Surcharge Protocol

Amended Effective July 1, 2026

Effective July 1, 2019, the surcharge protocol (this "**Surcharge Protocol**") of the indemnity program mandated by Section 99 of the *Legal Profession Act* (Alberta) (the "**Program**") operated by ALIA, shall be as set out below.

1. Definitions

1.1 In this Surcharge Protocol, the following capitalized terms shall have the following meanings:

a. "**Additional Subscriber**" includes an "Additional Insured" and an "Additional Indemnified Party" under any predecessor policy to the Group Policy.

b. "**Exempt**" means a member who is exempt from the requirement to pay a professional liability indemnity assessment and is not covered under the Program as set forth in Rule 148 of the Rules of the Law Society of Alberta.

c. "**Group Policy**" means the Alberta Lawyers' Professional Liability and Misappropriation Group Policy as in effect at July 1, 2026, and any successor policy thereto.

d. "**Individual Subscriber**" includes an "Individual Insured" and an "Individual Indemnified Party" under any predecessor policy to the Group Policy.

e. "**Paid Claim**" means, in respect of an Individual Subscriber, a payment or payments of Damages made pursuant to the Part A - Professional Liability Indemnity section of the Group Policy (or any predecessor policy of the Group Policy) in respect of a Claim against the Individual Subscriber or a Claim against an Additional Subscriber which arose out of an Occurrence caused by the Individual Subscriber; provided that, none of the following shall result in a "Paid Claim":

i. a Claim which is covered by the Western Law Societies' Conveyancing Protocol and the Individual Subscriber fully complied with the requirements of that protocol;

ii. a Claim which is "bought out" pursuant to paragraph 5.1.c., below;

iii. a Claim in respect of which payment(s) of Damages do not exceed the Individual Deductible as at the date on which the Surcharge is calculated (for greater certainty, if Damages subsequently exceed the Individual Deductible, such Claim shall then be a Paid Claim and deemed, for all purposes thereafter, to have arisen on the date that Damages exceeded the Individual Deductible); or

iv. a Claim in respect of which the President and Chief Executive Officer of ALIA has waived the Surcharge in its entirety in accordance with paragraph 4.1, below, subject to any terms and

conditions as may be imposed by the President and Chief Executive Officer of ALIA (all with the approval of the Program's Claims Committee).

For the purposes of this Surcharge Protocol, a Paid Claim shall arise on the date of its first payment; provided however, if a Paid Claim is not resulting in a Surcharge pursuant to paragraph 3.1, below, and a subsequent payment in respect of that Paid Claim then causes that Paid Claim to exceed $5,000 of Damages, net of the Individual Deductible, that Paid Claim shall be deemed, for all purposes thereafter, to have arisen on the date of such subsequent payment.

f. "**Policy Year**" means a "Policy Period" as defined in the Group Policy and any predecessor policy of the Group Policy.

1.2 Capitalized terms used but not defined in this Surcharge Protocol have the meanings set out in the Group Policy.

2. Surcharge

2.1 Subject to paragraph 3.1, below, an Individual Subscriber shall pay a claims history levy surcharge (a "**Surcharge**") for each Policy Year (each such year, a "**Subject Year**") for which one or more Paid Claims of the Individual Subscriber occurred during the five consecutive Policy Years preceding the Subject Year, as follows:

a. One Paid Claim: $2,500

b. Two Paid Claims: $5,000

c. Three Paid Claims: $10,000

d. Four Paid Claims: $15,000

e. Five Paid Claims: $25,000

f. Six Paid Claims: $35,000

g. More than six Paid Claims: $35,000, plus an additional $10,000 per each Paid Claim in excess of six.

The Surcharge shall be paid in addition to the base levy and any other applicable fees and charges under the Program.

Notwithstanding the foregoing, if the Individual Subscriber, for any reason including being Exempt, did not pay all of the base levy and any other applicable fees and charges under the Program (including any Surcharge) for any Policy Year in the five-Policy Year period referred to above, then for each such Policy Year for which full payment was not made, a Policy Year shall be added to the five-Policy year period referred to above and referred to in paragraph 3.1(b) below for all purposes hereunder.

