



Our ref: T/BRJ/o43/AUL1/17

July 12, 2017

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The Directors
Aurecon Uganda Limited
2nd Floor Innovations House
7B Acacia Avenue
Kampala, Uganda

Dear Sirs,

ENGAGEMENT LETTER – TAX ADVISORY SERVICES

1. Introduction

- 1.1** Thank you for appointing us as tax advisors to Aurecon Uganda Limited (the "Company"). This engagement letter, together with the attachments (the "Engagement Letter"), sets out the basis upon which we will provide tax 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.

2. Responsibilities of the tax advisor

- 2.1** We will be responsible for offering tax advisory services to the Company in regards to the Uganda Revenue Authority ('URA')'s audit for the period July 1, 2011 to April 30, 2017. This engagement will lapse upon the URA's issuance of its decision.

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.

4. Personnel

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

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

5. Fees

- 5.1** Our fees are calculated and have been agreed in accordance with Schedule III attached.

BRJ Advisory Services is a *Correspondent of Mazars*.

Mazars is a global professional services firm providing services based on quality and integrity. It draws Knowledge and skill

Client service

Our objective is to provide you with a high quality service to meet your needs. If at any time you would like to discuss with us how our service to you could be improved or if you are in any way dissatisfied with the service you are receiving, please let us know by contacting Mr. Robert Busuulwa on +256 782 604 832.

- 6.2** We undertake to look into any complaint carefully and promptly and to do all that we can to explain and resolve the position to your satisfaction. If in any case we do not answer your complaint to your satisfaction, you may take up the matter with the Institute of Certified Public Accountants of Uganda.

7. Obligations and liabilities

- 7.1** We will exercise due care in the performance of our work in accordance with the applicable professional standards.
- 7.2** Because of the importance to our work, the information and representations supplied to us by the management, employees and agents of Aurecon Uganda Limited, we shall not be held responsible or liable for any damage (as defined in the attached Terms of Business schedule II) or other consequence arising from matters on which information material to our work is deliberately withheld or concealed from us or misrepresented to us, except and only to the extent finally determined to have resulted from our knowingly disregarded matters of which we have actual knowledge, bad faith, gross negligence or willful default.
- 7.3** The aggregate liability of our firm, its partners, agents and employees or any of them (together referred to as the "Firm") for damage shall in all circumstances, be limited to three times the annual fees paid to us for our services as tax advisors to Aurecon Uganda Limited.
- 7.4** Our responsibility as tax advisors is limited to the period covered by our Engagement Letter and does not extend to matters that arise or arose during any earlier or later periods for which we were not engaged as tax advisors.

8. Other services

- 8.1** We may provide, if requested, additional services. Any additional services that you may request and that we agree to provide will be covered by separate arrangements.

9. Terms of business

- 9.1** A copy of our Terms of Business is attached at Schedule II. You should ensure that you read and understand our Terms of Business which contain important terms including those in connection with the scope of the Engagement, your responsibilities, fees, use of our advice, and our liability. The Terms of Business, together with the other schedules referred to in this letter, form part of the Engagement Letter. Should any of the terms included in the Terms of Business conflict with any of the other terms in this Engagement Letter, the latter will prevail. This Engagement Letter will take precedence over any of its schedules.
- 9.2** You expressly agree and understand that the terms in this Engagement Letter apply to all tax services provided by BRJ Advisory Services, pursuant to the Engagement, whether such services were performed or provided before or after signing of the Engagement Letter.
- 9.3** This Engagement Letter will remain in force and shall be fully effective until varied or replaced by written agreement between us. Each party may give notice in writing of termination to the other, which notice shall be delivered by either email, fax and/or a reputable courier service, indicating the reasons for termination such as a breach of the contract terms or non-remedy of written complaints within a reasonable time frame.

- 9.4** We would be very grateful if you could confirm your agreement to the terms in this ~~Letter~~ Letter by signing and returning to us the attached copy. In any event, your continuing ~~involvement~~ will amount to an acceptance of those terms.

Yours faithfully

P.P. R. Busuulwa

**Robert Busuulwa
Director
For and on behalf of BRJ Advisory Services**
Enc.

To BRJ Advisory Services:

I hereby confirm that BRJ Advisory Services is appointed to carry out the Engagement in accordance with the terms set out in this Engagement Letter.

Signed on behalf of **Aurecon Uganda Limited**

Name

Fidel Omiat

Designation:

Office Manager

Date:

13 July 2017

Schedule I – Responsibilities of the Tax Advisor

Schedule of Services

This schedule should be read in conjunction with the engagement letter and the standard terms ~~and~~ conditions.

