

**AMENDED AND RESTATED
RECIPROCAL INSURANCE EXCHANGE AGREEMENT**

THIS AGREEMENT MADE AS OF THE 1ST DAY OF JULY, 2017

AMONG:

THOSE FIRMS THAT SUBSCRIBE TO THIS AGREEMENT BY EXECUTING A COPY HEREOF OR THE FORM OF SUBSCRIPTION ATTACHED HERETO AS SCHEDULE "A" (hereinafter individually called a "Subscriber" and collectively called "Subscribers").

BEING PARTIES TO THIS AGREEMENT

WHEREAS:

- A. Pursuant to a Reciprocal Insurance Exchange Agreement made as of December 22, 1986 (such Agreement, as amended and restated from time to time prior to the date hereof, being herein referred to as the "Original Agreement"), the parties thereto agreed to exchange, and have exchanged, with each other contracts of indemnity or inter-insurance under and pursuant to the *Insurance Act* (Ontario); and the Act;
- B. The Reciprocal became primarily regulated in Alberta in July 2012;
- C. The Act permits parties to exchange reciprocal contracts of indemnity or inter-insurance with each other through a Principal Attorney as defined in Subsection 78(b) of the Act for any class of insurance for which a reciprocal insurance exchange may be licensed to undertake; and
- D. The Subscribers (being all the Firms currently parties to the Agreement) wish to enter into this Agreement to amend and restate the Original Agreement to continue from and after the date hereof to exchange with each other contracts of indemnity or inter-insurance under and pursuant to the Act and to make various other amendments to the Original Agreement as hereinafter provided.

WITNESSETH THAT in consideration of the mutual covenants of the parties hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Subscribers hereby agree to amend the Original Agreement as hereinafter provided and to restate the Original Agreement as so amended as follows:

ARTICLE I

INTERPRETATION AND GENERAL

1.01 Definitions

Where used herein or in any amendment hereto, the following terms have the following meanings respectively unless the context otherwise requires:

- (a) "Act" means the Insurance Act of Alberta, R.S.A. 2000, c.I-3, as amended from time to time, and the regulations, guidelines and bulletins made under the Act;
- (b) "Actuary" means the independent qualified actuary, who is a Fellow of the Canadian Institute of Actuaries, or the firm of independent qualified actuaries, at least one of whose members is a Fellow of the Canadian Institute of Actuaries, selected by the Advisory Board for the purposes of this Agreement;
- (c) "Advisory Board" means the board consisting of one member from each Subscriber;
- (d) "Alternate" means a person designated by a Subscriber as an Alternate pursuant to section 3.01;
- (e) "Audit Committee" means a committee consisting of at least three members of the Advisory Board and Alternates appointed by the Advisory Board;
- (f) "Chair" means the Chair chosen by the Advisory Board pursuant to section 3.07;
- (g) "Departing Subscriber" means a Subscriber whose membership in the Reciprocal has terminated pursuant to section 6.04 or section 6.05 hereof, or for any other reason.
- (h) "Extraordinary Resolution" means
 - (i) any resolution passed at a meeting of the Subscribers or the Advisory Board by the affirmative vote of at least eighty percent (80%) of the Subscribers or Advisory Board members present at such meeting; or
 - (ii) any written resolution signed in one or more counterparts by all of the Subscribers or Advisory Board members;
- (i) "Firm" means a law firm in Canada having at least the Minimum Members;
- (j) "Fiscal Period" has that meaning ascribed to it in section 5.01 hereof;
- (k) "Licence" means the licence issued pursuant to the Act to carry on as a reciprocal insurance exchange under the Act;

- (l) "Minimum Members" means that number of lawyers, determined from time to time pursuant to the Rules, that any law firm in Canada must have to qualify for membership in the Reciprocal;
- (m) "Ordinary Resolution" means
 - (i) any resolution passed at a meeting of the Subscribers, the Advisory Board, or a committee, by the affirmative vote of a majority of the Subscribers, Advisory Board members or committee members in attendance at such meeting; or
 - (ii) any written resolution signed in one or more counterparts by eighty percent (80%) of the Subscribers, Advisory Board members or committee members.
- (n) "Principal Attorney" means the Principal Attorney appointed pursuant to section 3.21 hereof;
- (o) "Reciprocal" means the reciprocal insurance exchange created under and by virtue of the Original Agreement and continued under this Agreement;
- (p) "Rules" has that meaning ascribed to it in section 7.09 hereof;
- (q) "Subscriber" means a Firm which has been accepted for membership in the Reciprocal and has executed a copy of this Agreement or the Form of Subscription attached hereto as Schedule "A";
- (r) "Superintendent" means the Superintendent of Insurance appointed from time to time pursuant to the Act;
- (s) "Underwriting Period" means the period of five (5) years commencing 12:01 a.m. on July 1, 1987 and terminating 12:01 a.m. on July 1, 1992 and each successive five (5) year period thereafter, or such other period as the Advisory Board establishes by Extraordinary Resolution, during which the Reciprocal continues to operate.

1.02 Currency

All payments contemplated herein will be made in Canadian funds.

1.03 Gender and Number

Words importing the singular number only include the plural, and vice-versa, and words importing the masculine gender include the feminine gender and neuter gender, and words importing persons include a natural person, firm, trust, partnership, association, corporation, government or governmental board, agency, or instrumentality.

1.04 Headings

The division of this Agreement into articles and sections and the article and section headings are for convenience of reference only and will not affect the interpretation or construction of this Agreement.

1.05 Calculation of Time Periods

Unless otherwise specified herein or in any insurance policy issued pursuant hereto, when calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in calculating such period will be excluded. If the last day of such period is a non-business day, the period in question will end on the next business day.

1.06 Applicable Law

This Agreement will be construed and enforced in accordance with and governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereto do hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

1.07 Severable

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired thereby.

1.08 Entire Agreement

This Agreement together with the Schedules attached hereto constitutes the entire agreement among the parties hereto relating to the establishment and operation of the Reciprocal and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties hereto with respect thereof.

1.09 Amendments

Unless otherwise provided to the contrary in this Agreement, no amendment or modifications of this Agreement, including any Schedules attached hereto, will be binding unless approved by Extraordinary Resolution of the Subscribers who are members of the Reciprocal at that time and the written consent of the Superintendent, if required, is obtained.

1.10 Waiver

No waiver by any party hereto of any breach of any of the provisions of this Agreement by any other party hereto will take effect or be binding upon the party unless in writing and signed by

such party. Unless otherwise provided therein, such waiver will not limit or affect the rights of such party with respect to any other breach.

1.11 Time of Essence

Time is of the essence of this Agreement.

1.12 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective administrators, successors and permitted assigns.

Neither this Agreement nor any of the rights, benefits, liabilities or obligations hereunder may be assigned or transferred without the prior written approval of the Advisory Board by Extraordinary Resolution.

1.13 Counterparts

This Agreement may be executed in several counterparts each of which when so executed will be deemed to be an original, and such counterparts together will constitute one and the same instrument, which will be sufficiently evidenced by any such original counterpart.

1.14 Further Acts

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

ARTICLE II

THE RECIPROCAL INSURANCE EXCHANGE

2.01 Establishment of the Reciprocal

The Subscribers hereby agree to the establishment of the Reciprocal, provided that the Reciprocal will not issue further policies of insurance until the Licence has been granted by the Superintendent.