For certainty, the Surcharge shall be paid by an Individual Subscriber for each Paid Claim, unless the Surcharge in respect of that specific Paid Claim has already

been paid for five full Policy Years. If a Paid Claim arises in a Policy Year after the date on which the base levy is invoiced for the next Policy Year (such that the Surcharge for that Paid Claim is not invoiced until the second Policy Year following the Policy Year in which the Paid Claim occurs), the five-Policy Year period referred to above shall commence on such second Policy Year. Examples of the operation of the Surcharge are set out in Appendix 1 hereto.

3. Grandfathering of Free Paid Claims

3.1 A Paid Claim shall not result in a Surcharge for a Subject Year up to and including the Policy Year commencing July 1, 2030, if:

a. payments in respect of the underlying Claim, at the time the applicable Surcharges are calculated for the Subject Year, are for no more than $5,000 of Damages, net of the Individual Deductible;

b. the Paid Claim is the oldest Paid Claim (including, for greater certainty, Prior Paid Claims) of the Individual Subscriber within the five consecutive Policy Years preceding the Subject Year; and

c. the Paid Claim arose in respect of a Claim or Circumstance that was reported prior to July 1, 2026.

Notwithstanding paragraph 2.1, above, the period referred to in this paragraph 3.1 shall not be extended for any reason including due to an Individual Subscriber being Exempt.

4. Waiver

4.1 The President and Chief Executive Officer of ALIA may waive the payment of the Surcharge at any time upon such terms as such officer may determine, subject to the prior approval of the Program's Claims Committee in its sole discretion, upon written request of the Individual Subscriber together with supporting reasons.

5. Buy Out

5.1 An Individual Subscriber may elect, by written notice to ALIA, to "buy out" a Paid Claim (including a Prior Paid Claim) at any time as follows:

a. the underlying Claim shall have been settled or disposed of by a final judgment without appeal, or in the case of a Paid Claim that is Repair Costs, ALIA shall be satisfied in its sole discretion that the underlying Error has been fully corrected;

b. notice of the election to buy out has been delivered to ALIA;

c. the Individual Subscriber shall pay to ALIA an amount such that ALIA and the Program are reimbursed for all Damages (including Repair Costs) in respect of the underlying Claim (including the Deductible); and

d. any buy out shall be on reasonable terms and conditions as determined by ALIA.

Claims which are bought out shall not result or continue to result in a Surcharge.

An invoiced Surcharge shall not be adjusted as a result of a "buy out" of a Paid Claim under this paragraph 5.1, unless notice of the "buy out" is given to ALIA and the "buy out" payment is made no later than ten business days after the date on which such Surcharge is invoiced (or in the case of installments, the first date on which such Surcharge is invoiced). Elections and payments received after that date, will be applied to the Surcharge invoiced for the next Policy Year.

