

October 14, 2020

**Private and confidential**

Mr. Gordon Goodman  
Chair of the Audit Committee  
Canadian Lawyers Liability Assurance Society

and

Mr. Patrick Mahoney  
General Manager  
Canadian Lawyers Liability Assurance Society  
C/o Axxima  
36 Toronto Street, Suite 510  
Toronto ON M5C 2C5

Dear Sirs,

Deloitte LLP ("Deloitte" or "we" or "us") is pleased to serve as your auditors for the year ending December 31, 2020. Ms. Elaine Hultzer will be responsible for the services that we perform for Canadian Lawyers Liability Assurance Society (the "Society"). She will, as considered necessary, call upon other individuals with specialized knowledge, either in this office or elsewhere in our firm to assist in the performance of our services.

In addition to the financial statement audit we are engaged to provide under this engagement letter, we would also be pleased to assist the Society on issues as they arise throughout the year. Hence, we hope that you will call Ms. Elaine Hultzer whenever you believe Deloitte can be of assistance.

We will perform this engagement subject to the terms and conditions set forth herein and in the accompanying appendices.

**The objective and scope of the audit**

You have requested that we audit the financial statements of the Society (the "Financial Statements"), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, comprehensive income (loss) and accumulated other comprehensive income (loss), changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, contained on pages 20.10 to 20.54 of the P&C Quarterly Return and pages 20.52 and 20.60 of the Annual Supplement, and a summary of significant accounting policies and other explanatory information.

In addition, you have requested that we audit the Minimum Capital Test ("MCT") contained on page 30.61 for the P&C Quarterly Return as at December 31, 2020.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the Financial Statements.

Appendix A provides further information about the objective and scope of the audit.

### **The responsibilities of the auditor**

We will conduct our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 management, as well as evaluating the overall presentation of the financial statements.

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 GAAS.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the Financial Statements 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 the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the Financial Statements that we have identified during the audit.

The audit of the Financial Statements by Deloitte does not relieve management or the Audit Committee of their respective responsibilities.

Appendix A provides more information about Deloitte's responsibilities in respect of the audit.

### **The responsibilities of management and identification of reporting framework**

Our audit will be conducted on the basis that management, under the oversight of the Audit Committee, acknowledges and understands that it has responsibility:

- for the preparation and fair presentation of the Financial Statements in accordance with the *Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting*, International Financial Reporting Standards ("IFRS");
- For the preparation and fair presentation of the MCT which will be prepared in accordance with the Office of the Superintendent of Financial Institutions ("OSFI") Guideline A – Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies (the "Guideline");
- for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; and
- to provide us with:
  - access to all information of which management is aware that is relevant to the preparation of the Financial Statements such as records, documentation and other matters;
  - additional information that we may request from management for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Management's responsibilities in connection with this engagement are further described in Appendix B.

### **Use of third parties by management**

Where management has engaged another party to assist it in fulfilling any of its responsibilities, management will continue to retain the responsibility for the preparation of its Financial Statements in accordance with IFRS.

### **Audit Committee's responsibilities and auditor communications**

As auditors of the Society, we report directly to the Audit Committee as it is directly responsible for the oversight of our work. We acknowledge that the Audit Committee is also responsible for recommending our appointment and compensation. The Audit Committee is also responsible for reviewing and approving the Society's hiring policies regarding current and former partners and employees of Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

In accordance with Canadian GAAS, we are required to communicate with the Audit Committee about various matters in connection with our audit.

The Audit Committee's responsibilities and our communications with the Audit Committee are described in Appendix C.

### **Subscription services**

Deloitte makes available to clients and non-clients for free or for a nominal fee, various educational, informational and other tools in the form of, among other things, newsletters, webcasts, podcasts, conferences, websites, business centre/hospitality services, database subscriptions (including access to Deloitte proprietary information and tools), checklists, research reports, surveys and similar or related tools and services ("Subscriptions"). In some cases, Deloitte may include complimentary rooms or meals as part of the programs or seminars. The Society hereby confirms that any use or receipt by the Society or its affiliates of these Subscriptions is approved by the Audit Committee in accordance with the Audit Committee's established pre-approval policies and procedures.

### **Inclusion of Deloitte reports in documents and public oral statements or references to Deloitte in other documents and on electronic sites**

If the Society intends to publish or otherwise reproduce in any document our report on the Society's Financial Statements, or otherwise make reference to Deloitte in a document that contains other information in addition to the audited Financial Statements (e.g., in a periodic filing with a regulator, in a debt or equity offering circular or in a private placement memorandum), thereby associating Deloitte with such document, the Society agrees that its management will provide Deloitte with a draft of the document to read and obtain our written consent for the inclusion or incorporation by reference of our report, or the reference to Deloitte, in such document before the document is printed and distributed. No other form of document is to be considered to signify our consent. The inclusion or incorporation by reference of our report in any such document would constitute the re-issuance of our report. Management agrees to provide adequate notice of the preparation of any such public documents. The Society also agrees that it will notify us and obtain our written approval prior to including our report or financial statements with which we are associated on an electronic site. Further, it is agreed that in any electronic distribution, for example on the Society's website, management is solely responsible for the accurate and complete reproduction of our report and the subject matter on which we reported.

