

Date:

Company name and address:

Signing officer:

RE: Compilation engagement for the year ended:

In order that I may prepare your financial statements and corporate tax returns, and come to a correct understanding as to the services you need me to provide, this letter confirms the terms of my appointment as your accountant, and it outlines the terms, nature, and extent of the services I will be providing. If the following terms are acceptable to you, and the services outlined are in accordance with your requirements, please sign the copy of this letter in the space provided and return it to me.

Also, to support you in this difficult financial time, I hereby commit to keeping my fees to the same rates as the previous year. If you choose to pay a voluntary retainer, I will reduce my invoice by 5% of such retainer. This retainer should be paid when your books are brought in for completion, and the amount of this retainer would typically be the amount of last year's fee. If you choose to take advantage of this, please complete the section at the end of the last page of this letter.

I will compile financial statements as arranged from time to time from information provided by you. I will not audit, review, or otherwise attempt to verify the accuracy or completeness of such information, nor determine whether the statements contain departures from generally accepted accounting principles. My communication will be in substantially the following form:

Notice to Reader

On the basis of information provided by management, I have compiled the accompanying balance sheet as at _____ and the statements of operations and retained earnings for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements, and accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

[signed]

Chartered Professional Accountant

[City, date]

I will be acting as accountant, not as auditor; I will not perform an audit or a review, and my engagement should not be referred to as an audit or review. As the Alberta Corporations Act requires that the

company appoint an auditor unless all shareholders annually agree to waive such appointment, I request that you ensure that the necessary shareholders' resolution waiving appointment of auditors is approved annually. I also request that you satisfy yourself that your lending institution will accept compiled financial statements for the purposes of reviewing or approving any loans.

It is understood and agreed that:

- the financial statements are the representations of management, and management is responsible for their accuracy and completeness;
- you will supply the accurate and complete information necessary to compile the statements;
- if, during the minimal study entailed in my compilation, I discover a matter that, in my opinion, should be disclosed in order for the financial statements not to be misleading, it will be disclosed;
- each page of the financial statements will be marked "Unaudited" and will either carry my notice to reader or refer the reader to it, and the financial statements must not be circulated without my marking and notice;
- because the financial statements may lack disclosure required by, or otherwise not be in accordance with, generally accepted accounting principles, they may not be appropriate for general purpose use;
- uninformed readers could be misled unless they are aware of the possible limitations of the statements and my very limited involvement; and
- compilation of the financial statements is not designed to detect fraud or error
- management is responsible for the design and implementation of internal control to prevent and detect fraud and error.
- I have communicated or discussed my independence with you, as well as any areas that may indicate a direct threat to my independence, and what is done to mitigate those threats to my independence.

Other terms of engagement

Subject to management review and approval, I will carry out such bookkeeping as I find necessary prior to the preparation of the financial statements. If you require such, I will provide any periodic bookkeeping and/or payroll services as arranged with me from time to time.

I will prepare your GST returns.

In cases where you prepare your own GST returns, it should be noted that my accounting work in that area is limited to that appropriate to compile financial statements. Accordingly, I may not detect situations where you are incorrectly collecting GST or incorrectly claiming input tax credits. As you are aware, failure to properly account for GST could result in you or your company becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties and excise tax, if your company is subject to any of them.

I will also prepare the necessary Federal and Provincial income tax returns and supporting schedules.

In order to compile the financial statements pursuant to this engagement, I will prepare various working papers. I will retain ownership of all such working papers, which I may use in any manner I deem appropriate, while respecting your confidentiality.

If, with respect to this compilation engagement or related services, I am required by government regulation, subpoena or other legal process, to produce my working papers or to respond to information requests, I will bill the time incurred based on my regular rates plus direct out-of-pocket expenses and applicable GST.

Personal information

It is acknowledged that I will have access to all personal information in your custody that I require to carry out my engagement. My services are provided on the basis that:

- You represent to me that you have obtained any consents for collection, use and disclosure to me of personal information required under applicable legislation; and
- I will hold all personal information in compliance with my firm's Privacy Policy.

I am committed to safeguarding the personal information entrusted to me by my clients. I manage your personal information in accordance with Alberta's Personal Information Protection Act and other applicable laws. This policy outlines the principles and practices we follow in protecting your personal information. You can find my complete privacy policy on my website at <http://www.bertmulder.com/personal-information-protection->

In accordance with professional requirements, my client files are subject to periodic practice review by my provincial governing body as a self-regulating professional organization that is responsible for regulating its members and protecting the public. The practice reviewers are required to maintain strict confidentiality of any client information they may encounter during this process. By signing this letter you give me permission to submit your file to practice review.

