

THE GOVERNMENT OF THE REPUBLIC OF UGANDA
[Represented by the Ministry of Finance, Planning & Economic
Development]

AND

UGANDA VINCI COFFEE COMPANY LIMITED

DEED OF AMENDMENT AND RESTATEMENT

In Respect to a Project Implementation Agreement Dated 29 April 2015,
Addendum No. 1 thereto dated 21 December 2015 and Addendum No. 2
thereto dated 17 October 2017

February 2022

Three handwritten signatures in black ink, located at the bottom right of the page. The first signature is a cursive 'S', the second is a cursive 'J', and the third is a cursive 'M/M'.

THE REPUBLIC OF UGANDA

THIS DEED is made this ...~~10th~~^{10th} day of **February, 2022**

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF UGANDA (GoU) represented by the Ministry of Finance, Planning and Economic Development (**MoFPED**) of P. O. Box 8147, Finance Headquarters Building, Plot 2-12 Apollo Kaggwa Road, Kampala, Uganda.

AND

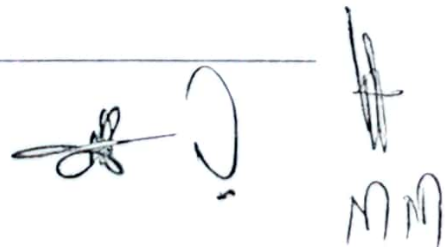
UGANDA VINCI COFFEE COMPANY LIMITED (the '**Company**') a limited liability company established under the laws of Uganda with its registered office at Plot 2, Summit View, Kololo, P. O. Box 12168, Kampala, Uganda.

The GoU and the Company shall hereinafter be collectively referred to as the "**Parties**".

WHEREAS:

- A.** The Company indicated to GoU that it is capable to undertake the establishment and operation of a coffee business including the development of a coffee processing facility at the Kampala Industrial and Business Park, Namanve, and such other places where the Company may have offices or presence (referred to in this Deed as "the Project") as further described in clause 3 of this Deed.
- B.** As part of its objective of building an independent, integrated, and self-sustaining national economy, and in a bid to facilitate ventures that process Ugandan coffee into roasting and instant coffee for the local market and export, the GoU signed a Project Implementation Agreement with the Company in respect of the Project;
- C.** In the said Project Implementation Agreement, GoU granted certain concessions to supplement the Company's efforts in developing and implementing the Project in an efficient and timely manner;
- D.** In December 2015 and October 2017 respectively, the parties signed Addendum No. 1 and Addendum No. 2 to the Project Implementation Agreement to clarify various matters agreed between them; and

_____ (2) _____



- E. The parties wish to consolidate the said Addenda and amalgamate them with the Project Implementation Agreement and restate their agreement within the terms of this Deed.

NOW IT IS AGREED AS FOLLOWS:

1. AMENDMENT AND RESTATEMENT

- 1.1 The Project Implementation Agreement signed on 29 April 2015 is amended to the extent and in the manner provided in this Deed.
- 1.2 Addendum No. 1 to the Project Implementation Agreement and Addendum No. 2 to the Project Implementation Agreement are hereby incorporated into the said agreement the terms of which are hereby consolidated and restated in this Deed.
- 1.3 This Deed supersedes and replaces the Project Implementation Agreement of April 2015 and the two addenda signed in respect thereof.

2. DEFINITIONS AND RULES OF INTERPRETATION

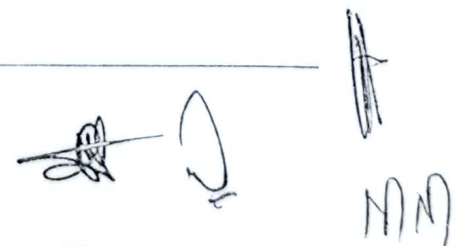
2.1 Definitions

The terms defined below shall have the meaning assigned to them in this Deed unless the context otherwise requires.

