



March 2, 2015

Mr. Roger Bissoondatt
Chief Financial Officer
BC Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC V5M 3T5

Dear Mr. Bissoondatt:

PricewaterhouseCoopers LLP ("we", "us" or "our"), a limited liability partnership organized under the laws of the Province of Ontario is pleased to provide services to the Liquor Distribution Branch ("you" or "your") for the year ended March 31, 2014. John Bunting will be responsible for the services we perform, including coordination with internal specialists, as considered necessary. This engagement letter confirms our mutual understanding of the specific terms of our engagement, which are supplemented by the standard terms of business attached to this engagement letter. Our fee estimate and billing schedule are outlined in Schedule A. If there is any difference between our standard terms of business and the specific terms included in this letter, specific terms shall apply.

Services and related report

We will provide the following services (the "services"):

**Financial
statement
audit**

We will audit your schedule of *Deposits by Container Type* for the year ended March 31, 2014 (the audit).

The schedule will be prepared in accordance with section 8(2)(f)(i) of the *Recycling Regulation* and the interpretation thereof (the "financial statement").

Auditor's report

Once we complete our audit, we will provide you with our auditor's report on the work referred to above. The form and content of our auditor's report will be in accordance with the requirements of Canadian Auditing Standard 805, *Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*.

There may be circumstances where our report may differ from the expected form and content. In such cases, we will discuss with you in advance of finalizing our report and seek to resolve any differences of view that may exist.

If, for any reasons caused by or relating to the affairs of you or your management, we are unable to complete our services, we may decline to issue our report.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership



Our responsibilities

Financial statement audit

The purpose of a financial statement audit is to express an opinion on the financial statement. We will be responsible for performing the audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical standards, which include independence and professional competence, and plan and perform the audit to obtain reasonable assurance whether the financial statement is free from material misstatement. An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall presentation of the financial statement.

Risk assessments

In making our risk assessments, we will consider internal control relevant to the preparation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal control. We will let you know, as appropriate, in writing about any significant deficiencies in internal control relevant to the audit of the financial statement that we have identified during the audit.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Informing the Minister Responsible for LDB

We also are responsible for ensuring that the Minister responsible for the LDB ("the Minister") is informed about certain other matters related to the performance of our audit, including but not limited to:

- i. our views about significant qualitative aspects of your accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In certain circumstances, we may be required to explain to the Minister why we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate to your particular circumstances;
- ii. significant difficulties, if any, encountered during our audit;
- iii. where the Minister is not involved in managing the entity we are also required to communicate:
 - significant matters, if any, arising from our audit that were discussed or subject to correspondence with management; and
 - written representations we are requesting; and



- iv. other matters, if any, arising from our audit that, in our professional judgment, are significant to the oversight of the financial reporting process.

Reliance by third parties

The services will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction other than the intended users as defined above. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly, in connection with a specific transaction.

Your responsibilities

Responsibility for financial statement and internal control

You are responsible for the preparation of the financial statement and information referred to above. You are also responsible for establishing and maintaining an effective system of internal control over financial reporting to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error. In this regard, you are responsible for establishing policies and procedures that ensure financial information is prepared in accordance with section 8(2)(f)(i) of the *Recycling Regulation* and the interpretation thereof.

Correction of errors

You are responsible for adjusting the financial statement to correct material misstatements and for confirming to us that the total of all uncorrected misstatements identified by us during our audit are immaterial, both individually and in total, to the financial statement taken as a whole. In addition, we expect management will correct all known non-trivial errors.

Prevention and detection of fraud

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us:

- i. of the risk that the financial statement may be materially misstated as a result of fraud;
- ii. about all known or suspected fraud affecting you, involving (a) management, (b) employees who have significant roles in internal control over financial reporting and (c) others where the fraud could have a non-trivial effect on the financial statement; and
- iii. of your knowledge of any allegations of fraud or suspected fraud affecting you received in communications from employees, former employees, analysts, regulators, investors or others.



