

Dok. #7



Grant Thornton

An instinct for growth™

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05 March 2019

Dear Judge Emeritus Carmelo Farrugia Sacco,

Engagement letter – Fortina Evaluations

1. INTRODUCTION

1.1 Thank you for appointing Grant Thornton to assist you in connection with the Fortina Evaluations. This engagement letter sets out our understanding of the work you wish us to carry out. We set out below the nature of responsibilities which we undertake in this appointment, our understanding of the services which you wish us to perform and the terms of our engagement.

2. BACKGROUND

2.1 The Fortel Group have made an official request to the Land Authority to change the use of land they acquired from the Government. To this end and by virtue of minute 599 of the Lands Authority's Board of Governors meeting, we were assigned by the Lands Authority to assist them with this evaluation.

3. SCOPE OF WORK

3.1 The services to be provided by us pursuant to our engagement (the Services) are expected to include the work set out in this section.

3.2 Our work will include a review of the Land file regarding the Fortel Group's request by virtue of minute 599 and an issue of a final report based upon the analysis of Land files number L874/68/III/5.

3.3 Our work will include the following tasks:

- An analysis of the facts of the case in discussion, including the relevant conditions established in the contracts;
- An analysis of all requests made by Fortel Group in Land files number LB74/68/III/5, more specifically the most recent request.
- An analysis of the valuations conducted by: Perit Dennis Camilleri, Perit Mario Cassar and Perit Claude Mallia.

- An analysis of the reports conducted by Dr. Marisa Grech and Mr. Charles Camilleri.
 - Advising the Lands Authority on the best decision the Authority should take.
- 3.4 In addition our work will include a valuation of the present property and to also establish a value for the removal of the condition that affects part of the property as requested by the Fortel Group, provided this valuation is carried out in line with Chapter 573.
- 3.5 For the avoidance of doubt the scope of our work does not include the provision of any tax advice. Should you require tax advice in connection with the proposed transaction then this will be subject to a separate letter of engagement.
- 3.6 We will include in our report the sources of the information presented. We will not seek to establish the reliability of these sources by reference to information independent of you, but where any relevant information has been obtained, this will be indicated in our report. We will, however satisfy as far as possible, that the information presented is consistent with other information that is made available to us in the course of our work in accordance with the terms of the engagement letter.

We will not carry out anything in the nature of an audit, nor will we subject any financial or other information to checking or verification procedures. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of the information in our report, except where otherwise stated.

- 3.7 In providing our services we may refer to and quote from laws, regulations, directives or rules issued by regulatory bodies. We may also comment on their general or specific applicability to the subject of our engagement. We will do so in the context of our engagement and this should not be construed in any way as the provision of legal services.

4. OTHER SERVICES

- 4.1 As a result of the work set out above, should you wish us to act for you in any other aspects, we would be pleased to discuss your requirements. We shall not be required to provide you with any further or additional services other than the Services listed in Section 3 of this letter unless you specifically advise us in writing that you wish us to do so and we agree in writing to do so. Any such work will be the subject of a separate engagement letter, the level of fees for which will depend on the complexity of the tasks undertaken.

5. TIMETABLE

- 5.1 We estimate that we will be able to deliver a draft report (as outlined in the Section 3) by 11th March 2019.
- 5.2 The above is subject to us being given access to the information needed for our assignment. If, at any time during our assignment, it becomes clear to us that we will not be able to deliver within the indicated time scales, we will notify you immediately.

6. FEES

- 6.1 In accordance with normal professional practice, our fees are based upon the degree of responsibility and skill involved and the time necessarily occupied on the work. We estimate that our total fees relating to this engagement will be of €15,000 excluding out of pocket expenses and VAT.

- 6.2 20% of the fees are payable on signing this letter of engagement whilst 80% are due on delivery of the report is in line with the requisites of this engagement letter and after clarifications, if any, are answered.
- 6.3 For the avoidance of doubt our fees are not contingent on the outcome of the transaction.

The Company will remain liable for all sums due or that become due to Grant Thornton under the terms of this letter.

Should any Fees remain unpaid for more than 60 days after Grant Thornton's invoice has been submitted, Grant Thornton may thereupon at its discretion give notice of immediate termination of the services, and/or treat the outstanding amount as if it were a loan from the due payment date and charge a rate of interest of 8% per annum until the date that payment is received and/or obtained directly from any assets of the Company.

7. REPORTING

- 7.1 The valuation will be presented in a long form report in which we shall explain the methodology adopted, the analysis performed, any assumptions applied and any relevant limitations to our conclusions as provided in Chapter 573 and in particular Section 79.