"Business Day" means any day of the week other than a Saturday or Sunday that is not a Ugandan national holiday or a day on which banks are authorized by law or executive order to be closed in Uganda; provided, however, that in the event that such a law or executive order results in banks in Uganda being closed for more than 3 week days or non-holidays in succession, the next week day following such 3 days shall be deemed to be a Business Day.

"Change in Law" means:

- (a) the adoption, promulgation, bringing into effect, amendment, reinterpretation, change in application, change in interpretation or modification after the date of



execution of this Deed of any Laws of Uganda, by any Relevant Authority;

- (b) the imposition of any material condition not required as of the date of execution of this Deed in connection with the issuance, renewal, or modification of any Consent, by any Relevant Authority; or
- (c) the imposition by any additional Consent to those Consents required as of the date of execution of this Deed, which in case of any of the above establishes either a material increase in cost or reduction in revenue as a consequence of any requirement for the design, construction, financing, ownership, operation, or maintenance of the Project that is materially more restrictive than the most restrictive requirements in effect as of the date of this Deed.

“Change in Tax” The adoption, promulgation, bringing into effect, repeal, amendment, reinterpretation, change or failure in application against the provisions of the relevant legislation, change in interpretation or modification after the date hereof of any Law of Uganda by any Relevant Authority, relating to any tax, duty, license fee or other revenue-producing measure, including any application of any tax (including withholding taxes on distributions to shareholders to the extent such withholding taxes are final tax liabilities of the shareholders and are not subject to any credit or adjustment, including any credit or adjustment against any other tax liability), duty, license fee or other revenue-producing measure which is imposed on the Company or any Contractor and causes the Company to incur for itself or on behalf of any Contractor, any tax, withholding obligation, duty, licence, fee or similar revenue producing fee in excess of those the Company would have incurred under the laws of Uganda in effect as of the date hereof.

“Commercial operation of the project” means the production and export of the coffee products envisaged under clause 3 of this Deed and will be deemed to have commenced on the day when the factory is commissioned.

“Consents” means any acknowledgement, approval, authorization, consent, concession, exemption, licence, permit, clearance, privilege, and waiver from or filing with, or notice to or from, any Relevant Authority as prescribed by law, required for all or any of the Company, its contractors or lenders, and their respective employees, agents, representatives, or contractors, in relation to the Project.

“Quarter of Financial Year” means a period of three months ending on 31st September, 31st December, 31st March or 31st June.

“Relevant Authority” means and refers to any Governmental department or body or quasi-Governmental entity.

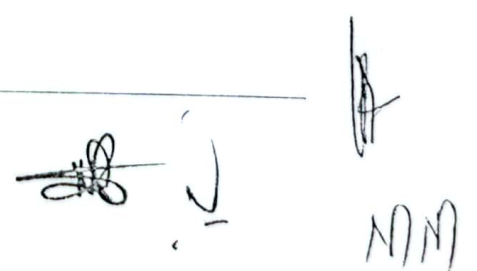
“VAT Deferment” means a facility under which an importer of plant and machinery is exempted from paying the VAT at importation and there is no further obligation.

2.2 Interpretation

2.2.1 In this Deed, the headings are included for ease of reference only and shall be ignored in interpretation or construction of this Deed and the singular imports the plural and vice versa where the context requires.

2.2.2 This Deed was negotiated and prepared by both Parties with advice of counsel to the extent deemed necessary by each Party. The Parties have agreed to the wording of this Deed and none of the provisions of this Deed shall be construed against one Party on the ground that such Party is the author of this Deed or any part of it.

_____ (5) _____



3. DESCRIPTION OF THE PROJECT

3.1 The Project shall consist of:

3.1.1 The design, financing, construction and operation of an integrated 60,000-tonne per annum coffee processing facility at the Kampala Industrial and Business Park at Namanve, starting with 27,000-tonne capacity, and shall include the ancillary activities and operations of the Company necessary for the proper and due implementation of the financing, construction, operation, coffee procurement and processing activities (such as roasting, grinding and instant coffee processing, from green beans to roasted/instant coffee).