Related party	You are responsible for disclosing to us the identity of each related party as defined in the CPA Canada Handbook - Accounting Part I, International Accounting Standard 24, Related Party Disclosures and all the related party relationships and transactions of which you are aware and for providing to us any updates that occur during the course of this engagement.
Subsequent events	You are responsible for informing us of subsequent events that may affect the financial statement of which you may become aware up to the date the financial statement is issued.
Laws and regulations	You are responsible for identifying and ensuring that you comply with the laws and regulations applicable to your activities, including those pertaining to the services. You will make available to us information relating to any illegal or possibly illegal acts, and all facts related thereto and will provide information to us relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements.
Providing information on a timely basis	You are responsible for making available to us, on a timely basis, all of your original accounting records and related information relevant to the preparation of the financial statement, additional information that we may request from you for the purposes of our audit and unrestricted access to your personnel who we may determine necessary to obtain evidence necessary to support our audit of the financial statement.
Management representation letter	You will provide us with written representations concerning representations made to us during the audit covering the financial statement.

As part of our process of assessing the quality of our services, you may receive questionnaires from us and visits from senior partners not directly involved in providing services to you. We appreciate the attention given to these questionnaires and visits and value your feedback.



If the services outlined herein are in accordance with your requirements and if the above terms are acceptable, please have one copy of this engagement letter executed in the spaces provided below and return it to us.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Accountants

The services and terms as set forth in this engagement letter, including the provisions of the attached schedule and our standard terms of business, are agreed to.

By signing below, I acknowledge and agree to my obligation to ensure that the responsibilities of the Liquor Distribution Branch and its management as set forth herein are properly discharged:

By:

A handwritten signature in black ink, appearing to read 'Roger Bissoondatt'.

Roger Bissoondatt, Chief Financial Officer

March 07, 2015

Date

Schedule A

Fees and billing schedule

Our fee estimate

Our fees for the services are estimated to be \$7,500 plus applicable taxes.

We will bill for all reasonable expenses incurred in the performance of our services. These costs may include direct costs, such as travel, meals and accommodation. An administrative charge, representing an overhead allocation, of 5% of professional fees will be charged to cover costs, such as information technology support, telecommunications technical reference material, courier and photocopying.

Billing schedule

We will address our invoices to Roger Bissoondatt. Our fees, plus additional charges for out-of-pocket expenses, will be billed as follows:

Date	Fee amount
March 3, 2015	\$5,000
Upon completion	Remainder

All invoices are due for payment on receipt. Interest will be charged on overdue accounts at 6% per annum.

Conditions impacting our time and fee estimates

Our time and fee estimates take into account the agreed level of preparation and assistance from you. We will let you know promptly when and if for any reason the schedules, information and assistance provided, as outlined in this engagement letter, are not sufficient for our services. We will provide you with a separate listing of required schedules, information requests and the dates such items are needed. We will also discuss with you any other issues that will require extra time and effort to resolve in order to revise the time and fee estimates to reflect additional services, if any, required for us to complete our work.

Terms of business

1	Introduction
2	PwC Firms and subcontractors
3	Your responsibilities
4	Confidentiality
5	Professional and regulatory oversight
6	Personal information
7	Working papers
8	Liability
9	Termination
10	Governing law
11	General

1 Introduction

- 1.1 **Interpretation** – In this agreement, the following words and expressions have the meaning given to them below:
services – the services set out in the engagement letter
the agreement – these terms and the engagement letter to which they relate (including any schedules)
we, us or our – refer to PricewaterhouseCoopers LLP, a limited liability partnership organized under the laws of the Province of Ontario
you, your – the party or parties, including their management, to the agreement (excluding us)
- 1.2 **Changes** – Either we or you may request a change to the services or this agreement. Any change will be effective only when agreed in writing.

2 PwC Firms and subcontractors

- 2.1 **Our relationship with you** – We are a member of the global network of PricewaterhouseCoopers firms (PwC Firms), each of which is a separate and distinct legal entity.
- 2.2 **Subcontractors** – We may use other PwC Firms or subcontractors to provide the services. We remain solely responsible for the services.
- 2.3 **Restriction on claims** – You agree not to bring any claim or action against another PwC Firm (or its partners, members, directors or employees) or our subcontractors in respect of any liability relating to the services or the agreement.

