

**CHARTER OF THE
SUBSCRIBERS' ADVISORY COMMITTEE**

The Subscribers' Advisory Committee (the "Committee") of Tower Hill Insurance Exchange, a Florida domestic reciprocal insurance company offering personal insurance coverages ("Tower Hill Exchange"), is an advisory committee established to serve on behalf of the subscribers to Tower Hill Exchange (the "Subscribers") for the purpose of advising, on occasion, Tower Hill Risk Management, LLC ("Tower Hill Risk Management"), the attorney-in-fact for Tower Hill Exchange, on matters of interest to the Subscribers, and pursuant to Section 629.201, Florida Statutes. This document sets forth the terms and conditions upon which the Committee shall operate.

**ARTICLE 1.
Powers of the Committee**

The Committee shall be authorized to:

- A. Supervise the finances of Tower Hill Exchange by reviewing its financial condition, including any financial reports or other financial information submitted by Tower Hill Exchange to the Florida Office of Insurance Regulation;
- B. Supervise the operations of Tower Hill Exchange to the extent necessary to ensure conformity with the Subscriber's Agreement and Power of Attorney ("Subscriber's Agreement"), and make recommendations to Tower Hill Risk Management on any operational issues;
- C. Recommend the selection of an independent auditor to Tower Hill Risk Management and procure the audit of the accounts and records of Tower Hill Exchange and Tower Hill Risk Management, at the expense of Tower Hill Exchange, and review the results of any such audit; and
- D. Adopt certain governance, election, voting or other rules, as the Committee determines, provided that such are not inconsistent with the Subscriber's Agreement and Power of Attorney and this Charter of the Subscribers' Advisory Committee.

In addition, the Committee shall have the right to terminate the Attorney-in-Fact Agreement effective as of [], 2021 between Tower Hill Exchange and Tower Hill Risk Management for cause, in accordance the terms of such agreement.

The Committee shall have no power or authority to bind Tower Hill Exchange to any insurance policy, to enter into any other contractual obligation on behalf of Tower Hill Exchange or Tower Hill Risk Management, or to otherwise conduct business on behalf of or in the name of Tower Hill Exchange or Tower Hill Risk Management.

ARTICLE 2.
Membership and Terms

A. The number of members of the Committee shall be selected under such rules as the members of the Committee adopt but in no event shall the Committee be comprised of fewer than six members or greater than 12 members.

B. The term of each member of the Committee shall be for no more than one year. The initial Committee will be comprised of six members. The membership of the Committee shall be selected annually by Tower Hill Risk Management. A member of the Committee shall be appointed as the Committee Chairperson by Tower Hill Risk Management. The membership of the Committee shall be selected and vacancies on the Committee filled in compliance with Section 629.201, Florida Statutes.

C. The Committee shall have the authority to remove and replace members of the Committee for cause, as determined by the Committee in consultation with Tower Hill Risk Management, and shall direct Tower Hill Risk Management to appoint substitute members, at any time.

D. At all times, each of at least two-thirds of the Committee members (i) shall be a Subscriber, (ii) shall not be employed by Tower Hill Risk Management, (iii) shall not represent Tower Hill Risk Management in any capacity, and (iv) shall not have a financial interest in Tower Hill Risk Management.

E. Newly created Committee positions resulting from an increase in the number of Committee members, created in accordance with the rules promulgated by the Committee, and any vacancies on the Committee resulting from death, resignation, removal or other cause shall be filled by the affirmative vote of a majority of the remaining Committee members then in office, even if not presenting a quorum, or by the sole remaining Committee member. Any Committee member elected pursuant to this clause will hold office until the next annual selection of Committee members by Tower Hill Risk Management and until such Committee member's successor shall have been elected and qualified.

F. Members of the Committee will be reimbursed by Tower Hill Exchange for all reasonable expenses associated with attending meetings of the Committee. In addition, for consideration of the counsel and service to be provided by each member of the Committee to Tower Hill Exchange, each member (other than any employees of Tower Hill Risk Management) shall receive, at the expense of Tower Hill Exchange, a reasonable and customary per-meeting fee. Nothing contained herein shall be construed to preclude any member from receiving compensation for services rendered to Tower Hill Exchange or Tower Hill Risk Management in any other capacity, subject to the requirements set forth above.