3.1.2 The production from green coffee beans of the following:

- i) Roasted Coffee Beans;
- ii) Roasted and Ground Coffee;
- iii) Instant Spray Dried Coffee;
- iv) Coffee Capsules; and
- v) Any other related or complimentary product.

3.1.3 The buying and cleaning of green coffee beans; and

3.1.4 Exporting the excess green coffee beans upon satisfaction of the installed capacity of the coffee processing facility at the Kampala Industrial and Business Park at Namanve.

3.2 It is understood by the Parties that the Company has already taken steps in preparation of the Project and has so far completed the following:

3.2.1 feasibility study and market survey;

3.2.2 identification of internationally recognized coffee roasting and preparation experts;

3.2.3 architectural and engineering design of the plant;

3.2.4 obtained an investment licence from the Uganda Investment Authority;

_____ (6) _____

[Handwritten signatures and initials]

3.2.5 obtained parcel of land from the Uganda Investment Authority (UIA) in the Kampala Industrial and Business Park, Namanve (the Project site). A lease agreement in respect to the land has already been executed granting the Company a lease of forty-nine (49) years from 2018.

It is hereby expressly agreed that the land allocated to the Company by UIA shall be vested in and for the full benefit of the Company. The Company may use the land for all purposes that it deems fit in relation to the Project.

3.2.6 backfilling of the plot to raise it above the level of the River Namanve.

3.3 Upon commencement of Commercial Operation, it is anticipated that the Company will create approximately Two Hundred and Forty-Six (246) jobs for employees and skilled labourers.

4. PROJECT SUPPORT

In consideration of the promises by the Company pursuant to this Deed, the GoU has agreed to provide assurances of support to the Company's efforts to develop and implement the Project. The GoU has agreed to offer the following support package:

4.1 Tax

The Company shall be entitled to benefit from the following tax treatment and accommodation during the construction and development and operation phases of the Project and for a period of ten (10) years from the commencement of commercial operation of the Project:

4.1.1 The GoU hereby agrees that it shall ensure that the Company undertakes the operation of the Project on a tax-neutral basis with the effect that it shall be entitled to all tax exemptions available under the laws of Uganda. The exemptions referred to in this paragraph shall extend to taxes and impositions applicable to all the activities of the Company and its foreign staff, except in respect to the export of green coffee beans. The exemptions include but are not limited to:

a) Import duties;

{ 7 }

- b) Value Added Tax;
- c) Excise Duty;
- d) Corporate income tax and employment related taxes and impositions (only in respect to expatriate staff);
- e) Stamp Duty; and
- f) Any other tax or imposition levied or charged under the laws of Uganda in force at the date of this Deed and such other laws as may be enacted from time to time.

4.1.2 Where no exemption from tax is allowed under the law or the exemption provided is inadequate to provide the Company with comprehensive relief from taxes or other impositions, then the GoU undertakes that it will bear the cost of all such taxes.

4.1.3 For the avoidance of doubt, the Company shall:

- a) be exempt from corporate income tax for a period of ten (10) years;
- b) enjoy duty-free importation of all Plant and Machinery, motor vehicles, construction materials and equipment, packaging materials, and any other materials for use in the project under the *East African Community Common External Tariff (EAC-CET)*;
- c) be exempt from value added tax (VAT) on domestic purchase of goods and services as well as VAT and withholding tax on imported services;
- d) be exempt from stamp duty for all its transactions as per the *Stamp Duty Act*;
- e) be exempt from all employment related taxes and impositions such as PAYE and social security contributions, local service tax, work permit fees/charges, etc (only for foreign staff);
- f) be exempt from excise duty on locally produced products procured for the purpose of construction of the factory as well as excise duty on any locally procured financial instruments; and

4.1.4 The parties agree that the terms and conditions of this Deed are based on the existing laws of the Republic of Uganda and the terms contained in this Agreement. If, after the effective date of this Deed, there is any Change in Law or Change in Tax which substantially and adversely alters the economic benefits accruing to the Company under this Deed, the Company may, at any time within one (1) calendar year from the date on which any such Change in Law or Change in Tax has taken legal effect, notify GoU of the effect of the changes in law and tax and the necessary adjustments and modifications to be made to this Deed in order to maintain the economic benefits of the Company which existed at the effective date of this Deed including reimbursement of costs that may have been incurred by the Company as a result of the Change in Law or Change in Tax. Upon receipt of the Company's notification, GoU shall take immediate steps to restore the Company to the economic position it should have been in but for the Change in Law or Change in Tax.

