

**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9600183**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: GCAN Insurance Company**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

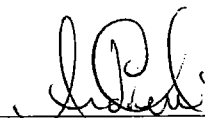
The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 9600183 issued by GCAN Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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GCAN Insurance Company

## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9600183**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: GCAN Insurance Company**

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

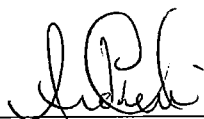
Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 9600183 issued by GCAN Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



GCAN Insurance Company

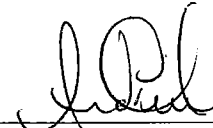
GCAN INSURANCE COMPANY

("the Company")

- ITEM 1. **NAME OF FIRM:** Fraser Milner Casgrain LLP
- ITEM 2. **ADDRESS OF FIRM:** 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. **POLICY PERIOD:**  
From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. **LIMIT OF LIABILITY:**  
\$5,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. **COVERAGE:**  
Lawyers Excess Professional Liability
- ITEM 6. **UNDERLYING INSURANCE:**
- (a) **Designated Underlying Policy No.:** PLTO295010006  
**Underlying Insurer:** Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
**Limit of Liability:** \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
**Coverage:** Lawyers Excess Professional Liability  
**Policy Period:** July 1, 2009 to July 1, 2010
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. **PREMIUM:** \$51,800.00 (Rate Per Lawyer: \$100.00)
- ITEM 8. **ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** None
- BROKER:**  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

**JUL 30 2009**

Date

  
GCAN Insurance Company Authorized Representative



**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in

the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**ENDORSEMENT NO. 4**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. CBC 0869921**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Lombard Insurance Company**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

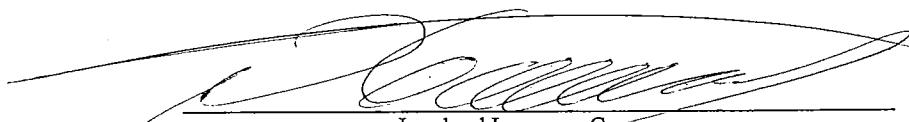
The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. CBC 0869921 issued by Lombard Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



Lombard Insurance Company

### ENDORSEMENT NO. 3

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. CBC 0869921**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Lombard Insurance Company**

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It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$29,008.00 (Rate Per Lawyer: \$56.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Endorsement No. 1 is deleted in its entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,

2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS' or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS' then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS

Policy Number's

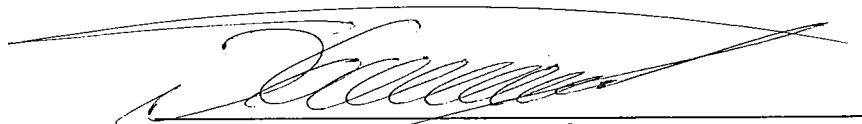
Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
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Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112



All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. CBC 0869921 issued by Lombard Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
Lombard Insurance Company

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$60,000,000

Insurer: GCAN Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 9600183

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$65,000,000

Insurer: AIG Commercial Insurance Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 1676678

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019006)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 8169-7812

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$100,000,000

Insurer: ACE INA Insurance (50%)/ENCON Group (50%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: SRX359213

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$120,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144813

**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. CBC 0869921**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Lombard Insurance Company**

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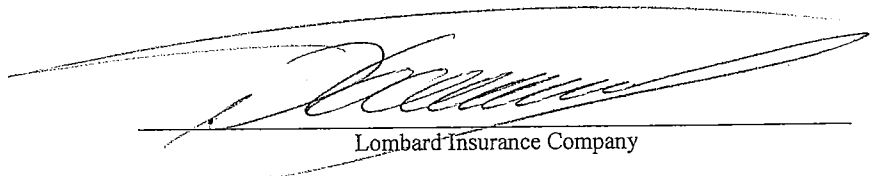
It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. CBC 0869921 issued by Lombard Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.



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Lombard Insurance Company

## ENDORSEMENT NO. 1

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. CBC 0869921

ISSUED TO: Fraser Milner Casgrain LLP

BY: Lombard Insurance Company

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. CBC 0869921 issued by Lombard Insurance Company to Fraser Milner Casgrain LLP.

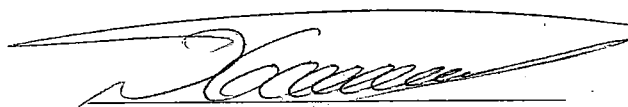
This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

Issued By:

Date: July 30, 2008

Accepted By:

Date:



Authorized Signature of the Company

\_\_\_\_\_  
Authorized Signature of the Insured

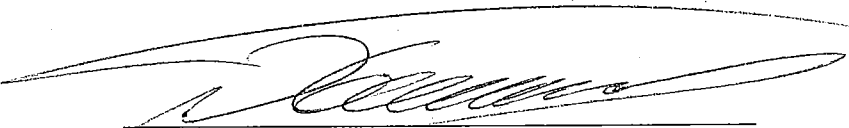
LOMBARD INSURANCE COMPANY

("the Company")

- ITEM 1. NAME OF FIRM: Fraser Milner Casgrain LLP
- ITEM 2. ADDRESS OF FIRM: 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. POLICY PERIOD:  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:  
\$5,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. COVERAGE:  
Lawyers Excess Professional Liability
- ITEM 6. UNDERLYING INSURANCE:
- (a) Designated Underlying Policy No.: PLTO295010005  
Underlying Insurer: Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
Limit of Liability: \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2008 to July 1, 2009
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM: \$30,072.00 (Rate Per Lawyer: \$56.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE: 2
- BROKER:  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

July 30, 2008

Date

  
Lombard Insurance Company Authorized Representative

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
Lawyers Excess Professional Liability Insurance Policy

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: PLTO295010005 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 50131559

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$60,000,000

Insurer: Commerce & Industry Insurance Company

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 5463936

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019005)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 8169-7812

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$100,000,000

Insurer: ACE INA Insurance (50%)/ENCON Group (50%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: SRD345027

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$120,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 50131560

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in



the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

- 3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**ENDORSEMENT NO. 4**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9600095**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: GCAN Insurance Company**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

**4. By the Insured if:**

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 9600095 issued by GCAN Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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GCAN Insurance Company

### ENDORSEMENT NO. 3

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9600095**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: GCAN Insurance Company**

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It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$24,346.00 (Rate Per Lawyer: \$47.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Endorsement No. 1 is deleted in its entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,

2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS' or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS' then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS

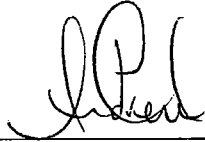
Policy Number's

Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 9600095 issued by GCAN Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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GCAN Insurance Company

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$60,000,000

Insurer: GCAN Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 9600183

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$65,000,000

Insurer: AIG Commercial Insurance Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 1676678

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019006)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 8169-7812

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$100,000,000

Insurer: ACE INA Insurance (50%)/ENCON Group (50%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: SRX359213

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$120,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144813

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$130,000,000

Insurer: Lombard Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: CBC 0869921



**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9600095**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: GCAN Insurance Company**

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It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 9600095 issued by GCAN Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.