6. Claims Prior to July 1, 2019

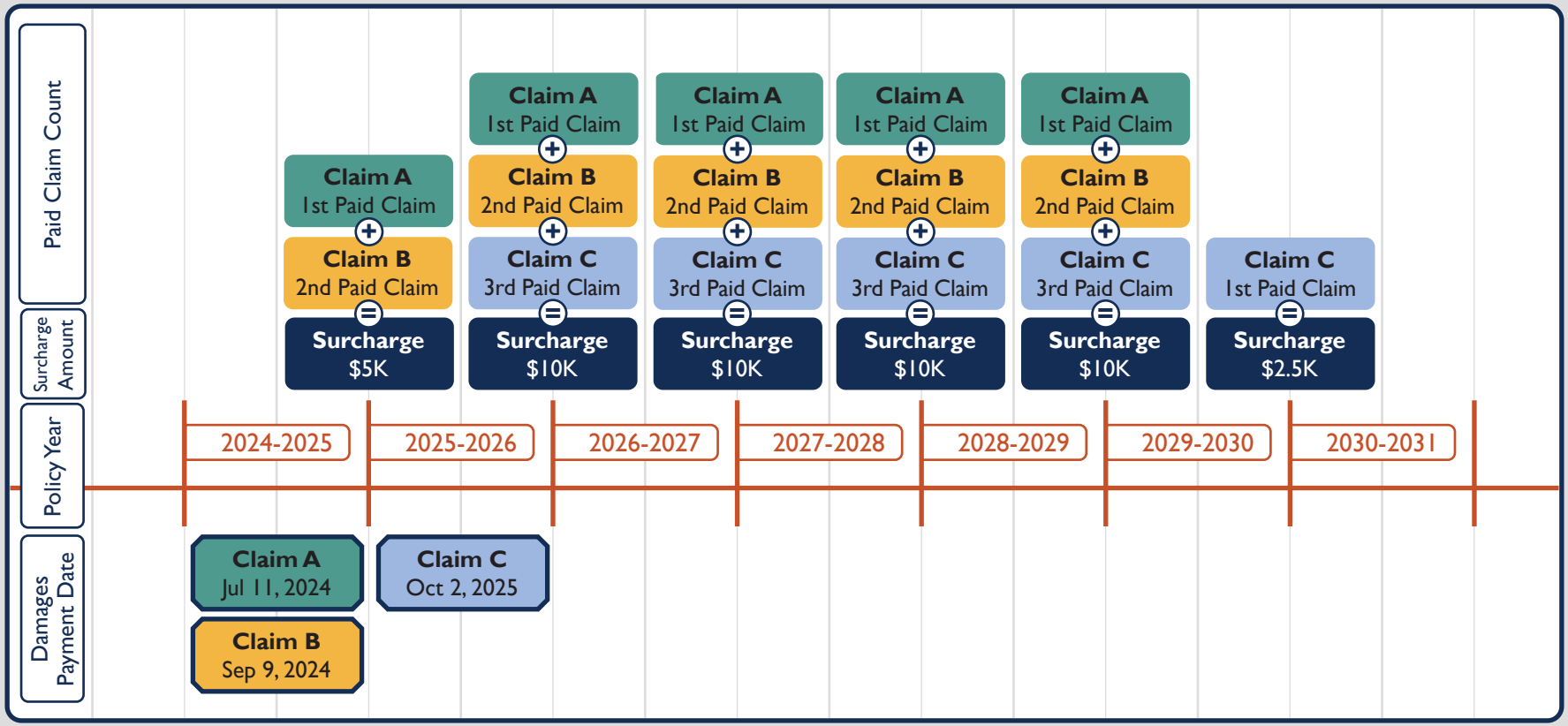
6.1 Paid Claims of the Individual Subscriber arising in respect of a Claim or Circumstance that was reported prior to July 1, 2019 ("**Prior Paid Claims**") shall be dealt with under this Surcharge Protocol and not the previous surcharge protocol of the Program which was in effect until July 1, 2019. Notwithstanding paragraph 2.1, above, the period referred to in this paragraph 6.1 shall not be extended for any reason including due to an Individual Subscriber being Exempt.

7. Miscellaneous

7.1 This Surcharge Protocol may be amended, modified, amended and restated or replaced from time to time by ALIA in writing with the approval of the governing board of the Program. No waiver of any term or condition of this Surcharge Protocol shall be effective unless provided by ALIA to an Individual Subscriber in writing.

7.2 Disputes arising under this Protocol shall be resolved in accordance with the arbitration provisions of Part A of the Group Policy in effect at the time the Surcharge in dispute is invoiced.