This engagement letter, and our agreement to perform the services described in this engagement letter, does not constitute our consent to the use of our report in, or our agreement to be associated with any such documents published or reproduced by or on behalf of the Society. Any request by the Society to re-issue our report, to consent to its inclusion or incorporation by reference in an offering or other document, or to agree to its inclusion on an electronic site, will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any services that would need to be performed in connection with any such required services or modifications needed to our report for summarized financial statements. Fees for such services (and their scope) would be subject to our mutual agreement at such time and would be described in a separate engagement letter.

### **Reporting**

In accordance with Canadian GAAS, we expect to issue a report at the completion of our audit in the form shown in Appendix D. The form and content of our report may need to be amended in light of our audit findings.

Our ability to express an opinion and the wording of our opinion will, of course, be dependent on the facts and circumstances at the date of our report. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of this engagement. If we are unable to complete our audit or if our audit report requires modification, the reasons therefor will be discussed with the Audit Committee and the Society's management.

Since the MCT is prepared in accordance with the Guideline, it is not intended for the use of or distribution to users other than the Superintendent of Financial Institutions of Canada and the Provincial Superintendents of Financial Institutions/Insurance, the "intended users" or "specified users". Accordingly, our audit report of the MCT will include an Emphasis of Matter paragraph indicating that the Financial Statement is prepared in accordance with a special purpose framework and as a result, may not be suitable for another purpose. Our audit report will also indicate that our audit report is intended solely for the specified users, and should not be distributed to or used by anyone other than the specified users.

Should the Society distribute the MCT to anyone other than the specified users, we accept no responsibility for any loss or damage suffered by the addressee or any other reader as a result of using the Financial Statement for any other purpose. Our report on the MCT is solely for the Society and the specified users identified above. This engagement does not create privity between us and any other person or party ("third party"). This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the advice, opinions, reports, or other services of our firm.

### **Fees**

We estimate that our total fees for this audit will be \$97,147, plus reasonable expenses, a 7% administrative charge and applicable taxes (such as Harmonized Tax). These fees are based upon our understanding of the engagement scope as outlined in this letter. All invoices shall be due and payable when rendered.

Appendix E provides an estimated timetable for the services included in this engagement letter and the responsibilities of both Deloitte and the Society's management with respect to the successful completion of the engagement. Deloitte will monitor all work and assess fees (time and expenses) as they are incurred throughout the engagement. If circumstances arise, such as those described in Appendix F, and as a result the fees for any of the services outlined are likely to be greater than indicated due to the need for additional work, we will contact you to discuss the reason and seek your approval for this additional work via periodic status meetings.

**Other matters**

This engagement letter, including the appendices A through G attached hereto and made a part hereof, constitutes the entire agreement between the parties with respect to this engagement and supersedes all other prior and contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

This engagement letter will continue in force for subsequent audits unless amended by the mutual consent of ourselves and the Society.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the Financial Statements including our respective responsibilities.

Yours truly,

(To be signed by Deloitte LLP)

Chartered Professional Accountants  
Licensed Public Accountants

Enclosure

The services and terms set forth in this letter are acknowledged and approved by the Audit Committee of Canadian Lawyers Liability Assurance Society:

---

Signature

---

Title

---

Date

The services and terms set forth in this letter are accepted and agreed to by Canadian Lawyers Liability Assurance Society management:

---

Signature

---

Title

---

Date

## **Appendix A**

# **The objective and scope of a financial statement audit and the responsibilities of the auditor**

Canadian Lawyers Liability Assurance Society  
December 31, 2020

### **The objective and scope of a financial statement audit**

We will plan and perform the audit to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error. The Financial Statements subject to audit are those of the Society, prepared by management, with oversight from the Audit Committee. The audit will enable us to express an opinion on whether the Financial Statements are fairly presented, in all material respects, in accordance with IFRS. The audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements. Our report on the Financial Statements and communications required by Canadian GAAS will be in accordance with our findings.

It is important to recognize that there are inherent limitations of an audit, where most of the audit evidence obtained is of a persuasive, rather than a conclusive nature. These limitations arise from the nature of financial reporting, the nature of audit procedures and the need for the audit to be conducted within a reasonable period of time and at a reasonable cost.

Financial reporting involves judgment by management in applying the requirements of IFRS to the facts and circumstances of the Society. Many financial statement items will involve a degree of uncertainty, and there may be a range of acceptable interpretations or judgments that may be made.

The audit procedures we perform will be selected based on our judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. Because of the nature of fraud, including attempts at concealment and forgery, an audit designed and executed in accordance with Canadian GAAS may not detect a material fraud.

The performance of the audit within a reasonable period of time and at a reasonable cost requires us to plan the audit so that it will be performed in an effective manner, with audit effort directed to areas most expected to contain risks of material misstatement, whether due to fraud or error, and using selective testing and other means of examining populations for misstatements and drawing conclusions thereon.

