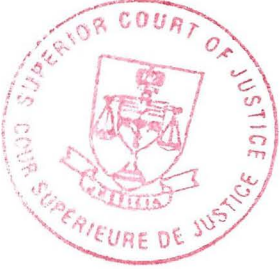


**ONTARIO
SUPERIOR COURT OF JUSTICE**

COMMERCIAL LIST



THE HONOURABLE)
JUSTICE HAINEY) WEDNESDAY, THE 22ND
) DAY OF FEBRUARY, 2017
)

IN THE MATTER OF THE *INSURANCE COMPANIES ACT*, R.S.C. 1991 c. 47, AS AMENDED, AND THE *MUTUAL PROPERTY AND CASUALTY INSURANCE COMPANY WITH NON-MUTUAL POLICYHOLDERS CONVERSION REGULATIONS*, SOR/2015-168

AND IN THE MATTER OF A PLAN OF CONVERSION OF
ECONOMICAL MUTUAL INSURANCE COMPANY

ECONOMICAL MUTUAL INSURANCE COMPANY

Applicant

ORDER

THIS MOTION, made by Economical Mutual Insurance Company (“**Economical**”), pursuant to sections 7(3) and 10(3) of the *Mutual Property and Casualty Insurance Company with Non-mutual Policyholders Conversion Regulations*, SOR/2015-168 (the “**Conversion Regulations**”), for the protection and maintenance of confidentiality of documents and information in the Negotiations (defined below), was heard Wednesday, February 22, 2017, at 330 University Avenue, Toronto, Ontario.

ON BEING ADVISED that Economical, McCarthy Tétrault LLP (“**McCarthy**”), counsel to the eligible mutual policyholders, and Thornton Grout Finnigan LLP (“**TGF**”), counsel to the eligible non-mutual policyholders, consent to the Order sought,

THIS COURT ORDERS THAT:

Definitions

1. For the purposes of this Order:

- (a) **“Authorized Person”** means: (i) Policyholder Counsel; (ii) Policyholder Committee Members; (iii) Policyholder Experts; and (iv) Independent Experts;
- (b) **“Confidential Document”** means, subject to paragraph 4 of this Order:
 - (i) any Economical Document or document derived from Economical Documents or Economical Information;
 - (ii) any other document created, provided or disclosed in the course of the Negotiations, including by the Policyholder Committees; and
 - (iii) any document created, provided or disclosed by an Independent Expert, a Policyholder Expert, the Process Facilitator or PwC;
- (c) **“Confidential Information”** means, subject to paragraph 4 of this Order:
 - (i) any Economical Information or information contained in or derived from a Confidential Document;
 - (ii) any other information about the Negotiations, including information about the work of the Policyholder Committees; and
 - (iii) information created, provided or disclosed by an Independent Expert, a Policyholder Expert, the Process Facilitator or PwC;

- (d) “**Demutualization Process**” means the process for the conversion of Economical from its current mutual structure into a company with common shares pursuant to the *Conversion Regulations*, and includes but is not limited to the Negotiations;
- (e) “**Economical Document**” means any document provided by or disclosed by Economical to any Authorized Person in the course of the Demutualization Process, including documents provided or disclosed prior to the date of this Order;
- (f) “**Economical Information**” means any information provided by or disclosed by Economical in the course of the Demutualization Process to any Authorized Person orally or in writing, including information provided or disclosed prior to the date of this Order;
- (g) “**Independent Expert**” means each of the: (i) independent actuary; (ii) independent valuation expert; and (iii) independent financial market expert, appointed pursuant to the *Conversion Regulations* by mutual agreement of Economical and the Policyholder Committees, and any other independent expert retained on consent of Economical and the Policyholder Committees;
- (h) “**Negotiations**” means the negotiations referred to in section 12 of the *Conversion Regulations*;
- (i) “**Policyholder Counsel**” means each of: (i) McCarthy, counsel to the eligible mutual policyholders; and (ii) TGF, counsel to the eligible non-mutual policyholders, appointed by the order of the Honourable Justice Hainey dated September 22, 2016;

- (j) “**Policyholder Committees**” means the: (i) committee of eligible mutual policyholders; and (ii) committee of eligible non-mutual policyholders, appointed by the order of the Honourable Justice Hainey dated February 22, 2017;
- (k) “**Policyholder Committee Member**” means any member of the Policyholder Committees;
- (l) “**Policyholder Expert**” means any expert consulted for the purposes of the Negotiations and retained in accordance with the Conversion Regulations;
- (m) “**Process Facilitator**” means Dennis O’Connor, Q.C; and
- (n) “**PwC**” means Pricewaterhouse Coopers LLP.