3 Your responsibilities

- 3.1 **Your obligations** – The performance of our services depends on your performing your obligations under the agreement. We are not responsible for any consequences arising from your not fulfilling your obligations.
- 3.2 **Solicitation and hiring of PwC personnel** – Our independence related to assurance engagements

may be impaired if you solicit or hire certain PwC personnel. This may either delay the provision of the services or cause us to resign from the engagement. You agree not to offer or permit your related parties to offer employment to or hire the lead engagement partner, the quality review partner or any other PwC partner and/or employee who has provided more than ten (10) hours of audit or review services until a period of twelve (12) months has passed from the date of our report on the applicable financial statements without first consulting with and obtaining the approval of the lead engagement partner on any proposed offer of employment.

- 3.3 **Oral advice and draft deliverables** – You may rely on our final written deliverables, but should not rely on oral advice or draft deliverables provided during the term of this agreement. If you wish to rely on something we have said to you, please let us know and, if possible, we will prepare a written deliverable on which you may rely.

4 Confidentiality

- 4.1 **Confidential information** – We and you agree to use the other party's confidential information only in relation to the services and not to disclose it, except where required by law, regulation or professional obligation. However, we may give confidential information to other PwC Firms or our subcontractors as long as they are bound by reasonable confidentiality obligations, given the sensitivity of the information provided. Periodically, we may perform benchmarking studies on an industry basis to provide additional value added information to our clients. You consent to our sharing of your confidential information with third parties for this purpose. Such benchmarking studies will be general in nature and the information provided will not contain any identifying features that can be attributed to you.
- 4.2 **Performing services for others** – You agree that we may perform services for your competitors or other parties whose interests may conflict with yours, as long as we do not disclose your confidential information and we comply with our ethical obligations.

5 Professional and regulatory oversight

- 5.1 **Reviews of us** – We are required to meet certain professional standards in the performance of our services. As such, we are regulated or overseen by various professional and regulatory bodies both in Canada and abroad (which bodies will depend on the nature of the services performed under this agreement). These professional and regulatory bodies have the right to inspect our files, including

working papers and other work product(s) relating to these services or the services provided in prior years to determine whether professional standards have been met. We may, from time to time, receive requests or orders from such bodies to provide them with information and copies of such working papers. We intend to provide such information and working papers in response to such requests.

5.2 **Reviews of you** – Certain regulatory bodies may also have the right to conduct investigations of you, including the services provided by us. To the extent practicable, we will advise you of any such investigation request or order prior to providing our working papers, except where we are prohibited by law from doing so.

5.3 **Privileged information** – Except where providing working papers is required by the laws of any jurisdiction that you or we are governed by, we will use all reasonable efforts to refuse access to any document over which you have expressly informed us that you assert privilege. You must mark any document over which you assert privilege as “PRIVILEGED”.

5.4 **Reimbursement of costs incurred** – You agree to reimburse us for our professional time and expenses, as well as reasonable fees and expenses of our legal counsel, incurred by us in responding to any investigation that is requested or authorized by you or of you required by government regulation, subpoena or other legal process.

6 Personal information

6.1 **Personal information** – We may collect, use, transfer, store or otherwise process information disclosed by you of a personal nature (personal information). We may process such personal information in various jurisdictions in which we or applicable PwC Firms operate. Such personal information will be at all times processed in accordance with the applicable laws and professional regulation. In addition, we will require any service providers that process personal information on our behalf to adhere to such requirements. You confirm that you have the authority to provide the personal information to us in connection with the performance of services and that the personal information provided to us has been disclosed in accordance with applicable law.

7 Working papers

7.1 **Ownership** – Any documents prepared by us or for us in connection with this agreement belong to us.

8 Liability

8.1 **Misrepresentation by you** – You agree to release and indemnify us and our agents, partners and employees, and hold us and them harmless

from all claims, liabilities, losses and costs arising in circumstances where there has been a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest.

