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W

The Directors  
Gem Holdings Limited  
Level 3, Portomaso Business Tower  
Portomaso  
St. Julians STJ 4011  
Malta

7<sup>th</sup> March 2017

Dear Sirs,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. **This is standard practice as required by our professional body.**

We are bound by the ethical guidelines of our professional body and therefore accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

#### Period of engagement

This agreement will start with the company's audit for the year ended 31st December 2016. We will also deal with all outstanding matters arising during any prior period as appropriate.

#### Responsibilities of directors and auditors

- (i) As directors of the above company, you have a statutory duty to prepare annual accounts which give a true and fair view of the state of the company's affairs and of its profit or loss for each period and comply with the Companies Act, 1995.
- (ii) In preparing the company's accounts you must:
  - consistently apply suitable accounting policies and make judgements and estimates that are reasonable and prudent;
  - prepare the accounts on a going concern basis unless it is appropriate to presume that the company will not continue to carry on its business.
- (iii) It is your responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities. You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
- (iv) As auditors we will report to you whether in our opinion the accounts of the company which we have audited give a true and fair view of the state of the company's affairs, and of the profit or loss for the year, and whether they have been prepared in accordance with the Companies Act, 1995. In arriving at our opinion we are required to consider the following matters and to report on any in respect of which we are not satisfied:

- whether proper accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
  - whether the company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the accounting records and returns;
  - whether we have obtained all the information and explanations which we think necessary for the purpose of our audit;
  - whether the information in the directors' report is consistent with that in the audited accounts.
- (v) There are certain other matters which, according to the circumstances, may need to be dealt with in our report.
- (vi) We have a professional duty to report if the accounts do not comply in any material respect with the applicable accounting framework, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we will consider whether:
- the departure is required in order for the accounts to give a true and fair view;
  - adequate disclosure has been made concerning the departure.
- (vii) Our professional responsibilities also include:
- stating in our report a description of the directors' responsibilities for the accounts where the accounts or accompanying information do not include such description;
  - considering whether other information and documents contained in audited accounts is consistent with those accounts;
  - reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.
- (viii) Our audit will be conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accountancy and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

#### Scope of audit

- (i) The nature and extent of our procedures will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the company's systems but, if such weaknesses which we think should be brought to your attention come to our notice during the course of our audit, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- (ii) As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the accounts. In connection with representations and the supply of information to us generally, we draw your attention to Section 154 of the Companies Act 1995 under which it is an offence for an officer of the company to mislead the auditors.
- (iii) In order to assist us with the examination of your accounts, we shall request sight of all documents or statements including the chairman's statement, operating and financial review and the directors' report, which are due to be issued with the accounts. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.
- (iv) The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements



in the accounts or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that may exist.

- (v) Once we have issued our report we have no further direct responsibility in relation to the accounts for that financial year. However, between the date of our report and that of the annual general meeting, we expect that you will inform us of any material event occurring which may affect the accounts.

#### **Financial statements preparation**

We shall where appropriate:

- (i) Assist the directors in the preparation of the financial statements based on accounting records maintained by yourselves.
- (ii) Provide assistance to the company secretary in preparing abridged financial statements for submission with the Registrar of Companies.

Where we assist in the preparation of the accounts of your company, you are wholly responsible for informing us of all related party transactions conducted between the company and related parties in the preparation of your statutory accounts.

#### **Taxation services**

- (i) We shall in respect of each accounting period prepare a computation of profits, adjusted in accordance with the provisions of the Income Tax Act, for the purpose of assessment to corporation tax.

#### **Tax returns**

- (i) We will prepare the company's tax return and computations from the accounts and other information and explanations provided.
- (ii) We may be required to send you a tax representative authorisation form for you to approve and sign. This will enable us to submit the tax return using the online services provided by the Inland Revenue Department. Should you also require, we will send you an electronic copy of the tax return and any supporting schedules for your records.
- (iii) We will deal with all communications relating to the company's tax return addressed to us by the Inland Revenue or passed to us by you. However, if the Inland Revenue choose your return for enquiry, this will need to be subject to a separate engagement letter for which additional fees will be chargeable.
- (iv) We will prepare the tax provisions and disclosures to be included in the company's statutory accounts.

#### **Your responsibilities: Provision of information by you for tax purposes**

- (i) The company is legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties and/or interest.
- (ii) To enable us to carry out our work you agree:
  - (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;

- (b) to provide full information necessary for dealing with the company's affairs: We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date of following the end of the accounting period;
- (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits;
- (e) to keep us informed about significant transactions or changes in circumstances.

#### **Professional rules and practice guidelines**

We are bound by the ethical guidelines of our professional institute and accept instructions to act for your company on the basis that we will act in accordance with those ethical guidelines. In particular, you give us authority to correct Inland Revenue errors. A copy of these guidelines is available for your inspection in our office.

#### **Retention of records**

- (i) During the course of our work we will collect information from yourselves and others acting on the company's behalf and will return any original documents to you as soon as possible. You should retain the company's records for ten years following the end of the accounting year. This period may be extended if the Inland Revenue enquire into the company's tax return.
- (ii) Whilst certain documents may legally belong to the company, unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than ten years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of a particular document.

#### **Regulatory requirements**

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

#### **Quality of service**

- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- (iii) Should you at any stage feel that you have not received an adequate response to a complaint the circumstances should be brought to our attention.

#### **Fees**

- (i) Unless specifically agreed, our fees will be billed as considered appropriate by us, depending on the degree of completion of our work. If work is required which is outside the scope of this letter, this will be a separate engagement for which additional fees will be chargeable.
- (ii) Our invoices are payable on presentation. We reserve the right to charge interest at the maximum rate allowed by law in the case of overdue accounts. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use this arrangement in a way that is unfair or unreasonable.



(iii) Our fees, excluding VAT and any disbursements, will be as follows:

**Audit - €1,250 per annum**

**Tax - €150 per annum**

**Completion of group audit instructions - €250 per annum**

#### **Limitation of liability**

The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organisations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

#### **Electronic communication**

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by yourselves and are not our responsibility. If you do not accept this risk you should notify us in writing that e-mail is not an acceptable means of communication.

#### **Money Laundering**

In accordance with the Prevention of Money Laundering Regulations 1994 you acknowledge that if during the course of an engagement a suspicion of any crime (including but not exclusively fiscal crime) is encountered, we are required to report this directly to responsible authority without prior reference to yourselves or your representatives. It should be noted that due to this legislation your right to confidentiality is waived to the extent of such a report.

#### **Data Protection Act**

In order to discharge the service under this agreement and for any related services we may obtain, use, process and disclose personal data about yourselves. You have the right of access under the above legislation to the personal data we hold about yourselves.



**Applicable law**

This engagement letter shall be governed by, and construed in accordance with, Maltese law. The Maltese Courts shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. 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 jurisdiction.

**Agreement of terms**

- (i) Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.
- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.

A handwritten signature in black ink, appearing to read 'Manuel Castagna'.

\_\_\_\_\_  
Mr Manuel Castagna CPA  
For and on behalf of Nexia BT

Acknowledged and agreed,  
For and on behalf of Gem Holdings Limited

A handwritten signature in black ink, appearing to read 'Yorgen Fenech'.

