



Canadian Lawyers Liability Assurance Society

2024/2025 Renewal Application for
Excess Professional Liability Insurance

This application is made by the undersigned member (the “Firm”) of the Canadian Lawyers Liability Assurance Society (“CLLAS”) for issuance by CLLAS to the Firm of policies of professional liability insurance.

Note: *The policies applied for are “claims made” policies and only provide coverage for claims first made against the Insured during the policy period.*

Please answer **ALL** questions. Where space to answer is insufficient, attach a separate sheet.

1. Name of Firm (Named Insured):

2. Address of principal office:

Phone:

Fax:

3. Address, phone, and fax numbers of other office(s):

4. Management or service companies, date(s) established, and services provided:

5. Is the Firm a multi-disciplinary partnership (“MDP”)?

☐ yes

☐ no

If “yes”, provide date MDP was established and name the non-lawyer partners and their respective disciplines.



6. Since last year's CLLAS application, has the name of the Firm been changed, or has any firm merged into the Firm?

☐ yes ☐ no

If "yes", please attach details (including the number of lawyers merged into the Firm in each such situation).

7. Attached, as Appendix A, is a list of the Firm's predecessor firms resulting from mergers since July 1, 1987. Is the list complete?

☐ yes ☐ no

If "no", please provide update.

Note: A predecessor firm is one a) which has undergone dissolution; and b) in which more than 50% of the partners and employed lawyers became partners and employed lawyers of the Firm.

8. Please complete Appendices B and C to provide the following details as of February 9th, 2024:

- a) Number of lawyers (including partners, employed lawyers, counsels/of counsels, and lawyer consultants).
- b) Number of patent & trademark agents (who are not lawyers).
- c) Number of other non-lawyer consultants.
- d) Number of paralegals.
- e) Number of other employees.
- f) If applicable, the number of lawyers who are not partners, employed lawyers, counsels/of counsels, or lawyer consultants of the Firm who, directly or indirectly, provide services to professional corporations which are partners of the Firm. Please identify such individuals and professional corporations as requested in Appendix B.

Note: A common professional corporation structure is one where the lawyer remains a partner of the firm but the firm contracts with a professional corporation to provide the services of the partner to the firm via the professional corporation. Those lawyers would be accounted for in a) above. Question f) is intended to address an alternative structure whereby the professional corporation itself is a partner of the firm and it contracts directly or via another professional corporation with a lawyer to provide professional services.



9. Please show the Firm's practice split by indicating the approximate percentage of billings for the following areas of law:

| | <u>This Year</u> | <u>Last Year</u> |
|---------------------------------|------------------|------------------|
| a) Corporate and Commercial Law | _____ % | _____ % |
| b) Criminal Law | _____ % | _____ % |
| c) Family Law | _____ % | _____ % |
| d) Intellectual Property | _____ % | _____ % |
| e) Labour Law | _____ % | _____ % |
| f) Litigation | _____ % | _____ % |
| g) Real Estate | _____ % | _____ % |
| h) Securities Law | _____ % | _____ % |
| i) Tax Matters | _____ % | _____ % |
| j) Wills, Estates, Trust | _____ % | _____ % |
| k) Other (please specify) | _____ % | _____ % |

10. Have any of the lawyers, or non-lawyer consultants listed in Appendices B and C, or former lawyers, or former non-lawyer consultants of the Firm been the subject of disciplinary proceedings, suspended, or disbarred from practice since last year's CLLAS application? **No, not to our knowledge.**

☐ yes ☐ no

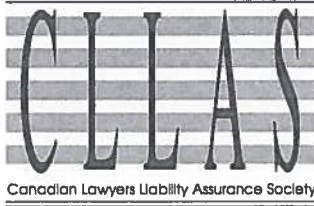
If "yes", please attach details.

11. Attached, as Appendix D, is a description of the "Associated Firms" and "Umbrella Firms" which are identified in the Associated Firm Endorsement (Endorsement No. 1) of the current CLLAS Primary Policy. Please verify and update where appropriate and advise CLLAS of any anticipated changes.

12. Canadian law society programs may restrict coverage if Professional Services are provided outside of Canada or if the Professional Services relate to non-Canadian law. The CLLAS Primary Policy also excludes coverage for lawyers providing Professional Services from a U.S. office, as well as the practice of non-Canadian law. Please provide details of such services in Appendix E.

13. Attached, as Appendix F, is a schedule of claims and notices which have been given to the applicable law society and CLLAS as of December 31, 2023. Please verify and provide any changes in status. All known claims or notices that are not on the schedule, including those reported to any underlying insurance carrier, should be reported up to the date of this application. **Notices on this application are not considered proper notice of a claim.**

If applicable, CLLAS will also require an update on claims of your predecessor firms which were reported prior to any merger which are paid or currently reserved in excess of \$500,000.



Note: All claims or notices require the following details: name of lawyer, name of claimant, date claim reported, error date, date claim closed (if applicable), a brief description of the claim including damages sought, amount paid (legal & indemnity, and amount reserved (legal & indemnity).

14. Does the Firm wish to purchase CLLAS optional excess coverage? If so, please select desired options:

- ☒ \$60M xs \$160M
(*\$60 xs \$100M coverage is required to purchase this option*)
- ☒ CLLAS second umbrella coverage \$30M xs \$250M
(*\$60M xs \$160M coverage is required to purchase this option*)

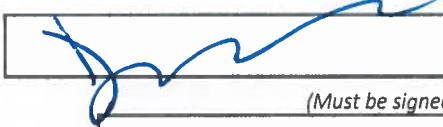
15. Under Appendix G, please provide a full description of the Firm's most current risk management policies and procedures or, if appropriate, an update to your response to Appendix G of last year's renewal application.

16. Please complete Appendix H to provide underwriting information with respect to cyber liability.

17. Please attach, with Appendix I, a copy of the Firm's 2024 Professional Liability Insurance Application and Exemption Form submitted to LawPro.