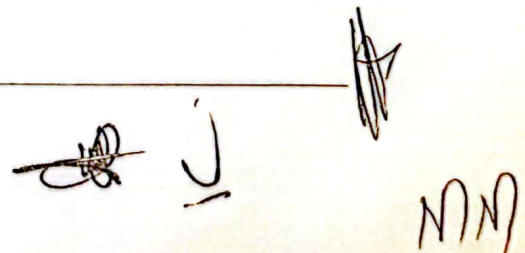
4.2 Coffee Supply

4.2.1 GoU undertakes that it will take all reasonable measures to give priority of supply of coffee to the Company before registering any contract or acknowledging any arrangement for the export of coffee beans (including screen 18 and above), so that the Company will have ample supply of coffee to sustain its operations.

4.2.2 The Company undertakes that it will pay for the priority supply of superior quality coffee beans at a premium price to be determined by the Company but in any case, not lower than the price approved by the Relevant Authority for a particular consignment or the prevailing international price for each respective grade of coffee, whichever is lower.

4.3 Protection for Local Coffee Processors

Government shall use all reasonable endeavours to put in place measures which protect local coffee processors, in line with applicable national, bilateral, regional, and international laws.

Handwritten signatures and initials, including a large signature on the right and initials 'MM' at the bottom right.

Deed are
and the
of

4.4 Electricity Subsidy

The Company shall be given a subsidy so that the price it pays for electricity at the plant does not exceed USD 5 cents per unit. This subsidy shall be available during the construction period and for 10 (ten) years after commissioning of the Plant.

It is understood and agreed between the parties that GoU will ensure that the electricity supply to the Plant is not cut off for as long as the Company has paid its share of the tariff to the electricity supplier.

4.5 Relocation of Overhead Transmission Lines

The overhead transmission lines passing over or above the land belonging to the Company will be relocated or removed by the GoU or any Relevant Authority from the said land at the cost of GoU or such Relevant Authority.

4.6 Water Supply

The GoU will ensure that there is an extension of adequate water supply via pipeline (at least 50-80 cu.mt/hr – 24 hours daily) to the Plant at the Company's cost, to enable the Plant's operation on the understanding that the Plant or factory will be working Three (3) shifts a day.

4.7 Road Access

The GoU will construct an access road linking the Plant to the main access road.

4.8 Administrative Support

Provided that the Company has complied with its obligations under this Deed, the GoU shall support the Company and ensure that Company applications any Relevant Authority are expedited at a minimal cost, if any, to the Company. The GoU will also ensure that no Relevant Authority revokes or abrogates any Consent without just cause.

[Handwritten signatures and initials]

7.2 When
th

5. EFFECTIVE DATE AND DURATION

5.1 Effective Date

This Deed shall come into full force and effect from the date of its execution (Effective Date).

5.2 Duration

The term of this Deed shall be the period from the Effective Date until the date falling 10 (ten) years after actual commercial operation of the Project unless terminated earlier or extended in accordance with the provisions of this Deed.

5.3 Continuing Rights

5.3.1 Except as otherwise expressly provided in this Deed, upon the expiry or earlier termination of this Deed, the Company shall remain the legal owner of the Plant, factory, and any other related assets/property and each of the Consents shall remain in full force and effect, except to the extent that the Consent is lawfully terminated or lapses in accordance with the terms of the Consent.

