

Dear Valued Client:

Re: 2018 Personal Tax Letter of Engagement

We appreciate the opportunity to work with you and advise you on income tax matters. Canada Revenue Agency (CRA) imposes penalties upon taxpayers, and upon us as tax return preparers, for failure to observe due care in reporting on your income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements:

We will prepare your 2018 and future personal income tax return(s) based on information that you provide to us. It is our responsibility to prepare your tax return correctly according to the law and with the information that you have provided, and where required, carry out such bookkeeping and record compilation as we find necessary to prepare the various schedules to your return. It is your responsibility to provide us with all the information required to prepare complete and accurate tax returns. Although we may ask you for clarification, we will not audit or otherwise verify the accuracy or completeness of information provided. Therefore, we can assume no responsibility for errors in filings that result from missing or incorrect information that has been provided to us, including the unintentional omission of any slips. You should retain all the documents, cancelled cheques and other data that form the basis of your income and deductions as these may be necessary to prove the accuracy and completeness of the return to CRA. The law imposes various penalties when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us. **You have the final responsibility for the completeness and accuracy of your income tax return and notice of assessment and, therefore, you should review it carefully and advise us immediately of any discrepancies, errors or omissions.**

The completion of tax returns and forms often involves matters of interpretation and judgment. Where appropriate, we will review with you filing positions that may be recommended. We will provide our views based upon the tax legislation as it read at the time we provided our advice, the regulations issued thereunder, published jurisprudence, pending draft legislation released at the time that we provide our advice, and the known administrative practices of the taxation authorities, according to our experience. As our interpretations are not binding on any tax authority, our recommendations cannot be construed as assurance that any tax authority will agree with our recommendations or that you will prevail against any changes on assessment or reassessment or any other challenge by the aforementioned taxation authorities.

It should be noted that our bookkeeping and compilation work in the area of GST and other commodity taxes is limited to that appropriate to prepare the returns. Accordingly, we may not detect situations where you are incorrectly collecting GST or incorrectly claiming input tax credits. Failure to properly account for and report GST could result in you becoming liable for tax, interest and penalties. These situations may also arise for provincial sales tax, custom duties, and other excise taxes.

In relation to citizenship, residency, property ownership or income in or from countries other than Canada, you may have filing or statutory obligations in these countries. For example, if you are a United States citizen or green card holder, you have significant filing obligations in the United States. You acknowledge and confirm that you are not relying on us to advise you regarding any of these foreign obligations or to prepare and file any required returns. Failure to attend to your filing obligations in a timely manner may incur significant fines and penalties.

By signing this letter, you agree to advise us of all interests you held in foreign properties or investments with an aggregate cost in excess of \$100,000 at any time in the year, as well as all income from any foreign properties regardless of their aggregate value and all income and transactions relating to non-resident trusts. Failure to disclose this information to us may result in the Canada Revenue Agency assessing significant penalties.

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier, email, text message, USB flash memory and other types of electronic transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement and any future engagements with you. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the communications, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. To change your contact information or to let us know if there are any types of correspondence you do not wish to receive from our office, please contact us.

Before you provide us with any personal information on behalf of others, you agree that you will have obtained consent for collecting, using and disclosing this information, according to privacy legislation.

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed-upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including but not limited to, the untimely delivery by you or your agents of information or documents required to prepare and file your return.

You hereby agree to indemnify, defend (by counsel retained and instructed by us), and hold harmless our Firm and its partners, agents or employees, from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of the services performed by us pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of our Firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you. You agree that at no time and in no circumstance can our aggregate liability to you in connection with this engagement be greater than the fees billed to and collected from you.

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation and you will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the Province of Alberta according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Our professional fees will be based on our regular billing rates plus direct out-of-pocket expenses and applicable GST. All invoices are due and payable upon presentation. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.50% per month or 18.00% (APR) per annum. We reserve the right to suspend our services or to withdraw from this engagement, with or without notice, in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.



Should Canada Revenue Agency select your return for review, you may be required to submit copies of your receipts, invoices, tax slips or other supporting documentation. We will coordinate the provision of the requested documentation to Canada Revenue Agency and correspond with them as necessary unless you advise us otherwise. You agree to compensate us at our normal hourly billing rates for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs (including applicable GST) incurred.

In the event we are required to respond to a subpoena, court order, government agency, or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our normal hourly billing rates for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs (including applicable GST) incurred.

LIMITATION OF LIABILITY You understand that we discount our ordinary hourly rates to enable us to charge lower fees for the provision of personal tax services. Accordingly, the liability of HGA Skolney CPAs to you, for any claim related to professional services provided pursuant to this engagement letter in either contract, negligent misrepresentation or tort, including the partners, officers and employees of the accounting firm shall be strictly limited to the fees we charge in connection with this engagement. No claim shall be brought against the accounting firm in contract or tort more than two years after the services were completed or terminated under this engagement.

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

The arrangements outlined in this letter will continue in effect from year to year unless changed by us.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us prior to our commencement in preparing your personal income tax return.

Thank you for your trust in our business. We appreciate the opportunity to be of service to you.

Sincerely yours,

HGA Skolney Chartered Professional Accountants



Accepted by:

Print: _____

Sign: _____

Date: _____

