

dodavatel / supplier

Ernst & Young Tax & Transactions, s.r.o., člen koncernu

Karlovo náměstí 10
120 00 Praha 2
Czech Republic

Tel. : +420 225 335 111

IČ / Company ID no.
26705338

DIČ / VAT ID No.
CZ26705338

odběratel / client

NORTH CAROLINA STATE UNIVERSITY

Campus Box 7701
27695-7001 Raleigh
United States

IČ / Company ID no.

DIČ / VAT ID No.

peněžní ústav / bank

Commerzbank

Jugoslavska 1
12021 Praha 2
Czech Republic

SWIFT (BIC): COBACZPXXXX

číslo účtu / account No.

10270282 / 6200

zahraniční platby, IBAN / foreign payments IBAN account No.

CZ1962000001070010270282

datum vystavení / issue 28.3.2008
date

datum zdanitelného 28.3.2008
plnění / tax point date

datum splatnosti / due 11.4.2008
date

směnný kurz / exchange 1 USD = 16.078 CZK
rate

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rate

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rate

popis / description

We invoice you for our tax consultancy services.

Total fees: EUR 8,300 + CZK 10,846

Converted at rate: 1 EUR/25.380, 1 USD/16.078

Fakturujeme Vám za naše daňové poradenské služby.

Popis práce work description	Cena bez DPH price excl. VAT	sazba DPH VAT Type	DPH VAT	Cena s DPH price incl. VAT
Tax services	13 776,60 USD	0%	0,00 USD	13 776,60 USD
celkem/total	13 776,60 USD		0,00 USD	13 776,60 USD
Souhrn DPH VAT summary	Cena bez DPH price excl. VAT	sazba DPH VAT Type	DPH VAT	Cena s DPH price incl. VAT
celkem/total	221 500,17 CZK	0%	0,00 CZK	221 500,17 CZK

Celkem k úhradě / total to be paid

13 776,60 USD

Prosíme, proveďte platbu převodem na náš bankovní účet. Jako variabilní symbol uveďte prosím číslo tohoto daňového dokladu [0200011836] / Please pay by payment order only and refer on your payment order to this invoice number [0200011836]

vystavil(a) / done by

Pascual, Matthew Philip

Matthew Pascual

Místo plnění při poskytnutí služby je podle § 10 odst. 6 českého zákona o DPH mimo tuzemsko. Osoba, které je služba poskytována, je povinna přiznat a zaplatit DPH ve státě, kde se nachází místo plnění při poskytnutí této služby. The place, where the service is provided, is outside the Czech Republic based on the Section 10 par. 6 of the Czech VAT Act. The recipient of the service is obliged to declare and pay VAT in the state, where the place of the provision of this service is located.

North Carolina State University
Attn. Dottie Haynes
Campus Box 7701
Raleigh, North Carolina 27695-7001

March 28, 2008

Dear Dottie and Dana,

We enclose for your kind attention an invoice for our consulting services provided in respect of North Carolina State University, organizační složka (further the "NCSU branch") in the period from 18 December 2007 to 29 February 2008.

Our work consisted mainly of the following:

Human Capital Services

- Routine discussions with Dana on various dates regarding services being provided, status updates on open issues, and responses to questions she has had on various topics.

Total Fee

No Charge

Out of pocket cost for courier of tax return to US authorities

CZK 646

- Reprocessing of Dana Bartelt's 2006 US tax return and its refiling with the US tax authority. Relating correspondence, including face to face meeting and telephone communication with Dana.

Total Fee

No Charge

- Telephone communication of 16 January 2008 between Mr Brejla and Zuzana Rücklová, in which Mr Brejla was provided with a requested explanation of the deadline for the Czech payroll tax, social security and health insurance payments, in relation to the pay-out date stipulated in the relevant employment contracts. Additional call with Mr Brejla on that issue of 17 January 2008.

Total Fee (1.5 hours @ EUR 230/hr agreed fee)

EUR 345

- Year-end review and advice provided to Blake Kannar regarding proper reporting of Dana Bartelt's W-2. Review included both email correspondence of 10 January, 21 January, and 29 January and discussion with Blake to finalize the numbers, including calculation of the social tax gross-ups.

Total Fee (2.5 hours @ EUR 230/hr agreed rate)

EUR 575

March 28, 2008

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- Extensive correspondence of 28 January 2008 to Dottie Haynes and Dana Bartelt providing her with a summary update on development of current issues regarding the NCSU taxes, social security and health insurance, including overview of action steps to be done (where applicable). Follow-up correspondence of 31 January 2008 to Dottie Haynes answering the additional questions posed by her.

Total Fee

No Charge

- Preparation of an explanation of how the Czech monthly payroll taxes of Dana Bartelt are calculated (sent to Dottie Haynes on 29 February 2008) per request.

Total Fee (1.5 hours @ EUR 230/hr agreed fee)

EUR 345

Corporate Income Tax Services

Special Taxation of the NCSU Branch

- Telephone discussion of 19 December 2007 between Milada Nosková and Mr Kyselák from Fiscalis regarding the tax authorities' approach to the alternative method of taxation of the NCSU branch with respect to the documents submitted to the tax authorities and to the meeting Mr Kyselák held with the tax authorities.
- Telephone discussion of 4 January 2008 between Milada Nosková and Ms Breinlová of the tax authority for Prague 1 regarding the tax authority's approach to the alternative method of taxation of the NCSU branch and tax deductibility of certain types of expenses.
- Relating internal discussions on the approach to the taxation of the NCSU branch when the special method was refused by the tax authority.
- Communicating the results of the discussions with the tax authority to Dana Bartelt and Dottie Haynes.