---

GCAN Insurance Company

**ENDORSEMENT NO. 1**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9600095**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: GCAN Insurance Company**

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

All other terms, conditions, exclusions and limitations remain unchanged.

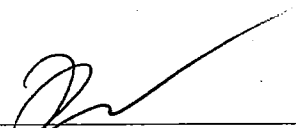
Attached to and forming part of Policy No. 9600095 issued by GCAN Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.



Issued By: **GCAN Insurance Company**  
Date: **JUL 22 2008**

Accepted By:  
Date:

  
Authorized Signature of the Company

\_\_\_\_\_  
Authorized Signature of the Insured

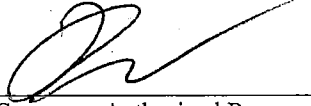
**GCAN INSURANCE COMPANY**

("the Company")

- ITEM 1. NAME OF FIRM:** Fraser Milner Casgrain LLP
- ITEM 2. ADDRESS OF FIRM:** 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. POLICY PERIOD:**  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:**  
\$5,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. COVERAGE:**  
Lawyers Excess Professional Liability
- ITEM 6. UNDERLYING INSURANCE:**
- (a) **Designated Underlying Policy No.:** PLTO295010005  
**Underlying Insurer:** Liberty International Underwriters Canada, A Division of  
Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
**Limit of Liability:** \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying  
Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
**Coverage:** Lawyers Excess Professional Liability  
**Policy Period:** July 1, 2008 to July 1, 2009
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$25,239.00 (Rate Per Lawyer: \$47.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 2
- BROKER:**  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

**JUL 22 2008**

Date

  
GCAN Insurance Company Authorized Representative

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate  
Insurer: Canadian Lawyers Liability Assurance Society  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000  
Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: PLTO295010005 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000  
Insurer: Travelers Guarantee Company of Canada  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: 50131559

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$60,000,000  
Insurer: Commerce & Industry Insurance Company  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: 5463936

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000  
Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019005)  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: 8169-7812

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$100,000,000  
Insurer: ACE INA Insurance (50%)/ENCON Group (50%)  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: SRD345027

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$120,000,000  
Insurer: Travelers Guarantee Company of Canada  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: 50131560

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$130,000,000  
Insurer: Lombard Insurance Company  
Policy Period: July 1, 2008 to July 1, 2009  
Policy No.: CBC 0869921

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in

the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;



2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**ENDORSEMENT NO. 5**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50144812**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

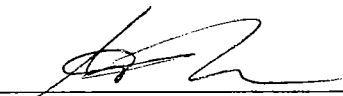
The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50144812 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
Travelers Guarantee Company of Canada

## ENDORSEMENT NO. 4

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50144812

ISSUED TO: Fraser Milner Casgrain LLP

BY: Travelers Guarantee Company of Canada

It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$74,074.00 (Rate Per Lawyer: \$143.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Endorsement No. 1 is deleted in its entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1<sup>st</sup>, 2009 to May 15<sup>th</sup>, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,

2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS' or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS' then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS

Policy Number's

Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50144812 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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Travelers Guarantee Company of Canada

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50131559**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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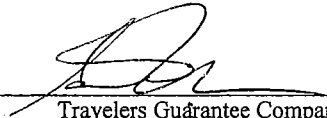
It is hereby understood and agreed that the policy number above is deleted and replaced as follows:

POLICY NO.: 50144812

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50131559 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
Travelers Guarantee Company of Canada

**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50131559**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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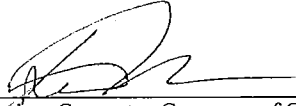
It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50131559 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
Travelers Guarantee Company of Canada



## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50131559**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50131559 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

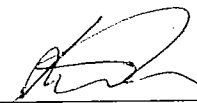
Issued By:

Date:

*August 14, 2008*

Accepted By:

Date:

  
\_\_\_\_\_  
Authorized Signature of the Company

\_\_\_\_\_  
Authorized Signature of the Insured

**TRAVELERS GUARANTEE COMPANY OF CANADA**

("the Company")

ITEM 1. NAME OF FIRM: Fraser Milner Casgrain LLP

ITEM 2. ADDRESS OF FIRM: 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2

ITEM 3. POLICY PERIOD:  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.

ITEM 4. LIMIT OF LIABILITY:  
\$10,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)

ITEM 5. COVERAGE:  
Lawyers Excess Professional Liability

ITEM 6. UNDERLYING INSURANCE:

(a) Designated Underlying Policy No.: PLTO295010005  
Underlying Insurer: Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
Limit of Liability: \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2008 to July 1, 2009


(b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).

ITEM 7. PREMIUM: \$76,791.00 (Rate Per Lawyer: \$143.00)

ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE: 2

BROKER:  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

August 14, 2008  
Date

  
Travelers Guarantee Company of Canada Authorized Representative

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
Lawyers Excess Professional Liability Insurance Policy

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: PLTO295010005 (*Designated Underlying*)

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in

the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.