1. Tax Support Services

- a) We will review the Company's tax history and the URA's audits into the Company to date and determine the matters that are preventing the issuing, by URA, of a valid TCC to the Company;
- b) We will review the status of the VAT and PAYE audit assessments during the period mentioned about, by the URA, and evaluate how to resolve these. We understand that the Company has already had significant interaction with the URA on these audits and so we will aim to resolve the issue of the audit assessments in order to reach finality or closure;
- c) We will make representations of any additional information required to satisfy URA;
- d) Advise the Company on any alternative ways to pursue or resolve this pending issue in accordance with the law;
- e) We will attend meetings and to any requests for information by the URA aimed at concluding the tax audits;
- f) We will engage the URA on behalf of the Company to seek conclusions to the audits in a customary manner that usually involves the issue of a management letter detailing the URA's position established from the audit;
- g) We will advise you, upon the URA's issuance of its decision, on the next course of action. Our work for the purposes of this engagement will cease when the URA make a final decision regarding the VAT and Income Tax assessments for the periods raised in the 2015 review for instance 2011/12 to 2013/14, and no other. Where the review requires an assessment of matters after 2015, for instance for years following 2015, we will advise you of the effect of that on our scope of work and consequently fees.

2. Changes in the Law

- 2.1 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
- 2.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given.

3. Your Responsibilities

- 3.1 To enable us to carry out our work, you agree:

- a) That all information, documentation, explanations and returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- b) To provide us with full information necessary for dealing with the Company's tax affairs in so far as that information is relevant for the purposes of the assessments under consideration. We will rely on the information and documents being true, correct and complete and we will not audit it;
- c) To authorize us to approach such third parties as may be appropriate for information that we consider necessary to for the purposes of our advice to the Company as may be required;

- d) To keep us informed of material changes in circumstances that could affect the tax liabilities and or obligations of the Company. If the directors are unsure whether the change is material or not, to let us know so that we can assess the significance.
- e) To forward to us URA statements of account, copies of notices of assessment, letters and other communications received from URA in time to enable us to deal with them as may be necessary within the statutory time limits. Although URA will have the authority to communicate with us, it is essential that to let us have copies of any correspondence received because URA are not obliged to send us copies of all communications issued to your Company.

3.2 The work carried out within this engagement will be in respect of the Company's tax affairs. Any other work to be carried out will be set out in a separate letter of engagement.

A handwritten signature consisting of a stylized 'X' or a similar mark.

Schedule II – Terms of Business

1 LIABILITY

1.1 For the purpose of these Terms of Business and the accompanying engagement letter, "Damage" shall mean the aggregate of all losses or damages (including interest thereon if any) and costs suffered or incurred, directly or indirectly, by the Company (together with such other parties whom the Firm and the Company have agreed may have the benefit of and rely upon our work on the terms hereof) (together "Addressees") under or in connection with this engagement or its subject matter (as same may be amended or varied) and any report prepared pursuant to it, including as a result of breach of contract, breach of statutory duty, tort (including negligence), or other act or omission by the Firm but excluding any such losses, damages or costs arising from the fraud or gross negligence of the Firm or in respect of liabilities which cannot lawfully be limited or excluded.

1.2 For the purpose of these Terms of Business, "the Firm", "us", "we" or "our" which, where appropriate, includes our successor and predecessor firms and our staff members shall mean BRJ Advisory Services, its affiliate BRJ Partners, Certified Public Accountant, its partners, directors, employees and agents. References in these Terms of Business to the "Company", "you", or "your" shall mean Aurecon Uganda Limited, a Company which is duly incorporated under the Companies Act, 2012 of the Laws of the Republic of Uganda and who are our clients for this Engagement.

1.3 Neither party to this Engagement will be liable to the other for failure to fulfill obligations caused by circumstances outside its reasonable control.

1.4 Neither party to this Engagement will directly or indirectly agree to assign, transfer or sell to anyone any claim against the other party arising out of this engagement, except that the Company may assign its rights to any such claim to: (1) its insurer or (2) a third party who acquires all or substantially all of the voting securities or assets of the Company.

1.5 The Firm shall not be liable to the Company any punitive damages whatsoever or for consequential loss or damage beyond maximum liability specified in the Engagement Letter.

1.6 The Company agrees to indemnify and hold harmless the Firm against any and all liabilities, actions, proceedings, claims, costs, demands, damages and expenses (including legal fees) incurred or threatened or arising in respect of or in connection with any matter or circumstances relating to or resulting from the provision of services under the Engagement Letter provided however that the Firm shall not be so indemnified with respect to any matter resulting from its fraud, willful misconduct or gross negligence.

1.7 Notwithstanding the termination of the Engagement Letter, the provisions relating to the liability and indemnity of the Firm shall continue in full force and effect.

2 OUR EMPLOYEES

2.1 It is expressly agreed that, having regard to our interest in limiting the personal liability and exposure to litigation of employees, you will not bring any claim in respect of any damage against any or all of our employees personally.

2.2 For the duration of our engagement, and for 12 months after its termination or completion, the Company will not offer employment, or procure a third party to offer employment to any employee of ours who has taken part directly in the Engagement, without our consent.

3 GENERAL UNDERTAKINGS AND CONFIDENTIALITY

Confidential information

3.1 Confidential information concerning the business of the Company will not be disclosed by us to third parties (except for other professional advisers whom we may consult in relation to our work and save to the extent that the information is in the public domain) without your prior written consent unless otherwise required by law, a Court of competent jurisdiction, the tax

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rities or other government or regulatory authority.