8. USE OF OUR DELIVERABLES

- 8.1 Our reports will be addressed to you, unless informed otherwise. We stress that our reports are confidential and prepared for the addressees only save as otherwise provided in the laws of Malta. They should not be used, reproduced or circulated for any other purpose, whether in whole or in part without our prior written consent, which consent will only be given after full consideration of the circumstances at the time.
- 8.2 We do not acknowledge any duty of care or liability to any other party in connection with this engagement, except where otherwise provided herein expressly or by implication.
- 8.3 In the course of our engagements, we may present our observations advice/findings orally, with or without slides. The data will be in summary form and verified only to the extent indicated. We may use examples or dates that are designed for illustration purposes only and to facilitate discussion. If specific aspects of what we say or present by way of slides are relevant to the decision-making process, you will let us know and we shall follow this up with a letter of clarification or written report on the specific aspects/observations/advice/findings in that respect.
- 8.4 Whilst we may agree, at your request, to release a draft of our report at any stage prior to completion of the services set out in this letter, the suitability of a draft release is a matter for our judgement, and we reserve the right not to release drafts if, in our view, release is not appropriate. Nevertheless, you acknowledge that no reliance should be place on any draft reports or other documentation and on verbal representations as such documentation and representations do not constitute our definitive opinions and conclusions. Our definitive conclusions will be contained solely in our final report. A document remains "draft" for these purposes until it has been manually signed by a Grant Thornton partner.

9. ACCEPTANCE OF TERMS

- 9.1 This letter and its appendices forms the entire agreement and undertaking between Grant Thornton and Lands Authority with respect to the subject matter hereof and will remain effective until it is replaced. This letter supersedes all previous arrangements and understandings between the parties with respect to the subject of this letter, which shall cease to have any further force or effect.

- 9.2 The terms set out in this letter and its appendices shall take effect immediately upon your countersigning this letter and returning it to us or upon commencement work on this assignment, whichever is the earlier. It is also agreed that the terms of this letter shall apply to all time (including time necessarily spent in setting up and scoping the engagement) spent by us in connection with this engagement prior to the date of countersignature of this letter.
- 9.3 Once agreed, this agreement/contract with you sets out the entire terms agreed between the parties relating to this engagement/contract and supersedes all previous representations, warranties and terms (whether in writing or not) previously made between the parties. Any amendments, additions or alterations to this agreement shall not be effective unless in writing and signed by a duly authorised representative of each party.
- 9.4 We shall be grateful if you would confirm our understanding of and your agreement to these terms by signing and returning the enclosed copy of this letter. If the contents of this letter (including its appendices) are not in accordance with your understanding of our agreement, we shall be pleased to receive your further observations and to give any other information you may require.
- 9.5 If any time you wish to discuss how the services covered by this letter can be improved or if you wish to raise any issue relating to the firm's provision of these services, you are invited to discuss the matter with the undersigned.

Yours faithfully



Mark Bugcja

Managing Partner – Audit and assurance

Terms of engagement acknowledged and agreed by.

Signed  Date 20/3/19

For and on behalf of Lands Authority.

APPENDIX I – INFORMATIVE NOTE ON PROCESSING OF PERSONAL DATA

1. Purpose for processing of personal data

- 1.1 In the conduct of our professional services we may need to collect and use personal data about you, your partners, your company, your trustees, your clients or customers and your or their employees, agents or contractors, which we will hold and process as data controllers or data processor under the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (hereinafter referred to as the "General Data Protection Regulation" or "GDPR").

2. Quality of personal data and the right to rectification and erasure

- 2.1 Personal data shall be accurate and where necessary kept up to date. Grant Thornton shall take any reasonable steps to ensure that personal data that is inaccurate is erased or rectified without delay;

3. Right of access

- 3.1 All individuals have a right under the GDPR to obtain details of information held on them by the firm. If you, your partners, your company, your trustees, your clients or customers and your or their employees, agents or contractors wish to exercise this right please forward your request in writing to the following email address: gdpr@mt.gt.com.

4. Transferring of personal data

- 4.1 We will not, without consent, transfer personal data to any third party except where such transfer is a necessary part of the services provided (e.g. transfer of information to third parties authorized under the applicable legislation (such as authorities, banks, stockbrokers or insurance providers)), or where we are required to do so by operation of law.
- 4.2 We may provide personal information to our professional advisers and specialist consultants, brokers and agents who refer your business to us, any person acting on your behalf (such as your financial advisor, solicitor, settlement agent, or administrator), insurers, vendors and other parties who provide services to us, agents who assist us to dispose of property or equipment, investors, advisers, trustees, and others where required by law including regulators.
- 4.3 We may also disclose your personal information to other Grant Thornton member and correspondent firms (to assist us in providing services to you), and the Grant Thornton Partnership. Grant Thornton firms are located in the Americas, Europe, the Middle East, Africa, and the Asia Pacific region. The current list of the locations of Grant Thornton member firms can be found at the following link:
<http://www.granthornton.global/locations>.
- 4.4 Before you disclose personal information to us about someone else, you should make sure that you are entitled to disclose that information. You should also refer the other person to our privacy policy and this privacy notice.

5. Data retention

- 5.1 The personal data will be kept in a form which permits identification of individuals for no longer than is necessary for the purposes indicated in Section 1 of this Appendix.

6. Events of breach

6.1 Each individual has the right to lodge a complaint against any data breach by communicating such breach to the Information and Data Protection Commissioner by filling in the complaint form available at <https://idpc.org.mt/en/Pages/contact/complaints.aspx>.

7. Withdrawal of consent

7.1 You may withdraw your consent for the processing of personal data by sending an email to the email address: gdpr@mt.gt.com.

I have carefully read and understood the informative note on processing of personal data



Judge Emeritus Lino Farrugia Sacco