**ENDORSEMENT NO. 5**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50144813**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

**4. By the Insured if:**

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

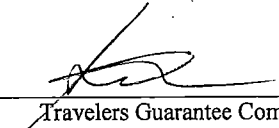
The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50144813 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
Travelers Guarantee Company of Canada

## ENDORSEMENT NO. 4

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50144813

ISSUED TO: Fraser Milner Casgrain LLP

BY: Travelers Guarantee Company of Canada

It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$56,462.00 (Rate Per Lawyer: \$109.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Endorsement No. 1 is deleted in it's entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,

2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS' or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS' then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS


Policy Number's

Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50144813 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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Travelers Guarantee Company of Canada

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
Lawyers Excess Professional Liability Insurance Policy

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$60,000,000

Insurer: GCAN Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 9600183

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$65,000,000

Insurer: AIG Commercial Insurance Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 1676678

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019006)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 8169-7812

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$100,000,000

Insurer: ACE INA Insurance (50%)/ENCON Group (50%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: SRX359213

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50131560**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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It is hereby understood and agreed that the policy number above is deleted and replaced as follows:

POLICY NO.: 50144813

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50131560 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
Travelers Guarantee Company of Canada

**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50131560**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Travelers Guarantee Company of Canada**

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It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50131560 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.



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Travelers Guarantee Company of Canada

## ENDORSEMENT NO. 1

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50131560

ISSUED TO: Fraser Milner Casgrain LLP

BY: Travelers Guarantee Company of Canada

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:



Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 50131560 issued by Travelers Guarantee Company of Canada to Fraser Milner Casgrain LLP.


This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

Issued By:

Date: *August 14, 2008*

Accepted By:

Date:

  
\_\_\_\_\_  
Authorized Signature of the Company

\_\_\_\_\_  
Authorized Signature of the Insured

## TRAVELERS GUARANTEE COMPANY OF CANADA

("the Company")

- ITEM 1. NAME OF FIRM:** Fraser Milner Casgrain LLP
- ITEM 2. ADDRESS OF FIRM:** 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. POLICY PERIOD:**  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:**  
\$10,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. COVERAGE:**  
Lawyers Excess Professional Liability
- ITEM 6. UNDERLYING INSURANCE:**
- (a) **Designated Underlying Policy No.:** PLTO295010005  
**Underlying Insurer:** Liberty International Underwriters Canada, A Division of  
Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
**Limit of Liability:** \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying  
Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
**Coverage:** Lawyers Excess Professional Liability  
**Policy Period:** July 1, 2008 to July 1, 2009
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$58,533.00 (Rate Per Lawyer: \$109.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 2
- BROKER:**  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

August 14, 2008  
Date

[Signature]  
Travelers Guarantee Company of Canada Authorized Representative

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: PLTO295010005 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 50131559

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$60,000,000

Insurer: Commerce & Industry Insurance Company

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 5463936

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019005)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 8169-7812

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$100,000,000

Insurer: ACE INA Insurance (50%)/ENCON Group (50%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: SRD345027

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in

the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**ENDORSEMENT NO. 7**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010006**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)**

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It is hereby understood and agreed that IV. Conditions, 2. Retention and 3. Liberalization are amended as follows:

**1. Retention:**

In respect of any claims covered hereunder, this Policy is only to pay the excess of the RETENTION stated in Item 9 of the Schedule, in respect of each and every claim including costs, charges and expenses. It is understood and agreed that the INSUREDS will carry underlying limits of insurance as described in Item 9. RETENTION of the Schedule. This Policy, subject to its terms, conditions and limitations, shall pay excess of either:

1. The RETENTION stated in the Schedule

Or

2. The amounts of any recoveries under such separate insurance and/or any other applicable Law Society Program purchased either on a mandatory basis or at the Insured's discretion.

**3. Liberalization:**

The insurance provided by this Policy shall not be more restrictive in coverage, terms and/or conditions, nor shall it exclude any coverage which has been provided by the applicable underlying insurance as described in Item 9 of the Declarations. In the event of any conflict between the terms and conditions contained in the applicable underlying insurance described in Item 9 of the Declaration and this policy, then the terms most favourable to the Insured(s) shall govern.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. PLTO295010006 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

Liberty International Underwriters  
A Division of the  
Liberty Mutual Insurance Company  
Liberty International Underwriters Canada

ACE INA Insurance



## ENDORSEMENT NO. 6

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010006

ISSUED TO: Fraser Milner Casgrain LLP

BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

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### CANCELLATION CLAUSE AMENDMENT DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

It is hereby understood and agreed that Conditions IV, Cancellation Clause and Extended Reporting Period, subsection 4, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

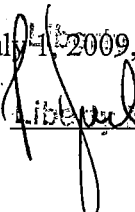
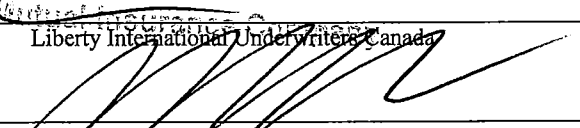
The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 2 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 2 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. PLTO295010006 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
a Division of the  
Liberty International Underwriters Canada  
  
ACE INA Insurance

**ENDORSEMENT NO. 5**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010006**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)**

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It is understood and agreed effective July 1, 2009 the Schedule attached hereto is amended as follows:

- |                        |   |
|------------------------|---|
| 5. PERIOD OF INSURANCE | From: July 1, 2009<br>To: July 1, 2010<br><br>Both days at 12:01 a.m. Standard Time at the<br>address of the FIRM |
| 6. EXPIRY DATE         | July 1, 2010  |
| 7. PREMIUM             | CDN. \$188,034 (Rate Per Lawyer: \$363.00)  |

It is further hereby and understood and agreed that Endorsement No. 2 is deleted in its entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS


Policy Number's

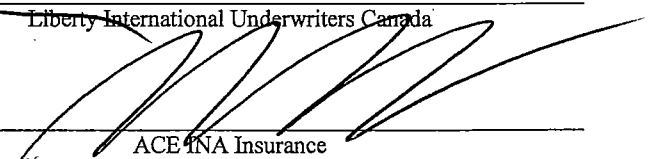
Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. PLTO295010006 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
Liberty International Underwriters Canada

  
\_\_\_\_\_  
ACE INA Insurance

**ENDORSEMENT NO. 4**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010005**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)**

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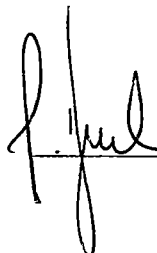
It is hereby understood and agreed that the policy number stated in Item 1. of the Schedule is amended to read:

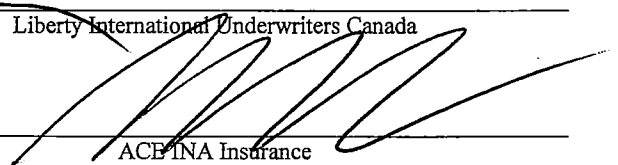
1. POLICY NO.: PLTO295010006

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. PLTO295010005 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
Liberty International Underwriters Canada