\_\_\_\_\_  
Mr Yorgen Fenech  
Director

AI/1  
RF  
17/7/18



Nexia BT  
The Penthouse, Suite 2, Capital Business Centre  
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info@nexiabt.com | www.nexiabt.com  
Vat no: MT10591627

The Director  
New Energy Supply Limited  
Level 3, Portomaso Business Tower, Portomaso  
St. Julians STJ 4011  
Malta

8<sup>th</sup> March 2018

Dear Sirs,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. **This is standard practice as required by our professional body.**

We are bound by the ethical guidelines of our professional body and therefore accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

**Period of engagement**

This agreement will start with the company's audit for the year ended 31st December 2017. We will also deal with all outstanding matters arising during any prior period as appropriate.

**Responsibilities of directors and auditors**

- (i) As directors of the above company, you have a statutory duty to prepare annual accounts which give a true and fair view of the state of the company's affairs and of its profit or loss for each period and comply with the Companies Act, 1995.
- (ii) In preparing the company's accounts you must:
  - consistently apply suitable accounting policies and make judgements and estimates that are reasonable and prudent;
  - prepare the accounts on a going concern basis unless it is appropriate to presume that the company will not continue to carry on its business.
- (iii) It is your responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities. You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
- (iv) As auditors we will report to you whether in our opinion the accounts of the company which we have audited give a true and fair view of the state of the company's affairs, and of its profit or loss for the year, and whether they have been prepared in accordance with the Companies Act, 1995. In arriving at our opinion we are required to consider the following matters and to report on any in respect of which we are not satisfied:

... the  
Companies Act,  
... report on any fi

... member firm of the  
Nexia International network. For the full terms and  
conditions of membership, please refer to the  
Nexia International website.

- whether proper accounting records have been kept by the company and whether our audit have been received from branches not visited by us;
  - whether the company's Statement of Financial Position and Statement of Financial Performance are in agreement with the accounting records and returns;
  - whether we have obtained all the information and explanations which we consider necessary for the purpose of our audit;
  - whether the information in the directors' report is consistent with that in the accounts.
- (v) There are certain other matters which, according to the circumstances, may be mentioned in our report.
- (vi) We have a professional duty to report if the accounts do not comply in all material respects with the applicable accounting framework, unless in our opinion the non-compliance is immaterial in the circumstances. In determining whether or not the departure is justified we will consider whether:
- the departure is required in order for the accounts to give a true and fair view;
  - adequate disclosure has been made concerning the departure.
- (vii) Our professional responsibilities also include:
- stating in our report a description of the directors' responsibilities for the preparation and maintenance of the accounts or accompanying information do not include such description;
  - considering whether other information and documents contained in the accounts or accompanying information with these accounts;
  - reporting to you on a timely basis in respect of any issues, such as non-compliance with the applicable accounting system, which we feel need to be brought to your attention.
- (viii) Our audit will be conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants and will include such tests of transactions, balances and disclosures as we consider necessary to establish a reasonable basis for the preparation of the accounts and to establish whether proper accounting records have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider necessary to enable us to draw reasonable conclusions therefrom.

#### Scope of audit

- (i) The nature and extent of our procedures will vary according to our understanding of the company's accounting system and, where we wish to place reliance on it, the internal control system. We will consider any aspect of the business's operations that we consider appropriate. Our audit will be designed to detect all significant weaknesses in the company's systems but, if such weaknesses are not brought to your attention come to our notice during the course of our audit, we will not be responsible. Any such report may not be provided to third parties without our prior written consent. We will be granted only on the basis that such reports are not prepared with the intention of being used for the company in mind and that we accept no duty or responsibility to any third party in respect of such reports.
- (ii) As part of our normal audit procedures, we may request you to provide us with oral representations which we have received from you during the course of our audit. Such representations may have a material effect on the accounts. In connection with representations made to us generally, we draw your attention to Section 154 of the Companies Act 2006 which provides an offence for an officer of the company to mislead the auditors.
- (iii) In order to assist us with the examination of your accounts, we shall request you to provide us with statements including the chairman's statement, operating and financial reviews and other reports which are due to be issued with the accounts. We are also entitled to attend and be heard at any general meeting of the company and to receive notice of all such meetings.
- (iv) The responsibility for safeguarding the assets of the company and for preventing and detecting fraud, error and non-compliance with law or regulations rests with you. We will endeavour to plan our audit so that we have a reasonable expectation of detecting such fraud, error and non-compliance with law or regulations.



In the accounts or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that may exist.

- (v) Once we have issued our report we have no further direct responsibility in relation to the accounts for that financial year. However, between the date of our report and that of the annual general meeting, we expect that you will inform us of any material event occurring which may affect the accounts.

#### **Financial statements preparation**

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- (i) Assist the directors in the preparation of the financial statements based on accounting records maintained by yourselves.
- (ii) Provide assistance to the company secretary in preparing abridged financial statements for submission with the Registrar of Companies.

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#### **Taxation services**

- (i) We shall in respect of each accounting period prepare a computation of profits, adjusted in accordance with the provisions of the Income Tax Act, for the purpose of assessment to corporation tax.

#### **Tax returns**

- (i) We will prepare the company's tax return and computations from the accounts and other information and explanations provided.
- (ii) We may be required to send you a tax representative authorisation form for you to approve and sign. This will enable us to submit the tax return using the online services provided by the Inland Revenue Department. Should you also require, we will send you an electronic copy of the tax return and any supporting schedules for your records.
- (iii) We will deal with all communications relating to the company's tax return addressed to us by the Inland Revenue or passed to us by you. However, if the Inland Revenue choose your return for enquiry, this will need to be subject to a separate engagement letter for which additional fees will be chargeable.
- (iv) We will prepare the tax provisions and disclosures to be included in the company's statutory accounts.

#### **Your responsibilities: Provision of information by you for tax purposes**

- (i) The company is legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties and/or interest.
- (ii) To enable us to carry out our work you agree:
  - (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;



- (b) to provide full information necessary for dealing with the company's affairs: We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date of following the end of the accounting period;
- (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits;
- (e) to keep us informed about significant transactions or changes in circumstances.

#### **Professional rules and practice guidelines**

We are bound by the ethical guidelines of our professional institute and accept instructions to act for your company on the basis that we will act in accordance with those ethical guidelines. In particular, you give us authority to correct Inland Revenue errors. A copy of these guidelines is available for your inspection in our office.

#### **Retention of records**

- (i) During the course of our work we will collect information from yourselves and others acting on the company's behalf and will return any original documents to you as soon as possible. You should retain the company's records for ten years following the end of the accounting year. This period may be extended if the Inland Revenue enquire into the company's tax return.
- (ii) Whilst certain documents may legally belong to the company, unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than ten years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of a particular document.

#### **Regulatory requirements**

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

#### **Quality of service**

- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- (iii) Should you at any stage feel that you have not received an adequate response to a complaint the circumstances should be brought to our attention.