### **Internal control over financial reporting**

An independent audit conducted by Deloitte in accordance with Canadian GAAS is not a substitute for the maintenance of internal control necessary for the preparation of financial statements by management. Management's acknowledgment of its responsibility for the maintenance of internal control necessary for the preparation of financial statements does not imply that Deloitte will find that the internal control maintained by management has achieved its purpose or will be free of deficiencies.

We obtain an understanding of internal control relevant to the audit; however, not all controls are relevant to every audit. We evaluate the design of controls relevant to the audit and determine whether they have been implemented. We are not, however, required to determine whether relevant controls are operating effectively. Although it is not required by Canadian GAAS, we may decide that for a particular engagement, it makes sense to rely on the effective operation of some controls in determining the substantive procedures we will perform. In this case, we would go beyond evaluating the design of relevant controls and determining whether they have been implemented, to also test whether the controls on which we intend to rely are operating effectively. Accordingly, while Canadian GAAS requires us to report to the Audit Committee any significant deficiencies that have come to our attention, we may not be aware of all significant deficiencies in internal control that do, in fact, exist.

## **Reporting considerations**

### **Going concern**

We will conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report.

### **Other information**

Other information includes financial and non-financial information included in a document, or combination of documents, that comprises the annual report that is typically prepared on an annual basis, with the purpose of providing the shareholders and other stakeholders with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements. It should be noted that our responsibility also extends to other information that accompanies the Financial Statements (i.e. does not necessarily include the Financial Statements) and we are required to consider other information issued after the date of our audit report.

Where the Society issues other information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we will perform, we conclude that there is an uncorrected material misstatement of the other information, our response will be as follows:

- In respect of the other information obtained prior to the date of our audit report, we will report this material misstatement in our audit report;
- In respect of the other information obtained after the date of our audit report, we will consider our legal rights and obligations to seek to have the uncorrected material misstatement appropriately brought to the attention of users.

The work performed on the other information in connection with the Financial Statement audit may not be sufficient to enable us to provide a comfort letter to an underwriter if, at some future date, the other information is included in a prospectus or offering document. In such circumstances, additional work may be required to be performed on the other information and would be the subject of a separate engagement letter and additional fees in connection with that prospectus or offering document.



# Appendix B

## Management's responsibilities

Canadian Lawyers Liability Assurance Society  
December 31, 2020

### **Financial statements and the effectiveness of internal control over financial reporting**

The Society's internal control, including its accounting books and records or accounting systems, will reflect the needs of management, the complexity of its businesses, the nature of its risks and relevant laws or regulations. Management must determine what internal control is required, including how it is designed, implemented and maintained to achieve the Society's objectives. Internal control, no matter how effective, can provide the Society with only reasonable assurance about achieving its financial reporting objectives due to the inherent limitations of internal control.

The preparation and overall accuracy of the Financial Statements and their fair presentation in accordance with IFRS, together with all required disclosures concerning internal control over financial reporting, is the responsibility of the Society's management. Among other things, management has the responsibility for:

1. establishing and maintaining effective internal control over financial reporting necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and informing Deloitte of deficiencies identified in the design or operation of internal control over financial reporting;
2. informing Deloitte of any changes in the Society's internal control over financial reporting that occurred during the year that have materially affected, or are reasonably likely to materially affect, the Society's internal control over financial reporting;
3. identifying and ensuring that the Society complies with the laws and regulations applicable to its activities and informing us of any known or possible material violations of such laws or regulations;
4. adjusting the Financial Statements to correct material misstatements;
5. safeguarding assets;
6. providing to us all information of which management is aware that is relevant to the preparation of the Financial Statements including, but not limited to, all financial records and related data including information on the recognition, measurement and disclosure of specific items, and copies of all minutes of meetings of shareholders, directors and committees of directors;
7. providing additional information that we may request from management for the purpose of the audit;
8. providing us with unrestricted access to persons within the Society from whom we determine it necessary to obtain evidence; the preparation and overall accuracy of the MCT and their fair presentation in accordance with the Financial Reporting Framework;
9. identifying the purpose for which the MCT has been prepared and the intended users;
10. determining that the applicable financial reporting framework is acceptable in view of the nature of the Society and the objective of the MCT, or that is required by law or regulation; and

11. informing Deloitte of facts that may affect the Financial Statements, of which management may become aware during the period from the date of the audit report to the date the Financial Statements are issued.

Management is responsible to ensure that the presentation in the MCT are in accordance with the basis of accounting used and the notes to the MCT appropriately describe the applicable financial reporting framework.

### **Representation letter**

As the MCT is being prepared in accordance with a special purpose framework, we will ask management to confirm that the MCT is being prepared for the Superintendent of Financial Institutions of Canada and the Provincial Superintendents of Financial Institutions/Insurance to meet the requirements of the Superintendent of Financial Institutions of Canada. Management will be asked to confirm the steps taken to determine that the use of the Financial Reporting Framework is acceptable under the circumstances. We will ask management to acknowledge that this special purpose financial statement is intended solely for the use of the intended users and should not be distributed to or used by parties other than the intended users.

We will make specific inquiries of the Society's management about the representations embodied in the Financial Statements and internal control over financial reporting. As part of our audit procedures, we will request that management provide us with a representation letter acknowledging management's responsibility for the preparation of the Financial Statements in accordance with IFRS and that the Financial Statements are fairly presented in accordance therewith.