8.2 **No claims against individuals** – You agree claims or actions relating to the delivery of services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

9 Termination

9.1 **Right to terminate** – Either party may terminate this agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination.

9.2 **Fees payable on termination** – You agree to pay us for all services we perform up to the date of termination, including services performed, work-in-progress and expenses incurred.

10 Governing law

10.1 **Law and jurisdiction** – The agreement and any dispute arising from it, whether contractual or non-contractual, will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and are subject to the exclusive jurisdiction of the courts of the Province of Ontario.

11 General

11.1 **Matters beyond reasonable control** – No party will be liable (other than payment obligations) to the other if it fails to meet its obligations due to matters beyond its reasonable control.

11.2 **Entire agreement** – The agreement, once executed by both parties, forms the entire agreement between the parties in relation to the services. It replaces any earlier agreements, representations or discussions.

11.3 **Your actions** – Where you consist of more than one party, an act or omission of one party will be regarded as an act or omission of all.

11.4 **Assignment** – Without written consent, neither of us may assign any of our rights, obligations or claims under this agreement.

11.5 **Survival** – Any clause that is meant to continue to apply after termination of this agreement will do so.

11.6 **Severability** – If a court or regulator with proper jurisdiction determines that a provision of this agreement is invalid, then that provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this agreement will remain effective.



LIQUOR DISTRIBUTION BRANCH

March 13, 2015

PricewaterhouseCoopers LLP
Suite 700 - 250 Howe Street
Vancouver, BC
V6C 3S7

We are providing this letter in connection with your audit of the schedule of *Deposits by Container Type* and the explanatory information thereof (the schedule) of the BC Liquor Distribution Branch ("LDB") for the purpose of expressing an opinion as to whether such schedule is prepared, in all material respects, in accordance with the requirements of section 8(2)(f)(i) of the *Recycling Regulation* ("the Regulation").

Our responsibilities

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 2, 2015. In particular, we confirm to you that:

- we are responsible for the preparation of the schedule in accordance with the requirements of the Regulation;
- we are responsible for designing, implementing and maintaining internal control relevant to the preparation of the schedule that is free from material misstatement, whether due to fraud or error. In this regard, we are responsible for establishing policies and procedures that pertain to the maintenance of accounting systems and records, the authorization of receipts and disbursements, the safeguarding of assets and the reporting of financial information in accordance with the requirements of the Regulation;
- we have provided you with all relevant information and access, as agreed in the terms of the audit engagement; and
- all transactions have been recorded in the accounting records and are reflected in the schedule.

We confirm the following representations:

Approval of the schedule

We have the authority to approve the schedule and have done so on the date of this letter.

Distribution and use of the schedule

We confirm that the schedule is solely for the information, distribution and use of LDB and Encorp Pacific (Canada). We understand that this schedule is not intended to be and should not be distributed and used by anyone other than the above-mentioned users or for any other purpose. We also understand that, during your audit, items of possible interest to a third party, other than the above-mentioned users, have not been specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Preparation of the schedule

The schedule includes all disclosures necessary in accordance with the requirements of the Regulation and disclosures otherwise required to be included therein by the laws and regulations to which we are subject.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the schedule to its related supporting information (e.g. subledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and

were appropriately adjusted in the schedule. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to a profit and loss account and vice versa.

Accounting policies

We confirm that we have reviewed our accounting policies and, having regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation of the schedule is appropriate in our particular circumstances to be prepared in all material respects in accordance with the requirements of the Regulation.

Disclosure of information

We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the schedule, such as records, documentation and other matters including:
 - contracts and related data;
 - information regarding significant transactions and arrangements that are outside of the normal course of business;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Completeness of transactions

All contractual arrangements entered into by us with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the schedule, have been disclosed to you. We have complied with all aspects of contractual agreements that could have a material effect on the schedule in the event of non-compliance.

