the financial effects of transactions and events that have already happened; and the information is but one source of information needed by those who make decisions about the Client.
- b. With regard to the digital dissemination of audited, reviewed, compiled, or prepared financial statements or other financial information, including financial statements published on Internet websites, digital transmission is a means of distributing information. We will not review the information contained in such transmissions for consistency with the original document.

## 6. Management Responsibility for Internal Control, Fraud Prevention, and Compliance with Laws and Regulations

- a. Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States (or other applicable financial reporting framework); and the selection and application of accounting principles. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to

fraud or error. You agree that the Client is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Client involving management, employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Client received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Client complies with laws and regulations applicable to its activities.

- b. If we are performing an audit engagement, in making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we will not express an opinion on the effectiveness of the Client's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control, or other matters required to be communicated by professional standards, relevant to the audit of the financial statements that we have identified during the audit.
- c. For review, compilation, and preparation engagements, we have no responsibility to identify and communicate deficiencies in your internal control.

## 7. Timely Access to Information

- a. The Client agrees to provide Clark Nuber with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters; additional information that we may request from management for purposes of the engagement; and unrestricted access to Client personnel from whom we determine it necessary to obtain evidence or to make inquiries. The Client further agrees to provide us with the information required for the Services on a timely basis and that the Client is responsible for the accuracy and completeness of that information. Any delays caused by third parties will also be the responsibility of the Client. You agree that delay in our originally scheduled start date or providing inaccurate or incomplete information may require us to increase our professional fees and/or reschedule your engagement at our next

available time. Should your engagement need to be rescheduled, your specific time deadlines, including tax and government filings, may go unmet.

- b. You acknowledge that time delays in completing the engagement may also delay our report date and could require additional procedures to be performed under the professional standards and additional fees to be charged. Prior to the start of any project, your engagement manager from Clark Nuber will be contacting the applicable point person at the Client regarding the key project milestones and outlining the key dates.
- c. In the event we encounter circumstances that lead us to believe we cannot continue to perform our Services consistent with the requirements of the applicable professional standards, including but not limited to ethics rules, we will inform you of our concerns and, if those concerns cannot be addressed to our satisfaction, we will be entitled to withdraw from the engagement.

#### **8. Management and Legal Counsel Representations**

- a. At the conclusion of audit and review engagements, we will request certain written representations from the Client's management about the financial statements and related matters, which we will rely on in issuing our report. If the Client is unable to supply those representations, our report may be affected and, in some circumstances, we may be unable to issue a report.
- b. If we are performing an audit engagement, we may also request written representations from your legal counsel as part of the audit procedures. In the event that we are unable to obtain appropriate responses from your legal counsel, a scope limitation may be deemed to have been imposed on our report which could result in an opinion other than unmodified or we may not be able to issue a report. Your legal counsel may bill you for responding to our inquiry.

#### **9. Limitations on Oral and Email Communication**

- a. We may discuss with you our views regarding the accounting treatment of certain items or transactions that occur from time to time. We may also provide you with information regarding the accounting treatment of certain transaction in the body of an email. Any advice or information delivered orally or in the body of an email (as opposed to a memorandum or other written documentation of accounting advice delivered as an email attachment) are likely to be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review

of the facts could affect our analysis and conclusions. Because of these limitations and the related risks, it may not be appropriate to proceed with any transaction or any financial statement or similar reporting solely on the basis of any oral or email communication. You accept all responsibility for any loss, cost or expense resulting from your decision to rely on an oral or email communication.

#### **10. Work Product**

- a. We will deliver to you the financial statements or other items expressly enumerated in and subject to the terms of an applicable SOW. All our work product and files will remain our property, and we retain all copyright and intellectual property rights with respect to our work product. We, in our sole discretion, may provide you with access to or copies of our files, provided that you agree to pay all costs associated with such access or copies.

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