2.02 Purpose of the Reciprocal

The Reciprocal is established for the purpose of permitting the Subscribers to exchange reciprocal contracts of indemnity or inter-insurance for liability purposes and for no other purpose. The Reciprocal will have the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its purposes.

2.03 Name of the Reciprocal

The name of the Reciprocal will be "Canadian Lawyers Liability Assurance Society" or "CLLAS". The words "Canadian Lawyers Liability Assurance Society" or "CLLAS" will not be used by any of the Subscribers other than in connection with the affairs of the Reciprocal.

2.04 Registration of Name

The Subscribers will effect such registration with respect to the name "Canadian Lawyers Liability Assurance Society" and "CLLAS" as may be necessary or desirable to preserve the ownership right of the Reciprocal in the name and to ensure use of the name solely in connection with the Reciprocal.

2.05 Term

This Agreement is effective from and after December 22, 1986 and will continue in full force and effect until terminated in accordance with Article VIII hereof.

2.06 Not a Partnership

Nothing in this Agreement will be construed to constitute any of the Subscribers a partner, agent or representative of the others or to create any trust or any commercial or other partnership among the Subscribers.

2.07 No Authority to Bind

Except as expressly provided in this Agreement, neither the Advisory Board, a committee, nor a Subscriber will have any authority to bind any other Subscriber or the other Subscribers.

2.08 Indemnification for Unauthorized Acts

Each Subscriber (in this section 2.08 called the "Indemnitor") hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless each and all of the other Subscribers (in this section 2.08 called the "Indemnitees") from and against any and all liability, loss, harm, damage, cost or expense, including legal fees, which the Indemnitees or any one or more of them may suffer, incur or sustain as a result of an act of the Indemnitor outside the scope of or in breach of this Agreement.

2.09 Several Liability

The obligations of each Subscriber with respect to the Reciprocal and contracts and obligations entered into by or on behalf of the Subscribers in connection with the Reciprocal will in every case be several, and not joint and several.

ARTICLE III

ADVISORY BOARD AND PRINCIPAL ATTORNEY

3.01 Members of Advisory Board and Alternates

Each Subscriber will designate in writing from time to time the individual partner, counsel or employee to be its member of the Advisory Board. Any Subscriber will also be entitled to designate in writing from time to time an Alternate. Only individuals meeting the qualifications set out in section 3.02, below, may be so designated.

An Alternate will be entitled to act in the place and stead of the Advisory Board member for whom he or she is the Alternate, when that Advisory Board member is unavailable. If an Alternate is appointed to a committee, he or she will be entitled to full participation in that committee.

If, as a result of a Subscriber failing to designate one of its partners, counsel, or employees as its member of the Advisory Board, the number of members of the Advisory Board falls below five (5), then the partner in that Subscriber with the earliest date of admission to any Law Society in Canada will be deemed to be designated as that Subscriber's member of the Advisory Board, until that Subscriber makes a different designation.

Subject to section 6.02 below, an additional Subscriber or Subscribers will not be accepted, if it would result in the number of members of the Advisory board exceeding twenty (20).

3.02 Qualifications of Members of the Advisory Board

Any individual may be a member of the Advisory Board or an Alternate provided that, and for so long as, he:

- (a) is a person who is twenty-one (21) years of age or more;
- (b) is not a person who is of unsound mind, having been so found by a court in Canada or elsewhere;
- (c) is not a person who has the status of an undischarged bankrupt.

3.03 Resignation

A member of the Advisory Board and any Alternate may resign from office upon giving a written resignation to the Chair and such resignation becomes effective when received by the Chair or at the time specified in the resignation, whichever is later.

3.04 Vacancies

Where there is a vacancy or vacancies on the Advisory Board, the remaining members thereof may exercise all of the powers of the Advisory Board so long as a quorum remains in office.

3.05 Power and Authority of the Advisory Board

Except as otherwise provided for in this Agreement the Advisory Board has the power and authority, and the Subscribers hereby direct the Advisory Board, to give any approvals and to make any decisions and determinations required or permitted to be given or made by the Subscribers with respect to the Reciprocal and any matter arising under or by virtue of this Agreement. Without limiting the generality of the foregoing, it is acknowledged and agreed that unless otherwise provided for in this Agreement, the Advisory Board is authorized on behalf of and without further authority from the Subscribers:

- (a) to make application to the Superintendent for the issue of the Licence;
- (b) in accordance with section 3.21 hereof, to appoint, and where appropriate remove, from time to time, a Principal Attorney as that term is provided for or used in the Act upon such terms and conditions, including remuneration, as the Advisory Board may determine from time to time, and to delegate to such Principal Attorney such duties and responsibilities as are required by the Act, together with such additional duties and responsibilities as the Advisory Board may from time to time determine;
- (c) by its Principal Attorney, to exchange policies of insurance among the Subscribers, to execute and deliver to the Subscribers policies of insurance containing such terms and conditions as the Advisory Board deems proper and to change, cancel, renew, extend or reinsure such policies;
- (d) to reinsure or cede the whole or any part or proportion of any risk incurred or undertaken by the Reciprocal with or to such reinsurers and on such terms as the Advisory Board considers appropriate;
- (e) to demand, collect and receive all moneys which may become due by the Subscribers under this Agreement or under or pursuant to any policy of insurance;
- (f) to give and to receive all notices necessary or proper under any policy of insurance, and to adjust, compromise and settle all claims and losses thereunder;
- (g) to retain such consultants or professional advisors as the Advisory Board considers advisable in order to perform its duties hereunder;
- (h) to open and operate in the name of the Reciprocal a separate bank account or accounts in order to deposit and to distribute funds with respect to the operations of the Reciprocal;
- (i) by its Principal Attorney, to execute and to carry out all other agreements which require execution and performance by or on behalf of the Subscribers;
- (j) to invest funds not immediately required for the operation of the Reciprocal in accordance with the Act;

- (k) to pay all taxes, fees and other expenses relating to the orderly maintenance, management and operations of the Reciprocal;
- (l) to take such steps as are necessary to comply with all applicable provisions of the Act or any other applicable governmental statutes, regulations and rules;
- (m) to set the premium rates and additional assessments required of the Subscribers pursuant to the provisions of this Agreement, which rates will include a Subscriber's proportionate share of the expenses of the Reciprocal;
- (n) to appoint a manager to operate the affairs of the Reciprocal on behalf of the Advisory Board on such terms and conditions, including remuneration, as the Advisory Board may determine from time to time. For greater certainty, the manager and the Principal Attorney may be one and the same person;
- (o) require such additional information from any Subscriber as the Advisory Board deems necessary, including requiring a Subscriber to provide the Advisory Board with proof of its financial capability;
- (p) to establish and appoint such committees as may be required by the Superintendent or as may be deemed by the Advisory Board to be necessary or desirable for the operation of the Reciprocal and to establish the powers and responsibilities of such committees;
- (q) subject to applicable provisions of the Act, to borrow money from any lender in such amounts and upon such terms and conditions as the Advisory Board deems advisable and to pledge any securities or other property, including the Reciprocal's receivables, for the repayment of any such loan, provided, however, that such borrowing will be made for the sole purpose of paying eligible losses under any policy issued by the Reciprocal and to avoid a distress sale of investments or an acceleration of the assessments receivable from Subscribers that would be necessary to make such payment;
- (r) to approve by Extraordinary Resolution, the Rules, with respect to such other matters as may be deemed appropriate for the better operation of the Reciprocal; and
- (s) to do and perform every other act and thing necessary or proper to be done in order to fully carry out and perform the terms hereof.

