RECIPROCAL EXCHANGE

CHARTER OF THE SUBSCRIBERS' ADVISORY COMMITTEE

The Subscribers' Advisory Committee (the "Committee") of Frontline Insurance Reciprocal Exchange, a reciprocal insurer organized under the laws of the State of Florida ("RECIPROCAL"), is a supervisory committee established to serve on behalf of the subscribers to RECIPROCAL (the "Subscribers") for the purpose of advising FIREx Managers, LLC, a Florida entity, as attorney-in-fact for RECIPROCAL (the "AIF"), on matters of interest to the Subscribers. This Charter of the Subscribers' Advisory Committee of RECIPROCAL (the "Charter") sets forth the terms and conditions upon which the Committee shall operate.

ARTICLE I.
Powers of the Committee

The Committee shall:

A. Supervise the finances of RECIPROCAL by reviewing its financial condition, including any financial reports or other financial information submitted by RECIPROCAL to the AIF;

B. Supervise the operations of RECIPROCAL to the extent necessary to ensure conformity with the Subscriber's Agreement and Power of Attorney ("Subscriber's Agreement"), and make recommendations to the AIF on any operational issues;

C. Procure the audit of the accounts and records of RECIPROCAL and the AIF, at the expense of RECIPROCAL, 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 consistent with the Subscriber's Agreement and Power of Attorney and this Charter of the Subscribers' Advisory Committee.

E. Except as otherwise provided in Article III.B of this Charter, the Committee shall have no power or authority to bind RECIPROCAL to any Subscriber's Agreement or insurance policy, to enter into any other contractual obligation with third parties on behalf of RECIPROCAL or the AIF, or to otherwise conduct business on behalf of or in the name of RECIPROCAL or the AIF. Notwithstanding the foregoing, the Chair of the Committee shall be authorized to execute this Charter on behalf of RECIPROCAL and shall be further authorized to execute agreements between the AIF and RECIPROCAL on behalf of RECIPROCAL.

ARTICLE II.
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 three (3) members or greater than twelve (12) members.

B. At all times, two-thirds of the Committee members (i) shall be a Subscriber, (ii) shall not be employed by AIF, (iii) shall not represent AIF in any capacity, and(iv) shall not have a financial interest in AIF (the "Independent Members"). At all times, the remaining one-third of the Committee members shall be appointed by the AIF in its sole discretion (the "AIF Appointed Members"). Any increase or decrease in the size of the Committee shall result in two-thirds of the Committee being comprised of Independent Members and one-third being comprised of AIF Appointed Members. All Committee members shall be of appropriate character, background, and experience to qualify such individual to serve on the Committee.

C. The initial Committee will be comprised of three (3) members who will be selected by the AIF. In selecting the initial Committee members, the AIF will select three (3) individuals, as follows: (i) two (2) of the initial Committee members shall be subscribers of RECIPROCAL and shall satisfy the requirements to be deemed Independent Members of the Committee pursuant to paragraph B. of this Article II; (ii) the third initial Committee member shall be an AIF Appointed Member selected by the AIF in its sole discretion.

Independent Members shall serve three-year staggered terms. Independent Members will be assigned to Class 1 or Class 2. The initial Class 1 Independent Member shall serve a two-year term, and the initial Class 2 Independent Member shall serve a three-year term. The AIF shall designate which Independent Members shall serve as the initial Class 1 and Class 2 Independent Members. As soon as practicable after the AIF appoints the initial Independent Members, the AIF shall solicit ballots from the then-active subscribers of RECIPROCAL to elect such Independent Members to serve for the remainder of the initial Class 1 and Class 2 terms of office or, if any such Independent Members do not desire to stand for elections, such alternative Independent Member candidates as the Committee may propose. The ballots shall identify those initial Independent Members of the Committee or alternative candidates who wish to seek election as Independent Members (each, a "Committee Nominee"). The ballots shall allow subscribers to nominate any qualified subscriber of RECIPROCAL to serve as an Independent Member of the Committee in lieu of the Committee Nominees (each, a "Write-In Nominee"). The ballot shall specify that any subscriber who fails to return a ballot to the AIF shall be deemed to have voted to elect the Committee Nominees to serve as Independent Members. The Committee Nominees or Write-In Nominees receiving the highest number of votes shall be elected as the Independent Members to serve on the Committee for the remainder of the applicable Class 1 or Class 2 term of office.