Likewise the Company will not disclose confidential information about the Firm without our consent. All information and advice, written or oral, of whatever nature, made available by us to you is for your sole use and shall not be disclosed or made available to any third party (save to the extent that same is in the public domain otherwise than by breach of this clause) without our prior written consent unless otherwise required by law, a Court of competent jurisdiction, the tax authorities or other government or regulatory authority.

Working papers and files

3.3 The working papers and files prepared in conjunction with our work, including electronic documents and files, are our firm's property, constitute confidential information and will only be retained by us in accordance with our firm's policies and procedures. We will notify you as soon as practicable (unless restricted by law) where we receive a legally compelling notice or request for access to your working papers from a third party.

3.4 Notwithstanding anything to the contrary herein, any product of the service, including without limitation all reports produced by BRJ are for the sole benefit of the Company. BRJ shall retain the copyright, technical knowhow and other intellectual property rights in developing the product of service and the Company shall have a non-exclusive, royalty free license to the use the aforementioned intellectual property rights in so far as it is incorporated in the product and service and only to such extent as is necessary in relation to the project or for purposes connected herewith.

Electronically transmitted information

3.5 We may communicate with you electronically. Electronically transmitted information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. We will use commercially reasonable procedures to check for the most commonly known viruses before

sending information electronically, but we will not be liable in respect of any error, omission or loss of confidentiality arising from or in connection with the electronic communication to you.

General

3.6 Nothing in this document precludes us or any member of our staff from taking such steps as are necessary in order to comply with the professional or ethical rules of any relevant professional body of which a partner or employee may be a member.

4 APPLICABLE LAW

4.1 The Terms of Business of this Engagement Letter shall be governed by, and construed in accordance with the laws of Uganda. The Courts of Uganda shall have exclusive jurisdiction to any claim, dispute or difference concerning the Engagement Letter and the Terms of Business and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have the jurisdiction.

5 ARBITRATION

5.1 The parties shall attempt, in an amicable manner, to adjust and settle any disagreements which may arise between them under or in connection with this Engagement.

5.2 In the event that any dispute arises between any of the parties to this engagement then at any time after the exhaustion of the procedures of mediation referred to in paragraph 5.1 above such dispute shall be referred to arbitration at the request of a party upon written notice to that effect (a "Notice of Arbitration") and be finally determined in accordance with the Arbitration Rules of a competent Court with jurisdiction in the Republic of Uganda (the "Rules"). The appointing authority under the Rules shall be a Judge of the Court sitting in Chambers (the "Appointing Authority").

5.3 The place of arbitration shall be Kampala, Uganda. The language of the arbitration shall be

English. The arbitration shall take place before a panel of three (3) arbitrators appointed as follows:

- 5.3.1 one arbitrator shall be appointed by each party (together, the "Appointed Arbitrators") within ten (10) Business Days of receipt of the Notice of Arbitration;
- 5.3.2 the Appointed Arbitrators shall appoint a third arbitrator within twenty (20) Business Days of receipt by the parties of the Notice of Arbitration; and
- 5.3.3 If either party does not appoint an Appointed Arbitrator or the Appointed Arbitrators fail to agree upon a third arbitrator pursuant to this clause, such arbitrator shall be appointed by the Appointing Authority. Each party agrees that any decision or award in any arbitration made pursuant to this sub-clause shall be final and binding and hereby waives any right of appeal or recourse to any court of law.

Schedule III – 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 tax advisory services as specified in *Schedule I* of this Engagement Letter. Our fees will be **USD 3,750 (Three Thousand Seven Hundred Fifty United States Dollars)** for the tax advisory services. Our fees for subsequent tax services, if any, will be revised and communicated to you in writing. Any additional fees will be discussed with you before issue and will require your prior written approval.

Our fees are exclusive of VAT, which is currently charged at 18%.

Our business terms require that we bill for our tax support services as follows;

- 25% of our fees at the commencement of this engagement;
- 25% of our fees upon submission of our enquiry to the URA on the matters preventing a valid TCC;
- 25% upon the URA's issuance of the audit findings;
- The balance of our fees for the review of the URA's computations regarding any assessments that will be payable upon URA's issuance of a decision to the Company.

We will present our invoice, which will be due for payment within 30 days of submission.

Where the work required to complete far exceeds our fixed fee estimate in the above paragraph, we will bring the matter to your attention and discuss the effect thereon on the scope of our continued work, and fees. Our usual blended charge out rate per hour is **USD 62.50 (United States Dollars Fifty)**. We are unable to provide an estimate of how long the URA would take to resolve an issue. We will agree with you, at that time, the possible effect of the increase in resources needed and where possible agree a revised timeline with you. In no case will we unilaterally engage further on the assignment and bill for the work without first bringing this matter to your attention and agreeing a fee for the extra work.

The timely completion of the tax work requires the full co-operation of your staff in the provision of records, documentation, other information and explanations relevant to the tax work. Estimates of time for completion of the tax work 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.

Incidental and out-of-pocket expenses such as travelling, subsistence, any special telecommunications or commuting charges and any other expenses properly incurred while engaged on your business, whether at your premises or elsewhere, will be charged at cost

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