

December 31, 2021

Dear Client:

The purpose of this letter is to set out a clear understanding of the nature of our involvement as the preparer of the trust tax return for 2021 and your responsibilities as the trustee.

**IT IS UNDERSTOOD AND AGREED THAT YOUR RESPONSIBILITY AS THE TRUSTEE IS AS FOLLOWS:**

- a) The accuracy of the information and completeness of the representations reflected in the trust tax return is your responsibility under the *Income Tax Act*. You represent that the information supplied to us is, to your knowledge, correct and complete, and fully discloses all of the reporting requirements under the *Income Tax Act*.
- b) You confirm that you have provided us with all income and deduction items to be included in the trust tax return and that they are correct and complete. You confirm that all sources of income have been disclosed, all deductions were incurred to earn income, and all deductions claimed are supported by receipts.

And you further confirm, if applicable:

- All business (including commission, farming, and professional incomes) and rental schedules present the results of operations and include all material transactions.
- All income from investments (whether received or not) have been reported, whether or not they are on T3 and/or T5 slips.
- All dispositions of a capital nature, and their costs, have been reported to us.
- All changes in use of property (for example, from personal use to income generating) have been reported to us.
- All the trustees of the trust were residents of Canada through 2021 calendar year and as such, the trust should be considered a Canadian tax resident trust for income tax purposes. In the event a trustee of the trust becomes or ceases to be a resident in Canada for tax purposes, it is your responsibility, as the client, to inform us on a timely basis.
- To the extent applicable, all the additional information requested with respect to the new proposed filing requirements rules (introduced in the 2018 Budget) to improve the collection of beneficial ownership information with respect to trusts has been provided.

- c) If the trust owned certain property outside of Canada with an aggregate cost totalling more than \$100,000 at any time during 2021, it may be necessary for it to declare such ownership on its tax return. There are substantial fines and penalties for non-compliance. **Please check one of the following:**
- You confirm that you have provided us with the correct and complete information with regards to ownership of, or beneficial interests in, specified foreign property as reported on the Foreign Income Verification Statement (T1135) and you have fully disclosed the related foreign income.
  - You confirm that the trust did not, at any time in the 2021 year, own or hold beneficial interests in specified foreign property with an aggregate cost totalling more than \$100,000.
- d) You are not aware of any illegal or possibly illegal acts for which you have not disclosed to us all facts related thereto.

You also agree to hold harmless and indemnify us from any penalty or costs arising pursuant to Section 163.2 of the *Income Tax Act* as a consequence of false or otherwise incorrect information supplied by you or your agents to us for the purpose of providing any taxation services to the trust, including, but not limited to tax planning or the preparation and filing of the trust tax return on its behalf.

**IT IS UNDERSTOOD AND AGREED THAT OUR ROLE AS THE TRUST TAX RETURN PREPARER IS AS FOLLOWS:**

- a) We will not audit, review or otherwise attempt to verify the accuracy or completeness of any information provided. It is up to you to provide us with accurate and complete information necessary to prepare the trust tax return.
- b) Confidentiality

We will maintain the strictest confidence with respect to any client's or former client's information. Accordingly, the trust's confidential information will not, without your consent, be disclosed to any individuals in our firm beyond those who are engaged on the trust's services. This policy applies to anyone outside the firm, except as required by law or under the profession's Rules of Professional Conduct.

It is acknowledged that we will have access to all information in your custody that we require to complete our engagement. Our services are provided on the basis that:

You 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 personal information in compliance with our Privacy Statement.

## c) Email Communication

You recognize and accept the risks associated with communicating by Internet email, including (but without limitation) 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 Internet email, Martin Henry, Chartered Professional Accountants accepts no responsibility or liability in respect of the risk associated with its use.

## d) File Inspections

In accordance with professional regulations (and by Firm 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 Firm standards. File reviewers are required to maintain confidentiality of client information.

The working papers, files and reports that we assemble during the course of our compilation are the property of the firm.

**OTHER TERMS OF ENGAGEMENT**

Subject to trustee review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the trust tax return and prepare any special reports as required. The trustee will provide the information necessary to complete the return/reports and will file them with appropriate authorities on a timely basis.

It should be noted that our accounting work in the area of GST/HST and other commodity taxes is limited to that appropriate to compile the trust tax return. Accordingly, we may not detect situations where you are incorrectly collecting GST/HST or incorrectly claiming input tax credits. As you are aware, failure to properly account for GST/HST could result in you becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties, and excise taxes.

**FEES**

Upon completion of the trust tax return or after providing advice or other service on any matters respecting same, we will render you a bill for services at our usual billing rate. It is agreed this invoice will be paid upon receipt. Any amounts outstanding will be charged interest at 1.5% per month (18% per annum). Employees may be eligible to receive a commission related to clients introduced to the firm.

**LIMITATION OF LIABILITY**

You agree that any and all claims you may have against our firm or its professional staff arising out of all services provided to you by us, whether in contract, negligence, or otherwise known to the law, shall be regarded as one claim and any liability to you shall be limited to the amount of \$15,000.

You expressly agree that any liability our firm may have to you shall not be joint and several with any other party, but shall be several, and limited to the percentage or degree of our fault in proportion to the fault or wrongdoing of all persons who contributed to the loss.

You agree that our liability for all claims you may have or bring in connection with the professional services rendered arising out of or ancillary to this agreement shall absolutely cease to exist after a period of four (4) years from the date of:

- a) performance of this engagement;
- b) the completion of the preparation of any tax filing with any government authority;
- c) suspension or abandonment of this engagement; or
- d) termination of our services pursuant to this agreement,

whichever shall occur first, regardless of whether you were aware of the potential for making a claim against us within that period. Following the expiration of the aforesaid period, you agree that neither you, your agents or assigns shall make any claim or bring any proceeding against us.

You agree that this engagement is restricted to the compilation of the trust tax return and you further agree that you cannot hold the Firm, its partners, officers or employees liable for any other work performed directly or indirectly for the trust and its trustee for which a separate engagement letter has not been obtained.

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

We appreciate the opportunity of continuing to be of service to you in the preparation of the trust tax return.

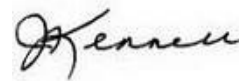
Yours truly,



John D. Martin, CPA,CA



Charlene M. Henry, CPA, CA



Julie Kennell, CPA,CA

The services and terms as set out above are as agreed. As well, I acknowledge and accept my responsibilities as the trustee as outlined above.

Name of trust: \_\_\_\_\_

Per: \_\_\_\_\_  
Trustee



**SIGN HERE**

Print name: \_\_\_\_\_

Date: \_\_\_\_\_