3.06 (a) Decisions of Advisory Board

All decisions of the Advisory Board require approval by Ordinary Resolution unless otherwise provided for in this Agreement.

(b) Decision Binding

A decision of the Advisory Board with respect to any matter will be binding on all the Subscribers.

3.07 Chair

The Advisory Board will choose a Chair from among its members. The Chair will be the chief executive officer and, subject to the authority of the Advisory Board, will have general supervision of the business and affairs of the Reciprocal and will, subject to the provisions of the Act, have such other powers and duties as the Advisory Board may specify. The Chair will be an ex officio member of all committees established by the Advisory Board pursuant to section 4.01.

The Chair will serve as chairperson of any meeting of the Advisory Board. In the absence of the Chair the members of the Advisory Board in attendance at the meeting will choose a chairperson. The Chair will not have a second or casting vote in respect of any matter voted on by the Advisory Board.

3.08 Secretary

The Chair will appoint a secretary who will keep complete and accurate minutes of all meetings of the Advisory Board.

3.09 Other Officers

The Advisory Board may appoint such other officers and designate such responsibilities to such officers as the Advisory Board determines.

3.10 Minutes of Meetings

The minutes of each meeting of the Advisory Board will be submitted for approval at the next Advisory Board meeting.

The minutes of any meetings of the Advisory Board will, if purported to be signed by the Chair and the secretary, be *prima facie* evidence of the facts therein stated.

3.11 Meetings Generally

The Advisory Board will hold regular meetings at such time as the Advisory Board decides upon from time to time.

The Chair may call additional meetings of the Advisory Board if he or she considers it advisable to do so and will do so if requested by any member of the Advisory Board.

3.12 Conference Telephone Meetings

Any member of the Advisory Board may participate in a meeting of the Advisory Board by means of conference telephone or other communications equipment by means of which all persons

participating in the meeting can hear each other, and a member participating in a meeting in such manner will be deemed to be present in person at the meeting.

3.13 Notice

The Chair will give each member of the Advisory Board written notice of the time and place of each meeting of the Advisory Board not less than ten (10) days before the day on which the meeting is to be held. A meeting of the Advisory Board may be held at any time without notice if all the members thereof are present or those not so present have waived notice of such meeting. Such waiver, whether given before or after the meeting of which notice is required to be given, will cure any default in the giving of such notice.

3.14 Agendas

The notice of each meeting of the Advisory Board will be accompanied by an agenda and any relevant supporting materials sufficiently detailed to inform each member thereof of the matters to be considered at the meeting.

A member of the Advisory Board may require the addition of one or more matters to the agenda of the meeting by written notice thereof to the Chair. Such notice will be accompanied by any relevant supporting materials sufficiently detailed to inform each member of the Advisory Board of the matter or matters to be added to the agenda of the meeting. Such notice and materials will be delivered in sufficient time to enable the Chair to comply with the Chair's obligations under section 3.13 hereof and this section 3.14.

3.15 No Vote on Matters Not in Agenda

Matters which are not referred to in the agenda of the meeting of the Advisory Board will not be voted on at that meeting unless all of the members thereof consent.

3.16 Location of Meeting

Meetings of the Advisory Board will be held in the City of Toronto or at such other place as the members thereof may by Ordinary Resolution agree upon from time to time.

3.17 Quorum

A quorum for a meeting of the Advisory Board will be a majority of the members thereof.

3.18 Duty of Care

The Principal Attorney, every member of the Advisory Board, including the Chair, every Alternate, and every member of a committee, in exercising their powers and discharging their duties, will:

(a) act honestly and in good faith, with a view to the best interests of the Reciprocal; and

- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3.19 (a) Limitation of Liability

No member of the Advisory Board, including the Chair, or of any committee will be liable for the acts, receipts, neglects or defaults of the Principal Attorney or any other member of the Advisory Board or any committee in any respect, or for any loss, damage or expense happening to the Reciprocal, or for the insufficiency or deficiency of any security in or upon which any money of the Reciprocal is invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Reciprocal, or any member thereof, be deposited, or for any loss occasioned by any error of judgment or oversight on that member's part, or for any other loss, damage or misfortune whatever which happens in the execution of the duties of that member's office or in relation thereto, unless the same are occasioned by that member's own failure to act honestly and in good faith, with a view to the best interests of the Reciprocal.

The Principal Attorney will not be liable for the acts, receipts, neglects or defaults of any member of the Advisory Board, or any committee in any respect, or for any loss, damage or expense happening to the Reciprocal, or for the insufficiency or deficiency of any security in or upon which any money of the Reciprocal is invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Reciprocal, or any member thereof, be deposited, or for any loss occasioned by any error of judgment or oversight on the Principal Attorney's part, or for any other loss, damage or misfortune whatever which happens in the execution of the duties of the Principal Attorney's office or in relation thereto, unless the same are occasioned by the Principal Attorney's failure to act honestly and in good faith, with a view to the best interests of the Reciprocal.

(b) Indemnity of Members

Every member and every former member of the Advisory Board, including the Chair, and any committee, and their heirs and legal representatives will, from time to time, be indemnified and saved harmless by the Subscribers from and against all liabilities, costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment in respect of any action or proceeding to which they are made a party by reason of being or having been a member of the Advisory Board, the Chair, or a member of any committee, if the member acted honestly and in good faith, with a view to the best interests of the Reciprocal.

(c) Indemnity of Principal Attorney

The Principal Attorney and every former Principal Attorney, and their heirs and legal representatives will, from time to time, be indemnified and saved harmless by the Subscribers

from and against all liabilities, costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment in respect of any action or proceeding to which they are made a party by reason of being or having been the Principal Attorney, if that Principal Attorney or former Principal Attorney acted honestly and in good faith, with a view to the best interests of the Reciprocal.

(d) Insurance

The Reciprocal may purchase and maintain insurance for the benefit of any person referred to in this section 3.19 against any liability incurred by the person in the person's capacity as a member of the Advisory Board, including the Chair, or of any committee.

(e) Alternates

In this section 3.19, "member of the Advisory Board" includes "Alternate".

3.20 Payment for Services

Except as determined by the Advisory Board from time to time, no payment will be made to any member of the Advisory Board for services in acting as a member of the Advisory Board, provided that any member of the Advisory Board, including the Chair, will be entitled to reimbursement of any reasonable expenses incurred in acting as a member of the Advisory Board, or as the Chair, as the case may be.

3.21 Appointment of Principal Attorney

The Advisory Board will appoint a Principal Attorney and execute a power of attorney in the form attached hereto as Schedule "B", which power of attorney will provide that the Principal Attorney do such things and sign such documents as are required by the Act, together with such further things and the execution of such other documents as this Agreement may provide or as the Advisory Board may determine.

ARTICLE IV

COMMITTEES

4.01 Establishment of Committees

The Advisory Board may establish one or more committees and delegate to the committee any of the powers of the Advisory Board, other than the decisions and determinations referred to in Article VIII hereof.