The undersigned hereby declares that the above statements and particulars, including those set forth in Appendices A through I, are true and that no material facts have been omitted, suppressed or misstated and that this application, which is deemed to include the information from any previous applications completed by the Firm for CLLAS, shall be the basis of each of the insurance contracts with CLLAS.

Signature:


(Must be signed by a Partner of the Firm)

Name of Signatory:

David E. Woolcombe, Partner

(Who shall be the designated contact person between CLLAS and the Firm as respects this insurance)

Date:

March 4, 2024

APPENDIX A

Predecessor Firms

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

Note: A predecessor firm is one a) which has undergone dissolution; and b) in which more than 50% of the partners and employed lawyers became partners and employed lawyers of the Firm.

[illegible]

APPENDIX B

Active Members of the Firm as of February 09, 2024

Name of Firm
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP
See attached lists and detailed schedules.

Updated as of (Enter Date):
February 9, 2024

| | CANADA | | | | | | OUTSIDE OF CANADA ^{/5} | | | | |
|---|--------|---------|---------|--------|-------------|--|---------------------------------|--------|------------|-----------|-----------------|
| | B.C. | Alberta | Ontario | Quebec | Nova Scotia | Other Provinces (Please specify, change heading) | U.S. | Chile* | Portugal** | London UK | South Africa*** |
| a) No. of Lawyers ^{/1} | 69 | 42 | 285 | 180 | | | 5 | 1 | 1 | 6 | 3 |
| b) No. of Patent & Trademark Agents ^{/2} | 1 | 0 | 0 | 0 | | | 0 | 0 | 0 | 0 | 0 |
| c) No. of Non-lawyer Consultants ^{/3} | 3 | 1 | 16 | 4 | | | 0 | 0 | 0 | 0 | 0 |
| d) No. of Paralegals | 19 | 8 | 57 | 47 | | | 0 | 0 | 0 | 1 | 0 |
| e) No. of Other Employees | 114 | 79 | 400 | 196 | | | 1 | 0 | 0 | 6 | 0 |
| f) No. of lawyers who are not employees of the Firm who, directly or indirectly, provide services to professional corporations which are partners of the Firm ^{/4} | 28 | 21 | 80 | 28 | | | 0 | 0 | 0 | 0 | 0 |

**The one lawyer indicated under Chile relates to Shawn Doyle*
***The one lawyer indicated under Portugal relates to Adam Wanke*
****The three lawyers indicated under South Africa relate to the Exigent Supplied Contract Lawyers*

/1 Including partners, employed lawyers, counsels/of counsels and lawyer consultants.
/2 These are not lawyers.
/3 Please complete Appendix C if individuals are reported under this category.
/4 Lawyers reported here should not be included under a).(See note at Question 8.f) of the application.)
/5 Please complete Question 3 of Appendix E to provide further information on lawyers reported under these columns.

Please attach a list of the lawyers reported under a) above, showing in each case their full name, date of call, date joined the Firm and, if applicable, date became partner.
Please attach a list of the names of the individuals reported under f) above, together with the names of the professional corporations to which they provide services.
If underlying insurance is purchased outside any Canadian mandatory law society program for lawyers, please provide full details under Appendix E, Question 4.

If members of the Firm, either alone or with others, engage in the conduct of any profession or business other than the practice of law (e.g. financial management, mortgage brokering or other consulting; underwriting or brokering of securities or investment banking activities; real estate appraisal; actuarial analysis) either directly or indirectly as an agent, employee or partner of any organization, please provide full particulars such as percentage of practice other than Law.

APPENDIX C

Active Non-Lawyer Consultants Of The Firm As Of February 09, 2024 (Excluding Patent & Trademark Agents)

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

Updated as of (Enter Date):

February 9, 2024

SECTION A

| <u>Professional Service Provided or Type of Profession</u> | <u># People in the same Profession</u> | <u>Location (Province)</u> | <u>Client Contact (Y/N)</u> | <u>Advise Clients (Y/N)</u> | <u>Supervised by Lawyers (Y/N)</u> | <u>Underlying Insurance</u> ^{/1} | <u>% of Time Docketed</u> ^{/2} |
|--|--|-----------------------------------|-----------------------------|-----------------------------|------------------------------------|---|---|
| Senior Director, Client Service Delivery-Cohen, David | | Ontario | Y | N | Y | Y | 0% |
| Chief Client and Innovation Officer-McKay, Judith | | Ontario | Y | N | N | Y | 0% |
| Chief Inclusion Officer-Theodore, Charlene | | Ontario | Y | N | N | N | 0% |
| Specialist, Clients and Markets-Lamond, Shane | | Ontario | Y | N | N | N | 0% |
| Director, Paraprofessional Operations-Sabourin, Marie | | Quebec | Y | N | N | N | 0% |
| Director, Professional Resources-Bissonnette, Jean-Nicolas | | Quebec | Y | N | N | N | 0% |
| Director Professional Resources-Cinnamon, Amanda | | British Columbia | Y | N | N | N | 0% |
| Chief Professional Resources Officer-MacAulay, Robin | | Ontario | Y | N | N | N | 0% |
| Senior Director, Professional Resources-Kermasha, Réna | | Quebec | Y | N | N | N | 0% |
| Senior Director, Professional Resources-McGowan, Leigh-Ann | | Quebec | Y | N | N | N | 0% |
| Senior Director, Professional Resources-Trott, Nancy | | British Columbia | Y | N | N | N | 0% |
| Senior Director, Innovation-Youngson, Naomi | | British Columbia | Y | N | N | Y | 0% |
| Director, Professional Resources-Kassam, Hakim | | Ontario | Y | N | N | N | 0% |
| President, MT>Align-Beirsto, Linda | | Ontario | Y | N | N | Y | 0% |
| Senior Advisor, Markets-Teoli, Lara | | Ontario | Y | N | Y | N | 0% |
| Director, Student Programs-Belliveau, Charlotte | | Alberta | Y | N | N | N | 0% |
| MT>3 Forensics, Senior Director-Lo, Kevin | | Ontario | Y | Y | N | N | 100% |
| MT>3 Forensics, Senior Analyst-Vranesh, Branko | | Ontario | Y | Y | N | N | 100% |
| | | | | | | | |
| MT>3 Contract Lawyers | 4 | Ontario | N | N | Y | Y | 100% |
| MT>Align Contract Lawyers (Type I) | 2* | Ontario | Y | N | Y | Y | 100% |
| MT>Align Contract Lawyers (Type II, III and IV) | ** | Ontario, Quebec, British Columbia | Y | Y | N | Y | 100% |
| | | | | | | | |
| | | | | | | | |