  
\_\_\_\_\_  
ACE INA Insurance

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010005**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)**

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It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. PLTO295010005 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

Liberty International Underwriters  
a Division of the  
Liberty Mutual Insurance Company

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Liberty International Underwriters Canada

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ACE INA Insurance

## ENDORSEMENT NO. 2

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010005

ISSUED TO: Fraser Milner Casgrain LLP

BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

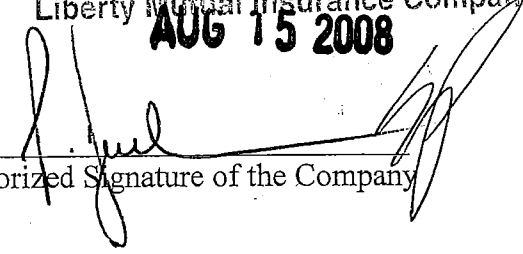
All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. PLTO295010005 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

Liberty International Underwriters  
Issued By: a Division of the  
Date: Liberty Mutual Insurance Company

**AUG 15 2008**

  
Authorized Signature of the Company

Accepted By:  
Date:

\_\_\_\_\_  
Authorized Signature of the Insured

## ENDORSEMENT NO. 1

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO295010005

ISSUED TO: Fraser Milner Casgrain LLP

BY: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

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### QUOTA SHARE CLAIMS HANDLING AND CONTROL

IT IS HEREBY UNDERSTOOD AND AGREED THAT:

All claim(s) and/or potential claim(s) with respect to which coverage under this policy attaches or may attach because of the exhaustion of the Underlying Insurance by the payment of losses thereunder shall be administered as set forth below:

- a. Liberty International Underwriters Canada ("Liberty") and ACE INA Insurance shall receive and accept notices from the Insured. Liberty shall, on behalf of itself and ACE INA Insurance, investigate claim(s) or potential claim(s), appoint coverage counsel, develop coverage positions, accept or deny coverage for claim(s), issue coverage letters, including without limitation reservation of rights letters, monitor and/or supervise the handling of claim(s), consent to settle claim(s), and/or settle coverage disputes arising with respect to claim(s).
- b. Notwithstanding the above, ACE INA Insurance shall have the right to consent to the settlement of any claim or the settlement of any coverage dispute with respect to any claim provided that such consent shall not be unreasonably withheld. In the event ACE INA Insurance does not consent to the settlement of any claim or any coverage dispute with respect to any claim, such refusal of consent shall be resolved by way of an informal arbitration between Liberty and ACE INA Insurance, the exact form of which will be mutually decided among Liberty and ACE INA Insurance. It is agreed that such arbitration will be undertaken by each of Liberty and ACE INA Insurance on a good faith basis, with each seeking an equitable, timely, and cost-efficient resolution.
- c. Liberty shall use its reasonable best efforts to provide ACE INA Insurance with notice of any significant changes in the status or development of any claim(s) that may impact this policy's limit of liability, including liability and damage assessments, reserve changes, settlement negotiations and final payment.
- d. Upon request, Liberty shall permit ACE INA Insurance to review, only at Liberty's office at 181 Bay Street, Suite 1000, Toronto, ON, M5J 2T3, all correspondence, pleadings and other documents pertaining to a claim under this policy received from and/or sent to the Insured. ACE INA Insurance review of correspondence, pleadings and other claim documents must be undertaken during normal business hours, at a time reasonably convenient to Liberty.
- e. Upon request, ACE INA Insurance may attend with Liberty at any claim(s) meeting(s) with the Insured. Any claim(s) meeting(s) will be scheduled during normal business hours, at a time and location reasonably convenient to both Liberty and ACE INA Insurance, subject to the Insured's availability.
- f. Subject always to the exhaustion of the Underlying Insurance by the payment of losses thereunder, the



limits of liability and other terms, conditions, limitations, exclusions, and endorsements of this policy, and Subparagraph (b) above, Liberty and ACE INA Insurance shall each pay sixty six percent and thirty four percent respectively of all loss determined by Liberty to be covered under this policy. ACE INA Insurance payment of loss shall be made in accordance with Liberty's instructions as to payee, payment date, currency, and other details of payment.

- g. Additionally, Liberty and ACE INA Insurance shall each pay sixty six percent and thirty four percent of all allocated expenses incurred by Liberty in the handling of claim(s) and potential claim(s) under this policy, including but not limited to coverage counsel's fees and expenses. Liberty and ACE INA Insurance shall each pay sixty six percent and thirty four percent of any allocated expenses directly to the service provider, within thirty (30) days' of their respective receipt of an invoice or account.

Liberty's and ACE INA Insurance payment obligations pursuant to this Endorsement are several only. Subject always to this policy's limits of liability, neither Liberty nor ACE INA Insurance shall be obligated to pay any amount whatsoever in excess of sixty six percent and thirty four percent respectively of loss covered under sixty six percent and thirty four percent of allocated expenses incurred in handling claim(s) or potential claim(s) under this policy.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

Liberty International Underwriters  
a Division of the  
Liberty Mutual Insurance Company

Liberty International Underwriters Canada

ACE INA Insurance

LIBERTY INTERNATIONAL UNDERWRITERS CANADA,  
A DIVISION OF LIBERTY MUTUAL INSURANCE COMPANY (66%)  
ACE INA INSURANCE (34%)

SCHEDULE

1. POLICY NO.: PLTO295010005
2. NAME OF FIRM: Fraser Milner Casgrain LLP  
and others as more fully described in the Policy
3. PREDECESSORS IN BUSINESS: all predecessor Firms
4. ADDRESS OF THE FIRM: 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
5. PERIOD OF INSURANCE: From: July 1, 2008  
To: July 1, 2009  
  
Both days at 12:01 a.m. Standard Time at the address of  
the FIRM.
6. EXPIRY DATE: July 1, 2009
7. PREMIUM: CDN. \$194,931.00 (Rate Per Lawyer: \$363.00)
8. SUM INSURED: CDN. \$15,000,000
9. RETENTION:
  - 1) CDN \$500,000 each and every claim, including costs, charges and expenses.
  - or
  - 2) Underlying Insurance  
  
\$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005  
issued by the Canadian Lawyers Liability Assurance Society (CLLAS)  
  
and  
  
\$30,000,000 each claim and aggregate as more fully described in Underlying Policy No. 19105 issued by the  
Canadian Lawyers Liability Assurance Society (CLLAS).