We will ask management to affirm its belief that the effects of any uncorrected financial statement misstatements aggregated by us during the current audit engagement and pertaining to all the periods presented are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole and that management has provided us with all relevant information and access as agreed in this engagement letter and has recorded and reflected all transactions in the Financial Statements.

We will require certain written representations from management in accordance with Canadian GAAS and will request additional representations to support other audit evidence relevant to the Financial Statements or one or more specific assertions therein. Those written representations are to be provided in the form of a representation letter addressed to Deloitte, as of the date of the audit report on the Financial Statements. Such representations will be for all financial statements and periods referred to in the audit report.

The responses to inquiries and related written representations of management required by Canadian GAAS are part of the evidential matter that we will rely on as auditors in forming our opinion on the Society's Financial Statements.

### **Independence matters**

For purposes of the following three paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

### **Independence matters as a result of restrictions on providing certain services**

In connection with our engagement, Deloitte, management, and the Audit Committee will assume certain roles and responsibilities in an effort to assist Deloitte in maintaining independence and ensuring compliance with Canadian independence rules. Deloitte will communicate to its partners and employees that the Society is an attest client. Management of the Society will ensure that the Society, together with its subsidiaries and other entities (including special purpose entities) that comprise the Society for purposes of the Financial Statements, has policies and procedures in place for the purpose of ensuring that neither the Society nor any

such subsidiary or other entity will act to engage Deloitte or accept from Deloitte any service that under Canadian independence rules or other applicable rules would impair Deloitte's independence. All potential services are to be discussed with Ms. Elaine Hultzer.

In connection with the foregoing, the Society agrees to furnish to Deloitte and keep Deloitte updated with respect to (i) a corporate tree that identifies the legal names of the Society's affiliates (e.g., parents, subsidiaries, investors or investees, special purpose entities), together with the ownership relationship among such entities. Deloitte intends to capture this information in systems that may be accessed and used by its affiliates in order to assist Deloitte in meeting its independence obligations. Deloitte will not be requesting nor accepting any personal information for this purpose. To the extent the Society notifies Deloitte of concerns regarding the privacy or confidentiality of such information, Deloitte agrees to discuss such concerns with the Audit Committee.

#### **Independence matters relating to hiring**

Deloitte must assess threats to independence created when a former Deloitte partner or member of the engagement team is employed by management. In order to assist Deloitte in maintaining independence, management should notify Ms. Elaine Hultzer where substantive employment conversations have been had with a former or current Deloitte partner or engagement team member.

#### **Fraud and error**

Management is responsible for:

1. designing and implementing programs and controls to prevent and detect fraud and error;
2. informing us about all known or suspected fraud affecting the Society involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the Financial Statements;
3. informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Society received in communications from employees, former employees, analysts, regulators, short sellers, or others;
4. informing us of any information it might have regarding any concerns or allegations of potential errors in the selection of accounting policies or the recording of transactions affecting the Society that have been communicated to it by employees, former employees, analysts, regulators, short sellers, or others, whether written or oral;
5. informing us of its assessment of the risk that the Financial Statements may be materially misstated as a result of fraud; and

communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole.

#### **Related parties**

The Society agrees that it will provide us with the identity of the Society's related parties, including changes from the previous period, the nature of the relationships between the Society and these related parties and whether the Society entered into any transactions with these related parties during the period and, if so, the type and purpose of the transactions.

#### **Other information**

Management acknowledges its responsibility for other information as applicable.

Where the Society issues other information, management undertakes to provide the other information prior to the date of our audit report where possible. To the extent the other information is expected to be available after the date of our audit report, management undertakes that such other information will be provided to us when available, and prior to its issuance by the entity, such that we are able to fulfill our responsibilities under CAS 720, *The Auditor's Responsibilities Relating to Other Information*.

# **Appendix C**

## **Audit Committee responsibilities and auditor communications**

Canadian Lawyers Liability Assurance Society  
December 31, 2020

### **Audit Committee responsibilities**

The Audit Committee is responsible for the oversight of the financial reporting process, including management's preparation of the Financial Statements and monitoring of the Society's internal control related to financial reporting and oversight of our work.

### **Communications with the Audit Committee**

Canadian GAAS require that we communicate with the Audit Committee about a number of matters that are relevant to the financial reporting process.

### **Planned scope and timing of the audit**

Our audit plan will be separately communicated to you at a later date, providing an overview of the planned scope and timing of the audit.

### **Significant findings from the audit**

We will communicate our views about significant qualitative aspects of the Society's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. Should the need arise, we will communicate to the Audit Committee why we would consider a significant accounting practice that may be acceptable under IFRS, not to be the most appropriate to the particular circumstances of the Society.

We will communicate, in writing, any significant deficiencies in internal control that we identify on the basis of the audit work performed. The purpose of our audit is to express an opinion on the Financial Statements. While the audit will include consideration of internal control relevant to the preparation of the Financial Statements in order to design audit procedures appropriate in the circumstances, it was not performed to express an opinion on the effectiveness of internal control.