ARTICLE 3.
Role of the Committee

A. The Committee's role is generally advisory, and the Committee understands and agrees that Tower Hill Risk Management is responsible for the preparation of Tower Hill

Exchange's financial statements and the procurement of independent auditors; that the independent auditors are responsible for auditing the financial statements; and that Tower Hill Risk Management is responsible for the hiring and retention of Tower Hill Risk Management's vendors, management and employees and determining their respective compensation. In addition, the Committee understands and agrees that Tower Hill Risk Management's management has more time, more knowledge and more detailed information regarding Tower Hill Exchange than does the Committee and that the management of Tower Hill Risk Management has more time and more knowledge for the evaluation of Tower Hill Risk Management's management and employees (or candidates to serve as such); consequently, in carrying out its advisory responsibilities, the Committee shall not be deemed to provide any expert or special assurance as to the quality or trustworthiness of Tower Hill Risk Management's management and employees (or candidates to serve as such), Tower Hill Exchange's financial statements or any professional certification as to the independent auditor's work.

B. In discharging its advisory role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of Tower Hill Exchange and Tower Hill Risk Management. If a majority of the members of the Committee agree, with the consent of Tower Hill Risk Management, which consent shall not be unreasonably withheld, the Committee may retain outside counsel, auditors or other experts to advise the Committee at the expense of Tower Hill Exchange.

ARTICLE 4. Meetings of the Committee

A. The Committee shall meet once during each calendar quarter to review the financial statements of Tower Hill Exchange for such quarter and such other matters as the Committee shall determine. During the first quarter of each calendar year, the Committee also shall meet to review the performance of Tower Hill Risk Management and make recommendations concerning Tower Hill Risk Management's management of Tower Hill Exchange and the selection of its independent auditors. Tower Hill Risk Management shall provide at least 10 days' notice of the meetings to each member of the Committee by telephone, e-mail or otherwise in writing. Special meetings of the Committee may be called by Tower Hill Risk Management on one day's notice to each member, either by telephone, e-mail or otherwise in writing. Special meetings shall be called by Tower Hill Risk Management in like manner and on like notice upon the written request of a majority of the members of the Committee. Tower Hill Risk Management, in its sole discretion, may designate employees of Tower Hill Risk Management to attend the meetings of the Committee. A majority of the total number of Committee members shall constitute a quorum for the conduct of a meeting and the transaction of any business. Only the vote of a majority of the Committee members present at a meeting at which a quorum is present shall be an act of the Committee.

B. Meetings of the Committee shall be held at such times and places within or without the State of Florida as the Committee may from time to time determine or as may be designated in the notice of the meeting. One or more members of the Committee may participate in any meeting of the Committee by means of a conference telephone or similar communications equipment by

means of which all persons participating in the meeting can hear one another. Participation in a meeting by such means shall constitute presence in person at the meeting.

C. Any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if, prior or subsequent to the action, consent thereto is signed by all of the members of the Committee and is filed with a manager of Tower Hill Risk Management.

ARTICLE 5. Indemnification of Committee Members

A. Tower Hill Exchange shall indemnify any member of the Committee who was or is a party to, or is threatened to be made a party to, or who is called as a witness in connection with, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of Tower Hill Exchange, by reason of the fact that the member is or was a member of the Committee. This indemnification shall include expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by the member in connection with some action, suit or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

B. Tower Hill Exchange shall pay expenses incurred by a Committee member in defending an action or proceeding referred to herein in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by Tower Hill Exchange.

C. The indemnification and advancement of expenses provided or granted herein shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, contract, vote of the board of Tower Hill Risk Management or otherwise, both as to action in any Committee member's official capacity and as to action in another capacity while holding such office.

D. The indemnification and advancement of expenses provided or granted herein shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a member of the Committee and shall inure to the benefit of the heirs, executors and administrators of such person.

E. Tower Hill Exchange or Tower Hill Risk Management, as applicable, shall maintain Directors & Officers insurance from a highly-rated insurance company at limits that are deemed appropriate by the Committee and consistent with limits carried by comparable insurance companies.

ARTICLE 6. Amendments

A. The Committee reserves the right to amend, modify or repeal, upon receiving the concurrence of Tower Hill Risk Management, any provision contained in this Charter of the

Subscribers' Advisory Committee, subject to compliance with applicable law and the approval of the Florida Office of Insurance Regulation, provided, that, the provisions of Article 5 may only be reduced prospectively.