10. DATE OF PROPOSAL:

11. INSURER:

**AUG 15 2008**

Date

July 28, 2008

Date

Liberty International Underwriters

a Division of the  
LIBERTY INTERNATIONAL UNDERWRITERS CANADA/  
Liberty Mutual Insurance Company  
ACE INA Insurance Company

Liberty International Underwriters Canada Authorized Representative

ACE INA Insurance Authorized Representative

**THIS POLICY SUBJECT TO ITS TERMS, CONDITIONS, EXCLUSIONS AND LIMITATIONS IS APPLICABLE ONLY TO CLAIMS MADE AGAINST INSURED AS DESCRIBED HEREIN DURING THE PERIOD OF INSURANCE OF THE SAID POLICY.**

**PROFESSIONAL LIABILITY POLICY**

Whereas the FIRM (as defined in Clause II (1)) hereof has made to Us who have hereunto subscribed out names as Insurer a written proposal bearing the date stated in the Schedule and containing particulars and statements which it is hereby agreed are the basis of this contract and are to be considered as incorporated herein and have paid or have agreed to pay the sum stated in the said Schedule as consideration to Us:

**I. COVERAGE:**

The Insurer agrees to pay on behalf of the INSURED those sums that the INSURED becomes legally obligated to pay as the result of any claim made against the INSURED during the PERIOD OF INSURANCE by reason of any ACT (as hereinafter defined) whenever or wherever the same was or may have been committed or alleged to have been committed.

- A. By the INSURED or any other person or entity in or about the conduct of any business conducted by or on behalf of the FIRM in the FIRM'S professional capacity as Attorneys, Barristers, Solicitors, Counsellors at Law or Notaries, or however designated.
- B. By any INSURED acting in his/her professional capacity as Attorney, Barrister, Solicitor, Counsellor at Law or Notary or however designated (whether or not in the name of the FIRM) provided always that a portion of the fee for legal services (if a fee is charged) accruing from such work shall inure to the benefit of the FIRM. In extension and not in limitation of the foregoing, such work shall be deemed to include work as administrator, executor, trustee, guardian, arbitrator, committee for incompetent, agent to title insurance company and/or designated issuing attorney to title insurance company or other fiduciary, or similar agent or advisor provided always that in cases where no portion of the fee for legal services associated with such work inures to the benefit of the FIRM, a portion of the fee for non legal services (if a fee is charged) associated with such work shall inure to the benefit of the FIRM.

**II. DEFINITIONS:**

- 1. The term "the FIRM" shall mean the persons carrying on business under the name as stated in Item 2 of the Schedule herein and shall also include their predecessors in business as stated in Item 3 of the Schedule.
- 2. The term "INSURED" shall mean each of the following:

- (a) The FIRM, and any related service companies;
  - (b) The partners of the FIRM and any other person or persons who may at any time and from time to time be a partner in the FIRM;
  - (c) Partners no longer in the FIRM and/or the estates of deceased partners who were partners in the FIRM at the time of the ACT;
  - (d) The FIRM'S EMPLOYEES as hereinafter defined (and/or estates of deceased EMPLOYEES) or former EMPLOYEES (and/or estates of deceased former EMPLOYEES), but only in respect of any ACT committed in the course of their employment by the FIRM in the conduct of the FIRM'S business, or as provided in Insurance Clause I (B);
  - (e) Persons designated "counsel" (and/or estates of deceased counsel) to the FIRM but only in their capacities as such, or as provided in Insuring Clause I (B);
  - (f) Former partners and EMPLOYEES in respect of services performed on behalf of the FIRM subsequent to retirement or other withdrawal from the FIRM.
3. The term "ACT" shall mean any act, error, or omission whether of acts, facts, law or otherwise or breach of contract or duty or libel or slander or any allegation thereof.
  4. The term "EXCLUDED ACT" shall mean any ACT committed by an individual INSURED for the consequences of which coverage does not extend to that INSURED under the terms, conditions, limitations and exclusions of this policy.
  5. The term "POLICY YEAR" shall mean each twelve (12) month period following the inception date of this policy.
  6. The term "EMPLOYEE" shall include any person whom the FIRM wishes to be regarded as an employee for the purpose of this Policy, even if such person is not actually an employee.

### III. EXCLUSIONS:

This Policy excludes:

1. Any claim or circumstances in respect of which the INSURED, before the commencement of this Policy, have given written notice to the insurers on any other policy in force previous hereto;

2. Any claim other than those excluded by EXCLUSION 1 above, for which the INSUREDS are entitled to collect hereunder which is insured by any other policy or policies, except in respect of any excess beyond the amount or amounts of payments under such other policy or policies;
3. Any claim arising out of any INSURED acting in his/her capacity as director and/or officer;
4. Any claim alleging the fraud or dishonesty of any INSURED if a final judgment or other final adjudication thereof shall establish that active and deliberate fraud or dishonesty was committed by such INSURED with actual fraudulent or dishonest purpose and intent, and was material to the claim made. However, nothing contained in the foregoing shall exclude coverage to the FIRM, or to any other INSURED who was not so adjudged to have committed such EXCLUDED ACT as described above;
5. Any claim for bodily injury to, or sickness, disease or death of any person, or injury to or destruction of any tangible property, arising out of ACTS of the INSUREDS.
6.
  - i. Any claim for fines, penalties, punitive or exemplary damages, imposed by a judgment or any other final adjudication. However, this exclusion shall not apply to costs, charges and expenses incurred in the defense of any claim otherwise covered by this Policy which also demands such fines, penalties, punitive or exemplary damages;
  - ii. Any award of treble or other multiple damages pursuant to any statute or law, except that the compensatory amount of such award, prior to being multiplied, shall be deemed covered if the ACTS giving rise to claim upon which such compensatory award is based are otherwise covered by this Policy. However, this exclusion shall not apply to costs, charges and expenses incurred in the defense of any claim otherwise covered by this policy solely by reason of the fact such claim demands treble or other multiple damages.

