

**VAIVE AND ASSOCIATES**  
Professional Corporation

**June 15, 2021**

Mr. James Walker  
LevelUp Social Inc.  
3683 Revelstoke Drive  
Ottawa, Ontario  
K1V7C2

Dear Mr. Walker:

The purpose of this letter is to outline the nature of our involvement with the financial statements of LevelUp Social Inc. for the year ended December 31, 2020 (the “Engagement”). As agreed, we will compile financial statements in accordance with the standards applicable to compilation engagements for the year ended December 31, 2020 from information provided by you. We will not perform an audit or a review engagement on such information.

Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of LevelUp Social Inc. as at December 31, 2020 and the statement of income and retained earnings for the year then ended.

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

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

Ottawa, Ontario  
December 31, 2020

Chartered Professional Accountants

## **Our Responsibilities**

Since we are accepting this Engagement as accountants, not as auditors, we request that you do not record this as an auditing engagement in the minutes of your shareholders' meetings. Our services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

- a) You will provide us with accurate and complete information necessary to compile such statements;
- b) The responsibility for the accuracy and completeness of the representations in the financial statements remains with you;
- c) Each page of the financial statements will be conspicuously marked as being unaudited;
- d) You will attach our Notice to Reader communication when distributing the financial statements to third parties;
- e) The financial statements may either lack disclosure required by, or otherwise not be in accordance with, an applicable financial reporting framework and may not be appropriate for general purpose use; and
- f) Uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

This Engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. We wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

## **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b) We will hold personal information in compliance with our Privacy Statement.

## **Use and Distribution of Our Communication**

The compilation of the financial statements and the issuance of our Notice to Reader communication are solely for the use of LevelUp Social Inc. and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our Notice to Reader communication, and we accept no responsibility for their use by any third party or any liability to anyone other than LevelUp Social Inc.

For greater clarity, our Notice to Reader communication will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our communication should not be circulated (beyond LevelUp Social Inc.) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

### **Confidentiality**

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of LevelUp Social Inc. unless:

- We have been specifically authorized with prior consent;
- We have been ordered or expressly authorized by law or by the Code of Professional Conduct; or
- The information requested is (or enters into) public domain.

### **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.

### **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them. We retain the copyright and all intellectual property rights in any original materials provided to you.

### **Governing Legislation**

This engagement letter is subject to, and governed by, the laws of the Province of Ontario. The Province of Ontario will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

### **Indemnity**

LevelUp Social Inc. hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents or employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of (or in consequence of):

- a) The breach by LevelUp Social Inc., 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, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) A misrepresentation by a member of your management or board of directors.

**Independence**

In situations where we are not independent when conducting this engagement, we will need to disclose the nature and extent of the matters which impair our independence in the Notice to Reader report.

**Fees**

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable taxes, and are due when rendered. Fees for any additional services will be established separately.

**Billing**

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.5% per month. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

**Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

**Termination**

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 30 calendar days before the effective date of termination. If early termination takes place, LevelUp Social Inc. shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the Engagement, we may withdraw from the Engagement before issuing our Notice to Reader communication or compiling the financial statements. If this occurs, we will communicate the reasons and provide details.

**Other Terms of Engagement**

Subject to management review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the financial statements, prepare the necessary federal and provincial income tax returns, and prepare any special reports as required. Management will provide the information necessary to complete the returns / reports and will file them with the 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 financial statements. 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 the GST/HST 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 taxes.

**Conclusion**

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. 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 us.

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

Yours very truly,  
VAIVE AND ASSOCIATES PROFESSIONAL CORPORATION

*Vaive and Associates*

\_\_\_\_\_  
J. Rolland Vaive, CPA, CA, LPA, TEP, CPA (Illinois)

Acknowledged and agreed on behalf of LevelUp Social Inc. by:

Per: \_\_\_\_\_  
James Walker

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