The Advisory Board may, by Extraordinary Resolution, appoint from among its members an Executive Committee, and delegate to the Executive Committee such power and authority as it

deems appropriate. If an Executive Committee is so appointed, it will follow, with the necessary changes, the procedures set out in sections 4.11 through 4.18, below, excluding section 4.10(b).

4.02 Qualifications of Committee Members

Any member of the Advisory Board and any Alternate may be appointed to a committee, except that an Alternate may not be appointed to the Executive Committee.

No appointment of a person as a member of a committee will be effective unless that person consents to act as a member of such committee before or within ten (10) days after such appointment.

4.03 Appointment and Term

A member of a committee will hold office for a term expiring at the close of the annual meeting of the Subscribers next following that member's appointment or until a successor is appointed. Incumbent members of committees, if qualified, will be eligible for re-appointment. If an appointment of members of a committee is not held at the proper time, the incumbent members will continue in office until their successors are appointed.

4.04 Resignation

A member of a committee may resign from office upon giving a written resignation to the Advisory Board and such resignation becomes effective when received by the Advisory Board or at the time specified in the resignation, whichever is later.

4.05 Removal

The Advisory Board may by Ordinary Resolution remove any member of a committee from office.

4.06 Vacancies

Where there is a vacancy or vacancies on a committee, the remaining members thereof may exercise all of the powers of that committee so long as a quorum remains in office.

Where there is a vacancy or vacancies on a committee, other than the Executive Committee, the Advisory Board may by Ordinary Resolution appoint any eligible person to fill the vacancy for the unexpired term of that position.

Where there is a vacancy or vacancies on the Executive Committee, the Advisory Board may by Extraordinary Resolution appoint any eligible person to fill the vacancy for the unexpired term of that position.

4.07 Decisions of Committees

All decisions of committees will, unless otherwise herein provided for, require the approval by Ordinary Resolution of the committee.

4.08 Committee Procedure

Each committee will choose a chairperson from among its members. The chairperson will not have a second or casting vote in respect of any matter voted on by the committee.

A quorum for a meeting of a committee will be a majority of the members thereof.

Subject to specific requirements for the Audit Committee, Conduct Review Committee and Executive Committee set out below, each committee will set its own procedural rules regarding its meetings and resolutions, including meeting scheduling, notice, agendas, location, format, and minutes.

4.09 Conduct Review

The Advisory Board will take on conduct review responsibilities itself, or delegate them to the Audit Committee or another committee. The conduct review responsibilities will include:

- (a) establishing procedures for the review of transactions with related parties of the Reciprocal;
- (b) reviewing all proposed transactions with related parties of the Reciprocal;
- (c) reviewing the practices of the Reciprocal to ensure that any transactions with related parties of the Reciprocal that may have a material effect on the stability or solvency of the Reciprocal are identified; and
- (d) reporting to the Advisory Board on all transactions and other matters reviewed pursuant to the conduct review responsibilities.

If the Advisory Board delegates conduct review responsibilities to a committee other than the Audit Committee, that conduct review committee will follow, with the necessary changes, the procedures set out in sections 4.11 through 4.18.

4.10 Audit Committee

- (a) Appointment

The Audit Committee will be appointed by and report to the Advisory Board.

- (b) Powers and Duties

The powers and duties of the Audit Committee will include:

- (i) Review of the annual financial statements, actuarial valuation report and regulatory filing before any such information is considered for approval by the Advisory Board;

- (ii) Review, evaluate and make recommendations to the Advisory Board, if appropriate, with respect to internal financial control procedures of the Reciprocal;
 - (iii) Review any investments or transactions that the auditor or management bring to the attention of the committee and make any related recommendations to the Advisory Board if the committee considers it advisable; and
 - (iv) Such other powers and duties as are approved by the Advisory Board or required by the Act.
- (c) Meetings

For the purposes of carrying out its duties under (b) above, the Audit Committee will meet as required as decided by the Audit Committee from time to time but at least annually. Any member of the Audit Committee or the auditor may call a meeting with reasonable notice as may be determined by the Audit Committee. Any member of the Audit Committee may request the auditor to attend any meeting.

At any meeting of the Audit Committee, necessary information will be obtained from the auditor, actuary, management or other party as required.

The Audit Committee may, if considered appropriate, call a meeting of the Advisory Board to consider any matter of concern to the Audit Committee.

The Audit Committee will ensure that accurate minutes are kept of the Audit Committee meetings.

4.11 Secretary

The Audit Committee will appoint a secretary (who need not be a member of the committee) who will keep complete and accurate minutes of all meetings of the Audit Committee.

4.12 Minutes of Meetings

The minutes of each meeting of the Audit Committee will be submitted for approval at the next Audit Committee meeting.

The minutes of any meetings of the Audit Committee will, if purported to be signed by the Chair and the secretary, be *prima facie* evidence of the facts therein stated.

4.13 Conference Telephone Meetings

Any member of the Audit Committee may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the

meeting can hear each other, and a member participating in a meeting in such manner will be deemed to be present in person at the meeting.

4.14 Notice

The chairperson of the Audit Committee will give each member of that committee written notice of the time and place of each meeting of that committee at least twenty-four (24) hours, excluding any part of a Sunday and a holiday as defined in the Interpretation Act, R.S.A. 2000, C.I--3, as amended from time to time, before the time when the meeting is to be held, save that no notice of a meeting will be necessary if all members thereof are present or if those absent have waived notice in writing to the holding of such meeting. Such waiver, whether given before or after the meeting of which notice is required to be given, will cure any default in giving such notice.

4.15 Agendas

The notice of each meeting of the Audit Committee will be accompanied by an agenda and any relevant supporting materials sufficiently detailed to inform each member thereof of the matters to be considered at the meeting.

A member of the Audit Committee may require the addition of one or more matters to the agenda of the meeting by written notice thereof to the chairperson. Such notice will be accompanied by any relevant supporting materials sufficiently detailed to inform each member of the committee of the matter or matters to be added to the agenda of the meeting. Such notice and materials will be delivered in sufficient time to enable the chairperson to comply with the chairperson's obligations under section 4.15 hereof and this section 4.16.

4.16 No Vote on Matters Not on Agenda

Matters which are not referred to in the agenda of the meeting of the Audit Committee will not be voted on at that meeting unless all of the members thereof consent.

4.17 Location of Meetings

Meetings of the Audit Committee will be held at such place as determined by that committee.

ARTICLE V

OTHER FINANCIAL AND ACCOUNTING MATTERS

5.01 Fiscal Period

Accounts for the Reciprocal will be prepared and settled as of December 31 in each year ("Fiscal Period").

5.02 Books and Records

Proper and complete books, records, reports and accounts of the Reciprocal will be kept at the head office of the Reciprocal and will be open and available for inspection and copying by any one of the Subscribers or its authorized agent, in accordance with section 9.04 below. The said books and records will fully and accurately reflect all transactions of the Reciprocal and will be maintained in conformity with generally accepted accounting principles or customary practices. The Reciprocal will make available to the Superintendent such documentation as may be required in accordance with the Act.

5.03 Subscribers' Accounts

Individual accounts will be kept for each Underwriting Period showing each Subscriber's participation in the operations and the operating results of the Reciprocal in the manner determined by the Rules.