In addition, we will communicate:

- any significant matters arising from the audit in connection with the Society's related parties;
- any events or conditions identified that may cast significant doubt on the Society's ability to continue as a going concern, including whether the events or conditions constitute a material uncertainty;
- any significant difficulties encountered during the audit;
- any significant matters arising from the audit that were discussed or subject to correspondence with management;
- written representations we are requesting;

- where CAS 720 applies, any uncorrected material inconsistencies between the other information and the Financial Statements or our knowledge obtained in the audit, and any uncorrected material misstatements of the other information we identify from reading the financial and non-financial information included in the Society's annual report containing or accompanying the Financial Statements and our audit report; and
- any other matters that in our professional judgment are significant to the oversight of the financial reporting process.

### **Fraud, error and illegal acts**

If items of the following nature come to our attention, and in our judgment need to be reported to those charged with governance, we will report them directly to the Audit Committee:

1. Any fraud that involves management;
2. Any fraud involving employees who have significant roles in internal control;
3. Any fraud of which we become aware that has resulted or could result in a material misstatement of the Financial Statements;
4. Any other matters related to fraud, which in our judgment, are relevant to the responsibilities of the Audit Committee;
5. Instances of identified or suspected non-compliance with laws and regulations, other than when the matters are clearly inconsequential;
6. Individual uncorrected misstatements identified by us during the audit that were determined by management to be immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole;
7. Uncorrected misstatements related to prior periods in the relevant classes of transactions, account balances or disclosures and the Financial Statements taken as a whole;
8. Questions regarding the honesty and integrity of management;
9. Matters that may cause future financial statements to be materially misstated; and

Significant misstatements resulting from error that were corrected by management.

We will also be making inquiries of the Audit Committee of any actual, suspected or alleged fraud affecting the Society and whether the Society is in compliance with laws and regulations that may have a material effect on the Financial Statements.

We will inform the appropriate level of management of the Society and determine that the Audit Committee is adequately informed with respect to illegal acts that have been detected or have otherwise come to our attention in the course of our audit, unless the illegal acts are clearly inconsequential.

The matters communicated will be those that we identify during the course of our audit. Our audit would not identify all matters that may be of interest to management or the Audit Committee in discharging its responsibilities. Communication with the appropriate level of authority in the organization's management and with those charged with governance will be determined by the type and significance of the matter to be communicated.

We will also make inquiries of the Audit Committee as to whether any subsequent events have occurred that may affect the Financial Statements, including matters discussed at meetings of the Audit Committee after December 31, 2020.

## Appendix D

### Expected form of audit report – P&C

Canadian Lawyers Liability Assurance Society  
December 31, 2020

We will provide you with our report on the Financial Statements, which is expected to be in the following form. However, the final form will reflect the results of our audit.

## Independent Auditor's Report

To the Advisory Board of Canadian Lawyers Liability Assurance Society

### Opinion

We have audited the financial statements of Canadian Lawyers Liability Assurance Society (the "Society"), which comprise the statements of financial position as at December 31, 2020, and the statements of comprehensive income (loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
February [ ], 2021



## Expected form of audit report – P&C Audit Report

### Independent Auditor's Report

To the Advisory Board of Canadian Lawyers Liability Assurance Society, and  
the Provincial Superintendents of Financial Institutions/Insurance

#### Opinion

We have audited the financial statements of Canadian Lawyers Liability Assurance Society (the "Society"), which comprise the statements of assets and liabilities, equity, head office account, reserves and AOCI as at December 31, 2020, and the statements of income, comprehensive income and accumulated other comprehensive income, head office account, reserves, changes in equity and cash flows for the year then ended on pages 20.10 through 20.54 of the Society's P&C Quarterly Return and pages 20.52 and 20.60 of the Society's P&C Annual Supplement, which includes the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Unaudited Information

We have not audited the schedules and exhibits except for those on pages 20.10 through 20.54 of the Society's P&C Quarterly Return and those on pages 20.52 and 20.60 of the Society's P&C Annual Supplement. Accordingly, this auditor's report and our opinion do not cover the schedules and exhibits on the other pages of the Society's P&C Quarterly Return and P&C Annual Supplement.

#### Other Matter

We issued a separate auditor's report dated February [ ], 2021 on the MCT on page 30.61 of the Society's P&C Quarterly Return.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
February [ ], 2021

## Expected form of audit report – MCT Audit Report

### Independent Auditor's Report

To the Advisory Board of Canadian Lawyers Liability Assurance Society, and  
the Provincial Superintendents of Financial Institutions/Insurance

#### Opinion

We have audited the Minimum Capital Test on page 30.61 of the P&C Quarterly Return of Canadian Lawyers Liability Assurance Society (the "Society") as at December 31, 2020 (the "MCT").