To authorize me to communicate with CRA, please sign form RC59, Business Consent Form) and return it to me as soon as possible

To authorize me to communicate with the Alberta Tax and Revenue Administration, please sign form AT4930, Alberta Consent Form, and return it to me.

Use and distribution of our communication

The compilation of financial statements and the issuance of my Notice to Reader communication are solely for the use of those to whom my report is specifically addressed by me. I make no representations of any kind to any third party in respect of these financial statements and I accept no responsibility for their use by any third party.

Indemnity

Your company hereby agrees to indemnify, defend (by counsel retained and instructed by me) and hold harmless Bert Mulder Professional Corporation and its principal, agents or employees, from and against all losses, costs (including solicitor fees), damages, expenses, claims, demands or liabilities arising out of consequence of:

- The breach by your company, or its directors, officers, agents or employees, of any of the covenants made by your company herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of my Notice to Reader report or the financial statements in reference to which the Notice to Reader report is issued, or any other work product made available to you by my firm; and
- The services provided by Bert Mulder Professional Corporation 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 Bert Mulder Professional Corporation. In the event that the matter is settled out of court, I will mutually agree on the extent of the indemnification to be provided to your company.

I will use all reasonable efforts to complete the engagement described in this letter within the agreed upon time frames. However, I shall not be liable for failures or delays in performance that arise from causes beyond my control, including the untimely performance by your company of its obligations.

Fees

My fees will be based on the time and the degree of responsibility and skill required. Any disbursements will be added to the billing, as well as the applicable goods and services tax. (A charge of 18% on an annual basis applies to overdue amounts.) My normal terms are payment in full on the date of invoice.

The undersigned agrees, as part of these engagement arrangements, to personally guarantee payment of my fees for professional services rendered on his or her behalf, should his or her business entity fail to make payment on any fee billing issued, within thirty days of receipt of same.

The above terms will remain in effect from year to year unless amended in writing by either party. I shall be pleased to discuss the contents of this letter with you at any time, and to explain the reasons for any items.

CRA may select your return for review. Often they request copies of your receipts and other times they may require a full audit. Any adjustments proposed by CRA are subject to certain rights of appeal. In the event of such tax examinations, I will be available upon request to represent you.

Yours truly,

B Mulder

Bert Mulder, CPA, CGA

Agreement between Bert Mulder, Professional Corporation and _____ [*hereafter referred to as "Respective Parties"*] regarding retainer fees received in advance of professional services provided as outlined in this engagement letter above.

With respect to the advance fees of \$..... received from _____ by Bert Mulder, Professional Corporation on _____, the following terms are agreed to between the Respective Parties:

- On a _____ basis invoices will be rendered covering professional services provided by the firm to date
- Invoices will be approved for payment from the retainer by signature on the face of the client invoice. No invoices will be paid from advance fees unless they are approved.
- Advance fees will be applied as payment of approved invoices as of date of approval of invoice.
- Statements detailing issuances of invoices and applications of advance fees will be rendered by the firm to the client on _____ basis.
- After completion of the engagement to which the advance fees applies, any advance fees in excess of rendered and approved invoices will be refunded by the firm to the client within 30 days from the date of completion.
- In the event that the firm determines that the professional services that they were engaged by the client to perform cannot be completed, the excess of funds on hand will be refunded by the firm to the client forthwith. If fees are paid by cheque, refund will be by cheque. If fees are paid by credit card, they will be credited back to the same credit card.
- In the event that agreement on the amount of advance fees to be applied to invoices rendered by the firm cannot be obtained from _____ in accordance with clause (b), the respective parties agree to use the Chartered Professional Accountants of Alberta (CPAA) Fee Arbitration program to resolve the dispute. The firm will make the application and hereby agrees to provide to the CPAA or its designee the fees received in advance or any of those fees that remain accruing to the client. Those funds will then be paid out in accordance with the Arbitrator's decision.

The services set out in the foregoing letter are in accordance with our requirements. The terms set out are acceptable to us and are hereby agreed to.

Bert Mulder, CPA, CGA
Bert Mulder Professional Corporation

(your company)

Date

Date