

INTRODUCTION

Dear Sir or Madam,

The purpose of this engagement letter is to outline the nature of our involvement in providing the following services (as applicable) to Your Firm LLP (“you” and “your”).

The Client has engaged Achen Henderson LLP (the “Consultant”, “us”, “our”, and “we”) and the Consultant has agreed to provide tax advisory and consulting services in connection with your clients that require assistance with tax matters including audit and controversy, advisory, planning and other related tax advice, and as described in the Service Terms and Conditions section of this Agreement (collectively, the “Consulting Services”).

TERMS AND CONDITIONS

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Your Firm LLP, or any of its clients, unless:

- We have been specifically authorized with prior consent;
- We have been ordered or expressly authorized by law or by the Code of Professional Conduct/Code of Ethics;
- The information requested is (or enters into) public domain; or,
- Otherwise noted in this engagement letter.

In performing our Consulting Services, we will send messages and documents electronically to you or your clients. You, and by extension, your clients acknowledge that electronic communication carries the possibility of inadvertent misdirection, interception or non-delivery of confidential material, or infection by a virus. If you or your clients do not consent to our use of electronic communications, please notify us in writing.

We do not accept responsibility and will not be liable for any damage or loss caused in connection with the interception or corruption of electronic communications with you or your clients.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of any engagement are the property of each of our respective firms, constitute confidential information and will be retained by each of our firms in accordance with our firm’s policies and procedures as well as the CPA Code of Professional Conduct. Our Firm may store digital copies of your or your clients’ files on servers outside of Canada in accordance with our Firm’s policies and procedures.

During the course of our work, we may provide, for your or your clients’ own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other

purpose. We also do not provide any warranties in relation to these items and will not be liable for any damage or loss incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you or your clients.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that we are adhering to professional and our firm's standards. File reviewers are required to maintain the confidentiality of client information.

Accounting Advice

Except as outlined in this letter, this engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement.

Dispute Resolution

You and your clients 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 and/or your client(s) 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 by an accredited mediation organization, 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.

Indemnity

You and/or your client(s) hereby agree to indemnify, defend (by counsel retained and instructed by us) and hold us (and our partners, agents, subcontractors or employees) harmless 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 breach by you or your client(s), or its directors, officers, agents or employees, of any of the covenants made by you or your client herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or any deliverable provided to you or your client(s) in reference to which the engagement report is issued, or any other work product made available to you or your client(s) by our firm.
- The Consulting 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 to you or your client(s).

Limitation of Liability

In any event whatsoever, you, companies affiliated with you, and your partners, direct and indirect shareholders of Your Firm LLP agree that we shall not be liable to the other for any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the Consulting Services for an aggregate amount in excess of the fees paid by you or your client(s), to us for the services during the 12 month period immediately preceding the day on which the liability arose. In no event shall we be liable for indirect, special, incidental, or consequential damages of any kind, including without limitation, lost data or lost profits, however arising, even if you or your client(s) has been advised of the possibility of such damages. The parties agree to the allocation of risk set forth herein.

Billing and Fees

All fees are quoted in Canadian dollars. Our fees will be agreed upon before the signing of this agreement. Please refer to the Fee schedule in this letter for details. For specific client engagements, we will endeavour to provide you and your client(s) with an estimate of specific scoped projects with you or your clients, through a separate proposal.

You agree to enter into a Pre-Authorized Debit agreement with us which allows us to debit the agreed fees from your account automatically on the dates specified in your proposal. Our fees are exclusive of GST which will be added where it is chargeable. Any disbursements we incur on your or your clients' behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate. You agree that none of our monthly fees represented in this agreement is a prepayment for any services. As such, these payments are expenses as they are incurred and are not a deposit for future services.

If extra work is completed throughout the engagement that is not contemplated in the scope of the signed agreement, these fees will be billed at our standard hourly rates and the invoice will be created upon completion of the work with payment due at the time of the invoice. If such services are to be recurring in nature, a revised proposal will be sent to you, highlighting the additional services and associated change in the estimated fees for your and your client(s)' approval.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 15 days of receipt, failing which you will be deemed to have accepted that payment is due.

Our fees and costs will be billed monthly and are payable upon receipt. 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 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.

Costs of Responding to Government or Legal Processes

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 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.

Communications

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and email 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 the interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.

Term & Termination

Unless otherwise noted in the Services Terms and Conditions section of this engagement letter, you and your clients acknowledge and understand that failure to fulfill your individual or collective obligations as set out in this engagement letter will result, upon written notice, in the termination of the engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 90 calendar days before the effective date of termination. If early termination takes place, you shall be responsible for all time and expenses incurred up to the termination date, or the completion of the work, whichever is later.