In our opinion, the accompanying MCT of the Society as at December 31, 2020 is prepared, in all material respects, in accordance with the financial reporting provisions of Guideline A – Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies effective January 1, 2018 (the "Guideline") prescribed by the Office of the Superintendent of Financial Institutions Canada ("OSFI").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the MCT* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the MCT in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting

We draw attention to the fact that the MCT has been prepared in accordance with the financial reporting provisions of the Guideline. The MCT is prepared to assist the Society to meet the requirements of the Superintendent of Financial Institutions Canada and the Provincial Superintendents of Financial Institutions/Insurance. As a result, the MCT may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Unaudited Information

We have not audited the schedules and exhibits except for page 30.61 of the Society's P&C Quarterly Return. Accordingly, this auditor's report and our opinion do not cover the schedules and exhibits on the other pages of the Society's P&C Quarterly Return.

#### Other Matter

We issued a separate auditor's report dated February [..], 2021 on the financial statements on pages 20.10 through 20.54 of the Society's P&C Quarterly Return.

#### Responsibilities of Management and Those Charged with Governance for the MCT

Management is responsible for the preparation of the MCT in accordance with the provisions of the Guideline, and for such internal control as management determines is necessary to enable the preparation of the MCT that is free from material misstatement, whether due to fraud or error.

In preparing the MCT, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the MCT**

Our objectives are to obtain reasonable assurance about whether the MCT is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this MCT.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the MCT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the MCT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
February [ ], 2021

# Appendix E

## Coordination of the audit

Canadian Lawyers Liability Assurance Society  
December 31, 2020

Deloitte and the Society will develop and maintain an up-to-date work plan that will govern the specific involvement, activities, work products and schedules of all individuals involved in this engagement, including those in the employ of Deloitte, the Society and third parties, and regardless of whether the individuals have been assigned to the engagement by Deloitte, the Society or a third party.

### Deloitte's responsibilities

We will plan the performance of our audit in accordance with the estimated timetable outlined below. We anticipate that we will commence this engagement during the month of September 2020 and will advise management of any changes to the timetable. We will communicate to management on a periodic basis concerning the status of the engagement. Should we anticipate any changes to our proposed fees, the scope of the engagement, the nature of our report or other planned deliverables, we will contact and advise management of the nature of these changes.

	Estimated to begin	Targeted for completion
Audit performance schedule:		
Planning	September 2020	September 2020
Audit procedures:		
Interim testing	December 2, 2020	December 13, 2020
Auditor communications:		
Independence matters		February 2021
Report on audit, including all required communications		February 2021

### Management's responsibilities

Management will provide all documentation, as requested by Deloitte, in an accurate and timely fashion.

# **Appendix F**

## **Circumstances affecting timing and fee estimate**

Canadian Lawyers Liability Assurance Society  
December 31, 2020

The fees quoted for the audit are based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include, but are not limited to, the following:

### **Audit facilitation**

1. Changes to the timing of the engagement at the Society's request. Changes to the timing of the engagement usually require reassignment of personnel used by Deloitte in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Deloitte may incur significant unanticipated costs.
2. All audit schedules are not (a) provided by the Society on the date requested, (b) completed in a format acceptable to Deloitte, (c) mathematically correct, or (d) in agreement with the appropriate Society records (e.g., general ledger accounts). Deloitte will provide the Society with a separate listing of required schedules, information requests, and the dates such items are needed.
3. Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents).
4. Deterioration in the quality of the Society's accounting records during the current year engagement in comparison with the prior-year engagement.
5. A completed trial balance, referenced to the supporting analyses, schedules and Financial Statements, is not provided timely by the Society.
6. Draft Financial Statements with appropriate supporting documentation are not prepared accurately and timely by the Society's personnel.
7. Electronic files in an appropriate format and containing the information requested are not provided by the Society on the date requested for our use in performing file interrogation. Deloitte will provide the Society with a separate listing of the required files and the dates the files are needed.
8. The engagement team, while performing work on the Society's premises, is not provided with access to the Internet for purposes of conducting the engagement.

### **Significant issues or changes**

1. Significant deficiencies are identified in the Society's internal control that result in the expansion of our audit procedures.
2. A significant level of proposed audit adjustments is identified during our audit.
3. A significant number of drafts of the Financial Statements are submitted for our review or we identify a significant level of deficiencies in the draft Financial Statements.

4. Significant new issues or changes arise as follows:
  - a. New accounting issues;
  - b. Changes in accounting policies or practices from those used in prior years;
  - c. Events or transactions not contemplated in our budgets;
  - d. Changes in the Society's financial reporting process or IT systems;
  - e. Changes in the Society's accounting personnel, its responsibilities, or its availability;
  - f. Changes in auditing standards;
  - g. Change in the Society's use of specialists or the specialists and/or their work product do not meet the qualifications required by Canadian GAAS for our reliance upon their work.
5. Changes in audit scope caused by events that are beyond our control

# Appendix G

## General business terms

Canadian Lawyers Liability Assurance Society  
December 31, 2020

The following general business terms (the "Terms") apply to the engagement except as otherwise provided in the specific engagement letter agreement (the "Engagement Letter") between Deloitte LLP ("Deloitte") and Canadian Lawyers Liability Assurance Society (the "Society") to which these Terms are attached.