D. Each year that the applicable terms of Class 1 or Class 2 Independent Members expire, the AIF shall solicit ballots from the then-active subscribers of RECIPROCAL to elect or re-elect such Independent Members from Committee Nominees. The ballots shall identify those Committee Nominees who wish to seek election or re-election as Independent Members. The ballots shall allow subscribers to nominate Write-In Nominees. The ballots shall specify that any subscriber who fails to return a ballot to the AIF shall be deemed to have voted to elect the Committee Nominees to serve as Independent Members. The Committee Nominees or Write-In Nominees receiving the highest number of votes shall be elected as the Independent Members to serve on the Committee for the remainder of the applicable term of office.

E. AIF Appointed Members shall serve at the pleasure of the AIF and may be replaced at any time in the sole discretion of the AIF. If the AIF elects to replace an AIF Appointed Member on the Committee, the AIF shall provide notice of the appointment(s) to the then-active subscribers of RECIPROCAL at the same time that it solicits ballots for the next election of the Independent Members of the Committee.

F. Independent Members may be elected, as provided in this Charter, for multiple terms, whether consecutive or separate. Mid-term vacancies of Independent Members shall be filled by Committee vote. Any Independent Member who is appointed by the Committee mid-term will serve in that role until the next election for the applicable Class 1 or Class 2 position, at which time such Independent Member may either run for re-election, if approved as a Committee Nominee, or resign from the position.

G. The Committee shall elect one member to serve as Chair of the Committee. The Chair will serve for a term of one (1) year, until such time that the Committee either re-elects the Chair or elects a new Chair.

H. The Committee shall have the authority to remove and replace any member of the Committee, for cause, as determined by the Committee in consultation with the AIF. The removal of any Committee member requires a majority vote of the entire membership of the Committee, after consultation with the AIF; provided, however, that the AIF may remove and replace any AIF Appointed Member at any time in its sole discretion. Upon the removal of an Independent Member, the Committee shall vote to fill the vacancy, in accordance with Paragraph F. of this Article II. Upon the removal of an AIF Appointed Member of the Committee, the AIF shall appoint a new AIF Appointed Member, in the AIF's sole discretion. For the purpose of this paragraph, "cause" shall mean willful misconduct, gross negligence, criminal activity, fraud, or the failure to carry out the member's duties as provided in this Charter.

I. Newly created Independent Member positions resulting from an increase in the size of the Committee, created in accordance with the rules promulgated by the Committee, and any vacancies of Independent Members on the Committee resulting from death, resignation, removal or other cause shall be filled as soon as reasonably practicable 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. If the Committee has no member in office, the AIF shall promptly appoint an AIF Appointed Member, who shall then fill such vacancies with individuals who qualify as Independent Members pursuant to paragraph B. of this Article II. Any Independent Member appointed pursuant to this clause will hold office until the next subscriber election of Independent Members for the applicable Class 1 or Class 2 position and until such Independent Member's successor shall have been elected and qualified. Newly created AIF Appointed Member positions resulting from an increase in the size of the Committee, and any vacancies of AIF Appointed Members on the Committee, shall be filled as soon as reasonably practicable by appointment of the AIF in its sole discretion.

J. Members of the Committee will be reimbursed by RECIPROCAL 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 RECIPROCAL, each member (other than any employees of AIF) shall receive, at the

expense of RECIPROCAL, a reasonable and customary per-meeting fee. Nothing contained herein shall be construed to preclude any AIF Appointed Member from receiving compensation for services rendered to RECIPROCAL or AIF in any other capacity.