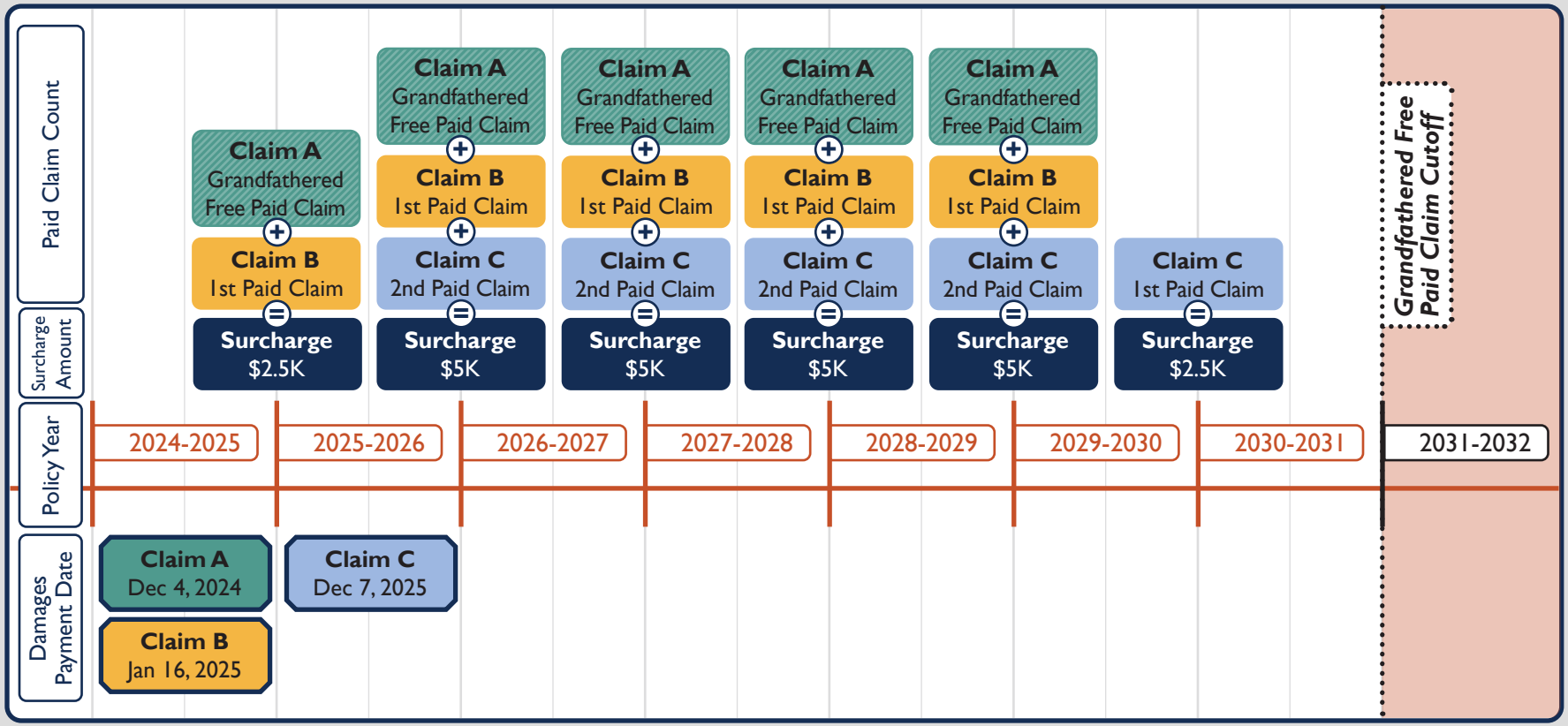
SUBSCRIBER 1 (Indemnified throughout)
Paid Claims and No Grandfathered Free Paid Claim



Subscriber 1 Claims	Damages Payment Date	Damages Payment (including Deductible)
Claim A	Jul 11, 2024	$65,000
Claim B	Sep 9, 2024	$45,000
Claim C	Oct 2, 2025	$47,500
		Total $157,500

Paid Claim Count	Surcharge Amount
1 Paid Claim	$2.5K
2 Paid Claims	$5K
3 Paid Claims	$10K