#### **Fees**

- (i) Unless specifically agreed, our fees will be billed as considered appropriate by us, depending on the degree of completion of our work. If work is required which is outside the scope of this letter, this will be a separate engagement for which additional fees will be chargeable.
- (ii) Our invoices are payable on presentation. We reserve the right to charge interest at the maximum rate allowed by law in the case of overdue accounts. We may terminate our engagement and cease acting if



payment of any fees billed is unduly delayed. However, it is not our intention to use this arrangement in a way that is unfair or unreasonable.

(iii) Our fees, excluding VAT and any disbursements, will be as follows:

**Audit - €900 per annum**

**Tax - €200 per annum**

#### **Limitation of liability**

The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organisations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

#### **Electronic communication**

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by yourselves and are not our responsibility. If you do not accept this risk you should notify us in writing that e-mail is not an acceptable means of communication.

#### **Money Laundering**

In accordance with the Prevention of Money Laundering Regulations 1994 you acknowledge that if during the course of an engagement a suspicion of any crime (including but not exclusively fiscal crime) is encountered, we are required to report this directly to responsible authority without prior reference to yourselves or your representatives. It should be noted that due to this legislation your right to confidentiality is waived to the extent of such a report.

#### **Data Protection Act**

In order to discharge the service under this agreement and for any related services we may obtain, use, process and disclose personal data about yourselves. You have the right of access under the above legislation to the personal data we hold about yourselves.



**Applicable law**

This engagement letter shall be governed by, and construed in accordance with, Maltese law. The Maltese Courts shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. 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 jurisdiction.

**Agreement of terms**

- (i) Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.
- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.

A handwritten signature in black ink, appearing to read "M Castagna".

\_\_\_\_\_  
Mr Manuel Castagna CPA  
For and on behalf of Nexia BT

Acknowledged and agreed,  
For and on behalf of New Energy Supply Limited

A handwritten signature in black ink, appearing to read "Y Fenech".

\_\_\_\_\_  
Mr Yorgen Fenech  
Director

11/1  
RF  
24/4/15  
W

NEXIA BT



The Director  
New Energy Supply Limited  
Level 3, Portomaso Business Tower  
St Julians  
Malta

11th February 2015

Dear Sir,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. **This is standard practice as required by our professional body.**

We are bound by the ethical guidelines of our professional body and therefore accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

**Period of engagement**

This agreement will start with the company's audit for the year ended 31st December 2014. We will also deal with all outstanding matters arising during any prior period as appropriate.

**Responsibilities of directors and auditors**

- (i) As directors of the above company, you have a statutory duty to prepare annual accounts which give a true and fair view of the state of the company's affairs and of its profit or loss for each period and comply with the Companies Act, 1995.
- (ii) In preparing the company's accounts you must:
  - consistently apply suitable accounting policies and make judgements and estimates that are reasonable and prudent;
  - prepare the accounts on a going concern basis unless it is appropriate to presume that the company will not continue to carry on its business.
- (iii) It is your responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities.

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A member of Nexia International  
a worldwide network of independent accounting and consulting firms.

info@nexiabt.com  
www.nexiabt.com

- (iv) You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
- (v) As auditors we will report to you whether in our opinion the accounts of the company which we have audited give a true and fair view of the state of the company's affairs, and of the profit or loss for the year, and whether they have been prepared in accordance with the Companies Act, 1995. In arriving at our opinion we are required to consider the following matters and to report on any in respect of which we are not satisfied:
- whether proper accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
  - whether the company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the accounting records and returns;
  - whether we have obtained all the information and explanations which we think necessary for the purpose of our audit;
  - whether the information in the directors' report is consistent with that in the audited accounts.
- (vi) There are certain other matters which, according to the circumstances, may need to be dealt with in our report.
- (vii) We have a professional duty to report if the accounts do not comply in any material respect with the applicable accounting framework, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we will consider whether:
- the departure is required in order for the accounts to give a true and fair view;
  - adequate disclosure has been made concerning the departure.
- (viii) Our professional responsibilities also include:
- stating in our report a description of the directors' responsibilities for the accounts where the accounts or accompanying information do not include such description;
  - considering whether other information and documents contained in audited accounts is consistent with those accounts;
  - reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.
- (ix) Our audit will be conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accountancy and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

**Scope of audit**

- (i) The nature and extent of our procedures will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the company's systems but, if such weaknesses which we think should be brought to your attention come to our notice during the course of our audit, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- (ii) As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the accounts. In connection with representations and the supply of information to us generally, we draw your attention to Section 154 of the Companies Act 1995 under which it is an offence for an officer of the company to mislead the auditors.
- (iii) In order to assist us with the examination of your accounts, we shall request sight of all documents or statements including the chairman's statement, operating and financial review and the directors' report, which are due to be issued with the accounts. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.
- (iv) The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the accounts or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that may exist.
- (v) Once we have issued our report we have no further direct responsibility in relation to the accounts for that financial year. However, between the date of our report and that of the annual general meeting, we expect that you will inform us of any material event occurring which may affect the accounts.

**Financial statements preparation**

We shall where appropriate:

- (i) Assist the directors in the preparation of the financial statements based on accounting records maintained by yourselves.
- (ii) Provide assistance to the company secretary in preparing abridged financial statements for submission with the Registrar of Companies.

Where we assist in the preparation of the accounts of your company, you are wholly responsible for informing us of all related party transactions conducted between the company and related parties in the preparation of your statutory accounts.

**Taxation services**

- (i) We shall in respect of each accounting period prepare a computation of profits, adjusted in accordance with the provisions of the Income Tax Act, for the purpose of assessment to corporation tax.

**Tax returns**

- (i) We will prepare the company's tax return and computations from the accounts and other information and explanations provided.
- (ii) We may be required to send you a tax representative authorisation form for you to approve and sign. This will enable us to submit the tax return using the online services provided by the Inland Revenue Department. Should you also require, we will send you an electronic copy of the tax return and any supporting schedules for your records.
- (iii) We will deal with all communications relating to the company's tax return addressed to us by the Inland Revenue or passed to us by you. However, if the Inland Revenue choose your return for enquiry, this will need to be subject to a separate engagement letter for which additional fees will be chargeable.
- (iv) We will prepare the tax provisions and disclosures to be included in the company's statutory accounts.

**Your responsibilities: Provision of information by you for tax purposes**

- (i) The company is legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties and/or interest.
- (ii) To enable us to carry out our work you agree:
  - (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
  - (b) to provide full information necessary for dealing with the company's affairs: We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
  - (c) to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date of following the end of the accounting period;
  - (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits;
  - (e) to keep us informed about significant transactions or changes in circumstances.

**Secretarial services**

We will be responsible for reporting on the abridged financial statements to be submitted to the MFSA, where applicable. The scope of our work with regard to abridged financial statements will be limited to confirming if the company is entitled to the exemptions conferred by Section 185 and the proviso to subsection 2 of Section 183 of the Companies Act, 1995, and if the abridged financial statements have been properly prepared from the annual financial statements.

**Professional rules and practice guidelines**

We are bound by the ethical guidelines of our professional institute and accept instructions to act for your company on the basis that we will act in accordance with those ethical guidelines. In particular, you give us authority to correct Inland Revenue errors. A copy of these guidelines is available for your inspection in our office.

