

Dear

Subject: Financial Statement(s) Engagement Letter

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.

Financial Statements

I will compile financial statements as arranged from time to time from information provided by you. I will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, my report will be substantially in the following form:

Notice to Reader

On the basis of information provided by management, I have compiled the balance sheet of _____ as at _____ and the statements of income, 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.

Chartered Professional Accountant

My engagement should not be referred to as an audit, since it will not fulfill any statutory, contractual or other audit requirement, nor will it fulfill any requirement for financial statements that are prepared in accordance with Canadian generally accepted accounting principles. In view of the limited nature of my engagement, you may wish to obtain legal advice regarding any statutory or contractual requirements.

Client's Responsibilities

It is understood and agreed that your responsibilities are as follows:

- (a) The financial statements are the representations of management, and management is responsible for their accuracy and completeness;
- (b) You will supply the accurate and complete information necessary to compile the statements;
- (c) If, during the minimal study entailed in my compilation, I learn of any matter that, in my opinion, would cause the financial statements to be misleading if not disclosed, it will be disclosed in the financial statements, or I will be required to withdraw from the engagement;
- (d) Each page of the financial statements will be marked "Unaudited — see Notice to Reader" 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;
- (e) Because the financial statements may lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, they may not be appropriate for general purpose use;
- (f) Uninformed readers could be misled unless they are aware of the possible limitations of the statements and my very limited involvement;
- (g) Financial statement compilation procedures do not include procedures designed to detect fraud or error; and

Confidentiality

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 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.

I confirm my duty of confidentiality with respect to client affairs. Accordingly, except for information that is in the public domain, I will not provide any third party with confidential information concerning the affairs of the Company without the Company's prior consent, unless required to do so by legal authority.

Limitation of Liability

The liability of Madan Chartered Accountant Professional Corporation 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 or employees of the accounting firm shall be strictly limited to the amount of any professional liability insurance Madan Chartered Accountant Professional Corporation may have available at the time such claims are made. No claim shall be brought against Madan Chartered Accountant Professional Corporation, negligent misrepresentation or tort more than one year after the services were completed or terminated under this engagement.

Fees

The fees for the compilation of the financial statements are expected to be _____ plus applicable taxes. A 2% administrative fees _____ will be added to the final invoice. Any out-of-pocket expenses that I incur in the course of preparing the returns will be billed in addition to the stated fee.

If there is reason for further work, including changes to financial information, which may result in additional fees, I will obtain your approval before proceeding with such work.

It is agreed this invoice will be paid upon receipt. Interim bills may be charged as required, which must also be paid upon receipt. Any amounts outstanding will be charged interest at 1% per month (12% per annum).

Madan Chartered Accountant reserves the right to assign unpaid invoices to a third party Collections Agency. Any invoices assigned will be subject to a 25% surcharge. Invoices past-due for more than 30 days will be subject to a monthly late fee of \$25 for amounts owing below \$1,000 and \$50 for amounts owing above \$1,000. By signing this engagement letter, you hereby accept this policy.

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 me.

I appreciate the opportunity of continuing to be of service to your company.

Yours very truly,

Allan Madan, CPA, CA
Madan Chartered Accountant Professional Corporation

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

Signature: _____

Name: _____

Title: _____

Date: _____