Total Fee (7.5 hours @ EUR 230/hr agreed fee)

EUR 1,725

- Invoice received from Fiscalis (consulting firm consisting of former tax authority professionals) for their assistance in determination of the special tax base discussions with the tax authority (use of Fiscalis was discussed in our email of 10 October 2007 and approved).

Total Invoice Received being re-invoiced (3hours @ CZK 3,400/hr)

CZK 10,200

March 28, 2008

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VAT Treatment of the NCSU Branch

- Conference telephone call of 18 February 2008 between Dottie Haynes and Dana Bartelt and Libor Frýzek and Matthew Pascual, during which the VAT obligation of NCSU's branch in the Czech Republic was discussed. The lack of the relevant provisions in the Czech VAT legislation for foreign universities was explained, possible approaches outlined and the most practical and cost-effective action steps suggested and agreed.

Preparation of a written summary of the issues discussed in the call.

Relating research of the relevant laws, regulations and their interpretation by the authorities in order to determine the VAT treatment and obligations of NCSU's branch in the Czech Republic.

Discussion with Fiscalis on that issue.

Relating telephone communication between Mr Brejla and Milada Nosková of 14 February 2008 regarding the accounting for NCSU's revenues from the fees paid by the students coming to the Czech Republic.

Total Fee (8 hours @ EUR 230/hr agreed fee)

EUR 1,840

- Meeting of 28 February 2008 between two Ernst & Young VAT specialists and the tax authority for Prague 1 in order to discuss the VAT treatment of NCSU's branch in the Czech Republic. The purpose of the meeting was to agree with the tax authority that the VAT is not payable in the Czech Republic, which would lead to cost and administrative savings for NCSU.

Relating internal discussions on the most effective strategy to be taken in the discussion with the tax authority.

Relating correspondence of 29 February 2008 to Dottie and Dana informing about the outcome of the meeting and the necessary follow-up action. Relating correspondence of 27 February 2008 to Dana.

Total Fee (6 hours @ EUR 230/hr agreed fee)

EUR 1,380

Other Services

- Correspondence of 4 February 2008 to Dana Bartelt in response to her question about how to report the tuition (i.e. revenue) from the students that is received by the branch net of the costs deducted by the US.

Relating internal discussion and relating telephone conversation with Dana.

Total Fee (1 hour @ EUR 230/hr agreed fee)

EUR 230

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Payroll services

Monthly Payroll Processing for the Period of January and February 2008

- Monthly payroll agenda, i.e. calculation of the tax advances and the social security and health insurance ("SSHI") contributions and preparation of all the necessary payment instructions.

Ms Dana Bartelt (1 person @ EUR 50/month)

Fee Waived

Company (EUR 200/month reduced to EUR 150/month total cost)

EUR 300

Other Payroll Related Services

- Review of the payment assessment for the late payment of social security contributions. Preparation of the instructions for the payment to be made to the social security authority. Relating explanatory correspondence of 17 January 2008 to NCSU.

Total Fee (1.5 hours @ EUR 120/hr agreed fee)

EUR 180

- Two telephone calls with the Czech health insurance authority and one telephone call with the Czech tax authority regarding the tax payment which was sent to the health insurance authority's account in error. Preparation of the instructions for the payment to be made to the tax authority. Relating explanatory correspondence of 16 January 2008 to NCSU.

Total Fee (2.5 hours @ EUR 120/hr agreed fee)

EUR 300

- Preparation of an affidavit to be signed by Dana Bartelt, which enabled us to make a tax deduction in her payroll tax calculation, resulting in a tax savings to NCSU. Correspondence of 24 January 2008 to Dana Bartelt regarding this issue.

Total Fee (1 hour @ EUR 120/hr agreed fee)

EUR 120

- Meeting held with the Czech social security authority at their offices of 30 January 2008: social security audit. Signed protocol of Czech social security audit sent to Dana on 1 February 2008 confirming successful audit and no further action.

Total Fee (3 hours @ EUR 120/hr agreed fee)

EUR 360

- Preparation and coordination of annual company tax bill related to the tax payments made by NCSU on behalf of the employees during 2007 in the Czech Republic. Communications with Mr Brejla to get this submitted.

Total Fee (2 hours @ EUR 120/hr agreed fee)

EUR 240

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- Numerous communications, including telephone discussions, with Mr Brejla relating to transfer of the payroll agenda of NCSU employees to him. Relating administrative processes (revoking of the powers of attorney, making copies of the documentation provided to Mr Brejla, communication with Dana Bartelt in this respect).

Total Fee (3 hours @ EUR 120/hr agreed fee)

EUR 360

Total Invoice

CZK 10,846

EUR 8,300

Total in CZK

We look forward to receiving your remittance in due course. Should you have any questions, please do not hesitate to contact us.

Kind regards,

Ernst & Young Tax & Transactions, s.r.o.

A handwritten signature in dark ink, appearing to read 'Matthew Pascual'.

Matthew Pascual

Enclosure: Invoice No. CZL0200011836