#### IV. CONDITIONS:

##### 1. Limits

The limit of liability of the Insurer shall not exceed the sum stated in the Schedule (herein referred to as the SUM INSURED) for all claims made against all INSUREDS during each POLICY YEAR, including costs, charges and expenses incurred in connection with any claim, subject to the terms, conditions, exclusions and limitations of this Policy.

All claims arising out of the same ACT or related ACTS covered hereunder shall be considered a single claim.

2. Retention:

In respect of any claims covered hereunder, this Policy is only to pay the excess of the RETENTION stated in Item 9 of the Schedule, in respect of each and every claim including costs, charges and expenses. It is understood and agreed that the INSUREDS are required by law or regulation to purchase separate insurance under a Compulsory Bar Program and will carry underlying limits of similar insurance as described in Item 9 RETENTION of the Schedule. This Policy, subject to its terms, conditions and limitations, shall pay excess of either:

1. The RETENTION stated in the Schedule

Or

2. The amounts of any recoveries under such separate insurance and/or any other applicable Law Society Program purchased either on a mandatory basis or at the Insured's discretion.

**WHICHEVER IS GREATER**

The amount of any recoveries under such separate insurance shall apply as though borne by the INSUREDS.

3. Liberalization:

The insurance provided by this Policy shall not be more restrictive in coverage, terms and/or conditions, nor shall it exclude any coverage which has been provided by the underlying Canadian Lawyers Liability Assurance Society policy. In the event of any conflict between the terms and conditions contained in the Canadian Lawyers Liability Assurance Society policy, then the terms most favourable to the Insured(s) shall govern.

4. Cancellation Clause and Extended Reporting Period:

This policy is non-cancelable during the Period of Insurance as stated in the Schedule except:

1. By mutual consent:

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The INSURED has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer had paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing a written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notices as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Period of Insurance. Delivery of such written notice by the Insurer shall be equivalent to mailing.

- 3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the INSURED. If the Insurer shall refuse to renew this Policy, the INSURED shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this policy to any extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the INSURED during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right the INSURED must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the INSURED to give such notice, the INSURED shall not at a later date be entitled to give such notice. The mailing of notice by the INSURED by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Sum Insured of this Policy as stated in Item 8 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

#### 5. Partnership Dissolution Extension

In the event of the dissolution of the FIRM hereunder during the Policy Period, the Insurer hereby agrees in consideration of the payment of an additional premium of 150% of the last annual premium paid for this Policy, to extend coverage granted by this Policy, subject to its terms, conditions,

exclusions and limitations to any Claim first made against the FIRM during the period of 12 calendar months after the date of dissolution but only when such Claim arises out of Professional Services rendered prior to the date of dissolution. This right is conditional upon the FIRM giving notice in writing not later than 30 days after such date of dissolution (together with payment of the additional premium).

In the event of failure by the FIRM to give such notice prior to such date, the FIRM shall not at a later date be entitled to invoke this extension. The mailing by the FIRM by registered mail of notice to the Insurer shall be sufficient proof of notice. For the purposes of establishing the Insurer's Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy, which limit shall apply to the last applicable Policy Year and the extended reporting period taken together.

#### 6. Arbitration

In the event of any dispute between the INSURED and the Insurer respecting any matter arising from or in relation to this Policy, such dispute shall be referred to arbitration before a single arbitrator as mutually agreed upon by the INSURED and the Insurer. The INSURED and the Insurer further agree that the procedure to be followed in every arbitration under this condition shall be set and determined with the arbitrator appointed by the INSURED and the Insurer in accordance with the *Arbitration Act, 1991* (Ontario).

#### 7. Claims Procedures:

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights or indemnity, contribution or apportionment which any Insured may have.



8. Costs:

Insurers agree that they will pay all costs, charges and expenses incurred in connection with the defense of any claims covered hereunder, subject to the following conditions:

- i. If the claim made against the INSUREDS is disposed of without payments, Insurers will pay all costs, charges and expenses in excess of the RETENTION but not exceeding the SUM INSURED;
- ii. If a payment in excess of the SUM INSURED has to be made to dispose of a claim made against the INSUREDS, Insurers' liability to pay costs, charges and expenses in connection therewith shall be limited to such proportion of the said costs, charges and expenses as the SUM INSURED bears to the amount so paid to dispose of the claim.

The cost of any appeal, attachment or similar bonds required to be furnished in connection with the contest of any claims covered hereunder is included in the term "costs, charges and expenses", and the INSUREDS shall not be required to give security for such bonds.

9. Other Conditions:

- a. If the INSUREDS shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.
- b. Payments by Insurers, if any, shall be made in Canada in Canadian Dollars.

10. Subrogation:

Any individual INSURED who commits an EXCLUDED ACT shall cease to be an INSURED under this Policy for all purposes relating to the loss caused or alleged to have been caused thereby, and Insurers shall be entitled to have and to exercise all rights of subrogation against such individual as a third party. In the event that such individual is nonetheless deemed by law to remain an INSURED for these purposes, then coverage shall only extend under this policy in respect of the loss caused by the EXCLUDED ACT to the extent that such loss exceeds the value of the individual INSURED'S assets in the FIRM.

11. NUCLEAR INCIDENT EXCLUSION CLAUSES – LIABILITY – DIRECT – (BROAD) – CANADA N.M.A. 1978a  
As attached.

12. WAR AND TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this exclusion, an act of terrorism means an act, including, but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the **Insurer** alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Policy, the burden of proving the contrary shall be upon the **Insured**.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

13. The interest of the INSURED under this Policy shall not be assignable to any other person other than as provided herein.

**NUCLEAR INCIDENT EXCLUSION CLAUSE – LIABILITY – DIRECT  
(BROAD) – CANADA**

**(For use with all Public Liability Policies except Personal, Farmers' and Storekeepers)**

It is agreed that this Policy does not apply:

- (a) To liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof; nor
- (b) To bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) To bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
  - i. The ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
  - ii. The furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
  - iii. The possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this policy:

1. The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
2. The term "radioactive material" mean uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by or pursuant to any law, act or statute, or law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
3. The term "nuclear facility" means:

- (a) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - (b) Any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;
  - (c) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
4. The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
5. With respect to property, loss of use of such property shall be deemed to be property damage.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Clause is subject to the term, exclusions, conditions and limitations of the Policy to which it is attached.

**ENDORSEMENT NO. 5**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 1676678**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: AIG Commercial Insurance Company of Canada**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.