* Client contact is limited, consistent with the basis disclosed to CLLAS

** 22 Lawyers, included in main headcount in Schedule B, (Type II = 9, Type III = has been removed for 2024, Type IV = 13)

^{/1} Underlying insurance: D. Cohen, J. McKay and L. Beirsto have underlying insurance with LawPro (submitted in a separate file); N. Youngson has underlying insurance with Law Society of British Columbia (submitted in a separate file)

^{/1} If underlying insurance is purchased, please complete Section B.

^{/2} Please complete this column ONLY for individuals who are not acting under the supervision of a lawyer AND FOR THAT PORTION OF TIME THE INDIVIDUAL IS NOT ACTING UNDER THE SUPERVISION OF A LAWYER.

APPENDIX C

Active Non-Lawyer Consultants Of The Firm As Of February 09, 2024
(Excluding Patent & Trademark Agents)

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

Updated as of (Enter Date):

February 9, 2024

SECTION B

Please provide the following details on the underlying insurances purchased and attach a copy of the policies:

| Type of Exposure: | |
|----------------------|--|
| Insurance Carrier: | |
| Policy Number: | |
| Period of Insurance: | |
| Retroactive Date: | |
| Limit (Per Claim): | |
| Limit (Aggregate): | |

| Type of Exposure: | |
|----------------------|--|
| Insurance Carrier: | |
| Policy Number: | |
| Period of Insurance: | |
| Retroactive Date: | |
| Limit (Per Claim): | |
| Limit (Aggregate): | |

APPENDIX D

"Associated Firms" and "Umbrella Firms"

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

[illegible]

APPENDIX E

Professional Services Provided Relating to Non-Canadian Law & Professional Services Provided In the U.S. & Outside of Canada

Name of Firm
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP,
McCarthy Tétrault (US) LLP

Updated as of (Enter Date):
February 9, 2024

1 Professional Services Provided by Canadian Lawyers Relating to Non-Canadian Law

Please provide the following information on lawyers primarily resident in Canada who provide Professional Services relating to non-Canadian law (not including those which are incidental to the practice of Canadian law). Please only report on lawyers with more than 5% of docketed time in this category.

| Name of Lawyer | Province the Canadian Lawyer is based out of | Location of Office (Non-Canadian) | % of Docketed Time Relating to Non-Canadian Law |
|----------------------|--|--------------------------------------|--|
| Al-Shakarchi, Heba | Ontario | | 10 |
| Bond, Alison | Ontario | | 10 |
| Ellam, Timothy | Alberta | | 15 |
| Langdon, Christopher | Ontario | | 15 |
| Michelin, Heather | Quebec | | 95 |
| Jawanda, Pavan | British Columbia | | 10 |
| Lee, Joyce | British Columbia | | 10 |
| Plummer, George | Ontario | | 15 |
| Melanson, Lisa | Ontario | | 6 |
| Tanna, Shefali | Ontario | | 40 |
| Tabbakh, Karl | Quebec | | 5 |
| | | | |
| | | | |

2 Professional Services Provided by Canadian Lawyers from a U.S. Office

Please provide the following information on lawyers primarily resident in Canada who provide Professional Services part time in an office or branch of the Firm located in the United States. Please only report on lawyers with more than 5% of docketed time in this category.

| Name of Lawyer | Province the Canadian Lawyer is based out of | Location of Office (Non-Canadian) | % of Docketed Time in the U.S. Office |
|--|--|--------------------------------------|--|
| Rahimi, Firuz | Alberta* | New York | 100% |
| Cusson, Suzie | Ontario* | New York | 100% |
| Mazzanti, Gianluca | Ontario* | New York | 100% |
| | | | |
| *These lawyers currently work out of the New York office on a full time basis but are expected to return to Canada in the future | | | |
| | | | |
| | | | |
| | | | |

For lawyers practicing both Canadian and Non-Canadian Law, please provide a split between Canadian and Non-Canadian . Note that in cases where a split is not available, a 50% 50% split will be assumed.

3 Professional Services Provided by Offices Outside of Canada

Please provide the following information on all lawyers reported in Appendix B under the “Outside of Canada” column.