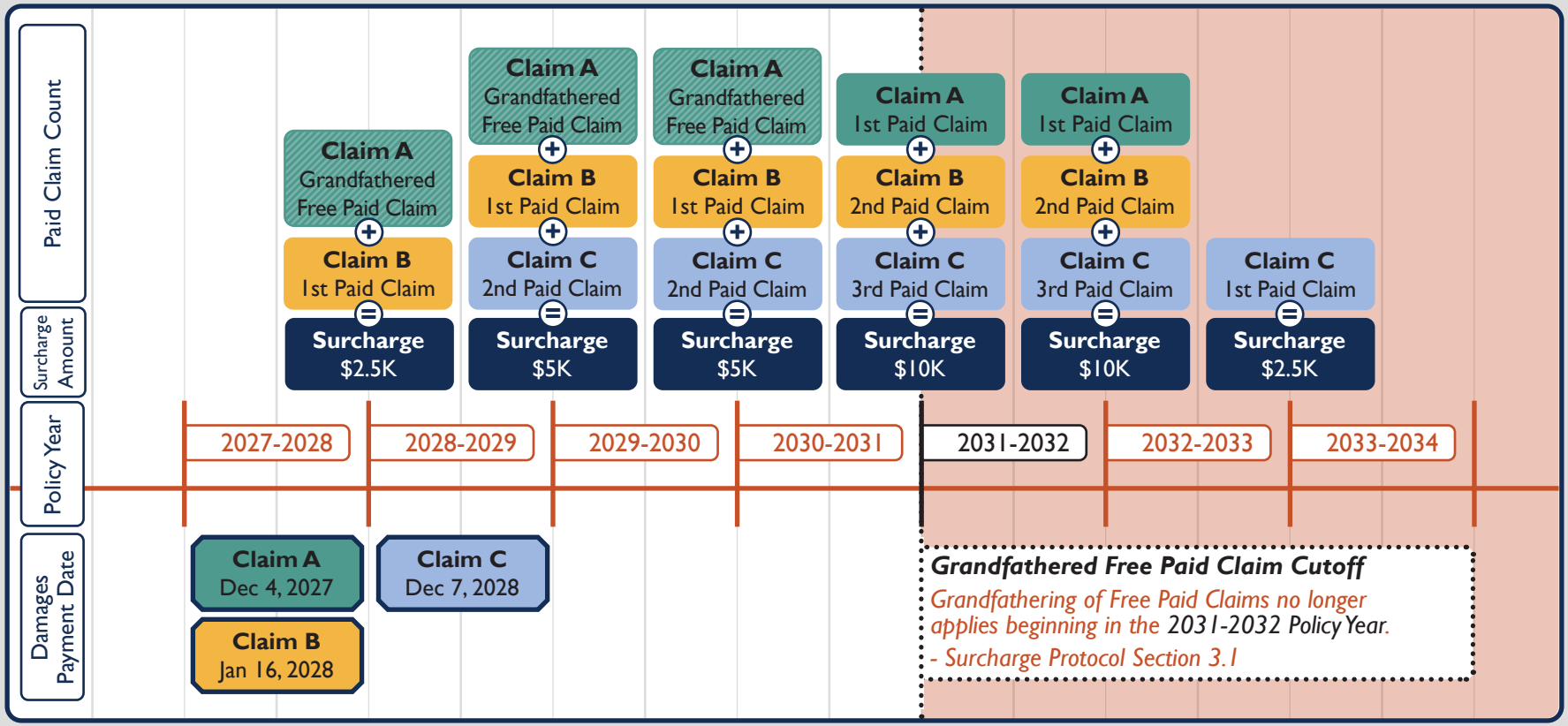
SUBSCRIBER 2 (Indemnified throughout)
Paid Claims with a Grandfathered Free Paid Claim, Surcharged Prior to Cutoff



Subscriber 2 Claims	Damages Payment Date	Damages Payment (including Deductible)
Claim A	Dec 4, 2024	$8,302
Claim B	Jan 16, 2025	$105,000
Claim C	Dec 7, 2025	$60,000
		Total $173,302

Paid Claim Count	Surcharge Amount
Grandfathered Free Paid Claim	$0
1 Paid Claim	$2.5K
2 Paid Claims	$5K