The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 1676678 issued by AIG Commercial Insurance Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
AIG Commercial Insurance Company of Canada

## ENDORSEMENT NO. 4

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 1676678**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: AIG Commercial Insurance Company of Canada**

It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$78,736.00 (Rate Per Lawyer: \$152.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Item 4, Limit of Liability has been amended to appear as:

ITEM 4.	LIMIT OF LIABILITY
	\$15,000,000 Each and Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)

It is further hereby understood and agreed that Endorsement No. 1 is deleted in its entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

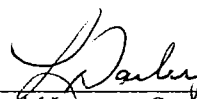
<u>Member Firms of CLLAS</u>	<u>Policy Number's</u>	
Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110

Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 1676678 issued by AIG Commercial Insurance Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.




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AIG Commercial Insurance Company of Canada



**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$60,000,000

Insurer: GCAN Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 9600183

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 5463936**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: AIG Commercial Insurance Company of Canada**

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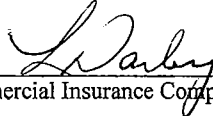
It is hereby understood and agreed that the policy number above is deleted and replaced as follows:

POLICY NO.: 1676678

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 5463936 issued by AIG Commercial Insurance Company of Canada to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
AIG Commercial Insurance Company of Canada

**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 5463936**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Commerce and Industry Insurance Company**

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It is hereby understood and agreed that ("the Company") is amended to the following:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 5463936 issued by Commerce and Industry Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
Commerce and Industry Insurance Company

**ENDORSEMENT NO. 1**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 5463936**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Commerce & Industry Insurance Company**

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 5463936 issued by Commerce & Industry Insurance Company to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

Issued By:  
Date: *July 16/08*

Accepted By:  
Date:

*L. Parly*  
\_\_\_\_\_  
Authorized Signature of the Company

\_\_\_\_\_  
Authorized Signature of the Insured

## COMMERCE &amp; INDUSTRY INSURANCE COMPANY

("the Company")

- ITEM 1. NAME OF FIRM:** Fraser Milner Casgrain LLP
- ITEM 2. ADDRESS OF FIRM:** 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. POLICY PERIOD:**  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:**  
\$20,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. COVERAGE:**  
Lawyers Excess Professional Liability
- ITEM 6. UNDERLYING INSURANCE:**
- (a) **Designated Underlying Policy No.:** PLTO295010005  
**Underlying Insurer:** Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
**Limit of Liability:** \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
**Coverage:** Lawyers Excess Professional Liability  
**Policy Period:** July 1, 2008 to July 1, 2009
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$135,324.00 (Rate Per Lawyer: \$252.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 2
- BROKER:**  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

*July 16/08*  
Date

*L. D. Bailey*  
Commerce & Industry Insurance Company Authorized Representative

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
Lawyers Excess Professional Liability Insurance Policy

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: PLTO295010005 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 50131559

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in



the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**ENDORSEMENT NO. 6**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7812**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Chubb Insurance Company (75%)  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%), (Policy No. PLTO295019006)**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.


The following definitions apply to this endorsement:

1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 8169-7812/PLTO295019006 issued by Chubb Insurance Company (75%)/Liberty International Underwriters Canada (25%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

CHUBB INSURANCE COMPANY OF CANADA  
BY:   
Liberty International Underwriters Canada  
a Division of the  
Liberty Mutual Insurance Company  
Liberty International Underwriters Canada

## ENDORSEMENT NO. 5

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7812

ISSUED TO: Fraser Milner Casgrain LLP

BY: **Chubb Insurance Company (75%)**  
**Liberty International Underwriters Canada,**  
**A Division of Liberty Mutual Insurance Company (25%), (Policy No. PLTO295019006)**

It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$127,428.00 (Rate Per Lawyer: \$246.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Endorsement No. 2 is deleted in it's entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,

2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS' or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS' then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS

Policy Number's

Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

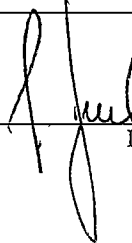
Attached to and forming part of Policy No. 8169-7812/PLTO295019006 issued by Chubb Insurance Company (75%)/Liberty International Underwriters Canada (25%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

CHUBB INSURANCE COMPANY OF CANADA

BY 

Chubb Insurance Company

  
Liberty International Underwriters Canada

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$60,000,000

Insurer: GCAN Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 9600183

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$65,000,000

Insurer: AIG Commercial Insurance Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 1676678



**ENDORSEMENT NO. 4**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7812**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Chubb Insurance Company (75%)  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%), (Policy No. PLTO295019005)**

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It is hereby understood and agreed that the policy number above is deleted and replaced as follows:

POLICY NO.: PLTO295019006


All other terms, conditions, exclusions and limitations remain unchanged.

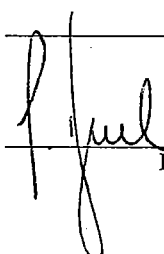
Attached to and forming part of Policy No. 8169-7812/PLTO295019005 issued by Chubb Insurance Company (75%)/Liberty International Underwriters Canada (25%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

CHUBB INSURANCE COMPANY OF CANADA

BY

  
Chubb Insurance Company

  
Liberty International Underwriters Canada

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7812**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: Chubb Insurance Company (75%)  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%), (Policy No. PLTO295019005)**

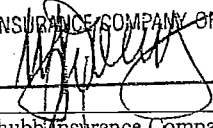
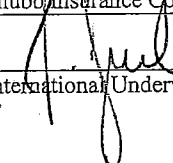
It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 8169-7812/PLTO295019005 issued by Chubb Insurance Company (75%)/Liberty International Underwriters Canada (25%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

CHUBB INSURANCE COMPANY OF CANADA  
BY   
\_\_\_\_\_  
Chubb Insurance Company  
Liberty International Underwriters  
a Division of the  
Liberty Mutual Insurance Company   
\_\_\_\_\_  
Liberty International Underwriters Canada

## ENDORSEMENT NO. 2

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7812

ISSUED TO: Fraser Milner Casgrain LLP

BY: Chubb Insurance Company (75%)  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%), (Policy No. PLTO295019005)

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:


Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112

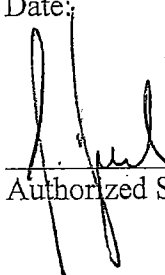
All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. 8169-7812/PLTO295019005 issued by Chubb Insurance Company (75%)/Liberty International Underwriters Canada (25%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