APPENDIX E

Professional Services Provided Relating to Non-Canadian Law & Professional Services Provided In the U.S. & Outside of Canada

Name of Firm
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP,
McCarthy Tétrault (US) LLP

Updated as of (Enter Date):
February 9, 2024

| Name of Lawyer | Location of Office (Country Only) | # of Lawyers Practice 100% Canadian Law | # of Lawyers Practice 100% Non-Canadian Law | # of Lawyers Practice both Canadian & Non-Canadian Law | Canadian (%) | Non- Canadian (%) | Total (100%) |
|--------------------------------|--|--|--|---|-----------------|----------------------|-----------------|
| Cumming, Matthew | U.S | X | | | 100% | 0% | 100% |
| Thavakumaran, Sharanya | U.S | X | | | 100% | 0% | 100% |
| Benson, Tina | England | | | X | 50% | 50% | 100% |
| Brant, Robert | England | | | X | 50% | 50% | 100% |
| Heinanen, Obruché | England | | X | | 0% | 100% | 100% |
| Chong, Jesslyn | England | X | | | 100% | 0% | 100% |
| Toezer, Tomas | England | | X | | 0% | 100% | 100% |
| Côté, Philippe | England | X | | | 100% | 0% | 100% |
| Doyle, Shawn | *Chile (not an office of McCarthy Tétrault LLP | | | X | 90% | 10% | 100% |
| Wanke, Adam | **Portugal (not an office of McCarthy Tétrault LLP) | X | | | 100% | 0% | 100% |
| 3 Exigent Supplied Contractors | ***South Africa (not an office of McCarthy Tétrault LLP) | 3 | | | 100% | 0% | 100% |

* Shawn Doyle, previously an income partner of McCarthy Tétrault LLP, is now an independent contractor residing in Chile, practicing law through Fidelity Law Corporation, a British Columbia incorporated professional corporation ("Fidelity Law"). He is permitted to practice law for clients other than McCarthy Tétrault clients (subject to clearing conflicts). The office of Fidelity Law in Chile is not an office of McCarthy Tétrault LLP, McCarthy Tétrault (New York) LLP or McCarthy Tétrault (US) LLP.

**Adam Wanke, previously counsel to McCarthy Tétrault, Registered Foreign Lawyers & Solicitors, is an independent contractor residing in Portugal, practicing Canadian law through his wholly-owned professional corporation, Oni Legal Ltd ("Oni"). He is permitted to practice law for clients other than McCarthy Tétrault, Registered Foreign Lawyers & Solicitors clients (subject to clearing conflicts). The office of Oni in Portugal is not an office of McCarthy Tétrault LLP or McCarthy Tétrault, Registered Foreign Lawyers & Solicitors.

*** This is not an office of McCarthy Tétrault LLP

4 Other Insurance

For the exposures identified in Questions 1, 2 and 3 above, please provide details of specific insurance protection (e.g. coverage provided for a non-Canadian office or by a non-Canadian law society) as well as a copy of the policies.

| | |
|----------------------|--|
| Type of Exposure: | Lawyers in the UK, non-Canadian lawyers (including patent and trademark agents) in Canadian offices (other than Vancouver office) and patent and trademark agents. |
| Insurance Carrier: | CLLAS International |
| Policy Number: | 596377247 - Columbia Casualty - LEAD |
| Period of Insurance: | September 30, 2023-September 30, 2024 |
| Retroactive Date: | None |
| Limit (Per Claim): | US\$30 million |
| Limit (Aggregate): | US\$30 million |
| Type of Exposure: | |

APPENDIX E

Professional Services Provided Relating to Non-Canadian Law & Professional Services Provided In the U.S. & Outside of Canada

Name of Firm
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP,
McCarthy Tétrault (US) LLP

Updated as of (Enter Date):
February 9, 2024

| | |
|----------------------|--|
| Insurance Carrier: | |
| Policy Number: | |
| Period of Insurance: | |
| Retroactive Date: | |
| Limit (Per Claim): | |
| Limit (Aggregate): | |

| | |
|----------------------|--|
| Type of Exposure: | |
| Insurance Carrier: | |
| Policy Number: | |
| Period of Insurance: | |
| Retroactive Date: | |
| Limit (Per Claim): | |
| Limit (Aggregate): | |

| | |
|----------------------|--|
| Type of Exposure: | |
| Insurance Carrier: | |
| Policy Number: | |
| Period of Insurance: | |
| Retroactive Date: | |
| Limit (Per Claim): | |
| Limit (Aggregate): | |

APPENDIX F

Schedule of Claims and Notices As of December 31, 2023

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

Updated as of (Enter Date):

February 28, 2024

Please attach separately with the email

APPENDIX G

Risk Management Policies and Procedures

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

Please provide a full description of the Firm's most current risk management policies and procedures or, if appropriate, an update to your response to Appendix G of last year's renewal applic

Please attach separately with the email

APPENDIX G

RISK MANAGEMENT POLICIES AND PROCEDURES

| | |
|---------------|--|
| Name of Firm: | McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP; McCarthy Tétrault (US) LLP |
|---------------|--|

1. Please advise if there is a committee or partner with overall responsibility for professional liability risk management of your firm.

The General Counsel, reporting to the Chief Executive Officer, has overall responsibility for professional liability risk management.

2. Please provide a full description of the Firm's risk management policies and procedures and include the following:

- (a) A list of the Firm's written risk management policies and procedures (e.g. with respect to client intake, conflict checking, lawyers acting as directors or officers) and how these policies and procedures are communicated (e.g. internal practice policy or policy manual, seminars, etc.).

The following are the current written risk management policies and procedures:

- a. **Audit Response Letter Protocol**
- b. **Client Identification and Verification Policy**
- c. **Conflicts Check and New Matter Intake Policy**
- d. **Directors and Officers Policy**
- e. **Personal Interests Policy**
- f. **Pro Bono Policy**
- g. **Opinions Policy**
- h. **Confidentiality Policy**
- i. **Whistleblowing Policy**
- j. **Anti-Bribery Policy**
- k. **Harrassment Policy**
- l. **Canadian Anti-Spam Legislation Policy**
- m. **Records Retention Policy**
- n. **Data Breach Protocol**
- o. **Responsible AI Use Policy**

These policies are prominently displayed on the firm's intranet site by a link on the home page entitled Risk Management Policies or are otherwise displayed on the intranet.

- (b) The Firm's procedure for opening or starting work on a file (e.g. use of a standard new client form, retainer letter, conflict check, approval process, etc.).

Conflicts Check and New Matter Intake Policy and Procedure are in place.

- (c) A description of the Firm's tickler system for various practice areas (e.g. litigation, intellectual property, wills and trusts).