1. **Timely performance** – Deloitte will not be liable for failures or delays in performance that arise from causes beyond Deloitte's control, including the untimely performance by the Society of its obligations as set out in the Engagement Letter.
2. **Right to terminate services** – If the Society terminates the engagement or requests that Deloitte resign from the engagement prior to its completion, the Society will pay for time and expenses incurred by Deloitte up to the termination or resignation date together with reasonable time and expenses incurred to bring the services to a close in a prompt and orderly manner. Deloitte will not be responsible for any loss, cost or expense resulting from such termination or resignation. Should the Society not fulfill its obligations set out herein or in the Engagement Letter, and in the absence of rectification by the Society within thirty (30) days of notification in writing by Deloitte, upon written notification Deloitte may terminate its services immediately and will not be responsible for any loss, cost or expense resulting from such early termination.
3. **Fees and taxes** – Any fee estimates take into account the agreed-upon level of preparation and assistance from Society personnel. Deloitte undertakes to advise management of the Society on a timely basis should this preparation and assistance not be provided or should any other circumstances arise which cause actual time to exceed that estimate. The Society is responsible for the payment of any applicable federal, provincial or other goods and services or sales taxes, or any other taxes or duties, in connection with the services provided by Deloitte.
4. **Expenses** – In addition to professional fees, the Society will reimburse Deloitte for its reasonable out-of-pocket expenses including travel, meals and hotels incurred in connection with this engagement.
5. **Billing** – Invoices will be rendered periodically as agreed in advance. All invoices shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an invoice which remains unpaid from thirty (30) days after the invoice date to the date on which the outstanding invoice is paid. To the extent that as part of the services to be performed by Deloitte as described in the Engagement Letter, Deloitte personnel are required to perform the services in the United States of America ("U.S. Business"), the Society and Deloitte agree to assign performance of the U.S. Business to Deloitte Canada LLP, an affiliate of Deloitte. All services performed by Deloitte Canada LLP shall be performed under the direction of Deloitte, which shall remain responsible to the Society for such services. Deloitte Canada LLP shall invoice the Society with respect to the U.S. Business and Deloitte will invoice for services performed in Canada ("Canadian Business"). Payment for U.S. Business and/or Canadian Business can be settled with one payment to Deloitte.
6. **Governing law** – The engagement will be governed by the laws of the Province where Deloitte's principal office performing the engagement is located and all disputes related to the engagement shall be subject to the exclusive jurisdiction of the courts of such Province.



7. **Working papers** – All working papers, files and other internal materials created or produced by Deloitte related to the engagement are the property of Deloitte. In the event that Deloitte is requested by the Society or required by subpoena or other legal or regulatory process to produce its files related to this engagement in proceedings to which Deloitte is not a party, the Society will reimburse Deloitte for its professional time and expenses, including legal fees, incurred in dealing with such matters.
8. **Privacy** – Deloitte and the Society agree that, in connection with the engagement, Deloitte may collect, use, disclose and otherwise process personal information about identifiable individuals ("Personal Information"). Deloitte's services are provided on the basis that the Society has obtained any required consents under applicable privacy legislation for collection, use, disclosure and processing to Deloitte of Personal Information.
9. **Third parties** – Deloitte's engagement is not planned or conducted in contemplation of or for the purpose of reliance by any third party (other than the Society and any party to whom Deloitte's audit report is addressed) or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
10. **Confidentiality** – To the extent that Deloitte collects or is provided with Personal Information or any proprietary or confidential information of the Society (collectively, "Confidential Information"), Deloitte will not disclose such information to any third party without the Society's consent, except as may be required or permitted by law, regulation, legal authority or professional obligations, to satisfy (as applicable) the requirements of the Canadian Public Accountability Board ("CPAB") or as otherwise permitted by this Engagement Letter. Confidential Information may be disclosed by Deloitte to its affiliates and to member firms of Deloitte Touche Tohmatsu Limited ("DTTL") and their respective subsidiaries and affiliates ("Deloitte Entities"), component auditors, permitted subcontractors and third parties that provide services to Deloitte. Confidential Information collected by or provided to Deloitte in connection with the engagement may be used, processed, disclosed and stored outside Canada by Deloitte, Deloitte Entities, component auditors or third party service providers to Deloitte. Deloitte is responsible to the Society for causing any such Deloitte Entities, component auditors and third party service providers to comply with the obligations of confidentiality set out in this section. Confidential Information may be subject to disclosure in accordance with laws applicable in the jurisdiction in which the information is used, processed or stored. The Society also agrees that Deloitte may aggregate Confidential Information and use and disclose that information as part of research and advice, including benchmarking services, provided that all such information will be rendered anonymous and not subject to association with the Society.
11. **Electronic communications** – Except as instructed otherwise in writing, each party consents to properly addressed fax, email (including email exchanged via Internet media) and voicemail communication of both sensitive confidential and non-sensitive documents, information and other communications concerning this engagement, as well as other means of communication used or accepted by the other. It is recognized that the Internet may be insecure and each party will be responsible for protecting its own systems and interests and, to the fullest extent permitted by law, will not be responsible to the other on any basis (contract, tort or otherwise) for any loss, damage or omission in any way arising from the use of the Internet or from access by any Society or Deloitte personnel, including personnel of Deloitte Entities and third parties that provide services to Deloitte, to networks, applications, electronic data or other systems of the other party.
12. **Assignment** – Except as provided below in section 13, no party may assign, transfer, or delegate any of its rights or obligations relating to this engagement without the prior written consent of the other parties.