5.04 Annual Reports

By the last day of February following the end of each Fiscal Period of the Reciprocal, the Advisory Board will cause the auditors of the Reciprocal to furnish to each Subscriber an annual audited report, among other things, consisting of:

- (a) audited financial statements;
- (b) an auditor's report;
- (c) the actuary's report; and
- (d) any additional information that the Advisory Board or the Superintendent may require.

5.05 Annual Statements

The Advisory Board will cause the Reciprocal to furnish to each Subscriber an annual statement of the details of its account as provided for in section 5.03 hereof.

5.06 Other Financial Information

The Advisory Board will provide the Subscribers with such other financial information as it deems necessary or as may be required under the Act.

5.07 Bank Accounts

The bank of the Reciprocal will be such Canadian chartered bank or banks as the Advisory Board may from time to time determine. All moneys from time to time received on account of the Reciprocal will be paid immediately into the bank account of the Reciprocal in the same drafts, cheques, bills and cash in which they are received. All cheques, negotiable instruments and

withdrawals from bank accounts will require the signatures of the manager of the Reciprocal, if any, together with one (1) member of the Advisory Board, or if there is no manager of the Reciprocal, two (2) members of the Advisory Board.

The Advisory Board may establish an imprest account for the payment of expenses incurred in connection with the operation of the Reciprocal, which account will be funded by transfers of funds from the general account as required. The amount of such account and the person or persons authorized to draw thereon will be determined by the Advisory Board from time to time.

5.08 Execution of Documents

All documents, instruments or agreements having a legally binding effect on the Subscribers will be signed by the Principal Attorney designated for that purpose by the Advisory Board from time to time, failing whom any two (2) members of the Advisory Board will sign all such documents, instruments or agreements.

ARTICLE VI

SUBSCRIBERS

6.01 Subscribers

Each Firm whose name appears on Schedule "C" hereto is a Subscriber to this Agreement.

6.02 Additional Subscribers

The Advisory Board may admit additional qualified Firms as Subscribers in accordance with the following provisions:

(a) Any Firm may apply to become a Subscriber provided that:

- (i) such Firm submits a written application for membership in acceptable form and remits together therewith such application fee, as may be prescribed by the Advisory Board from time to time;
- (ii) such Firm provides the historical claims information required by the Rules and the data and other relevant information required by the Rules or that the Advisory Board, the Actuary and the Reciprocal's reinsurer(s) deem necessary or appropriate to properly assess membership qualifications; and
- (iii) such Firm co-operates with the Advisory Board in providing such information and documentation as it may require;

- (b) The Advisory Board, upon receiving an application for membership, will determine, alone or in conjunction with the Actuary and the Reciprocal's reinsurer(s), if any applicant Firm meets the eligibility requirements for membership in the Reciprocal;
- (c) Upon the approval by Extraordinary Resolution of the Advisory Board, such Firm will be notified in writing of the acceptance of its application for membership subject always to the following:
 - (i) receipt of a duly executed Form of Subscription in the form attached as Schedule "A" hereto from such Firm; -
 - (ii) receipt of any fees required to be paid by such Firm; and
 - (iii) notification to the Superintendent including a copy of the Form of Subscription as executed in (c)(i);
- (d) Commencement of membership in the Reciprocal ("Subscription Date") will be the date specified by the Advisory Board on the notification of acceptance of any Firm's application for membership;
- (e) The number of Subscribers will not exceed twenty (20) unless Article III hereof is amended to limit the size of the Advisory Board.

6.03 Minimum Period of Subscription

Membership in the Reciprocal will be subject to the following minimum periods of subscription:

- (a) If the Subscriber's Subscription Date is coincident with or within two (2) years of the commencement of the then current Underwriting Period, the minimum period of subscription will be such Underwriting Period or the balance thereof, as the case may be;
- (b) If the Subscriber's Subscription Date is not within two (2) years of the commencement of the then current Underwriting Period, the minimum period of subscription will be the balance of such Underwriting Period plus the immediately subsequent Underwriting Period.

6.04 Termination of Membership

- (a) Subject to the approval by Extraordinary Resolution of the Advisory Board, the Chair is empowered to remove a Subscriber as a member of the Reciprocal by providing such Subscriber with a notice in writing to that effect, in the event that the Subscriber:
 - (i) fails to comply with any term of this Agreement or the Rules within thirty (30) days' after having been given written notice by the Chair of the details of its failure to comply;
 - (ii) fails to pay any premium or other fee or assessment promptly when due hereunder and fails to remedy that default within 30 days of written demand; or

- (iii) fails, in the opinion of the Advisory Board, to continue to meet the eligibility requirements for membership in the Reciprocal;
- (b) The effective date of termination of membership in the Reciprocal in the event of termination:
 - (i) pursuant to subsection 6.04(a)(i) hereof, will be thirty (30) days after receipt of the written notice described in subsection 6.04(a)(i), if the failure has not been rectified; or
 - (ii) pursuant to subsection 6.04(a)(ii) hereof, will be the date of the receipt of written notice of termination; or
 - (iii) pursuant to subsection 6.04(a)(iii) hereof, will be at the expiration of ninety (90) days following the date of receipt of written notice of termination;
- (c) Subject to the provisions of section 6.03 hereof, a Subscriber may resign from membership in the Reciprocal at the end of any Underwriting Period, provided that it provides the Reciprocal with at least three (3) months' written notice of its intention to resign, in which event such resignation will take effect upon the expiry of such Underwriting Period. In the event there is a failure to give such notice, the Subscriber will be deemed to have elected to participate in the immediately succeeding Underwriting Period for a further period of five (5) years;
- (d) The three month notice period prescribed in section 6.04(c), above, may be shortened by Extraordinary Resolution of the Advisory Board;
- (e) The three month notice period prescribed in section 6.04(c), above, may be lengthened by Extraordinary Resolution of the Advisory Board, but only upon reasonable notice to the Subscribers.

6.05 Dissolution of Firm

If a Subscriber experiences a dissolution or termination of its partnership, its active participation in the current Underwriting Period will cease as of the date it ceases to carry on its practice under its current partnership structure. Notwithstanding such cessation of coverage, the Subscriber will continue to be responsible for future assessments with regard to its participation in the then current Underwriting Period and, if applicable, the immediately preceding Underwriting Period or Periods, as the case may be.

6.06 Continuing Liability

Notwithstanding any provision of this Agreement to the contrary, in the event that a member's participation in the Reciprocal is terminated or it resigns or is removed as a member of the Reciprocal, such Subscriber continues to be liable for any assessment(s) arising during and after it ceases to be a member of the Reciprocal in respect of all Underwriting Periods or portions thereof in which it participated or during which it was insured by the Reciprocal unless satisfactory arrangements are made with the Advisory Board to buy out such liability.

6.07 Annual Meeting

In each calendar year, there will be an annual meeting of Subscribers, at which meeting, among other matters:

- (a) an auditor will be appointed, at such remuneration as the Advisory Board may determine from time to time; and
- (b) the financial statements of the Reciprocal for the preceding Fiscal Period will be presented to the Advisory Board for approval.

The annual meeting of Subscribers will be held in the Province of Alberta, unless an exemption is obtained pursuant to section 267(2) of the Act.

Notice of the annual meeting of the Subscribers will be provided to each Subscriber, and to the auditor and Actuary, not more than fifty (50) days and not less than twenty-one (21) days before the meeting and the meeting will be held within six (6) months of the Reciprocal's financial year end.