There is a firmwide tickler system for intellectual property called PATTSY, which is a commercial software program.

Each office runs its own litigation tickler system.

RESPONSIBLE AI USE POLICY SUMMARY

Purpose of this document : This document is a summary of the McCarthy Tétrault LLP (the “**Firm**”) Responsible AI Use Policy (the “**Policy**”). It is intended as a reminder and does not replace the Policy, which should be consulted for additional information. If you have questions about this summary or the Policy, you can reach out to the AI Governance Committee at aicommitee@mccarthy.ca.

Scope. The Policy governs your use of AI Systems for Firm work or while using Firm-related tools (e.g. phone or computer).

AI Systems Classification. The Policy distinguishes between two types of AI Systems:

- (1) Approved AI Systems: AI Systems vetted by the AI Governance Committee and identified as such in Appendix A of the Policy. ***Unless indicated otherwise in Appendix A, Approved AI Systems can be used with confidential, sensitive or personal information and for client related work.***
- (2) Other AI Systems: By default, these are all AI Systems that are not Approved AI Systems. ***Those AI Systems cannot be used with any confidential, sensitive or personal information.*** Examples of such limited uses AI Systems include: OpenAI’s ChatGPT, Microsoft’s Bing chatbot, DeepL (web version), Google’s Bard and Midjourney.

Moreover, where indicated in Appendix A, certain AI Systems (Prohibited AI Systems) cannot be used at all, in any context, for Firm-related works.

Firm Personnel Responsibilities. When using AI Systems, you must abide by the following rules:

- Use AI Systems in accordance with their classification (e.g. confidential, sensitive and personal information can only be used with Approved AI Systems) and any limitations imposed by clients (check with the client relationship partner if you are not sure);
- Take any firm directed training before using applicable AI Systems;
- Take appropriate steps to verify accuracy of all AI-generated content, including Approved AI Systems;
- Remain accountable for the content generated by AI Systems, including Approved AI Systems;
- Respect ethical, legal and court requirements, including of intellectual property rights; and
- Report any violation of the policy, including any incident where confidential, sensitive or personal information has been used in an Other AI System.

RESPONSIBLE AI USE POLICY

| | |
|--|----|
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| PROHIBITED AI SYSTEMS..... | 10 |

1. Introduction

McCarthy Tétrault LLP and its affiliates, including MT Services Limited Partnership and MT Foundation (collectively the “**Firm**”) are committed to leveraging innovative and emerging technologies in a responsible and safe manner to better serve our clients, optimize our internal processes, and continue to provide competitive legal services of the highest quality.

This document contains the McCarthy Tétrault AI Responsible Use Policy (the “**Policy**”) and outlines the Firm’s approach to the use of artificial intelligence systems, tools or solutions (“**AI Systems**”) in the conduct of our business, as well as any content (text, images, computer code), results, recommendations and decisions generated by AI Systems (“**AI Content**”). This Policy applies to all partners, associates, law clerks, paralegals, legal assistants, administrative staff, and all other employees of the Firm (collectively, the “**Firm Personnel**”).

2. Scope

This Policy applies to all types of AI Systems used within the Firm, including AI Systems:

- used for purely internal purposes;
- used to produce work products that are delivered to our clients or to internal or external stakeholders;
- developed internally or customized for or by the Firm;
- made available to the Firm Personnel (including third party products approved by the Firm);
- made available by or on behalf of the Firm to clients or to external stakeholders; or
- available on the internet (whether freely or through paid subscriptions).

3. Purposes

This Policy sets out the Firm's Responsible AI Use Policy, which aims to achieve the following purposes:

- a. Accountability: Create an accountability and governance structure for the responsible development, use and deployment of AI Systems by the Firm and the Firm Personnel.
- b. Legal and Regulatory Compliance: Help ensure that the Firm complies at all times with the laws, regulations and industry standards that apply to the development, use and deployment of AI Systems by the Firm and the Firm Personnel.
- c. Confidentiality/Privacy/Security: Maintain at all times the confidentiality, privacy and security of the Firm's or its clients' information when such information are used in relation to AI Systems.
- d. Respect of Intellectual Property: Help ensure that all uses of AI Systems within the Firm do not infringe upon third party intellectual property rights.
- e. Transparency: Help ensure the Firm is transparent toward clients about its use of AI Systems and about the limitations of the systems it uses, in accordance with its legal obligations.
- f. AI Safety and Risk Management: Set out guardrails to help ensure AI Systems are used in a manner that enhances reliability, safety and that reduces risks, including risks of confidentiality incidents and security breaches. The Firm will also, when necessary, update the list of Approved AI Systems and of Prohibited AI Systems included in **Appendix B**.

- g. Innovation, Service Quality and Efficiency: Maintain the Firm’s position at the forefront of legal innovation and provide Firm Personnel with tools to enhance their practices and help them provide the best services possible to our clients.