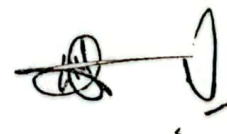
5.3.2 Notwithstanding the expiry or earlier termination or relinquishment of any Consent, this Deed shall remain in full force and effect in relation to the Project for which Consents remain in effect, except where this Deed is lawfully terminated or lapses in accordance with the terms of this Deed.

6. PROJECT START

Unless otherwise agreed by the Parties, construction of the factory at the Project site shall commence within 12 months from the Effective Date. The Company shall use all reasonable endeavours and good faith to ensure that the Project is executed as agreed upon.

7. FORCE MAJURE

7.1 If a party is delayed or prevented from discharging their obligations under this Deed by the occurrence of a Force Majeure Event, the party so delayed or prevented from discharging their obligations shall be under no liability for loss or injury suffered by the other party thereby.



N/M

7.2 When a Force Majeure Event occurs, the enforcement of rights under this Deed shall be suspended during the subsistence of the event and upon cessation of the cause of the delay, the Deed shall again become fully operative, provided that, if as the result of such delay any modification of the terms of the Deed or a cancellation of any part thereof is requested by one party and it is reasonable that such modification or cancellation should be made, the parties shall negotiate in good faith as to such modification or cancellation.

7.3 For purposes of this Deed, "**Force Majeure**" or "**Force Majeure Event**" shall mean occurrence of any or all the events defined below, occurring after the date of this Deed and preventing or delaying the performance by the Party claiming the benefit of Force Majeure (the "**Affected Party**") of its obligations under this Deed, and which act or event:

- a) is beyond the reasonable control of the Affected Party; and
- b) the Affected Party could not have prevented or overcome it by exercise of due diligence and following good industry practice.

7.4 A Force Majeure Event shall include, without limitation, one or more of the following acts or events (to the extent that they satisfy the requirements above):

- a) act of God, plague, epidemic, pandemic, lightning, earthquake, landslide, cyclone, flood, volcanic eruption, radioactive contamination;
- b) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo or revolution;
- c) fire, explosion, mudslides or chemical contamination;
- d) strike, work-to-rule or go-slow which is not primarily motivated by a desire to influence the actions of the Company only;
- e) any delay or failure of a contractor or of another service provider to the extent the same is attributable to any Force Majeure Event; or
- f) any event or circumstances of a nature similar to any of the foregoing.

Deed
FOR O
TH

8. EXERCISE OF TRANSFER OPTION

The Company may exercise the option to sell and transfer the plant to the GoU or a third party. It is understood and agreed between the Parties that if the Company opts to sell the plant, the GoU will be given the first priority to purchase the same.

9. DISPUTE RESOLUTION

Any dispute, difference, claim or controversy of whatever nature between the Parties howsoever arising under or out of or in relation to this Deed must be notified in writing by a Party to the other Party (the "Dispute"). The Parties shall, in the first instance, attempt to resolve a Dispute amicably and in good faith through discussions between representatives of each Party with the appropriate decision-making authority.

Where amicable discussions fail between the Parties, the dispute will be referred to an Arbitrator appointed by both Parties in accordance with the Arbitration and Conciliation Act or any amendment thereto.

10. AMENDMENT

This Deed may be modified, altered, or amended by the mutual agreement of the parties in writing.

11. GOVERNING LAW

This Deed shall be governed by the laws of Uganda.

IN WITNESS WHEREOF, this Deed has been executed by the Parties hereto and is intended to be and is hereby delivered on the day and year first written above.

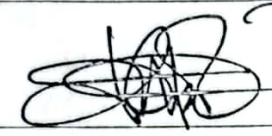


FOR OR ON BEHALF OF **THE GOVERNMENT OF UGANDA** by
The Honourable Minister of Finance, Planning and Economic Development



In the presence of:

Name: Ramathan Ggodli PSS

Signature:  _____


Sealed with the Common Seal of **UGANDA VINCI COFFEE COMPANY LIMITED**

Ms Enrica Pinetti – Board Chairperson.

In the presence of:

Name: Enrica Pinetti

Signature:  10/2/22

Moses MASON - Company Secretary, UVCC


(14)
