

October 19, 2022

**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  
Berkeley Castle  
250 The Esplanade  
Suite 302  
Toronto, ON M5A 1J2

Dear Sirs,

Deloitte LLP ("Deloitte" or "we" or "us") is pleased to serve as your auditors for the year ending December 31, 2022. Ms. Brigitte Chartier 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. Brigitte Chartier 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, 2022, and the statement of comprehensive income( (loss), changes in equity and cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information, and the financial 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.

In addition, you have requested that we audit the Minimum Capital Test ("MCT") contained on page 30.61 of the P&C Quarterly Return as at December 31, 2022.

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 Society'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 Society'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 and in compliance with the provision of 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 Society 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 MCT 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 MCT 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.

### **Additional audit procedures related to the implementation of new/amended accounting standards**

The Society is adopting the following new and amended accounting standard effective for the Financial Statements for the year ending 31 December 2023, with comparatives for 2022 prepared on the same basis ("IFRS 17 Adoption"):

- IFRS 17 – Insurance Contract
- IFRS 9 – Financial Instruments

As a result, additional audit procedures will need to be performed to assess compliance with the new accounting standard, to obtain assurance over the quantification of any transition adjustments and to assess the appropriateness of the revised financial statement disclosures. These changes will result in additional audit work and therefore additional fees.

In addition, the adoption of this standard may result in a significant or material change to the statements of financial position in which case IAS 1, *Presentation of Financial Statements*, will require the presentation of an opening statement of financial position as at January 1, 2022 to the Financial Statements. In this circumstance we may need to amend the audit report that we expect to issue at the completion of our audit to make reference to the opening statement of financial position.

### **Fees**

We estimate that our total fees for this audit will be \$114,650 plus reasonable expenses, a 7% administrative charge and applicable taxes (such as Harmonized Tax). The fees for audit work performed in respect of the first-time adoption of Insurance Contract Accounting Standard, IFRS 17, amounting to a range of \$49,900-\$59,800 has been agreed as part of the 2021 Audit Service Plan. 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 and MCT including our respective responsibilities.

Yours truly,

*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:

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Signature

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Title

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Date

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

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Signature

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Title

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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, 2022

### **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 Society's operations and the Society'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, 2022

### **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:

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;

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;

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;

adjusting the Financial Statements to correct material misstatements;

safeguarding assets;

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;

providing additional information that we may request from management for the purpose of the audit;

providing us with unrestricted access to persons within the Society from whom we determine it necessary to obtain evidence;

identifying the purpose for which the MCT has been prepared and the intended users;

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

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.

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.

### **Representation letter**

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. Brigitte Chartier.

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. Brigitte Chartier 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;

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;

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;

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;

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 Society, 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, 2022

### **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:

2. Any fraud that involves management;

Any fraud involving employees who have significant roles in internal control;

Any fraud of which we become aware that has resulted or could result in a material misstatement of the Financial Statements;

Any other matters related to fraud, which in our judgment, are relevant to the responsibilities of the Audit Committee;

Instances of identified or suspected non-compliance with laws and regulations, other than when the matters are clearly inconsequential;

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;

Uncorrected misstatements related to prior periods in the relevant classes of transactions, account balances or disclosures and the Financial Statements taken as a whole;

Questions regarding the honesty and integrity of management;

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, 2022.

# Appendix D

## Expected form of audit report – P&C

Canadian Lawyers Liability Assurance Society  
December 31, 2022

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, 2022, 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, 2022, 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.

### 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 [.], 2023

## 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, 2022, 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, 2022, 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 [ ], 2023 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 [ ], 2023

## 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, 2022 (the "MCT").

In our opinion, the accompanying MCT of the Society as at December 31, 2022 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, 2019 (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 [..], 2023 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 [ ], 2023

# Appendix E

## Coordination of the audit

Canadian Lawyers Liability Assurance Society  
December 31, 2022

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 2022 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 2022	September 2022
Audit procedures:		
Interim testing	November 2022	December 2022
Year-end testing	January 2023	February 2023
Auditor communications:		
Independence matters		February 2023
Report on audit, including all required communications		February 2023

### 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, 2022

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, 2022

The following general business terms (the "GBTs") apply to the engagement except otherwise provided in the specific engagement letter agreement (the "Engagement Letter") between Deloitte LLP, a limited liability partnership organized under the laws of Ontario ("Deloitte") and Canadian Lawyers Liability Assurance Society, (the "Society"). The GBTs, the Engagement Letter (including the appendices to the Engagement Letter), and appendices may be updated and amended from time to time, and are together referred to as the "Agreement".

