

Our ref: T/BRJ/o21/RS1/18

April 9, 2018

Ms Rhobbinah Ssepembwa
191, Seeta, Bugoba Zone
Mukono, Uganda.

Dear Rhobbinah,

LETTER OF ENGAGEMENT – INCOME TAX COMPLIANCE SERVICES

1. Introduction

- 1.1** Thank you for appointing us as your tax advisors. This engagement letter, together with the attachments (the “Engagement Letter”), sets out the basis upon which we will provide income tax compliance services to you for the year ending June 30, 2018 (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 act for and be responsible for your income tax compliance for the year ending June 30, 2018. We will not deal with earlier periods, nor file returns for you, unless you specifically ask us to do so and we agree under a separate letter of engagement.

3. Your responsibilities

- 3.1** The responsibility of maintaining proper accounting records and preparing financial statements, including adequate disclosure is yours.

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@mazars.ug

5. Fees

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

6. Client service

- 6.1** 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 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 of the information and representations supplied to us by you, 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 wilful 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 you.
- 7.4** Our responsibility as tax advisors is limited to the period covered by this 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 income tax compliance services provided by Mazars 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 Engagement Letter by signing and returning to us the attached copy. In any event, your continuing instructions will amount to an acceptance of those terms.

Yours faithfully



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



To Mazars BRJ Advisory Services:

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

Signed



Name

R HOBBINAH SSEMPEBWMA

Date:

10th 10412018

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. Business name registration

- 1.1. In order to be able to file your income tax return, we will need to declare a source of income. Following our meeting with you, we agreed that registering you for business income instead of employment or property income is the best option. We will need to register you with the Uganda Registration Services Bureau;
- 1.2. We will come to an agreement with you of the suitable business name;
- 1.3. We will reserve the business name of your choice and follow up with the registrar of companies until it issues you with a business name certificate;
- 1.4. We will proceed with the amendment of your TIN registration details to include the business income.

2. Income tax compliance services year ending June 30, 2018

- 2.1. We will derive your chargeable income based on your written representation to us indicating your gross annual income, allowances, and benefits and any other information that you will provide;
- 2.2. We will prepare and submit your first provisional income tax return to the URA on or before April 30, 2018;
- 2.3. In case that you advise us that your chargeable income has changed, we will amend the first provisional income tax return on or before June 30, 2018;
- 2.4. We will prepare your final income tax self-assessment return for the year ending June 30, 2018 and submit it to the URA on or before December 31, 2018 in accordance with the provisions of the Income Tax Act Cap. 340;
- 2.5. We will prepare the income tax computation and supporting schedules required for the preparation of the income tax return from information and explanations provided to us by you;
- 2.6. We will advise you of your personal income tax liability and how to make the payment, if any.

3. Payment of the tax liability

Where you request us, and we agree, to remit the tax liability on your behalf;

- 1.1. We will generate a payment slip and share the same with you;
- 1.2. You will let us know the agreed date and time, a date before the due date of payment, of when and how to collect the above amount to cover the tax liability so we can remit the same to the URA;
- 1.3. We will share the proof of payment of the tax liability with you for your records.

4. Changes in the law

- 4.1. 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.
- 4.2. 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.

5. Your responsibilities

- 5.1. You are legally responsible for:
 - a) Ensuring that your income tax return is correct;
- 5.2. To enable us carry out our work, you agree:
 - a) That all returns are to be made on the basis of full disclosure of all your income, allowances and expenses, if any;
 - b) To provide full information necessary for dealing with your tax affairs;
 - c) We will rely on the information and documents being true, correct and complete;
 - d) To provide us with information in sufficient time to enable the preparation and submission of your quarterly provisional income tax returns not later than June 30, 2018 for each quarter.
 - e) To forward to us the URA statements of account, copies of notices of assessment, letters and other communications received from the URA in time to enable us to deal with them as may be necessary within the statutory time limits. Although the URA will have the authority to communicate with us, it is essential to let us have copies of any correspondence received because the URA are not obliged to send us copies of all communications issued to you.
- 5.3. The work carried out within this engagement will be in respect of your income tax affairs. Any other work to be carried out will be set out in a separate letter of engagement.
- 5.4. Our services as set out above are subject to the limitations on our liability set out in the engagement letter and our standard terms and conditions (see *Schedule II*).

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 you (together with such other parties whom the Firm and you 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 Mazars BRJ Advisory Services, its affiliate Mazars BRJ Certified Public Accountant, its partners, directors, employees and agents. References in these Terms of Business to "you", or "your" shall mean Ms Rhobbinah Ssepembwa and who is 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 you 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 you.
- 1.5 The Firm shall not be liable to you for any punitive damages whatsoever or for any consequential loss or damage beyond the

maximum liability specified in the Engagement Letter.

- 1.6 You agree 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, you 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 your business 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 authorities or other government or regulatory authority.

3.2 Likewise you 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.

Electronically transmitted information

3.4 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

3.5 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.

A handwritten signature in blue ink, appearing to read "B R".

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 income tax compliance services as specified in Schedule I of this Engagement Letter as follows;

- Our fees for the business name registration will be **UGX 500,000 (Five Hundred Thousand Uganda Shillings);**
- Our fees for the provision of income tax compliance services will be **UGX 540,000 (Five Hundred Forty Thousand Uganda Shillings)** for the year ending June 30, 2018;
- Our fees for remittance of the tax liability on your behalf will be **UGX 40,000 (Forty Thousand Uganda Shillings).**

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

Our business terms require that we bill for and receive our fees for;

- 50% for the business name registration at commencement of the engagement and the balance upon successful application; and
- the income tax compliance services and remittance of the tax liability in full at the commencement of the engagement.

We will present our requests for payment and or invoices, which will be due for payment on submission.

We will notify you immediately of any circumstances which we encounter which could significantly affect our fees.

The timely completion of the tax work requires your full co-operation 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.