**Retention of records**

- (i) During the course of our work we will collect information from yourselves and others acting on the company's behalf and will return any original documents to you as soon as possible. You should retain the company's records for ten years following the end of the accounting year. This period may be extended if the Inland Revenue enquire into the company's tax return.
- (ii) Whilst certain documents may legally belong to the company, unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than ten years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of a particular document.

**Regulatory requirements**

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

**Quality of service**

- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- (iii) Should you at any stage feel that you have not received an adequate response to a complaint the circumstances should be brought to our attention.

**Fees**

- (i) Unless specifically agreed, our fees will be billed as considered appropriate by us, depending on the degree of completion of our work. If work is required which is outside the scope of this letter, this will be a separate engagement for which additional fees will be chargeable.
- (ii) Our invoices are payable on presentation. We reserve the right to charge interest at the maximum rate allowed by law in the case of overdue accounts. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use this arrangement in a way that is unfair or unreasonable.
- (iii) Our fees, excluding VAT and any disbursements, will be as follows:

€ 350 per annum

**Limitation of liability**

The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organisations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

**Electronic communication**

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by yourselves and are not our responsibility. If you do not accept this risk you should notify us in writing that e-mail is not an acceptable means of communication.

**Money Laundering**

In accordance with the Prevention of Money Laundering Regulations 1994 you acknowledge that if during the course of an engagement a suspicion of any crime (including but not exclusively fiscal crime) is encountered, we are required to report this directly to responsible authority without prior reference to yourselves or your representatives. It should be noted that due to this legislation your right to confidentiality is waived to the extent of such a report.

**Data Protection Act**

In order to discharge the service under this agreement and for any related services we may obtain, use, process and disclose personal data about yourselves. You have the right of access under the above legislation to the personal data we hold about yourselves.

**Applicable law**

This engagement letter shall be governed by, and construed in accordance with, Maltese law. The Maltese Courts shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. 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 jurisdiction.

**Agreement of terms**

- (i) Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.
- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.

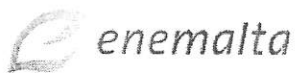


Mr Manuel Castagna CPA  
For and on behalf of Nexia BT

Acknowledged and agreed,  
For and on behalf of New Energy Supply Limited



Mr Yorgen Fenech  
Director



17<sup>th</sup> September 2013

*Subject: Enemalta Power and Gas Project, Appointment Letter*

Dear Ms Kirsten Cutajar Miller,

This letter is to confirm your appointment by Enemalta Corporation to form part of the *Request for Proposal (RFP) Evaluation Committee*.

You shall be expected to report at Delimara Power Station, during your appointment, which shall start being effective between the 23<sup>rd</sup> September 2013 and the 4<sup>th</sup> October 2013, both dates included. Your full commitment to this appointment is expected throughout the entire 12 days within this period, weekends included, according to need.

The engagement will continue to be in place subsequent to the above-mentioned dates until such time when a formal report is to be presented to the Programme Review Board (PRB) at Enemalta. This final report must reach the PRB, at the latest, by the 7<sup>th</sup> October 2013.

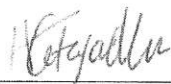
Your Terms of Reference in relation to this appointment are attached to this letter.

Kindly report to the Delimara Power Station, Malta at 0800hrs on the 23<sup>rd</sup> September 2013.

We look forward to work together.

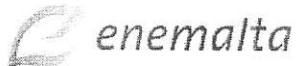
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Ing. Louis Giordimaina  
Chief Executive Officer  
Enemalta Corporation



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Ms Kirsten Cutajar Miller  
Nexia



DECLARATION OF IMPARTIALITY AND CONFIDENTIALITY

REQUEST FOR PROPOSALS REF: HO/T/3023/2013

I, the undersigned, hereby declare that I agree to participate in the evaluation of the above-mentioned Request for Proposals ("RFP"). By making this declaration, I confirm that I have familiarised myself with the information available to date concerning this RFP. I further declare that I shall execute my responsibilities honestly and fairly, with the appropriate degree of diligence, honesty and good faith.

I am independent<sup>1</sup> of all parties which stand to gain from the outcome of the evaluation process<sup>2</sup>. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, which might call into question my independence in the eyes of any party; and, should it become apparent during the course of the evaluation process that such a relationship exists or has been established, I will immediately cease to participate in the evaluation process.

to treat all the information with which I shall come across in relation to the RFP ("confidential information") with utmost confidentiality, not to disclose, divulge or in any manner make available, to any person not forming part of the evaluation committee ("Committee"), any information which I become privy to pursuant to this appointment, unless I am expressly authorized to do so in writing, by the chairperson of the Committee.

I agree to hold in trust and confidence any information or documents disclosed to me or discovered by me or prepared by me in the course of or as a result of the evaluation and agree that it shall be used only for the purposes of this evaluation and shall not be disclosed to any third party. I also agree not to retain copies of any written information or prototypes supplied.

Confidential information shall not be disclosed to any employee or expert unless they agree to execute and be bound by the terms of this Declaration.

I further undertake not to use or abuse of my appointment for personal benefit or for any other form of practice that is improper.

Name	KIRSTEN M. CUTAJAR MILLER
Signed	
Date	20/09/2013

<sup>1</sup> Taking into consideration whether there exists any past or present relationship, direct or indirect, whether financial, professional or of another kind

<sup>2</sup> i.e., all Bidders who are participating in the RFP, whether individuals or members of a consortium, or any of the partners or subcontractors proposed by them

BTI MANAGEMENT LIMITED

Corporate Services · Tax · Consultancy



A1/1-2  
PF  
18/1/14  
M

Company Number: C 49892  
VAT No: MT20676720

The Directors  
GEM Holdings Limited  
Level 3, Portomaso Business Tower  
Portomaso, St Julians  
Malta

25 April 2014

Dear Sir/s,

**Engagement letter**

We write to set out the terms of our engagement, based on our understanding of your requirements.

This agreement is being made between:

GEM Holdings Limited, a company incorporated under the Laws of Malta, holder of Company Registration Number C60349, (hereinafter the "Client" and/or "you") of the one part; and

BTI Management Limited (hereinafter referred "BTI Management Limited" and/or "we/ our") of the second part;

(hereinafter collectively referred to as the "Parties" or "us" )

This engagement letter forms the contract between us. It summarises the scope of the services that we will perform and our respective responsibilities. This agreement supercedes any other agreement that may have been reached between you and us to the extent that it sets out terms of engagements for the services which this contract applies ("the services").

**1. Services**

The Client has requested BTI Management Limited, who hereby accepts, to provide the services hereunder, subject to the terms of this agreement:

The Penthouse, Suite 2,  
Capital Business Centre, Entrance C  
Triq Ijaz-Zwejt  
San Gwann SGN 3000  
Malta EU  
Tel: +356 216 47278  
Fax: +356 216 44883

A member of Nexia International,  
a worldwide network of independent accounting and consulting firms

info@nexasbt.com  
www.nexasbt.com

**a. The Services**

The Client engages BTI Management Limited for the Services which are detailed in Appendix I attached, as may be amended from time to time which appendix forms an integral part of this Engagement Letter.