6.08 Meetings Generally

The Chair may call additional meetings of the Subscribers if he or she considers it advisable to do so and will do so if requested by any Subscriber.

6.09 (a) Decisions of the Subscribers

All decisions of the Subscribers require approval by Ordinary Resolution unless otherwise provided for in this Agreement.

(b) Decision Binding

A decision of the Subscribers with respect to any matter will be binding on all the Subscribers.

6.10 Chair

The Chair appointed by the Advisory Board pursuant to section 3.07 will serve as chairperson of any meeting of the Subscribers. In the absence of the Chair the Subscribers in attendance at the meeting will choose a chairperson. The Chair will not have a second or casting vote in respect of any matter voted on by the Subscribers.

6.11 Secretary

The Chair will appoint a secretary who will keep accurate minutes of all meetings of the Subscribers.

6.12 Minutes of Meetings

The minutes of each meeting of the Subscribers will be submitted for approval at the next Subscribers meeting.

The minutes of any meetings of the Subscribers will, if purported to be signed by the Chair and the secretary, be *prima facie* evidence of the facts therein stated.

6.13 Conference Telephone Meetings

Any Subscriber may participate in a meeting of the Subscribers by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a Subscriber participating in a meeting in such manner will be deemed to be present in person at the meeting.

6.14 Notice

The Chair will give each Subscriber written notice of the time and place of each meeting of the Subscribers, other than the annual meeting, not less than ten (10) days before the day on which the meeting is to be held. A meeting of the Subscribers may be held at any time without notice if all the Subscribers are present or those not so present have waived notice of such meeting. Such waiver, whether given before or after the meeting of which notice is required to be given, will cure any default in the giving of such notice.

6.15 Agendas

The notice of each meeting of the Subscribers will be accompanied by an agenda and any relevant supporting materials sufficiently detailed to inform Subscriber of the matters to be considered at the meeting.

A Subscriber may require the addition of one or more matters to the agenda of the meeting by written notice thereof to the Chair. Such notice will be accompanied by any relevant supporting materials sufficiently detailed to inform each Subscriber of the matter or matters to be added to the agenda of the meeting. Such notice and materials will be delivered in sufficient time to enable the Chair to comply with the Chair's obligations under section 6.14 hereof and this section 6.15.

6.16 No Vote on Matters Not in Agenda

Matters which are not referred to in the agenda of the meeting of the Subscribers will not be voted on at that meeting unless all of the Subscribers consent.

6.17 Location of Meeting

Meetings of the Subscribers, other than the annual meeting, will be held in the City of Toronto or at such other place as the Subscribers may by Ordinary Resolution agree upon from time to time.

6.18 Quorum

A quorum for a meeting of the Subscribers will be a majority of the Subscribers.

ARTICLE VII

OPERATION OF THE RECIPROCAL

7.01 Issuance of Insurance Policies

- (a) After receipt of the Licence and on a date ("Issue Date") to be determined by the Advisory Board and advised in writing to each Subscriber, the Reciprocal, by its Principal Attorney, will issue a liability insurance policy to such Subscriber in such form as may be prescribed by the Advisory Board from time to time, subject to compliance with the requirements of all regulatory authorities having jurisdiction;
- (b) Notwithstanding any provisions of this Agreement or any provision of any insurance policy issued by the Reciprocal to the contrary, the following will apply:
 - (i) any insurance policy issued by the Reciprocal to a Subscriber will automatically be cancelled on the date ("Cancellation Date") that the Reciprocal is terminated pursuant to Article VIII hereof or the date specified by notice to the Subscriber where such Subscriber has ceased to be a member of the Reciprocal pursuant to section 6.04 hereof; and
 - (ii) each Subscriber will be covered continuously by an insurance policy issued by the Reciprocal from the Subscriber's Issue Date to its Cancellation Date and the Subscriber will be bound by the provisions of any such insurance policy in force from time to time;
- (c) The form of any liability insurance policy may be changed from time to time by the Advisory Board as provided herein, subject to compliance with the requirements of any regulatory authority having jurisdiction in this regard;
- (d) The Reciprocal may in the future issue other liability policies in a form or forms approved by the Advisory Board by Ordinary Resolution to participate in other liability insurance on an actuarially sound basis on the advice of the Actuary and, if necessary, the approval of the Superintendent.

7.02 Terms and Conditions of Issue of Policies

The following terms and conditions apply to the operation of the Reciprocal and the issuance of insurance policies by it:

- (a) the maximum limit of liability for any one loss applicable to any insurance policy ("Policy Limit") will be as determined from time to time by the Advisory Board;

- (b) the maximum limit of liability to be retained by the Reciprocal on its own account for any one loss ("Retention Limit") will be Fifteen Million Dollars (\$15,000,000), provided that such maximum limit of liability to be retained by the Reciprocal for any one loss may be increased or decreased by Extraordinary Resolution of the Advisory Board;
- (c) notwithstanding any provision of this Agreement to the contrary, the Policy Limit may exceed the Retention Limit if and only if the Reciprocal obtains reinsurance for such excess amount; and
- (d) the Reciprocal may enter into other reinsurance to limit in the aggregate its liability in respect of the risk assumed by it pursuant to the Retention Limit in such form and amount as may be considered appropriate from time to time by the Advisory Board in light of the then current market conditions.

7.03 Expected Loss Costs and Premium Requirements

The expected loss costs for the portion of the risk to be retained by the Reciprocal pursuant to the Retention Limit and the premiums to be charged to each Subscriber for each of the five years of any Underwriting Period or portion thereof will be determined by the Advisory Board on the advice of the Actuary. The amount of the premiums will be sufficient to fund the administration expenses, reinsurance premiums and the portion of the risk retained by the Reciprocal.

7.04 Subscriber Participation

Subscriber participation in an Underwriting Period will be accounted for on the basis of, among other things, the number of lawyers, expected loss costs for the portion of the risk retained by the Reciprocal pursuant to the Retention Limit and the actual premiums and premium assessments paid and premium credits given, in the manner provided in the Rules. Actual losses incurred by the Reciprocal for any Underwriting Period will be pooled and apportioned among the Subscribers in the manner provided in the Rules.

Investment income earned on accumulated assets applicable to each Underwriting Period will be apportioned in the manner provided in the Rules.

7.05 Premium Assessments and Premium Credits

- (a) The Reciprocal will be responsible for the portion of the risk retained by it pursuant to the Retention Limit. The Advisory Board may in its discretion on the advice of the Actuary declare a premium assessment or premium credit with respect to a particular Underwriting Period based on:
 - (i) the actual loss experience of the Reciprocal in that Underwriting Period pursuant to insurance policies issued to the Subscribers, and
 - (ii) any amounts owing to the Reciprocal which the Reciprocal is unable to collect.

Each Subscriber acknowledges that it may be responsible for additional premium assessments and may be entitled to premium credits based on its participation in the Underwriting Period as set out in the Rules.