4. Responsible AI Governance

- a. AI Governance Committee: The Firm has put in place a governance structure, including an AI Governance Committee to help ensure that the purposes of this Policy set out in Section 3 are achieved. The AI Governance Committee is responsible of:
- overseeing the identification, evaluation, classification and approval AI Systems for use within the Firm, notably using the results of AI Impact Assessments;
 - advising the Firm on AI-related matters;
 - overseeing the conduct of AI Impact Assessments; and
 - developing and maintaining AI Systems usage policies, guidelines, and best practices.
- b. AI Impact Assessments: Prior to developing, using or deploying a High-Impact AI System or as otherwise required by applicable laws, including for the purpose of determining if an AI Systems is High-Impact, the Firm will conduct a proportional AI impact assessment of such AI System in accordance with current industry standards and in compliance with all applicable laws (each and “**AI Impact Assessment**”). For the purpose of this Policy, “**High-Impact AI System**” means any AI System that meets the criteria for a high-impact systems, as set out in the applicable regulations made under the *Artificial Intelligence and Data Act* and any high-risk AI System as defined under the *Artificial Intelligence Act* of the European Union, as applicable. The Firm takes the responsibility of conducting a review of its AI Systems to determine whether they should be considered “High-Impact AI Systems”. When risks of harm or biased outputs are identified by an AI Impact Assessment, the Firm will put in place appropriate mitigation measures.
- c. Incident Management: The Firm will put in place measures to prevent, monitor and respond to incidents involving AI Systems, including cases of harm and biased outputs, as well as security, confidentiality and privacy breaches.
- d. Vendor Management: The Firm will manage its relationship with vendors of AI Systems covered in this Policy, including by implementing a consistent selection process and developing standard contractual clauses to address privacy, confidentiality and IT security issues.
- e. Record Keeping: The Firm will retain, in a secure manner, sufficient information and records relating to its use of AI Systems to satisfy the requirements set out in applicable laws.

- f. AI Literacy and Training: The Firm will provide resources and training so Firm Personnel can better understand the powers and limitations of the AI Systems at their disposal. A description of what is meant by an “AI Systems”, as well as a high level description of some of the known risk factors of using AI Systems is set out in **Appendix B** to this Policy.

5. Types of AI Systems

For the purpose of this Policy, we distinguish between two types of AI Systems:

- a. Approved AI Systems: Approved AI Systems are the AI Systems that have been vetted and approved by the AI Committee. Those can be proprietary tools developed by the Firm (with or without the help of third party service providers). More often, Approved AI Systems are developed by, and licensed from, third parties. In both cases, these systems have been vetted by the Firm for security and confidentiality and will usually be accessible through the Firm’s network or through an account linked to your work email account. Approved AI Systems are listed in **Appendix B**, which will be updated from time to time by the Firm.
- b. Other AI Systems. Other AI Systems are all other AI Systems that are not Approved AI Systems. They can either be “Limited Use AI Systems” or “Prohibited AI Systems”. Limited Use AI Systems may include AI Systems that are available freely on the Internet, or through cheap subscription models, such as OpenAI’s ChatGPT, Google’s Bard or Microsoft’s Bing Assistant, as well as certain translation software, such as Google Translate. Those AI Systems can understand natural language instructions and produce complex texts and images. However, they are also constantly trained on the data provided by their users so that their models are improved and are generally more exposed to the AI Systems’ risk factors listed in **Appendix A**. Limited Use AI Systems are also more likely to have security vulnerabilities and may be created by untrustworthy actors.

Prohibited AI Systems are those systems that are prohibited under Canadian law or under the laws of other jurisdictions where the Firm operates or that are otherwise identified by the AI Governance Committee as representing too great a risk to be used in any context by the Firm Personnel. Prohibited AI Systems, are listed in **Appendix B**.

Unless identified as Approved AI Systems or Prohibited AI Systems in **Appendix B**, by default, all AI Systems are to be considered Limited Use AI Systems. Firm Personnel may use Limited Use AI Systems for certain tasks, but must not input any confidential information into such AI Systems.

In addition to the classification set out above, clients may provide specific or general instructions and limitations regarding the use of AI Systems on a mandate or all their matters as part of outside client guidelines (“**Client AI Guidelines**”). In case of contradictions between this Policy and Client AI Guidelines, Client AI Guidelines

prevail, except where a client requests the use of a Prohibited AI Systems that may affect the Firm IT systems or networks. In such cases, Firm Personnel must raise the issue with the AI Governance Committee and the relevant client relationship partner prior to use.

6. Firm Personnel Responsibilities

Firm Personnel remain at all time fully responsible for all AI Content incorporated in their services and work products. When using AI Systems, they assume the following responsibilities:

- a. Use AI Systems in accordance with their classification: Firm Personnel must verify if an AI Systems falls under one the categories of Approved AI Systems, Limited Use AI Systems and Prohibited AI Systems by reviewing **Appendix B**.
 - Firm Personnel cannot use any Prohibited AI Systems in relation to any Firm-related work, to Firm-related or client-related information, or to the Firm's systems or networks under any circumstances.
 - Firm Personnel can use Limited Use AI Systems and Approved AI Systems for Firm-related work in accordance with the specific guidance provided by the Firm (including in this Policy).
 - Before using a Limited Use AI System, Firm Personnel must assess the nature of the task they are performing and consider whether it might be more appropriate to use a more secure Approved AI System instead. For example, although Firm Personnel may use a Limited Use AI System such as Google Translate to assist with a simple, non-confidential translation tasks, Firm Personnel should always refer complex, confidential translation requests to our MT>Version translators who have access to Approved AI Systems and who have developed a secure, high-quality translation service offering that is supervised by qualified legal translators.
- b. Use AI Systems in accordance with Client AI Guidelines: Firm Personnel must use AI Systems in accordance Client AI Guidelines provided prior to or during mandates, if any.
 - Firm Personnel must check with the relevant client relationship partner prior to using an AI System if they are unsure of the current Client AI Guidelines.
 - In the absence of Client AI Guidelines, Firm Personnel must use AI Systems at all time in accordance with this Policy.
- c. Maintain confidentiality: AI Systems may pose significant risks to the confidentiality and security or the Firm's information and that of our clients. As such, Firm Personnel must use AI Systems in conformity with their professional and legal obligations of confidentiality and privacy, as well as in a manner that does not jeopardize the security of the Firm's data and of its systems. For more information on the confidentiality obligations of Firm Personnel see our Confidentiality Policy.
 - The Firm recognizes the value that Limited Use AI Systems, including those available online, can bring to Firm Personnel, but authorizes their use solely to the extent no confidential, sensitive or personal information,

or materials protected by intellectual property rights or trade secrets, of the Firm, its clients or any other third party toward which the Firm has confidentiality obligations, is used as input.