Upon Client's request, BTI Management Limited may agree to provide any other services to the Client, in addition to those mentioned herein. In the event that BTI Management Limited agrees to the Client's requests, made orally or in writing, the subsequent request for the additional service/s will be subordinated to this letter of engagement and be included in Appendix I to this Engagement Letter and be governed by it as if such further services are specifically included in this Engagement Letter. The provisions hereof are without prejudice to BTI Management Limited's discretion whether to accept to provide further services as may be requested by the Client either subject to this letter of engagement or upon specific terms as agreed upon between the parties.

**b. Malta Tax and other Advisory Services**

BTI Management Limited will provide assistance, consultancy and advice, directly or through associates, with regard to the interpretation/application of any tax and/or other implications arising in terms of Malta law in particular scenarios as may be requested by the Client.

These include research, opinion and advice, drafting of documents, applications for rulings, representations and submissions, notification of provisional tax payments and the recommendation of the amounts to be paid, provisional tax reduction forms, filing of adjustment forms relative to tax returns and tax statements, objections against assessments, appeals in administrative tribunals and courts of law and tax planning exercises. We may also assist in drafting amendments to memorandum and articles of association of companies and special resolutions and statutory notices and forms.

Our advisory services may also include advice and opinion on other Maltese laws and administrative practices to the extent that the subject matter falls within our fields of expertise. The scope of any such other services will be conditioned by the fact that our firm is not a legal office and consequently does not provide legal services in general or assistance in civil or criminal litigation. If we receive a request for services that fall outside our competence we will inform you accordingly but, if you so request, we will assist you in obtaining the required services from a competent firm.

Also as a rule, tax advisory services will be performed only on your request. In particular, we will not be responsible for the implementation or on-going monitoring of any tax structures or arrangements, whether we were involved in their setting up or not, unless specifically instructed. If we identify circumstances where the companies could benefit from advisory services we will refer the matter for your attention.

**2. Excluded services**

The services described above do not include:

1. Services related to deductions and remittances of social security contributions and the drawing up and filing of returns and documentation under the Final Settlement System and the Social Security Act, as well as any other payroll matters;
2. Preparation and filing of VAT returns;
3. Services in connection with personal tax and other matters of employees and directors or other officers of companies or other individuals;
4. Services in connection with tax and other matters of non-resident shareholders of companies;
5. Services in connection with foreign tax and legal issues;

The provision of any of the services excluded can, if you so require, be included in the engagement terms.

**3. Special Projects**

If specifically requested by you or considered appropriate by us, services for a specific project (a "Special Project") will be the subject of a separate agreement.

**4. Fees**

We intend to submit a bill to you upon completion of the Services herein mentioned, unless agreed otherwise between BTIM and the Client.

Fees in relation to the services herein mentioned will be charged at our firm's standard rates, as may be amended from time to time, by reference to the time spent and such factors as complexity, monetary values and specialist input, and will take into account urgency and inherent risks or as otherwise agreed in Appendix I to this letter of engagement.

The Client shall be liable for all fees payable to BTI Management Limited in relation to the services herein indicated. The Client hereby agrees that he/she shall keep BTI Management Limited fully indemnified in relation to disbursements and out of pocket expenses made by BTI Management Limited in the process of adhering to this letter of engagement.

**5. Responsibility to Provide Information**

The Client understands its responsibility to provide BTI Management Limited with all the documentation and information that is required by BTI Management Limited in the provision of the services herein indicated with a view to ensuring compliance with the Client's obligations arising at law within the time limits prescribed by law.

**6. Professional rules and practice guidelines**

We are bound by the ethical guidelines of our professional institute and accept instructions to act on your behalf on the basis that we will act in accordance with those ethical guidelines. A copy of these guidelines is available for your inspection at our offices.

**7. Regulatory requirements**

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

**8. Quality of service**

- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- (iii) Should you at any stage feel that you have not received an adequate response to a complaint the circumstances should be brought to our attention.

**9. Limitation of liability**

The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organisations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

**10. Indemnification**

BTI Management Limited's duties are owed solely to the Client and accordingly BTI Management Limited shall not be held responsible for loss occasioned to any third party acting or refraining from action as a result of BTI Management Limited. The Client undertakes to release and indemnify BTI Management Limited and its directors, employees and mandataries immediately upon request from any claims, liabilities, costs and expenses relating to services provided under this letter of

engagement except to the extent determined by a Court of Law in Malta to have resulted from the deliberate misconduct or gross negligence or fraud of BTI Management Limited.

BTI Management Limited shall not incur any liability for any failure or delay in the performance of the obligations herein arising, where such failure or delay arises out of or is caused directly or indirectly by circumstances beyond BTI Management Limited's reasonable control (including, without limitation, Acts of God, earthquakes, volcano, eruptions, fires, floods, wars, civil or military disturbances, sabotage, terrorism, epidemics, riots, interruptions, loss or malfunctions of utilities, computers (hardware or software) or communication services, accidents, labour disputes, acts of any civil or military authority or governmental actions) provided however that BTI Management Limited shall use its best endeavours to resume performance as soon as reasonably possible.

**11. Electronic communication**

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by yourselves and are not our responsibility. If you do not accept this risk you should notify us in writing that e-mail is not an acceptable means of communication.

**12. Money Laundering**

In accordance with the Prevention of Money Laundering Regulations 1994 you acknowledge that if during the course of an engagement a suspicion of any crime (including but not exclusively fiscal crime) is encountered, we are required to report this directly to responsible authority without prior reference to yourselves or your representatives. It should be noted that due to this legislation your right to confidentiality is waived to the extent of such a report.

**13. Data Protection Act**

In order to discharge the service under this agreement and for any related services we may obtain, use, process and disclose personal data about yourselves. You have the right of access under the above legislation to the personal data we hold about yourselves.

**14. Applicable law**

This engagement letter shall be governed by, and construed in accordance with, Maltese law. The Maltese Courts shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. 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 jurisdiction.

**15. Agreement of terms**

- (i) Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.
- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning the enclosed copy. Please contact us if they are not in accordance with your understanding of our terms of engagement.

**16. Termination**

This engagement is made for an indefinite period. It may be terminated by either party giving thirty (30) days' notice in writing to the other.

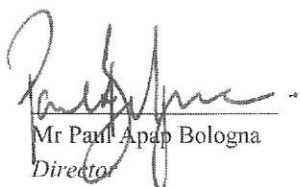
Provided that, without prejudice to its rights under this letter of engagement and/or Malta law, BTI Management Limited may terminate this engagement without the requirement of giving prior notice in the event that:

- a. BTI Management Limited is unable to establish contact with the Client for a period longer than two months; or
- b. BTI Management Limited's fees have remained outstanding for a period of more than two months; or
- c. The Client has become insolvent, or there are reasonable grounds for BTI Management Limited to believe that the Client will become insolvent; or
- d. BTI Management Limited has become aware that the information provided by the Client was false, misleading or otherwise incorrect; or
- e. BTI Management Limited may no longer represent or assist the Client in terms of Malta Law.




