

Our ref: A/BRJ/129/Equate/17

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August 30, 2017

The Directors
Equate (U) Limited
31b Bukoto Crescent
Naguru
P.O. Box 11161
Kampala
Uganda.

Dear Sir,

LETTER OF ENGAGEMENT – AUDIT FOR THE YEAR ENDING JUNE 30, 2017

1. Introduction

Thank you for appointing us as auditors of Equate (U) Limited (the "Company") for the year ending June 30, 2017. This engagement letter, together with the attachments (the "Engagement Letter"), sets out the basis on which we will provide audit services to the Company (the "Engagement").

This engagement supersedes any previous proposals, correspondence and understandings, whether written or oral and will stay in force unless terminated by a subsequent agreement or understanding in writing.

We will send you an annual engagement schedule letter setting out the specific matters relevant to the audit for that year *inter alia*, the engagement team, timetable, fees for the period and years, and any other relevant details of the scope of our services.

2. Responsibilities of auditors

- 2.1** Our role will be to express an opinion on the financial statements as detailed in Schedule I attached. Our duties and responsibilities shall be limited to the matters expressly referred to in that schedule.

3. Responsibilities of directors

- 3.1** The responsibility of maintaining proper accounting records and preparing financial statements, including adequate disclosure is that of the management of the Company as detailed in Schedule II attached.

4. Personnel

- 4.1** Robert Busuulwa will be responsible for the conduct of this Engagement on our behalf. Our contact details are as follows;

Mr Robert Busuulwa
Direct telephone: +256 782 604 832
Email address: robert.busuulwa@brj.co.ug

BRJ Partners is a *Correspondent of Mazars*.

Mazars is an international, integrated and independent organisation, specialising in audit, accountancy, advisory, tax and legal services.
Mazars is a member of the Praxity Alliance.

Schedule IV – Our Fees

Our fees are based on the degree of responsibility and skill involved and the time required to complete the assignment, plus expenses.

We have agreed to fix our fees for the audit of the financial statements for the year ending June 30, 2017. Our fees will be **USD 1,500 (One Thousand five Hundred United States Dollars)**. Our fees for any subsequent audits will be revised and communicated to you annually in writing.

Our fees are exclusive of VAT, which is currently 18%. If you are registered for VAT or subsequently register for VAT you will usually be able to claim the VAT back from the Uganda Revenue Authority.

Our business terms require that we bill for our fees as follows;

- 50% on the signing of our engagement letter or before the commencement of the audit
- 40% on issue of the draft accounts and
- the final 10% upon signing of the audit report.

We will present our invoices, which will be due for payment on submission. We will notify you immediately of any circumstances we encounter which could significantly affect our estimate.

The timely completion of the audit requires the full co-operation of your staff in the provision of records, documentation, other information and explanations relevant to the audit. Estimates of time for completion of the audit are given on the assumption that we receive this co-operation. We may charge additional fees and expenses which result from delays in providing this co-operation.