If we are unable to complete any engagement, we may withdraw from the engagement before issuing a deliverable to you or your client(s). If this occurs, we will communicate the reasons and provide details.

Your clients' Information and Third-Party Service Providers

It is acknowledged that we will have access to certain client information in your custody that we may require to complete certain engagements. Our services are provided on the basis that:

- You and your client(s) represent to us that you have obtained any required consents for collection, use and
- Disclosure to us of information required under applicable privacy legislation; and
- We will hold all information in compliance with our firm's Privacy Statement, which can be found on our website.

We shall not use the service of any other person, entity or organization in the performance of the Consulting Services without your prior written consent. Should you consent to our use of the services of any other person, entity or organization, no information regarding the Consulting Services to be performed under this engagement shall be disclosed to that person, entity or organization until such

person, entity or organization has executed an agreement to protect the confidentiality of our Confidential Information (as defined herein) and your absolute and complete ownership of all right, title and interest in the work performed under this agreement.

We may process, store, and transfer your or your clients' personal information in and to a foreign country, with different privacy laws that may or may not be as comprehensive as Canadian law. In these circumstances, the governments, courts, law enforcement, or regulatory agencies of that country may be able to obtain access to your or your clients' personal information through the laws of the foreign country.

Severability

Each clause or term of this engagement letter constitutes a separate and independent provision. If any of the provisions of this engagement letter are found to be void, invalid or unenforceable, the remaining provisions shall continue in full force and effect, to the fullest extent permitted by Local Law. Parties agree to replace the void, invalid or unenforceable provision(s) by another provision which in fact and in right corresponds to the greatest extent to the spirit and the intention of the void, invalid and unenforceable provision(s).

Other Terms of Engagement

In order for us to prepare any required deliverables and the Consulting Services, on a timely basis, it is expected that you or your clients will provide the necessary information sufficiently in advance of any filing or deliverable deadline to allow timely completion. We may elect not to perform the services as described if in our opinion, sufficient time is not available.

All tax filing positions, correspondence, as well as returns and forms are subject to examination by the taxing authorities. In the event of an examination, you or your clients may be requested to produce documents, records, or other evidence to substantiate amounts reported or claimed on tax returns, forms or other correspondence with the tax authorities. If such an examination does occur, we may be prepared to assist or represent you and your clients at an additional cost, although these services may need to be covered by a separate engagement letter. Any additional services that you and your clients may request, and we agree to provide, will be the subject of separate written arrangements.

It should be noted that our Consulting Services is limited to the scope outlined in any scoped project related to you or a particular client. Accordingly, we may not detect situations where your clients are incorrectly accounting and reporting taxes. As you are aware, failure to properly account for any tax, could result in your clients being liable for taxes, interest or penalties, up to and including your clients' director liability.

Not Liable For Any Failures or Delays Beyond Our Control

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 the untimely performance by your or your clients' of their respective obligations.

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the Consulting Services we are providing is withheld or concealed from us or wrongly

misrepresented to us or from fraudulent acts, misrepresentation or willful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers. This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (the “Act”) places legal requirements on our firm to report transactions that may be suspicious of being related to a money laundering or terrorist financing offense. It also requires our firm to report large cash transactions equal to or greater than \$10,000, cross-border currency and monetary instruments equal to or greater than \$10,000, and whether we are in possession or control of property that is considered terrorist property. Finally, the Act requires our firm to ascertain the identity and existence of clients and other entities. To meet these obligations, our firm may have to report information about your clients that might otherwise be confidential. The reporting of this information may place your clients and our firm in a conflict of interest. Should such a conflict arise, our firm may be required to withdraw from this engagement. Please be advised that we will do everything in our power to avoid such conflicts and that only information that is required, will be disclosed. You and your clients hereby acknowledge this legal requirement placed upon our firm and the potential conflict of interest that may arise as a result of it. You also hereby authorize our firm to release and disclose information related to your clients when required by statute to do so.

Conclusion

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.

If you or your clients 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 and your clients, please sign a copy of this letter in the space provided and return it to us.

Service Terms

Advisory – Indirect Tax Subcontract

INDIRECT TAX CONSULTING SERVICES

Our duties and responsibilities to you and your clients shall include and be limited to providing recurring specialized professional indirect tax services, including but not limited to indirect tax advice relating to the Excise Tax Act (Canada), any of the provincial sales tax, fuel or carbon tax legislation enacted in any province or territory of Canada. You shall be engaged by your clients, and we shall be sub-contracted by you to ensure the delivery of the above-noted recurring specialized professional indirect tax services provided by us to you and your clients.