Karl Cini  
For and on behalf of BTI Management Limited

Acknowledged and agreed.



Mr Paul Apap Bologna  
Director



Mr Yorgen Fenech  
Director



Mr Mark Gasan  
Director

**Appendix I**

**SERVICES**

**A. Preparation and submission of the company's income tax return**

The preparation of the company's income tax computation from the information made available to us. Our services shall also include the preparation and submission of the company's annual statutory income tax return in accordance with the Income Tax Acts.

In carrying out this engagement, BTIM may in its sole discretion engage the service of any other person or entity whether in Malta or in any other jurisdiction as may be necessary for the purposes herein specified.

Our fees for assisting in relation to the services mentioned above shall be charged at sixty-five Euro (€65) per annum excluding VAT.

Our Fees for services for any other assistance shall be charged on a time spent basis at pre-agreed fees.

NEXIA BT



N/11  
RF  
22/3/16  
W

The Directors  
GEM Holdings Limited  
Level 3, Portomaso Business Tower  
Portomaso, St Julians  
Malta

25th April 2014

Dear Sir/s,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. This is standard practice as required by our professional body.

We are bound by the ethical guidelines of our professional body and therefore accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

#### Period of engagement

This agreement will start with the company's audit for the period ended 31st December 2013. We will also deal with all outstanding matters arising during any prior period as appropriate.

#### Responsibilities of directors and auditors

- (i) As directors of the above company, you have a statutory duty to prepare annual accounts which give a true and fair view of the state of the company's affairs and of its profit or loss for each period and comply with the Companies Act, 1995.
- (ii) In preparing the company's accounts you must:
  - consistently apply suitable accounting policies and make judgements and estimates that are reasonable and prudent;
  - prepare the accounts on a going concern basis unless it is appropriate to presume that the company will not continue to carry on its business.
- (iii) It is your responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities.

The Penthouse, Suite 2,  
Capital Business Centre, Entrance C  
Triq. Izz-Zwejt  
San Gwann SGN1000  
Malta EU  
Tel: +356 21637778  
Fax: +356 21614181

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a worldwide network of independent accounting and consulting firms

info@nexiabt.com  
www.nexiabt.com

- (iv) You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
- (v) As auditors we will report to you whether in our opinion the accounts of the company which we have audited give a true and fair view of the state of the company's affairs, and of the profit or loss for the year, and whether they have been prepared in accordance with the Companies Act, 1995. In arriving at our opinion we are required to consider the following matters and to report on any in respect of which we are not satisfied:
- whether proper accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
  - whether the company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the accounting records and returns;
  - whether we have obtained all the information and explanations which we think necessary for the purpose of our audit;
  - whether the information in the directors' report is consistent with that in the audited accounts.
- (vi) There are certain other matters which, according to the circumstances, may need to be dealt with in our report.
- (vii) We have a professional duty to report if the accounts do not comply in any material respect with the applicable accounting framework, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we will consider whether:
- the departure is required in order for the accounts to give a true and fair view;
  - adequate disclosure has been made concerning the departure.
- (viii) Our professional responsibilities also include:
- stating in our report a description of the directors' responsibilities for the accounts where the accounts or accompanying information do not include such description;
  - considering whether other information and documents contained in audited accounts is consistent with those accounts;
  - reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.
- (ix) Our audit will be conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accountancy and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

#### Scope of audit

- (i) The nature and extent of our procedures will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the

company's systems but, if such weaknesses which we think should be brought to your attention come to our notice during the course of our audit, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the reports.

- (ii) As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the accounts. In connection with representations and the supply of information to us generally, we draw your attention to Section 154 of the Companies Act 1995 under which it is an offence for an officer of the company to mislead the auditors.
- (iii) In order to assist us with the examination of your accounts, we shall request sight of all documents or statements including the chairman's statement, operating and financial review and the directors' report, which are due to be issued with the accounts. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.
- (iv) The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the accounts or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that may exist.
- (v) Once we have issued our report we have no further direct responsibility in relation to the accounts for that financial year. However, between the date of our report and that of the annual general meeting, we expect that you will inform us of any material event occurring which may affect the accounts.

#### **Financial statements preparation**

We shall where appropriate:

- (i) Assist the directors in the preparation of the financial statements based on accounting records maintained by yourselves.
- (ii) Provide assistance to the company secretary in preparing abridged financial statements for submission with the Registrar of Companies.

Where we assist in the preparation of the accounts of your company, you are wholly responsible for informing us of all related party transactions conducted between the company and related parties in the preparation of your statutory accounts.

**Professional rules and practice guidelines**

We are bound by the ethical guidelines of our professional institute and accept instructions to act for your company on the basis that we will act in accordance with those ethical guidelines. In particular, you give us authority to correct Inland Revenue errors. A copy of these guidelines is available for your inspection in our office.

**Retention of records**

- (i) During the course of our work we will collect information from yourselves and others acting on the company's behalf and will return any original documents to you as soon as possible. You should retain the company's records for ten years following the end of the accounting year. This period may be extended if the Inland Revenue enquire into the company's tax return.
- (ii) Whilst certain documents may legally belong to the company, unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than ten years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of a particular document.

**Regulatory requirements**

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

**Quality of service**

- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- (iii) Should you at any stage feel that you have not received an adequate response to a complaint the circumstances should be brought to our attention.

**Fees**

- (i) Unless specifically agreed, our fees will be billed as considered appropriate by us, depending on the degree of completion of our work. If work is required which is outside the scope of this letter, this will be a separate engagement for which additional fees will be chargeable.
- (ii) Our invoices are payable on presentation. We reserve the right to charge interest at the maximum rate allowed by law in the case of overdue accounts. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use this arrangement in a way that is unfair or unreasonable.
- (iii) Our fees, excluding VAT and any disbursements, will be as follows:

€275 per annum

**Limitation of liability**

The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organisations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

**Electronic communication**

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by yourselves and are not our responsibility. If you do not accept this risk you should notify us in writing that e-mail is not an acceptable means of communication.

**Money Laundering**

In accordance with the Prevention of Money Laundering Regulations 1994 you acknowledge that if during the course of an engagement a suspicion of any crime (including but not exclusively fiscal crime) is encountered, we are required to report this directly to responsible authority without prior reference to yourselves or your representatives. It should be noted that due to this legislation your right to confidentiality is waived to the extent of such a report.

**Data Protection Act**

In order to discharge the service under this agreement and for any related services we may obtain, use, process and disclose personal data about yourselves. You have the right of access under the above legislation to the personal data we hold about yourselves.

**Applicable law**

This engagement letter shall be governed by, and construed in accordance with, Maltese law. The Maltese courts shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. 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 jurisdiction.

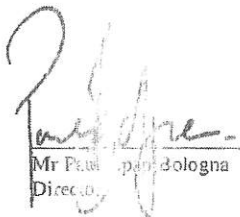
Agreement of terms

- (i) Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.
- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.