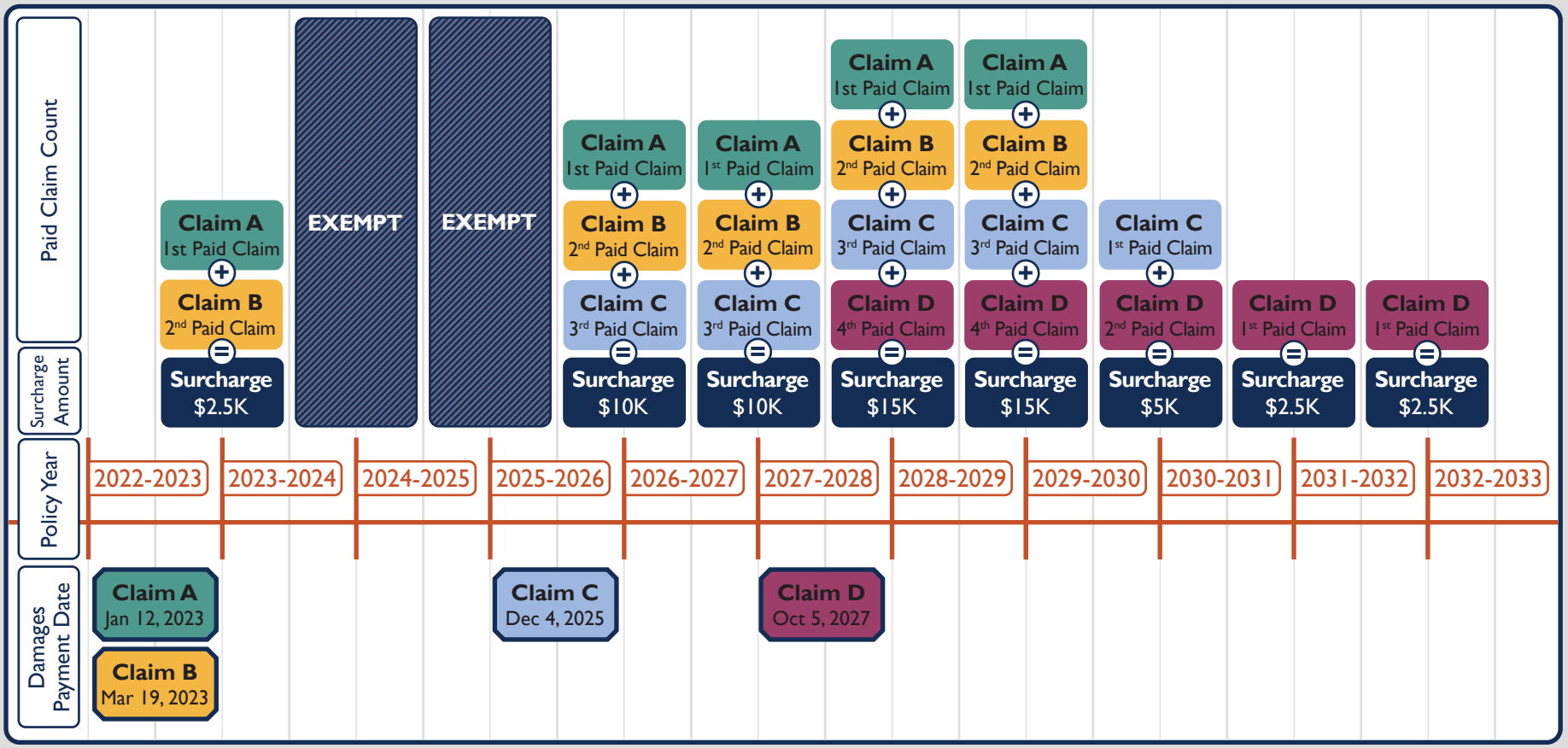
SUBSCRIBER 3 (Indemnified throughout)
Paid Claims with a Grandfathered Free Paid Claim, Surcharged Beyond Cutoff



Subscriber 3 Claims	Damages Payment Date	Damages Payment (including Deductible)
Claim A	Dec 4, 2027	$8,302
Claim B	Jan 16, 2028	$105,000
Claim C	Dec 7, 2028	$60,000
		Total $173,302

Paid Claim Count	Surcharge Amount
Grandfathered Free Paid Claim	$0
1 Paid Claim	$2.5K
2 Paid Claims	$5K
3 Paid Claims	$10K

SUBSCRIBER 4 (Indemnified / Exempt / Indemnified)
Paid Claims and No Grandfathered Free Paid Claim

