

Our ref: T/MAZ/031/BUL1/18

May 28, 2018

The Directors  
Bbrood Uganda Limited  
109A Namuwongo Road  
P.O Box 26599  
Kampala, Uganda

Dear Sirs,

## **ENGAGEMENT LETTER – TAXATION SUPPORT SERVICES**

### **1. Introduction**

- 1.1** Thank you for appointing us to provide tax advisory services to Bbrood Uganda Limited (the "Company" "Bbrood"). This engagement letter, together with the attachments (the "Engagement Letter"), sets out the basis upon which we will provide tax support services into the Uganda Revenue Authority's ('URA') income tax audit and assessment to the Company (the "Engagement"), if any.

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 providing the technical taxation advice and support services to the Company in regards to the URA income tax audit and subsequent assessment(s) that may arise, leading to our objection and the defence of that objection thereto.
- 2.2** We will object to the income tax assessments above issued by the URA with the intent that only the proper tax due as per the Income Tax Act was and or is paid.
- 2.3** We will in addition prepare three (3) loan agreements between the Company, Hot Loaf Uganda Limited, Jomarpa Holding BV and Brood 2.

### **3. Responsibilities of management and directors**

- 3.1** The responsibility of maintaining proper accounting records and preparing financial statements, including filing accurate tax returns and complying with the tax thereon, together with adequate disclosure is that of the directors, through management of the Company.

### **4. Personnel**

- 4.1** Mr 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@mazars.ug](mailto:robert.busuulwa@mazars.ug)

### Schedule III – Our Fees

- 1.1 Our fees are based on the degree of responsibility and skill involved and the time required to complete the assignment, plus expenses.
- 1.2 We have agreed to fix our fees for the tax support services as specified in Schedule I of this Engagement Letter. Ours fees will be;
- **USD 4,825 (Four Thousand and Eight Hundred and Twenty Five United States Dollars)** for the tax support services and for preparing the loan agreements.
  - **USD 675 (Six Hundred and Seventy Five United States Dollars)** for the preparation, discussion, review and finalization of three (3) loan agreements between the Company, Hot Loaf Uganda Limited, Jomarpa Holding BV and Brood 2.
- 1.3 Our fees for any subsequent tax services will be revised and communicated to you annually in writing. **Our fees are exclusive of VAT**, which is currently charged at 18%.
- 1.4 Our business terms require that we bill for our tax support services as follows;
- 70% of our fees at the commencement of this engagement letter;
  - 30% upon the URA issuing an objection decision.
  - All our fees for the drafting and discussion of the loan agreements at inception.
- 1.5 We will notify you immediately of any circumstances that we encounter which could significantly affect our fees.
- 1.6 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.
- 1.7 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.
- 1.8 We reserve the right to charge interest on our outstanding fees at 2% per month, from the due date of payment to the date of actual payment, for our invoices, fee notes or requests for payment, whichever is raised earlier, that remain outstanding without any prior communication. We will be unable to commence work under this engagement prior to the remission of at least the first part of our fees as explained in paragraph above