13. **Subcontracting** – Deloitte may use the services of any Deloitte Entities, component auditors or other subcontractors (including those operating outside Canada) to assist Deloitte. Deloitte remains responsible to the Society for services performed by Deloitte Entities and subcontractors. Each Deloitte Entity is a separate and independent legal entity operating under the names “Deloitte”, “Deloitte & Touche”, “Deloitte Touche Tohmatsu” or other related names; and services are provided by member firms or their subsidiaries or affiliates and not by DTTL.
14. **Software tools** – In connection with the engagement, Deloitte may use data analytics technology which may require Deloitte to install and use one or more data extraction tools (“Extractors”) on the Society’s computing systems. The Society hereby consents to such access and the installation and use of such Extractors, and where applicable, Deloitte hereby grants the Society a limited, revocable, non-exclusive, non-assignable, non-sublicensable right to install and use those Extractors solely in connection with Deloitte’s performance of the engagement. Deloitte recommends that the Society perform adequate security and other appropriate testing on the Extractors before installation. All Extractors are protected by copyright and other laws of various countries, and Deloitte and its licensors reserve all rights not expressly granted in these Terms or the Engagement Letter. The Society is not allowed to reverse engineer, disassemble, decompile, or otherwise attempt to derive the Extractors’ source code, nor assist, directly or indirectly, in any efforts to do so, nor adapt, modify or create derivative works based on the Extractors. The license granted above will terminate upon completion or termination of this engagement. When the license terminates, the Society must, where applicable, stop using the Extractors and delete any and all installed Extractors from the Society’s computing systems, unless Deloitte and the Society have entered into a subsequent agreement that allows for the Society’s continued use. Although Deloitte takes commercially reasonable steps to make the Extractors useful and secure, Deloitte does not have any obligation to ensure they are so, or to maintain, update, upgrade or otherwise modify or support the Extractors. The Extractors are provided “as is” and “as available”, without warranty of any kind, and Deloitte expressly disclaims all implied warranties, including that the Extractors will be secure and error-free, or will meet any other criteria of performance or quality.
15. **Survival of terms** – The agreements and undertakings of the Society contained in the Engagement Letter, together with the appendices to the Engagement Letter including these Terms, will survive the completion or termination of this engagement.
16. **Severability** – If a court or regulator with proper jurisdiction determines that a provision of this Engagement Letter 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 the Engagement Letter will remain in effect.
17. **Electronic messaging** – In accordance with Canadian anti-spam legislation, the Society consents to Deloitte contacting the Society and its personnel through electronic messages relating to Deloitte’s services, products and other matters of interest to the Society after the completion of this engagement. The Society may withdraw any such consent by contacting Deloitte at [unsubscribe@deloitte.ca](mailto:unsubscribe@deloitte.ca).
18. **PCAOB/SEC/Québec rules and professional standards:** When Deloitte is performing audit, review or attest/assurance services that are subject to the US Public Company Accounting Oversight Board (“PCAOB”) and/or US Securities and Exchange Commission (“SEC”) rules or professional standards, any clauses that result in a limitation of Deloitte’s liability do not apply. From time to time, Deloitte may have individual partners and employees performing the engagement within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Limitations of liability contained in the Engagement Letter shall not apply to limit the personal civil liability of members of the Ordre des comptables professionnels agréés du Québec performing the engagement hereunder (and with respect to such members, such limitations shall be deemed not to be included in this Engagement Letter).

19. **Proportionate liability** – The Society and Deloitte acknowledge where the audit is conducted pursuant to a statute governing the Society that contains proportionate liability provisions that apply to an auditor, such as the *Canada Business Corporations Act*, the terms of the statute shall apply to this engagement. In the event that the Society and Deloitte are not subject to such statutory provisions regarding proportionate liability, the Society agrees that in any action, claim, loss or damage arising out of the engagement, Deloitte's liability will be several and not joint and several and the Society may only claim payment from Deloitte of Deloitte's proportionate share of the total liability based on the degree of fault of Deloitte as finally determined by a court of competent jurisdiction.
20. **Client misrepresentation** – Deloitte shall not be liable to the Society, and the Society releases Deloitte, for all liabilities, claims, damages, costs, charges and expenses incurred or suffered by the Society related to or in any way associated with the engagement that arise from or are based on any deliberate misstatement or omission in any material information or representation provided by or approved by any member of management of the Society, officer of the Society or member of the board of directors of the Society.
21. **Qualifications** – Notwithstanding anything herein to the contrary, Deloitte may use the name of the Society, refer to this engagement and the performance of the services in marketing, publicity materials and other material, as an indication of its experience, and in internal data systems.
22. **Force Majeure** – No party shall be deemed to be in breach of the engagement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, any law, order or requirement of any governmental agency or authority, or pandemics (including, without limitation, COVID-19 and any such restrictions or conditions on working practices in response to such a threat). For greater certainty, Deloitte shall have no liability for any failure or delay to perform its obligations under this Engagement Letter, to the extent caused and/or contributed to by the spread of COVID-19 and its associated impacts.