ARTICLE III.
Role of the Committee

A. The Committee's role is supervisory, and the Committee understands and agrees that the AIF is responsible for the day-to-day operation of RECIPROCAL, including, but not limited to, the preparation of RECIPROCAL's financial statements. The Committee shall procure the audit of the accounts and records of RECIPROCAL and AIF. The Committee further understands that the independent auditors selected by the Committee are responsible for auditing the financial statements and that the AIF is responsible for the hiring and retention of the AIF's management and employees and determining their respective compensation. In addition, the Committee understands and agrees that the AIF's management has more time, more knowledge and more detailed information regarding RECIPROCAL than does the Committee and that the management of the AIF has more time and more knowledge for the evaluation of the AIF's management and employees (or candidates to serve as such); consequently, in carrying out its supervisory responsibilities, the Committee shall not be deemed to provide any expert or special assurance as to the quality or trustworthiness of the AIF's management and employees (or candidates to serve as such), RECIPROCAL's financial statements, or any professional certification as to the independent auditor's work.

B. In discharging its supervisory role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of RECIPROCAL and the AIF. If a majority of the members of the Committee agree, the Committee may consult outside counsel, auditors, or other experts ("Advisors") to advise the Committee at the expense of RECIPROCAL. Under such circumstances, RECIPROCAL will be the party that contracts with Advisors, pursuant to a written agreement that is executed by an officer of the AIF, unless the subject of the contract involves a confidential matter adverse to the AIF, in which case the Chair of the Committee may execute the written agreement with the Advisor. Such Advisors will consult with and advise the Committee on behalf of RECIPROCAL. Notwithstanding anything in this Charter to the contrary, the Committee will not be authorized to sue, bring other legal action, or commence arbitration against RECIPROCAL, AIF, or any third parties, except as expressly provided in Section 8 of the Attorney-in-Fact Agreement.

C. After RECIPROCAL has been in operation for one year, the senior management of the AIF will meet on a quarterly basis with the Committee to discuss any issues of concern made known by the Subscribers to the Committee. By the next quarterly meeting, if not sooner, the senior management of the AIF will provide the Committee with a written response to any issues of concern presented at the prior meeting, if any, including a description of the actions the AIF has undertaken to address the issues of concern in accordance with customary insurance practices. At the next meeting, the Committee shall advise the senior management of the AIF if the actions it took are reasonably addressing the issues of concern as originally presented.

ARTICLE IV.
Meetings of the Committee

A. The Committee shall meet once during each calendar quarter to review the financial statements of RECIPROCAL 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 the AIF and make recommendations concerning the AIF's management of RECIPROCAL and the selection of its independent auditors. The AIF shall provide at least ten (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 the AIF on one (1) days' notice to each member, either by telephone, e-mail or otherwise in writing. Special meetings shall be called by the AIF in like manner and on like notice upon the written request of a majority of the members of the Committee. The AIF, in its sole discretion, may designate employees of the AIF 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. 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 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 an officer of the AIF.

ARTICLE V.
Indemnification of Committee Members

A. RECIPROCAL 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, regulatory, or investigative, including an action by or in the right of RECIPROCAL, 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. RECIPROCAL 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 RECIPROCAL.

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 the AIF 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. RECIPROCAL or the AIF, 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. Such insurance will cover members of the Committee.

ARTICLE VI.
Amendments

The Committee reserves the right to amend, modify, or repeal, upon receiving the concurrence of AIF, any provision contained in this Charter, subject to compliance with applicable law and the approval of the Florida Office of Insurance Regulation; provided, that, the provisions of Article V may only be reduced prospectively.

ARTICLE VII.
Conflicts

To the extent the terms of this Charter conflict with the terms of the Subscriber's Agreement and Power of Attorney or the Attorney-in-Fact Agreement, the terms of the Subscriber's Agreement and Power of Attorney shall take precedence.