- Firm Personnel should be aware that the AI System provider may be able to deduce information about our clients or the nature of their work if they use Firm-provided email, personal email or any other means to log on to a Limited Use AI Systems. Firm Personnel should always assume that developers or providers of Limited Use AI Systems will use the information provided to them through their AI System for training purposes and for their own business uses.

As for Approved AI Systems, the Firm seeks to provide tools that Firm Personnel can use confidently with confidential information.

- However, not all Approved AI Systems may offer the same degree of protection and, as such, Firm Personnel should always consult the guidance and documentation provided by the Firm and the applicable Client AI Guidelines before using a new Approved AI System on a specific task involving confidential information.

d. Verify AI-generated content: Firm Personnel remain at all times accountable for their use of AI Systems and of AI Content, and must exercise judgment in a manner consistent with their professional responsibilities.

- Firm Personnel are responsible for reviewing and verifying any AI Content to ensure it is accurate, reliable, safe, relevant, free from bias and appropriate for the context and the purpose.
- AI Content requires human review prior to being finalized and shared with clients and internal or external stakeholders of the Firm (i.e. there should always be a human at the end of the loop and at the key points of the work production pipeline to ensure quality). The adequate level of review should be assessed based on the type of AI Content and work products involved. For instance, reviewing every output of an e-discovery system, may not be feasible and, in that context, a review of a representative sample of output may be sufficient. However, when drafting a brief with the help of a generative AI Systems, each mention of a case of jurisprudence should be reviewed and confirmed.
- When using AI Systems, Firm Personnel must understand the systems' capabilities and limitations, apply critical thinking and sound judgment, as well as cross-check AI Content with other sources.
- Firm Personnel must use AI Systems in a manner consistent with the respect of third party intellectual property rights.

e. Respect ethical, legal and court requirements: At all times when using AI Systems, Firm Personnel must use AI Systems in compliance with the Firm's other applicable policies, including our policies regarding personal information, confidential information, cybersecurity, intellectual property, ethics and professionalism. Firm Personnel must also follow applicable court or regulatory

bodies practice directives, including prohibitions and transparency requirements, that govern the materials and submissions they file with courts and such bodies.

- f. Monitor and report AI performance: Firm Personnel must report any malfunctions or anomalies affecting an AI System, as well as any harm or biased output, and provide feedback, when requested, on their experiences to help improve the use and performance of the applicable AI System when requested by the Firm.
- g. Continuous training: Firm Personnel must take the required trainings, as identified by the Firm, before using an AI System. As AI Systems change and develop, the Firm may require additional trainings for AI Systems already in use.
- h. Cooperate with the Firm: Firm Personnel must assist the Firm in its AI governance efforts, notably by participating in AI Systems pilot projects, providing feedback and cooperating, when requested, with teams in charge of conducting AI Impact Assessments.

7. Consequences of Non-Compliance

Failure to comply with this Policy may result in disciplinary actions, up to and including termination of employment, depending on the severity and impact of the non-compliance. Any suspected violations of this Policy should be reported to the Firm Personnel's supervisor, the AI Governance Committee, or the appropriate department within the Firm for investigation.

8. Policy Review and Updates

This Policy is subject to periodic review and updates to ensure its relevance and effectiveness. The AI Governance Committee will assess the Policy regularly, taking into account changes in the legal, regulatory, and technological landscape, as well as lessons learned from the use of AI Systems within the Firm. Any updates to the Policy will be communicated to Firm Personnel through email or by uploading a new version on Espresso. Firm Personnel are responsible for staying informed about the latest version of the Policy.

If you have any questions about this Policy, please email aicommitee@mccarthy.ca.

APPENDIX A – AI Systems

1. What are AI Systems?

AI Systems are advanced software that learn from data to solve problems, employing programming methods like **machine learning**, **deep learning**, and **neural networks**. Instead of using explicitly coded instructions, AI Systems are programmed to learn patterns and insights from large datasets. Despite terms like "intelligence" or "learning," AI Content is often based on probability and statistics rather than true knowledge.

These systems have led to breakthrough improvements in tasks like image classification, document review, translation, image creation, and text generation (**generative AI Systems**). Other AI Systems are used to assist in making assessments and decisions, for instance in deciding if a person should be accepted for a mortgage or evaluating the chance of a case being granted leave to appeal (**decision-making AI Systems**).

Despite their power, AI Systems have important limitations that often come from their training datasets and the extent to which they have been effectively trained for use in a given context. Accordingly, the use of AI Systems comes with risks that must be considered when used in the context of providing high quality legal services.

2. Risk Factors of AI Systems

Bias. AI System performance relies on the quality of the training dataset. AI Content may appear objective, but biases and harmful content in a dataset may be reproduced in AI Content. The performance of an AI System may also vary based on the task it is used to complete: if a subset of the population was not included in an image dataset, the AI System used for image recognition may not be able to identify accurately an individual part of that group. AI Systems fine-tuned with human feedback, like ChatGPT, may also introduce additional biases or errors if feedback providers are not well-trained.

Confidentiality. Certain AI Systems collect data as they are used, potentially giving developers and third parties, including competitors and customers, access to confidential or personal information, notably for training purposes. Any sensitive information inputted in an AI System (whether client data or Firm data), especially when freely available online, may be disclosed to third parties in breach of our professional and legal obligations or in a way that may cause reputational or commercial damages to the Firm, thus posing high risk for the Firm.

Reliability. AI Systems can generate impressive outputs but are prone to factual and logical errors as well as omissions. Certain generative AI Systems are also prone to so-called "hallucinations", where they simply invent information and then present the

results in a convincing manner. In the legal context, one frequent example is that generative AI Systems have been known to cite cases and legislation as sources that simply do not exist. AI Systems may be trained on data up to a certain date only (this is for instance the case with ChatGPT) and may also have a limited knowledge base on Canadian law matters. AI Systems are therefore not replacements for the exercise of human knowledge and insight, in particular professional judgment.