- 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.
- 2. Termination** – This Agreement and any Services may be terminated by either party at any time, with or without cause, by giving prior written notice to the other party 30 days before the effective date of termination, provided that in the event of a termination for cause, the breaching party shall have the right to cure the breach within such 30 day period. Deloitte may terminate this Agreement with immediate effect upon written notice to the Society if Deloitte determines that its performance of any part of the Agreement would be illegal or in conflict with independence or professional rules. The Society will pay for time and expenses incurred by Deloitte up to the termination date together with reasonable time and expenses incurred to bring the Services to a close in a prompt and orderly manner.
- 3. Fees** – In the event that Deloitte has provided any fee estimate, the estimate takes into account the agreed-upon level of preparation and assistance from the Society and Society personnel. Deloitte will advise 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.
- 4. Billing** – 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 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 Agreement, 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.
- 5. Governing law** – The Agreement will be governed by the laws of the Province where Deloitte's principal office performing the Services is located and all disputes related to the Agreement and Services shall be subject to the exclusive jurisdiction of the courts of such Province.

- 6. Working papers** – All working papers, files and other internal materials created or produced by Deloitte related to the Services are the property of Deloitte. In the event that Deloitte is requested by the Society or required by legal or regulatory process to produce its files related to the Services 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.
- 7. Third parties** – Deloitte's Services are 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 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. The Society shall use the advice, opinions, reports or other work product of Deloitte solely for the purposes specified in this Agreement and, in particular, shall not, without the prior written consent of Deloitte, use any advice, opinion, report or other work product of Deloitte in connection with business decisions of any third-party or for advertisement purposes. All Services are only intended for the benefit of the Society and any party to whom Deloitte's report is addressed. The mere receipt of any advice, opinions, reports or other work product by any other persons is not intended to create any duty of care, professional relationship or any present or future liability between those persons and Deloitte. As a consequence, if copies of any advice, opinions, reports or other work product (or any information derived therefrom) are provided to others under the above exclusions, it is on the basis that Deloitte owes no duty of care or liability to them, or any other persons who subsequently receive the same. Nothing in this section shall be construed as limiting or restricting disclosure of the tax treatment or tax structure of the transaction as described in Rule 3501(c)(i) of PCAOB Release 2005-014 or Internal Revenue Code sections 6011 and 6111 and related Internal Revenue Service guidance.
- 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. 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, or as otherwise permitted by this Agreement. Confidential Information may be disclosed by Deloitte to its affiliates and to member firms of Deloitte Touche Tohmatsu Limited and their respective subsidiaries and affiliates ("Deloitte Entities"), component auditors and third parties that provide services to Deloitte. Confidential Information collected by or provided to Deloitte in connection with the Services 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 of the Agreement. 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 and such third-party service providers to 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.

Except as instructed otherwise in writing, each party consents to the transmission by fax, email and voicemail, both confidential and other types of documents, correspondence and any other

information relating to the execution of this Agreement. It is recognized that the parties will use the internet and that the internet may be insecure. 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 by either party or its personnel, including any Deloitte Entity and subcontractor personnel, to access the networks, applications, electronic data or other systems of the other party.

**10. Limitation on liability** – The Society and Deloitte agree to the following with respect to Deloitte's liability to the Society:

- a. The Society agrees that Deloitte shall not be liable to the Society for any claims, liabilities, or expenses relating to this Agreement and any Services for an aggregate amount in excess of three times the fees paid by the Society to Deloitte in the twelve months preceding the incident giving rise to the claim.
- b. In no event shall Deloitte be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this Agreement or any Services for any loss of revenue or profit, loss of opportunity, loss of data, or any other commercial or economic loss or failure to realize expected savings.
- c. In any action, claim, loss or damage arising out of this Agreement and any Services, the Society agrees that 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.

The provisions of this section shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. This section shall survive termination or expiry of the Agreement. The provisions of this section and any other limitations of liability contained in this Agreement shall not apply to any liability which by the governing law of the Agreement is unlawful to limit or exclude. In furtherance of the foregoing, from time to time, Deloitte may have individual partners and employees performing the Services within the Province of Quebec who are members of the Ordre des comptables professionnels agréés du Québec. The limitations outlined in this section as well as any limitations of liability contained in this Agreement shall not apply to limit the personal civil liability of members of the Ordre des comptables professionnels agréés du Québec performing professional Services hereunder (and with respect to such members, such limitations shall be deemed not to be included in this Agreement). For purposes of this section, "Deloitte" shall mean Deloitte LLP and its directors, officers, partners, professional corporations, employees, subsidiaries and affiliates and to the extent providing Services, any Deloitte Entities and all of their partners, principals, members, owners, directors, staff and agents; and in all cases any successor or assignee. The Society agrees that any claims that may arise out of this Agreement or any Services will be brought solely against Deloitte as the contracting party and not against any other Deloitte Entities.

