



Tel: 519 576 5220
 Fax: 519 576 5471
 Toll Free: 888 236 5482
 www.bdo.ca

BDO Canada LLP
 The Bauer Buildings
 150 Caroline St. S, Suite 201
 Waterloo ON N2L 0A5 Canada

Engagement Letter

January 1, 2017

Thank you for asking that we prepare personal T1 income tax returns for you and your family. The purpose of this letter is to set out a clear understanding of the nature of our involvement as the preparer of your and your family's personal income tax returns and your responsibilities as the taxpayer.

Our role shall be to prepare returns based on both the information provided by you and your family and our understanding of Canadian tax law. Responsibility for the accuracy and completeness of the representations in the tax returns remains with you and your family. BDO Canada LLP makes no representation that it will prevent or detect errors, omissions or other irregularities in the information provided to us regardless of any follow-up or requests for additional information that we may make. The personal tax returns will contain the following communication: "Prepared without audit from information supplied by the taxpayer". This communication will appear with the name BDO Canada LLP as your tax return preparer.

With limited exceptions, tax returns prepared by professional tax preparers must be transmitted to the Canada Revenue Agency ("CRA") using the CRA's EFILE system. We may be subject to a penalty of \$25 per T1 return prepared by us that is not appropriately electronically filed. Accordingly, if you decide to paper-file your returns instead of authorizing us to EFILE them we will charge you an extra \$25 per return.

List of Family Members

Please list the names of all family members you wish for us to prepare personal tax returns for:

Foreign Reporting

Canadian tax law contains reporting requirements for Canadian residents who have foreign investments, own shares in foreign affiliates, made loans or transferred property to a non-resident trust or have received a distribution or loan from a non-resident trust. These forms are as follows:

- Form T1135, *Foreign Income Verification Statement*
- Form T1134, *Information Return Relating to Controlled and Not-Controlled Foreign Affiliates*
- Form T1141, *Information Return in Respect Of Contributions to Non-Resident Trusts, Arrangements or Entities*
- Form T1142, *Information Return in Respect Of Distributions from and Indebtedness to a Non-Resident Trust*



Appendix 1

Standard Terms and Conditions

1. Overview and Interpretation

- 1.1 This Agreement sets forth the entire agreement between the parties in relation to the requested services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to such services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.
- 1.2 In this Agreement, the following words and expressions have the meanings set out below:
 - This Agreement** - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter
 - Services** - the services provided or to be provided under this Agreement
 - We, us, our, BDO** - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario
 - You, your** - the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms
 - Confidential Information** - information that contains identifying features that can be attributed to you

2. Respective Responsibilities

- 2.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of the work under this Agreement.
- 2.2 You shall be responsible for providing full and complete information on your worldwide income from all sources and on your assets held outside of Canada, and providing such information on a timely basis. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations. We generally require that all relevant information be supplied to us 15 days in advance of your tax return filing deadline.

3. Confidentiality

- 3.1 We agree to use Confidential Information provided by you only in relation to the services in connection with which the information is provided. We may give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services.

4. Professional and Regulatory Oversight

- 4.1 As required by professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this



Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.

5. *Privacy and Consents*

- 5.1 We may collect, use, transfer, store, or process information disclosed by you of a personal nature (personal information).
- 5.2 Our services are provided on the understanding that if you supply personal information of others to us you have obtained any consents for collection, use and disclosure to us of the personal information required under all applicable privacy legislation.
- 5.3 We will hold all personal information in compliance with our Privacy Statement.

6. *Electronic Communications*

- 6.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by using email or other electronic communications, you assume all responsibility and liability in respect of risk associated with its use.
- 6.2 Unless BDO is otherwise advised in writing, by executing this agreement you provide BDO with consent to communicate with you electronically, including sending newsletters, publications, announcements, invitations and other news and alerts. You may withdraw your consent at any time by contacting BDO at unsubscribe@bdo.ca.

7. *Limitation of Liability*

- 7.1 In any dispute, action, claim, demand for losses or damages arising out of the services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 7.2 You agree that BDO shall not be liable to you and your family for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount of more than the higher of:
 - the fees paid to BDO for services under this Agreement; and
 - \$10,000.
- 7.3 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder.
- 7.4 You agree claims or actions relating to the delivery of services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

8. *Indemnity*

- 8.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of the services performed by BDO pursuant to this Agreement, 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 gross negligence of BDO. 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 your entity, failing which, the matter may be referred to the courts or arbitration for resolution.

9. *Limitation Period*

- 9.1 You shall commence any claim relating to Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of facts giving rise to any such claim. The parties to this Agreement agree that the limitation period established by any limitations act and/or any other applicable legislation shall be considered not to apply (to the extent permitted by law).

10. *Québec Personnel*

- 10.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Sections 7 (Limitation of Liability) and 9 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

11. *Termination*

- 11.1 This Agreement applies to the requested Services whenever performed (including before the date of this Agreement).
- 11.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination.

12. *Fees and Billings*

- 12.1 Our professional fees will be based on our regular billing rates which depend on the means by which and by whom our services are provided. We also will bill you for our out-of-pocket expenses, our internal administrative charges for certain support activities (described below), and applicable Harmonized Sales Tax, Goods and Services Tax and Provincial Sales Tax.
- 12.2 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.
- 12.3 Our accounts are due when rendered. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

13. *Governing Laws*

- 13.1 The terms of this Agreement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or



territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

14. Entire Agreement and Survival

- 14.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this Agreement will not be superseded by any contract with us for other specific services that are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.
- 14.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

15. Force Majeure

- 15.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

16. Severability

- 16.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.