- (b) Loss claims experience for each Underwriting Period will be assessed annually. Potential deficits and surpluses will be estimated and an additional premium assessment or premium credit may be declared by the Advisory Board on the advice of the Actuary. Deficits or surpluses and resulting premium assessments and premium credits will be accounted for on the basis of each Subscriber's participation in the Underwriting Period;
- (c) In the event that a premium assessment or premium credit is declared, the Advisory Board will notify each Subscriber of the amount of the premium assessment or premium credit applicable to each Subscriber, setting out in reasonable detail the reasons therefor and the basis upon which the amount of the premium assessment or premium credit has been determined;
- (d) In the event that the Advisory Board on the advice of the Actuary, in its absolute discretion, determines that the Reciprocal has accumulated funds in excess of those required to meet its regulatory and internal surplus requirements, the Advisory Board may declare a special premium credit in whatever amount it deems appropriate;
- (e) Except as may otherwise be determined by the Advisory Board, any premium credits declared pursuant to this section 7.05 will be applied to reduce premiums payable for policies of insurance in the current or any subsequent Fiscal Period.

7.06 Closure of Underwriting Period

In its discretion, the Advisory Board, based upon the advice of the Actuary that no further liability to or of the Reciprocal exists with respect to a particular Underwriting Period, may close the accounting for an Underwriting Period. In the event of such closure, each Subscriber's surplus or deficit, if any, will be consolidated with its surplus position in the immediately following Underwriting Period.

7.07 Obligation to Pay

Each Subscriber covenants and agrees to pay promptly when due any annual premium or other fee or premium assessment required pursuant to the terms of this Agreement.

7.08 Departing Subscriber

In the event that a Departing Subscriber's membership in the Reciprocal has terminated as at the end of an Underwriting Period,

- (a) upon the closing of the accounting applicable to the Underwriting Period:

- (i) in the event that the Advisory Board shall assess additional premiums against the Departing Subscriber in respect of such Underwriting Period, the Departing Subscriber shall, forthwith after such assessment, pay to the Reciprocal the amount of such additional premiums and such additional premiums shall be owed to the Reciprocal by the Departing Subscriber in respect of the applicable Underwriting Period; and
 - (ii) in the event that the Advisory Board shall declare a premium credit in favour of the Departing Subscriber in respect of such Underwriting Period, the Reciprocal shall, forthwith after such declaration, pay to the Departing Subscriber the amount of such premium credit as a refund of premiums owed by the Reciprocal to the Departing Subscriber in respect of the applicable Underwriting Period;
- (b) notwithstanding the provisions of subsections (a)(i) and (ii) above, the Reciprocal and the Departing Subscriber may, prior to or after the closing of the said Accounting Period, mutually agree as to the amount of the premiums owed by the Departing Subscriber to the Reciprocal or owed by the Reciprocal as a refund of premiums to the Departing Subscriber, as the case may be, in respect of the said Underwriting Period and the terms and conditions of the payment thereof by the Departing Subscriber to the Reciprocal or by the Reciprocal to the Departing Subscriber (which may be paid as a lump sum or in instalments and either before or after the close of the accounting of the said Underwriting Period) and any such payment(s) when made, shall be deemed to satisfy in full the obligations of the Reciprocal or the Departing Subscriber, as the case may be, under subsection (a) above. Any such agreement requires approval by an Extraordinary Resolution of the Advisory Board.

7.09 Rules

For purposes of administering the Reciprocal in accordance with the provisions of this Agreement, the Advisory Board may establish from time to time such rules and regulations as it considers appropriate ("Rules"), provided that the Rules and any amendments thereto will be subject to the approval of the Advisory Board by Extraordinary Resolution.

ARTICLE VIII

TERMINATION

- 8.01**
- (a) Subject to providing notice to the Superintendent, the Advisory Board may terminate the Reciprocal by an Extraordinary Resolution of the Advisory Board.
 - (b) The Reciprocal will terminate in the event that it fails to receive the Licence or in the event that the Licence is revoked or is not renewed;

- (c) Upon termination, the assets of the Reciprocal after payment of all obligations, and after setting aside an adequate reserve for future claims, will be returned to the Subscribers in proportion to each Subscriber's participation in the Reciprocal as shown in the accounts maintained pursuant to section 5.03 hereof;
- (d) Notwithstanding the termination of the Reciprocal, each Subscriber will continue to be responsible for its proportionate share of any claims assessments in future years in respect of claims made prior to such termination, unless satisfactory arrangements are made to buy out such liability;
- (e) Subject to any conditions imposed by the Superintendent, the Reciprocal is empowered to continue in operation for the limited purpose of winding-up the affairs of the Reciprocal and, for such purpose, this Agreement will remain in full force and effect until all obligations of the Reciprocal have been fulfilled. Notwithstanding the foregoing, once an event of termination has occurred, the Reciprocal may not exchange or cause to be exchanged any further contracts of indemnity or inter-insurance.

ARTICLE IX

GENERAL PROVISIONS

9.01 Notice

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another will be given in writing and served personally, or sent by registered mail, postage prepaid, or by email, addressed to:

- (a) each Subscriber at the address noted below its signature on the signature page hereof or on the Form of Subscription attached hereto as Schedule "A";
- (b) the Advisory Board or the Reciprocal, c/o the Principal Attorney at the address set out in the policies of insurance exchanged among the Subscribers, in force at the time of the notice;

or at such other address as may be given by any of them to the others in writing from time to time, and such notices, requests, demands, acceptances and other communications will be deemed to have been received when delivered, or if sent by registered mail, will be deemed to have been received on the seventh (7th) day following the date of mailing the letter, or if sent by email, will be deemed to have been received when acknowledged by return email or delivery receipt.

9.02 Arbitration

If any dispute occurs between or among two or more of the Subscribers, the Reciprocal and the Principal Attorney with respect to the interpretation of this Agreement or the operation of the Reciprocal, the matter in dispute will be settled by agreement or arbitration as follows:

- (a) any one or more of the Subscribers, the Principal Attorney and the Reciprocal (the "Applicant") may notify any one or more of the others (the "Respondent") in writing that a dispute (the "Dispute") has arisen;
- (b) the Applicant and the Respondent will exercise their best efforts to resolve the Dispute, through direct negotiation or mediation;
- (c) if the Dispute goes unresolved for thirty (30) days (hereinafter referred to as the "Period of Resolution"), the Applicant and the Respondent (the "Parties to the Dispute") will within ten (10) days from the termination of the Period of Resolution (hereinafter referred to as the "Period of Appointment"), appoint one arbitrator, if they can agree upon one;
- (d) failing such appointment within the Period of Appointment, each of the Parties to the Dispute will have ten (10) days from the expiry of the Period of Appointment to appoint one arbitrator (hereinafter referred to as the "Second Period of Appointment");
- (e) within ten (10) days from the expiry of the Second Period of Appointment, the two (2) arbitrators so appointed will appoint a third arbitrator;
- (f) in the event that one of the Parties to the Dispute fails to appoint its arbitrator within the Second Period of Appointment, or in the event that one of the arbitrators fails, within the time provided herein, to act upon the appointment of a third arbitrator, the arbitrator who has been appointed pursuant to the provisions of this Agreement by one of the Parties to the Dispute and, if such is the case, is prepared to act on the appointment of a third arbitrator, will alone decide any Dispute;
- (g) the decision of the arbitrators or arbitrator in any matter will proceed in accordance with the provisions of the Arbitration Act, RSA 2000, c. A-43, as amended from time to time, and will be final and binding on the Parties to the Dispute; and
- (h) notwithstanding the foregoing, any procedure for settling a dispute which is contained in any policy of insurance issued pursuant to this Agreement and which is inconsistent with the provisions of this section 9.02 will supersede the arbitration provisions of this section 9.02.