Lack of transparency and Explainability. AI Systems are referred to as “black-boxes”, as the specific processes by which they arrive at their decisions or outputs cannot be easily explained. Over-reliance on outputs from AI Systems can lead to mistakes and work products that do not meet the Firm’s standards.

APPENDIX H

Cyber Liability

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

| 1 | Personnel | Enter Yes or No |
|----|---|-------------------|
| a) | Do you have a Chief Security Officer or Chief Information Security Officer or equivalent? Director IT Security If “no”, who within the Firm is responsible for the management of and compliance with the Firm’s Security Policies? | Yes |
| b) | Do you have a Chief Privacy Officer or equivalent? Jade Buchanan If “no”, who within the Firm is responsible for the management of and compliance with the Firm’s Privacy Policies? | Yes |
| 2 | Protection | Enter Yes or No |
| a) | Do you use encryption tools to enhance the integrity and confidentiality of confidential information? If you use encryption tools, in which scenarios is data encrypted? (Check all statements that you believe are applicable.) - Data at rest - Data in transit - Data transferred to removable media (laptops, CD’s, backup tapes, USB devices, etc.) - None of the above | Yes Yes Yes |
| b) | Do you use and regularly update industry-standard antivirus software? | Yes |
| c) | Do you install the latest software updates to reduce security vulnerabilities? | Yes |
| d) | Do you require that passwords be a minimum length and contain alpha and numeric characters? | Yes |
| e) | Do you require that passwords be regularly updated? | Yes |
| f) | Do you check to make sure that no spyware or adware resides on your computers? | Yes |
| g) | Do you use and regularly update industry-standard firewall protection systems to prevent unauthorized access to internal networks and computer systems? | Yes |
| h) | Is the data on your servers encrypted? | Yes |
| i) | Is the data on your desktop and laptop computers encrypted? | Yes |
| j) | Is the data on your mobile devices encrypted? | Yes |
| k) | Have predesignated computer system/application access rights and privileges been set for all authorized users? | Yes |
| l) | Is there hourly or daily automatic backup of documents and emails? | Yes |
| m) | Is there hourly or daily automatic backup of your firm-wide tickler system and/or your lawyers’ own personal tickler systems? | Yes |
| n) | Are backups stored off-site at a secure location? | Yes |
| o) | Do you use software that can be used to wipe laptops and mobile devices clean if they are misplaced or stolen? | Yes |
| p) | Do you use software that can detect unauthorized transfers of personal information and unauthorized copying of files? Build out is in process. | Yes |
| q) | Do you use a metadata scrubber on documents that you transmit to clients or third parties such as opposing counsel? Most of the time. | Yes |
| r) | Has the firm implemented multi-factor authentication for remote access to firm systems? | Yes |

APPENDIX H

Cyber Liability

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

| | | |
|----|--|-----|
| s) | Are security controls consistent across the entire firm? | Yes |
|----|--|-----|

| | | |
|----|---|-----------------|
| 3 | Incident Report | Enter Yes or No |
| | Do you have a written network security incident response plan? | Yes |
| | There is a written network security incident response plan and it will be reviewed and tested by the firm for its effectiveness. | |
| | If “yes”: | |
| a) | Does it include alternative options should a critical third party outsourcing provider’s operations be incapacitated? | No |
| | This is technically not in the Incident Response Plan, but more of a DR/BCP strategy. | |
| b) | Does it include procedures to alert your clients that their data may have been compromised? | Yes |

| | | |
|----|---|-----------------|
| 4 | Policies | Enter Yes or No |
| a) | Do you maintain a comprehensive information security and privacy policy that is updated and enforced on a continuous basis? | Yes |
| | We have an information security policy. We actively enforce this policy where the technical means exist, and no business exceptions have been granted. | |
| b) | Do you advise your lawyers of the risks of using unencrypted email? | No |
| | However, our system automatically encrypts the messaging tunnel (TLS-Transport Layer Security) | |
| c) | Does your firm advise your lawyers of the dangers of metadata? | No |
| | However, our systems are configured to strip metadata off of documents when emailed. | |
| d) | Do you purchase insurance other than CLLAS coverage to protect you in the case of privacy breaches? | No |
| e) | Do you purchase insurance other than CLLAS coverage to protect you in the case of cyber-attacks? | Yes |
| f) | Does the firm have policies and/or procedures in place to mitigate the risk of falling victim to fraud involving the disbursement of client funds? | Yes |

APPENDIX J

OFFICES

Name of Firm

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP, McCarthy Tétrault (US) LLP

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APPENDIX K

Question 4. Management or service companies, date(s) established and services provided.

Cartan Limited is named as "agents for service" in corporate filings made with the provincial governments by McCarthy's on behalf of certain of its clients. Cartan Limited was incorporated on May 17, 1962.

Fleural Inc. is named as "agents for service" in corporate filings made with the provincial governments by McCarthy's on behalf of certain of its clients. Fleural Inc. was incorporated on June 4, 2010. Fleural Inc. was dissolved in 2012.

Cartan Office Services Limited, Cartan Office Services (Ottawa) Limited, and Hallmark Management Limited provide premises to the Firm.

Cartan Office Services Limited was incorporated on May 12, 1965. Cartan Office Services (Ottawa) Limited was incorporated on February 19, 1997. Hallmark Management Limited was incorporated on May 26, 1961. Cartan Office Services (Ottawa) Limited was dissolved October 9, 2018. Hallmark Management Ltd. was dissolved June 20, 2018.

MT Services Limited Partnership was formed in 1997.

MT Services Limited Partnership provides management, administrative and other services including office premises to the Firm.

McCarthy Nominee Holdings Ltd. was formed in 2003. It is used to hold securities of public companies in the very rare circumstance where client accounts are settled in shares.