

Charles R. Summers Professional Corporation

Chartered Professional Accountant – Licensed Public Accountant

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Acknowledgement of Terms of Engagement (01/01/2025)

TO: Charles R. Summers Professional Corporation: You have been engaged to prepare my 2024 Income Tax and Benefits Return and provide advice and other services related thereto. I have been provided with and have read the Terms of Engagement 01/01/2024. I agree to the services and terms set out therein and I acknowledge and accept my responsibilities as the taxpayer as outlined. I specifically authorize you to share the appropriate tax information with connected returns for the purpose of completing other connected returns. I specifically authorize you to receive, discuss, provide and deliver information and my income tax return to: (strike out if not wanted) either or both of by parents and/or my spouse or common-law partner and/or (write in name): _____

SIGNATURE _____

NAME: _____

DATE: _____

Terms of Engagement (01/01/2025)

Thank you for the opportunity to work with you and advise you on income tax and financial matters. The purpose of this document is to set out a clear understanding of the nature of my involvement as the preparer of your personal income tax return and your responsibilities as the taxpayer. As such, I ask you to confirm the following arrangements by **signing the confirmation page and returning it to me** with your tax information.

You have requested that I prepare your personal income tax and benefits return and provide advice and other services related to your income tax return and financial affairs. It is understood and agreed that:

(a) The accuracy of the information and completeness of the representations reflected in your return is your responsibility under the Income Tax Act. You represent that the information supplied to me is, to your knowledge, correct and complete, and fully discloses all of your reporting requirements under the Income Tax Act.

(b) You confirm that you have provided me with all income and deduction items to be included in your 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 and credits claimed are supported by receipts.

(c) **If you sold your home, you must report the sale** on your tax return, even if you designate it to be your principal residence for the whole time you owned it. There are significant fines for not reporting. **You must advise me of this in writing.**

(d) If you owned certain property outside of Canada with a cost totaling more than \$100,000 at any time during the year, it may be necessary for you to declare such ownership in your tax return. There are substantial fines and penalties for non-compliance. Unless you specifically indicate to the contrary, in writing, you are instructing me to answer the question **“Did you own or hold specified foreign property where the total cost of all such property, at any time in the year, was more than CDN\$100,000?”** with the answer **“No.”**

(e) Your return will be prepared with the use of pension splitting, if appropriate, to optimize the taxation of income with your partner. This could either increase or decrease your individual taxable income and tax payable and transfer tax deducted to your partner. If you do not wish to use pension splitting, you must advise me in writing prior to return preparation.

(f) You are not aware of any illegal or possibly illegal acts for which you have not disclosed to me all facts related thereto.

(f) I will not audit, review or otherwise attempt to verify the accuracy or completeness of any information provided. It is up to you to provide me with accurate and complete information necessary to prepare such personal income tax return.

(g) **You have the final responsibility for the accuracy and completeness of your income tax return** and therefore, you should review it carefully and advise us immediately of any discrepancies, omissions or errors. In addition, you will advise me immediately that you become aware of any additional information that would cause the filed return to be erroneous so that the return can be adjusted.

(h) If requested by you, I will assist you in providing additional information or explanations related to our preparation of your return should any taxation authorities subsequently request it. Should the Canada Revenue Agency select your return for review, you may be required to submit copies of your receipts, invoices, tax slips or other supporting documentation. I will coordinate the provision of the requested documentation to the Canada Revenue Agency and correspond with them as necessary unless you advise me otherwise. Responding to such requests shall be considered part of this engagement.

Communication

In performing my services, I may store and send messages and documents electronically. Electronic documents may be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party. I cannot guarantee or warrant that electronic documents will be properly delivered only to the addressee or remain confidential. Therefore, I specifically disclaim, and you release me from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted or stored by me in connection with the performance of this Engagement. In that regard, you agree that I shall have no liability for any loss or damage to any person or entity resulting from such communications or storage, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits). Unless you advise otherwise, you consent to unencrypted and/or non-securely delivered electronic communications.

If you do not consent to my use of electronic communications or require that such communication be delivered securely, please notify me in writing.

Time Frames

I will use all reasonable efforts to complete the Engagement within the agreed upon time frames or as required for timely filing of the tax return.

However, I shall not be liable for failures or delays in performance that arise from causes beyond my reasonable control, including any delays in the delivery of information or the performance by you of your obligations.

Limitation of Liability

My aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to the greater of the fee charged for the service and \$500. My liability shall be several and not joint and several. I shall only be liable for my proportionate share of any loss or damage, based on my contribution relative to the others' contributions and only if your claim is commenced within 24 months or less from the date you should have been aware of the potential claim. In any case, no claim may be commenced after 48 months from the date of delivery of the service. In addition, I will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Discretionary Authority and release of information

You request and direct me, at my absolute discretion, to exchange information with or provide information to Canada Revenue Agency. I am requested to use my professional judgement in the exercise of this paragraph. You release me from all liability of every kind and nature that may arise from providing or not providing information at my discretion. I am requested and directed to provide information directly to a third party upon receiving your verbal or written request.

Fees

During or upon completion of your income tax return or providing advice or other services on any matters respecting same, I will render you an invoice for services at my usual billing rates plus out-of-pocket expenses and applicable HST. All invoices are due and payable when rendered. Invoices unpaid after 30 days past the billing date may be deemed delinquent and are subject to a nominal interest charge of 2% per month or 24% per annum. I reserve the right to suspend my services or to withdraw from this engagement, with or without notice, in the event that any of our invoices are deemed delinquent. **I WILL NOT EFILE YOUR INCOME TAX RETURN UNTIL ALL FEES ARE PAID IN FULL or other arrangements have been agreed to in advance.** In the event that collection action is required to collect unpaid balances due to me, you agree to reimburse me for my costs of collection, including lawyers' fees. In the event I am required to respond to a subpoena, court order, government agency or other legal process for the production of this engagement, you agree to compensate me, at my normal hourly rates, for the time I expend in connection with such response and to reimburse me for all of my out-of-pocket costs including applicable HST incurred.

Term

The terms of this engagement letter shall apply to all engagements until amended in writing by both parties. This engagement may be terminated by either party at any time. At termination you will be billed for any unbilled time up to termination at which time you agree to pay all outstanding invoices immediately.

Signatures

You agree to sign, in a timely manner, all forms and documents requested or necessary for me to fulfill the engagement.

Confidentiality

I will maintain in confidence the information you give me. Accordingly, without your consent, your personal information will not be disclosed to individuals outside my firm or used by anyone in my firm other than those who are involved in preparing your tax return and/or providing related services or administration unless I have been specifically authorized with prior consent, I have been ordered or expressly authorized by law or by the Code of Professional Conduct/Code of Ethics or the information requested is or has entered the public domain.

Verbal Advice

We normally provide our advice in writing due to the technical nature of tax laws and cannot be responsible for verbal advice since such advice is easily misunderstood or misinterpreted.

Other terms

This agreement is the entire agreement between the parties and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth.

Except as herein otherwise provided, no subsequent alteration, amendment change or addition to this agreement shall be binding upon the parties unless in writing and signed.

The headings, captions, section numbers, article numbers, or index appearing in this agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this agreement, nor in any way affect this agreement.

The use of the neuter singular pronoun to refer to a party shall be deemed a proper reference even though that party may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this agreement apply in the plural sense where there is more than one and to either corporations, associates, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

If any term, covenant or condition of this agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this agreement shall be valid and enforced to the fullest extent permitted by law.

This agreement shall be construed and governed by the laws of the Province of Ontario.

The parties agree that this agreement shall be drawn up exclusively in English.