9.03 Confidentiality

The Principal Attorney, the Advisory Board members and the committee members will maintain confidentiality with respect to all non-public information received in the course of their duties. In addition, the Advisory Board will adopt appropriate procedures to be implemented by a Claims

Committee to ensure that all information received by the underwriters and claims counsel relating to a particular Firm in connection with such Firm's application for insurance or membership and subsequent claims history is kept entirely confidential from the Advisory Board (except to the extent that the Advisory Board has to be involved, because of its fiduciary obligations, on major claims) and from all other persons other than the Actuary and the auditor for the Reciprocal. If any member of the Claims Committee obtains any confidential information in the course of that member's duties, he or she will keep such information confidential and will not divulge or use such information other than in the course of his or her duties as a member of the Claims Committee.

9.04 Subscribers Right of Inspection

Any Subscriber by its duly authorized agent, upon reasonable notice, will have the right, during regular business hours and subject to the reasonable demands of the business of the Reciprocal, to inspect and, at its own expense, to copy the record books, the books of account, and any other book or document of the Reciprocal other than such documents or categories thereof (i) relating to underwriting and claims data pertaining to particular Firms, and (ii) as the Advisory Board will from time to time designate as confidential.

9.05 Actions Effected Under Original Agreement

Nothing in this Agreement will adversely affect any actions taken by the Subscribers, the Firms, the Principal Attorney, the Advisory Board or any committee (or any member thereof) prior to the date hereof under the Original Agreement, or the rights or obligations of any such persons in respect of such actions.

IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be executed as of the date first above written.

BORDEN LADNER GERVAIS

Subscriber

Per:



ROB MORRIS - COO

Address

22 Adelaide Street West
Toronto, ON, Canada, M5H4E3

Committee to ensure that all information received by the underwriters and claims counsel relating to a particular Firm in connection with such Firm's application for insurance or membership and subsequent claims history is kept entirely confidential from the Advisory Board (except to the extent that the Advisory Board has to be involved, because of its fiduciary obligations, on major claims) and from all other persons other than the Actuary and the auditor for the Reciprocal. If any member of the Claims Committee obtains any confidential information in the course of that member's duties, he or she will keep such information confidential and will not divulge or use such information other than in the course of his or her duties as a member of the Claims Committee.

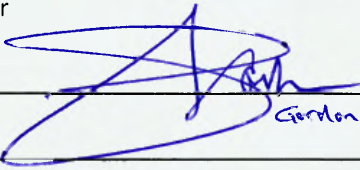
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IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be executed as of the date first above written.

Cassels Brock & Blackwell LLP
Subscriber
Per: 
Gordon F. Goodman, Partner
Address
2100-90 King Street West
Toronto, ON M5H 3C2

Committee to ensure that all information received by the underwriters and claims counsel relating to a particular Firm in connection with such Firm's application for insurance or membership and subsequent claims history is kept entirely confidential from the Advisory Board (except to the extent that the Advisory Board has to be involved, because of its fiduciary obligations, on major claims) and from all other persons other than the Actuary and the auditor for the Reciprocal. If any member of the Claims Committee obtains any confidential information in the course of that member's duties, he or she will keep such information confidential and will not divulge or use such information other than in the course of his or her duties as a member of the Claims Committee.

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IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be executed as of the date first above written.

DAVIES WARD PHILLIPS & VINEBERG LLP

Subscriber

Per: MKOSZ

Melanie Koszegi - Deputy Managing Partner

Address

155 Wellington St. W.

Toronto, ON M5V 3J7

Committee to ensure that all information received by the underwriters and claims counsel relating to a particular Firm in connection with such Firm's application for insurance or membership and subsequent claims history is kept entirely confidential from the Advisory Board (except to the extent that the Advisory Board has to be involved, because of its fiduciary obligations, on major claims) and from all other persons other than the Actuary and the auditor for the Reciprocal. If any member of the Claims Committee obtains any confidential information in the course of that member's duties, he or she will keep such information confidential and will not divulge or use such information other than in the course of his or her duties as a member of the Claims Committee.

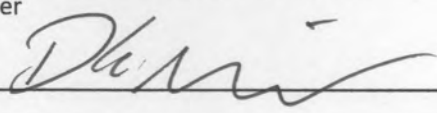
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IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be executed as of the date first above written.

	Fasken Martineau DuMoulin LLP
Subscriber	_____
Per:	 _____
	Donald E Milner
Address	_____
	2400 - 333 Bay Street

	Toronto, ON M5H 2T6

Committee to ensure that all information received by the underwriters and claims counsel relating to a particular Firm in connection with such Firm's application for insurance or membership and subsequent claims history is kept entirely confidential from the Advisory Board (except to the extent that the Advisory Board has to be involved, because of its fiduciary obligations, on major claims) and from all other persons other than the Actuary and the auditor for the Reciprocal. If any member of the Claims Committee obtains any confidential information in the course of that member's duties, he or she will keep such information confidential and will not divulge or use such information other than in the course of his or her duties as a member of the Claims Committee.

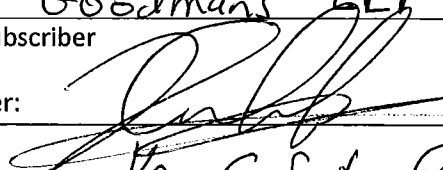
9.04 Subscribers Right of Inspection

Any Subscriber by its duly authorized agent, upon reasonable notice, will have the right, during regular business hours and subject to the reasonable demands of the business of the Reciprocal, to inspect and, at its own expense, to copy the record books, the books of account, and any other book or document of the Reciprocal other than such documents or categories thereof (i) relating to underwriting and claims data pertaining to particular Firms, and (ii) as the Advisory Board will from time to time designate as confidential.

9.05 Actions Effected Under Original Agreement

Nothing in this Agreement will adversely affect any actions taken by the Subscribers, the Firms, the Principal Attorney, the Advisory Board or any committee (or any member thereof) prior to the date hereof under the Original Agreement, or the rights or obligations of any such persons in respect of such actions.

IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be executed as of the date first above written.

Goodmans LLP
Subscriber
Per: 
Ken Crofoot, General Counsel
Address
333 Bay Street, Suite 3400
Toronto Ontario M5H 2S7

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Subscriber

Per:

Address

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McMillan LLP
Subscriber
Per: [Signature]
GENERAL COUNSEL
Address
181 BAY ST. STE 4400
TORONTO ON M5J 2T3

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Osler Hoskin & Harcourt LLP
Subscriber

Per: David Mawitt

Suite 6300, 1 FIRST CANADIAN
Address Place, Toronto, Ontario
CANADA M5X 1B8

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Touys LLP
Subscriber
Per: [Signature]
Julia Holland
Address
79 Wellington St West
ste 3000, Toronto M5K 1N2

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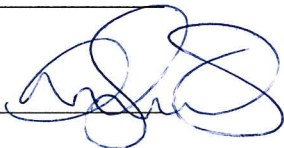
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WEIRFOULDS LLP
Subscriber
Per: Michael Swartz, PARTNER 
4100-66 WELLINGTON ST. W.
Address
TORONTO-DOMINION CENTRE
TORONTO, ON M5K 1B7