2. Except as authorized by Economical in writing in advance or otherwise provided herein, each person receiving a Confidential Document or any Confidential Information shall maintain every Confidential Document and all Confidential Information in strict confidence and shall not:

- (a) Indirectly or directly reveal or permit access to any Confidential Document or Confidential Information to any person other than an Authorized Person who has executed the Confidentiality Undertaking referred to in paragraph 5, Economical, the Process Facilitator or PwC; or
- (b) Reproduce, release, disclose, communicate, or use any Confidential Document or Confidential Information in any manner or for any reason, other than for the purposes of the Negotiations, except reproduction is permitted for such copies and storage as may be reasonably required internally by an Authorized Person.

3. Any person receiving Confidential Documents or Confidential Information that contains or includes personal information about identifiable individuals who: (i) are, or were previously, Economical policyholders; or (ii) are, or were previously, Economical employees shall, in addition to the obligations and restrictions with respect to use and disclosure in this Order, comply with the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable legislation, regulations or laws for the protection of personal information.
4. Confidential Documents and Confidential Information shall not include any documents or information that:
 - (a) are or become publicly available, provided that such documents or information are not obtained or become publicly available by a breach of the confidentiality obligations herein;
 - (b) are rightfully received from a third party not in breach of any obligation of confidentiality; or
 - (c) is proven to be known by the Authorized Person on a non-confidential basis prior to disclosure.
5. Subject to paragraph 6, each Authorized Person shall execute a Confidentiality Undertaking in the form attached hereto as **Schedule "A"** before receiving a Confidential Document or any Confidential Information. Copies of the executed Confidentiality Undertakings shall be provided to Economical in a reasonable time.
6. Where an Authorized Person has received a Confidential Document or any Confidential Information prior to the date of this Order, such Authorized Person shall execute a

- Confidentiality Undertaking within seven (7) days of the date of this Order. All obligations and restrictions with respect to the use and disclosure in this Order apply to such previously provided documents or information.
7. Where an Authorized Person is required by law to disclose or deliver up any Confidential Document or Confidential Information that is subject to this Order, the Authorized Person shall provide Economical with prompt written notice so that Economical may seek a protective order or other appropriate remedy. Where the requirement is to disclose or deliver up a Confidential Document or Confidential Information contained in a document, the Company may advise the Authorized Person of any parts of that document which are, in the Company's view, not relevant or subject to the requirement to disclose or deliver up, in which case the Authorized Person will either redact those parts of the document prior to disclosing it or delivering it up, or provide Economical with prompt written notice so that Economical may seek a protective order or other appropriate remedy.
 8. Within fourteen (14) days of the end of the appointment of Policyholder Counsel pursuant to section 8(9) of the *Conversion Regulations*, any Authorized Person who has received a Confidential Document or any Confidential Information shall return or dispose of all Confidential Documents and copies, and any tangible records of Confidential Information. Each Authorized Person shall certify to Economical that they have returned or disposed of, as the case may be, all such Confidential Documents or copies, or tangible records of Confidential Information, provided that an Authorized Person: (i) may refrain from taking any of the foregoing actions to the extent required in order to comply with any law or judicial or governmental order, any legal or regulatory requirements or an existing (as of the date of this Order) internal document retention or corporate governance policy to retain

any routinely prepared memoranda, correspondence or internal analysis based on the Confidential Documents or Confidential Information; (ii) will not be obligated to erase any Confidential Document or Confidential Information that is contained in an archived computer system backup in accordance with such party's security and/or disaster recovery procedures; (iii) will not be required to destroy electronic versions of the Confidential Documents or Confidential Information to the extent that such destruction is not reasonably practical; and (iv) will not attempt to recover the Confidential Documents or Confidential Information from such backup sources. Notwithstanding the previous sentence, all Confidential Documents or Confidential Information retained in accordance with this paragraph 8 will remain subject to the obligations of confidentiality and restrictions on use contemplated by this Order until such time as an Authorized Person certifies in writing to Economical that all such Confidential Documents or Confidential Information has been returned or destroyed.