Mr Marcel Castagna CPA  
For and on behalf of Nexia BT

Acknowledged and agreed.  
For and on behalf of GEM Holdings Limited



Mr Paul Capoblogna  
Director



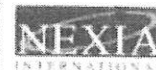
Mr Yorgen Fenech  
Director



Mr Mark Gasan  
Director

A1/1  
RF  
01/04/16

NEXIA BT



The Directors  
Gem Holdings Limited  
Level 3, Portomaso Business Tower,  
St. Julians STJ 4011,  
Malta

27th April 2016

Dear Sirs,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. **This is standard practice as required by our professional body.**

We are bound by the ethical guidelines of our professional body and therefore accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

#### Period of engagement

This agreement will start with the company's audit for the year ended 31st December 2015. We will also deal with all outstanding matters arising during any prior period as appropriate.

#### Responsibilities of directors and auditors

- (i) As directors of the above company, you have a statutory duty to prepare annual accounts which give a true and fair view of the state of the company's affairs and of its profit or loss for each period and comply with the Companies Act, 1995.
- (ii) In preparing the company's accounts you must:
  - consistently apply suitable accounting policies and make judgements and estimates that are reasonable and prudent;
  - prepare the accounts on a going concern basis unless it is appropriate to presume that the company will not continue to carry on its business.
- (iii) It is your responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities.

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Capital Business Centre, Entrance C  
Triq. Laż-Zweġ  
San Cassian, SCS 3000  
Malta EU  
Tel: +356 2163 7200  
Fax: +356 2163 3000

A member of Nexia International,  
a worldwide network of independent accounting and consulting firms

info@nexiaBT.com  
www.nexiaBT.com

- (iv) You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
- (v) As auditors we will report to you whether in our opinion the accounts of the company which we have audited give a true and fair view of the state of the company's affairs, and of the profit or loss for the year, and whether they have been prepared in accordance with the Companies Act, 1995. In arriving at our opinion we are required to consider the following matters and to report on any in respect of which we are not satisfied:
- whether proper accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
  - whether the company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the accounting records and returns;
  - whether we have obtained all the information and explanations which we think necessary for the purpose of our audit;
  - whether the information in the directors' report is consistent with that in the audited accounts.
- (vi) There are certain other matters which, according to the circumstances, may need to be dealt with in our report.
- (vii) We have a professional duty to report if the accounts do not comply in any material respect with the applicable accounting framework, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we will consider whether:
- the departure is required in order for the accounts to give a true and fair view;
  - adequate disclosure has been made concerning the departure.
- (viii) Our professional responsibilities also include:
- stating in our report a description of the directors' responsibilities for the accounts where the accounts or accompanying information do not include such description;
  - considering whether other information and documents contained in audited accounts is consistent with those accounts;
  - reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.
- (ix) Our audit will be conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accountancy and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

#### **Scope of audit**

- (i) The nature and extent of our procedures will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the company's systems but,

if such weaknesses which we think should be brought to your attention come to our notice during the course of our audit, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the reports.

- (ii) As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the accounts. In connection with representations and the supply of information to us generally, we draw your attention to Section 154 of the Companies Act 1995 under which it is an offence for an officer of the company to mislead the auditors.
- (iii) In order to assist us with the examination of your accounts, we shall request sight of all documents or statements including the chairman's statement, operating and financial review and the directors' report, which are due to be issued with the accounts. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.
- (iv) The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the accounts or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that may exist.
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We shall where appropriate:

- (i) Assist the directors in the preparation of the financial statements based on accounting records maintained by yourselves.
- (ii) Provide assistance to the company secretary in preparing abridged financial statements for submission with the Registrar of Companies.

Where we assist in the preparation of the accounts of your company, you are wholly responsible for informing us of all related party transactions conducted between the company and related parties in the preparation of your statutory accounts.

#### **Taxation services**

- (i) We shall in respect of each accounting period prepare a computation of profits, adjusted in accordance with the provisions of the Income Tax Act, for the purpose of assessment to corporation tax.

**Tax returns**

- (i) We will prepare the company's tax return and computations from the accounts and other information and explanations provided.
- (ii) We may be required to send you a tax representative authorisation form for you to approve and sign. This will enable us to submit the tax return using the online services provided by the Inland Revenue Department. Should you also require, we will send you an electronic copy of the tax return and any supporting schedules for your records.
- (iii) We will deal with all communications relating to the company's tax return addressed to us by the Inland Revenue or passed to us by you. However, if the Inland Revenue choose your return for enquiry, this will need to be subject to a separate engagement letter for which additional fees will be chargeable.
- (iv) We will prepare the tax provisions and disclosures to be included in the company's statutory accounts.

**Your responsibilities: Provision of information by you for tax purposes**

- (i) The company is legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties and/or interest.
- (ii) To enable us to carry out our work you agree:
  - (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
  - (b) to provide full information necessary for dealing with the company's affairs: We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
  - (c) to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date of following the end of the accounting period;
  - (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits;
  - (e) to keep us informed about significant transactions or changes in circumstances.

**Professional rules and practice guidelines**

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- (iii) Our fees, excluding VAT and any disbursements, will be as follows:

€750 per annum

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failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

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- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.




Mr Manuel Castagna CPA  
For and on behalf of Nexia BT

Acknowledged and agreed,  
For and on behalf of Gem Holdings Limited



Mr Paul Apap Bologna  
Director



Mr Yorgen Fenech  
Director



Mr Mark Gasan  
Director

A/jj  
RF  
22/9/16

NEXIA BT



The Director  
New Energy Supply Limited  
Level 3, Portomaso Business Tower,  
Portomaso, St. Julians STJ 4011,  
Malta

27th April 2016

Dear Sir,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. **This is standard practice as required by our professional body.**

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The Institute of Accountants  
8, The Quadrant, St. Julian's, Malta  
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F: +356 2142 2001  
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A member of Nexia International  
a network of independent member firms affiliated with the  
International Federation of Accountants (IFAC) and consulting to its

Member of Nexia International  
[www.nexia.org](http://www.nexia.org)

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- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- (iii) Should you at any stage feel that you have not received an adequate response to a complaint the circumstances should be brought to our attention.

#### **Fees**

- (i) Unless specifically agreed, our fees will be billed as considered appropriate by us, depending on the degree of completion of our work. If work is required which is outside the scope of this letter, this will be a separate engagement for which additional fees will be chargeable.
- (ii) Our invoices are payable on presentation. We reserve the right to charge interest at the maximum rate allowed by law in the case of overdue accounts. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use this arrangement in a way that is unfair or unreasonable.
- (iii) Our fees, excluding VAT and any disbursements, will be as follows:

**€500 per annum**

#### **Limitation of liability**

The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the

failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organisations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

#### **Electronic communication**

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by yourselves and are not our responsibility. If you do not accept this risk you should notify us in writing that e-mail is not an acceptable means of communication.

#### **Money Laundering**

In accordance with the Prevention of Money Laundering Regulations 1994 you acknowledge that if during the course of an engagement a suspicion of any crime (including but not exclusively fiscal crime) is encountered, we are required to report this directly to responsible authority without prior reference to yourselves or your representatives. It should be noted that due to this legislation your right to confidentiality is waived to the extent of such a report.