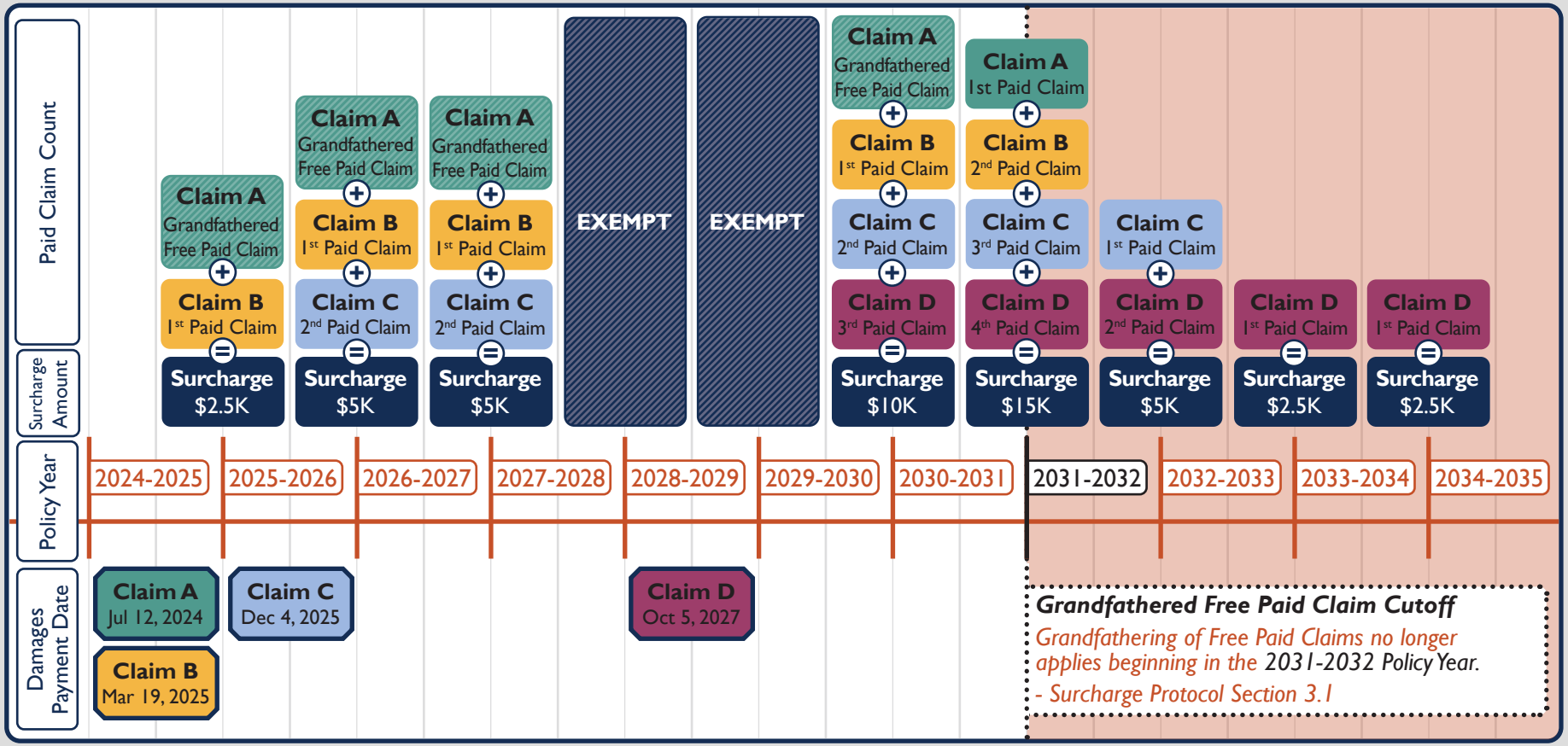


Subscriber 4 Claims	Damages Payment Date	Damages Payment (including Deductible)
Claim A	Jan 12, 2023	$28,475
Claim B	Mar 19, 2023	$30,000
Claim C	Dec 4, 2025	$163,267
Claim D	Oct 5, 2027	$49,000
	Total	$270,724

Paid Claim Count	Surcharge Amount
1 Paid Claim	$2.5K
2 Paid Claims	$5K
3 Paid Claims	$10K
4 Paid Claims	$15K

Subscriber 4 Status	
To June 2024	Indemnified
July 2024 - June 2026	Exempt
July 2026 onwards	Indemnified

SUBSCRIBER 5 (Indemnified / Exempt / Indemnified)
Paid Claims with a Grandfathered Free Paid Claim, Surcharged Beyond Cutoff



Subscriber 5 Claims	Damages Payment Date	Damages Payment (including Deductible)
Claim A	Jul 12, 2024	$9,354
Claim B	Mar 19, 2025	$30,000
Claim C	Dec 4, 2025	$163,267
Claim D	Oct 5, 2027	$49,000
	Total	$251,621

Paid Claim Count	Surcharge Amount
Grandfathered Free Paid Claim	$0
1 Paid Claim	$2.5K
2 Paid Claims	$5K
3 Paid Claims	$10K
4 Paid Claims	$15K

Subscriber 5 Status	
To June 2028	Indemnified
July 2028 - June 2030	Exempt
July 2030 onwards	Indemnified