Fraud

We have disclosed to you:

- the results of our assessment of the risk that the schedule may be materially misstated as a result of fraud;
- all information in relation to fraud or suspected fraud, of which we are aware, affecting us, involving management, employees who have significant roles in internal control or others where the fraud could have a material effect on the schedule; and
- all information in relation to any allegations of fraud, or suspected fraud, affecting the schedule, communicated by employees, former employees, analysts, regulators or others.

Compliance with laws and regulations

We have disclosed to you all aspects of laws, regulations and contractual agreements that may affect the schedule, including actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedule.

We are not aware of any illegal or possibly illegal acts committed by our directors, officers or employees acting on our behalf.

Misstatements detected during the audit

Certain representations in this letter are described as being limited to those matters that are material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the



**LIQUOR
DISTRIBUTION
BRANCH**

judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the schedule is free of material misstatements, including omissions.

We confirm there are no uncorrected misstatements in the financial statements.

Events after schedule date

We have identified all events that occurred between March 31, 2014 and the date of this letter that may require adjustment of, or disclosure in, the schedule, and have effected such adjustment or disclosure.

Yours truly,

Liquor Distribution Branch

A handwritten signature in black ink, appearing to read "Roger Bissoondatt", written over a horizontal line.

Roger Bissoondatt, Chief Financial Officer



Invoice

Mr. Roger Bissoondatt
Chief Financial Officer
Liquor Distribution Branch (Province of BC)
2625 Rupert Street
Vancouver BC Canada V5M 3T5

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, BC, Canada V6C 3B7
Telephone: +1 604 806 7000
Facsimile: +1 604 806 7806
Contact: John Bunting
Telephone: +1 604 806 7797
Email: john.k.bunting@ca.pwc.com

Invoice number: VN135119715 Account number: 60046671
Invoice date: March 26, 2015 Payment requested by: April 10, 2015

Fees for professional services

Final invoice for the audit of Liquor Distribution Branch's Schedule of Deposits by Container Type for the year ended March 31, 2014.

Fees

CAD 7,500.00

Disbursements

Administration fee

375.00

Total fees and disbursements

7,875.00

GST

393.75

Total due

8,268.75

Goods and/or services on this invoice have been received and this invoice is now approved for payment.			
MM	DD	YR	Sign:
03	27	15	Name/Title: Roger Bissoondatt, CFO
CO.LOC.DEPT	ACC.PROJ.PROD.CS	AMOUNT	
10.9000301	64510 00000	7875.00	
10.			
10.9000.100	12720.00000.00.00	393.75	

Report rec'd

Remittance information

Electronic: CIBC, 199 Bay Street, CCW Concourse Level, Toronto, Ontario, M5L 1G9

Account name: PricewaterhouseCoopers LLP

Transit no.: S.21

Swift code: S.21

CAD account: S.21

USD account: S.21

Email payment details, including invoice number and amount paid, to: accounts.receivable@ca.pwc.com.

Cheques payable to: PricewaterhouseCoopers LLP Enclose remittance copy of invoice with payment.

Send to: PwC CAC, PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5

GST registration # 87057 6089 RT0001

RECEIVED

MAR 30 2015

*PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

ACCOUNTS PAYABLE



Invoice

Remittance copy

Mr. Roger Bissoondatt
Chief Financial Officer
Liquor Distribution Branch (Province of BC)
2625 Rupert Street
Vancouver BC Canada V5M 3T5

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, BC, Canada V6C 3S7
Telephone: +1 604 806 7000
Facsimile: +1 604 806 7806
Contact: John Bunting
Telephone: +1 604 806 7797
Email: john.k.bunting@ca.pwc.com

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Total fees and disbursements	7,875.00
GST	393.75
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Remittance information

Electronic: CIBC, 199 Bay Street, CCW Concourse Level, Toronto, Ontario, M5L 1G9
Account name: PricewaterhouseCoopers LLP
Transit no.: S.21 Swift code: S.21 CAD account: S.21 USD account: S.21
Email payment details, including invoice number and amount paid, to: accounts.receivable@ca.pwc.com.
Cheques payable to: PricewaterhouseCoopers LLP Enclose remittance copy of invoice with payment.
Send to: PwC CAC, PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5

GST registration # 87057 6089 RT0001

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