#### **Data Protection Act**

In order to discharge the service under this agreement and for any related services we may obtain, use, process and disclose personal data about yourselves. You have the right of access under the above legislation to the personal data we hold about yourselves.

#### **Applicable law**

This engagement letter shall be governed by, and construed in accordance with, Maltese law. The Maltese Courts shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. 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 jurisdiction.

**Agreement of terms**

- (i) Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.
- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.



Mr Manuel Castagna CPA  
For and on behalf of Nexia BT

Acknowledged and agreed,  
For and on behalf of New Energy Supply Limited



Mr Yorgen Fenech  
Director

A11/1  
RF  
4/12/



Nexia BT  
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San Gwann SGN 3000, Malta  
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info@nexiabt.com | www.nexiabt.com  
Vat no: MT18591627

The Directors  
Gem Holdings Limited  
Level 3, Portomaso Business Tower  
Portomaso  
St. Julians STJ 4011  
Malta

28th March 2018

Dear Sirs,

The purpose of this letter is to set out the basis on which we are engaged to act as auditors of the company and the respective responsibilities of yourselves and ourselves. **This is standard practice as required by our professional body.**

We are bound by the ethical guidelines of our professional body and therefore accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

**Period of engagement**

This agreement will start with the company's audit for the year ended 31st December 2017. We will also deal with all outstanding matters arising during any prior period as appropriate.

**Responsibilities of directors and auditors**

- (i) As directors of the above company, you have a statutory duty to prepare annual accounts which give a true and fair view of the state of the company's affairs and of its profit or loss for each period and comply with the Companies Act, 1995.
- (ii) In preparing the company's accounts you must:
  - consistently apply suitable accounting policies and make judgements and estimates that are reasonable and prudent;
  - prepare the accounts on a going concern basis unless it is appropriate to presume that the company will not continue to carry on its business.
- (iii) It is your responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities. You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
- (iv) As auditors we will report to you whether in our opinion the accounts of the company which we have audited give a true and fair view of the state of the company's affairs, and of the profit or loss for the year, and whether they have been prepared in accordance with the Companies Act, 1995. In arriving at our opinion we are required to consider the following matters and to report on any in respect of which we are not satisfied:

Malta Business Association of the "Nexia" International network. Nexia is a registered trademark of the International Network of Independent Member Firms of the International Accounting Network. Nexia is not a company, nor is it a legal entity. It is a network of independent member firms of the International Accounting Network. Nexia is not a company, nor is it a legal entity. It is a network of independent member firms of the International Accounting Network.

- whether proper accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
  - whether the company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the accounting records and returns;
  - whether we have obtained all the information and explanations which we think necessary for the purpose of our audit;
  - whether the information in the directors' report is consistent with that in the audited accounts.
- (v) There are certain other matters which, according to the circumstances, may need to be dealt with in our report.
- (vi) We have a professional duty to report if the accounts do not comply in any material respect with the applicable accounting framework, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we will consider whether:
- the departure is required in order for the accounts to give a true and fair view;
  - adequate disclosure has been made concerning the departure.
- (vii) Our professional responsibilities also include:
- stating in our report a description of the directors' responsibilities for the accounts where the accounts or accompanying information do not include such description;
  - considering whether other information and documents contained in audited accounts is consistent with those accounts;
  - reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.
- (viii) Our audit will be conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accountancy and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

#### Scope of audit

- (i) The nature and extent of our procedures will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the company's systems but, if such weaknesses which we think should be brought to your attention come to our notice during the course of our audit, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- (ii) As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the accounts. In connection with representations and the supply of information to us generally, we draw your attention to Section 154 of the Companies Act 1995 under which it is an offence for an officer of the company to mislead the auditors.
- (iii) In order to assist us with the examination of your accounts, we shall request sight of all documents or statements including the chairman's statement, operating and financial review and the directors' report, which are due to be issued with the accounts. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.
- (iv) The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements



in the accounts or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that may exist.

- (v) Once we have issued our report we have no further direct responsibility in relation to the accounts for that financial year. However, between the date of our report and that of the annual general meeting, we expect that you will inform us of any material event occurring which may affect the accounts.

#### **Financial statements preparation**

We shall where appropriate:

- (i) Assist the directors in the preparation of the financial statements based on accounting records maintained by yourselves.
- (ii) Provide assistance to the company secretary in preparing abridged financial statements for submission with the Registrar of Companies.

Where we assist in the preparation of the accounts of your company, you are wholly responsible for informing us of all related party transactions conducted between the company and related parties in the preparation of your statutory accounts.

#### **Taxation services**

- (i) We shall in respect of each accounting period prepare a computation of profits, adjusted in accordance with the provisions of the Income Tax Act, for the purpose of assessment to corporation tax.

#### **Tax returns**

- (i) We will prepare the company's tax return and computations from the accounts and other information and explanations provided.
- (ii) We may be required to send you a tax representative authorisation form for you to approve and sign. This will enable us to submit the tax return using the online services provided by the Inland Revenue Department. Should you also require, we will send you an electronic copy of the tax return and any supporting schedules for your records.
- (iii) We will deal with all communications relating to the company's tax return addressed to us by the Inland Revenue or passed to us by you. However, if the Inland Revenue choose your return for enquiry, this will need to be subject to a separate engagement letter for which additional fees will be chargeable.
- (iv) We will prepare the tax provisions and disclosures to be included in the company's statutory accounts.

#### **Your responsibilities: Provision of information by you for tax purposes**

- (i) The company is legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties and/or interest.
- (ii) To enable us to carry out our work you agree:
  - (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;

- (b) to provide full information necessary for dealing with the company's affairs: We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date of following the end of the accounting period;
- (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits;
- (e) to keep us informed about significant transactions or changes in circumstances.

#### **Professional rules and practice guidelines**

We are bound by the ethical guidelines of our professional institute and accept instructions to act for your company on the basis that we will act in accordance with those ethical guidelines. In particular, you give us authority to correct Inland Revenue errors. A copy of these guidelines is available for your inspection in our office.

#### **Retention of records**

- (i) During the course of our work we will collect information from yourselves and others acting on the company's behalf and will return any original documents to you as soon as possible. You should retain the company's records for ten years following the end of the accounting year. This period may be extended if the Inland Revenue enquire into the company's tax return.
- (ii) Whilst certain documents may legally belong to the company, unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than ten years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of a particular document.

#### **Regulatory requirements**

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

#### **Quality of service**

- (i) We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know.
- (ii) We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
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(iii) Our fees, excluding VAT and any disbursements, will be as follows:

**Audit - €1,350 per annum**

**Tax - €250 per annum**

**Completion of group audit instructions - €250 per annum**

#### **Limitation of liability**

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- (ii) Would you please confirm your agreement to the terms set out by this letter by the directors signing and returning one copy. Please contact us if these terms are not in accordance with your understanding of our terms of engagement.

A handwritten signature in black ink, appearing to read "M. Castagna".

Mr Manuel Castagna CPA

For and on behalf of Nexia BT

Acknowledged and agreed,

For and on behalf of Gem Holdings Limited

A handwritten signature in black ink, appearing to read "Y. Fenech".

Mr Yorgen Fenech

Director