9. Without the prior written consent of Economical, no individual person who is a partner, employee or contractor of either Policyholder Counsel who has come to possess or access any Confidential Document or Confidential Information may act in respect of any transaction involving Economical and its converted company or successor, or any of their affiliates, or in any way adverse in interest to Economical and its converted company or successor, or any of their affiliates, for a period of three (3) years following the earlier of either: (i) an issuance of letters patent of conversion pursuant to section 237 of the *Insurance Companies Act* ("**Letters Patent**"); or (ii) a termination of the Demutualization Process pursuant to section 21 of the *Conversion Regulations* ("**Demutualization Termination**").

10. The end of the appointment of Policyholder Counsel and the disbanding of the Policyholder Committees pursuant to sections 8(9) and 9(9) of the *Conversion Regulations* shall not relieve any Authorized Person from the obligations and restrictions with respect to the use and disclosure in this Order and in the Confidentiality Undertaking. For the avoidance of doubt, the provisions of this Order shall continue after an issuance of the Letters Patent or a Demutualization Termination.
11. For clarity, communications to policyholders regarding the status of the Negotiations may be made with the written prior consent regarding the precise wording and timing of any such communication of each of: (i) the committee of eligible mutual policyholders, (ii) the committee of eligible non-mutual policyholders, and (iii) Economical.
12. This Court shall retain jurisdiction to deal with any issues relating to the Order, including breach of the Order or the Confidentiality Undertaking.
13. This Order may be amended or varied by order of this Court.
14. There shall be no costs of this motion.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

FEB 22 2017

PER / PAR:



SCHEDULE "A"

Confidentiality Undertaking

IN CONSIDERATION of being provided with information or documentation in connection with the Demutualization Process,¹ I _____ hereby undertake and agree to maintain the confidentiality of any Confidential Document or Confidential Information that I obtain, and in particular:

1. I will not reproduce, release, disclose, communicate, or use any Confidential Document or Confidential Information in any manner or for any reason, other than for the purposes of the Negotiations, except for such copies and storage as may be reasonably required internally by an Authorized Person for the purposes of the Negotiations.
2. I will not indirectly or directly reveal or permit access to any Confidential Document or Confidential Information to any person other than an Authorized Person who has executed this Confidentiality Undertaking, Economical, the Process Facilitator or PwC.
3. Within fourteen (14) days of the end of the appointment of Policyholder Counsel pursuant to section 8(9) of the *Conversion Regulations*, I agree that all Confidential Documentation in my possession shall be dealt with in accordance with the Confidentiality Order, or such further order as the Court may make.
4. I have read and understand the Confidentiality Order, an entered an issued copy of which is attached to this Confidentiality Undertaking, and agree to be bound by it. I acknowledge that any breach of this undertaking by me will be considered to be a breach of the Confidentiality Order.
5. I acknowledge and agree that Economical may not have an adequate remedy at law and would be irreparably harmed in the event that any of the provisions of this undertaking are not performed in accordance with its specific terms or are otherwise breached. Accordingly, I agree that Economical shall be entitled to injunctive relief to prevent or to mitigate breaches of this agreement, and to specifically enforce the terms and provisions hereof, in addition to any other remedy to which Economical may be entitled at law or in equity.
6. In the event that I am required by law to disclose or deliver up any Confidential Document or Confidential Information that is subject to this undertaking, I will provide Economical with prompt written notice so that Economical may seek a protective order or other appropriate remedy. In any event, I will furnish or disclose only that portion of the Confidential Document or Confidential Information that is legally required.

¹ All capitalized terms not otherwise defined herein have the same meaning as in the Confidentiality Order of the Honourable Justice Hailey, dated February 22, 2017 (the "**Confidentiality Order**").

7. I hereby attorn to the jurisdiction of the Ontario Court to resolve any disputes arising in relation to this agreement.

SIGNED, SEALED AND DELIVERED before a witness this ____ day of _____, 2017.

(Witness Signature)

(Signature)

(Print Name)

(Print Name)

ECONOMICAL MUTUAL INSURANCE COMPANY
Applicant

Commercial List Court File No. CV-16-11425-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER

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