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.

**11. Indemnification** - The Society shall indemnify and hold harmless Deloitte, any Deloitte Entities, and their respective directors, officers, partners, principals, professional corporations, employees, subsidiaries, affiliates and subcontractors from and against all Claims attributable to all claims,

liabilities, losses, damages, costs or expenses attributable to claims of third parties (including without limitation any party to whom Deloitte's report is addressed and any intended users of Deloitte's report) relating to the use or disclosure of the Services (including without limitation Deloitte's reports), except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of Deloitte, any other Deloitte Entity or any of their respective directors, officers, partners, principals, professional corporations, employees, subsidiaries, affiliates and subcontractors. The provisions of this section shall apply regardless of the form of action, damage, claim, liability, cost, expense, whether in contract (including fundamental breach), statute, tort (including negligence) or otherwise.

- 12. Assignment** – Except as provided herein, no party may assign, transfer, or delegate any of its rights or obligations relating to the Agreement without the prior written consent of the other party. Deloitte may assign its rights and obligations under this Agreement to any affiliate or successor in interest to all or substantially all the assets or business of the relevant Deloitte practice.
- 13. Deloitte Entities and subcontractors** – 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.
- 14. Software Tools** – In connection with the Services, 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 Services. 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 the Agreement. 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 the Services. 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** – Any clause that is meant to continue to apply after termination of the Agreement will do so.
- 16. Entire Agreement** – The Agreement forms the entire agreement between the parties in relation to the Services and supersedes all other oral and written representations, understandings or agreements related to the Services.
- 17. Severability** – If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then that provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of the Agreement will remain in effect.

- 18. Qualifications** – Notwithstanding anything herein to the contrary, Deloitte may use the name of the Society, refer to this Agreement and the performance of Services in marketing, publicity materials and other material, as an indication of its experience, and in internal data systems.
- 19. Tax services and review by tax authorities** – The Society shall cooperate with Deloitte in the performance by Deloitte of tax related Services, including, without limitation, providing Deloitte with reasonable facilities and timely access to data, information and personnel of the Society. Society shall be responsible for the performance of its personnel and agents, for the timeliness, accuracy and completeness of all data and information (including all financial information and statements) provided to Deloitte by or on behalf of the Society and for the implementation of any advice, opinions, reports or other work product in any form provided as part of the Services. Deloitte may use and rely on information and data furnished by the Society or others without verification. Deloitte's performance shall be dependent upon the timely performance of the Society's responsibilities hereunder and timely decisions and approvals of the Society in connection with the Services. Deloitte shall be entitled to rely on all decisions and approvals of the Society. To the extent the Society requests tax related Services, Deloitte will use professional judgment in resolving questions affecting the Society relating to the tax Services to be provided by Deloitte. Where there are alternative filing positions or tax transactions, Deloitte will undertake to describe the benefits and risks of each so that the Society can make an informed decision. All returns are subject to examination by taxation authorities and the Society's returns may be audited and challenged by Canadian and other tax authorities. The Society understands that Deloitte's tax advice or opinions are not binding on tax authorities or the courts and should never be considered a representation, warranty, or guarantee that the tax authorities or the courts will concur with Deloitte's advice or opinion. Any tax assistance provided by Deloitte will be based upon the law, regulations, cases, rulings, and other tax authority in effect at the time the specific tax assistance is provided. Deloitte may provide the Society with draft copies of returns or tax advice. Where any drafts are finalized and provided to the Society in final form, such previous drafts should not be relied upon. Nothing in this Agreement shall be construed as limiting or restricting disclosure of the tax treatment or tax structure of any transaction as described in the rules of any taxation authority, including Canada Revenue Agency and the Internal Revenue Service.
- 20. 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 Agreement. The Society may withdraw any such consent by contacting Deloitte at [unsubscribe@deloitte.ca](mailto:unsubscribe@deloitte.ca).
- 21. Language** – The parties have requested that this Agreement and all communications and documents relating hereto be expressed in the English language. Les parties ont exigé que la présente convention ainsi que tous les documents s'y rattachant soient rédigés dans la langue anglaise.
- 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 related to the Services, to the extent caused and/or contributed to by the spread of COVID-19 and its associated impacts.