CHUBB INSURANCE COMPANY OF CANADA  
Issued By: BY   
Date: **AUG 15 2008**

\_\_\_\_\_  
Authorized Signature of the Company

Liberty International Underwriters  
a Division of the  
Accepted By:   
Date: **AUG 15 2008**

\_\_\_\_\_  
Authorized Signature of the Insured

## ENDORSEMENT NO. 1

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7812

ISSUED TO: Fraser Milner Casgrain LLP

BY: Chubb Insurance Company (75%)  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%), (Policy No. PLTO295019005)

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### QUOTA SHARE CLAIMS HANDLING AND CONTROL

IT IS HEREBY UNDERSTOOD AND AGREED THAT:

All claim(s) and/or potential claim(s) with respect to which coverage under this Policy attaches or may attach because of the exhaustion of the Underlying Insurance by the payment of losses thereunder shall be administered as set forth below:

- a. Chubb Insurance Company of Canada ("Chubb") and Liberty International Underwriters Canada ("Liberty") shall receive and accept notices from the **Named Insured** by quarterly claims bordereaux as agreed and outlined in the General Conditions of this policy.
- b. Chubb shall, on behalf of itself and Liberty, investigate claims or potential claims and in agreement and cooperation with Liberty, such agreement not to be unreasonably withheld, appoint coverage counsel, develop coverage positions, consent to settle claim(s), and/or settle coverage disputes arising with respect to claim(s).
- c. In the event Liberty does not consent to the settlement of any claim or any coverage dispute with respect to any claim, such refusal of consent shall be resolved by way of arbitration between Chubb and Liberty; the exact form of which will be mutually determined by Chubb and Liberty, failing which, the *Arbitration Act*, S.O., 1991 c. 17, as amended, shall apply. It is agreed that such arbitration will be undertaken by each of Chubb and Liberty on a good faith basis, with each seeking an equitable, timely, and cost-efficient resolution.
- d. Chubb shall use its reasonable best efforts to provide Liberty with notice of any significant changes in the status or development of any claim(s) that may impact this Policy's limit of liability, including liability and damage assessments, reserve changes, settlement negotiations and final payment, and in all circumstances at least every ninety (90) days, if so requested by Liberty.
- e. Upon request, Chubb shall permit Liberty to review, only at Chubb's office at 1 Adelaide Street East, Toronto, ON, M5C 2V9, all correspondence, pleadings and other documents pertaining to a claim under this Policy received from and/or sent to the **Named Insured**. Liberty's review of correspondence, pleadings and other claim documents must be undertaken during normal business hours, at a time reasonably convenient to Chubb.
- f. Upon request, Liberty may attend with Chubb at any claim(s) meeting(s) with the **Named Insured**. Any claim(s) meeting(s) will be scheduled during normal business hours, at a time and location reasonably convenient to both Chubb and Liberty, subject to the **Named Insured's** availability.
- g. Subject always to the exhaustion of the Underlying Insurance by the payment of losses thereunder, the limits of liability and other terms, conditions, limitations, exclusions, and endorsements of this Policy, and Subparagraph (b) above, Chubb and Liberty shall pay seventy five per cent (75%) and twenty five per cent (25%) respectively, of all loss determined by Chubb to be covered under this Policy. Liberty's payment of loss shall be made in accordance with Chubb's instructions as to payee; payment date,

currency, and other details of payment.

- h. Additionally, Chubb and Liberty shall each pay seventy five per cent (75%) and twenty five per cent (25%) respectively, of all allocated expenses incurred by Chubb in the handling of claim(s) and potential claim(s) under this Policy, including but not limited to coverage counsel's fees and expenses. Chubb and Liberty shall each pay their respective seventy five per cent (75%) and twenty five per cent (25%) shares of any allocated expenses directly to the service provider, within thirty (30) days' of their respective receipt of an invoice or account.

Chubb's and Liberty's payment obligations pursuant to this Endorsement are several only. Subject always to this Policy's limits of liability, neither Chubb nor Liberty shall be obligated to pay any amount whatsoever in excess of seventy five per cent (75%) and twenty five per cent (25%) respectively, of loss covered under this Policy or seventy five per cent (75%) and twenty five per cent (25%) respectively, of allocated expenses incurred in handling claim(s) or potential claim(s) under this Policy.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

CHUBB INSURANCE COMPANY OF CANADA

BY \_\_\_\_\_

Chubb Insurance Company

Liberty International Underwriters

a Division of the

Liberty Mutual Insurance Company

Liberty International Underwriters Canada

CHUBB INSURANCE COMPANY (75%)/  
LIBERTY INTERNATIONAL UNDERWRITERS CANADA,  
A DIVISION OF LIBERTY MUTUAL INSURANCE COMPANY (25%) (Policy No. PLTO295019005)

("the Company")

- ITEM 1. NAME OF FIRM: Fraser Milner Casgrain LLP
- ITEM 2. ADDRESS OF FIRM: 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. POLICY PERIOD:  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:  
\$20,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. COVERAGE:  
Lawyers Excess Professional Liability
- ITEM 6. UNDERLYING INSURANCE:  
(a) Designated Underlying Policy No.: PLTO295010005  
Underlying Insurer: Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
Limit of Liability: \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2008 to July 1, 2009  
(b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM: \$132,102.00 (Rate Per Lawyer: \$246.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE: 3

BROKER:  
Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

CHUBB INSURANCE COMPANY OF CANADA

BY

Chubb Insurance Company Authorized Representative

AUG 15 2008

Date

AUG 15 2008

Date

Liberty International Underwriters Canada  
a Division of the  
Liberty Mutual Insurance Company

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: PLTO295010005 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 50131559

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$60,000,000

Insurer: Commerce & Industry Insurance Company

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 5463936



## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in

the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

- 3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**ENDORSEMENT NO. 5**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. SRX359213**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: ACE INA Insurance Company (50%)/Encon Group Inc. (50%)**

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**CANCELLATION CLAUSE AMENDMENT  
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT**

It is hereby understood and agreed that the General Conditions, Cancellation Clause and Extended Reporting Period, is amended to add the following:

4. By the Insured if:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the **Insured** by mailing prior written notice to the **Company** or by surrender of this policy to the **Company**.

If this policy is canceled by the **Insured**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

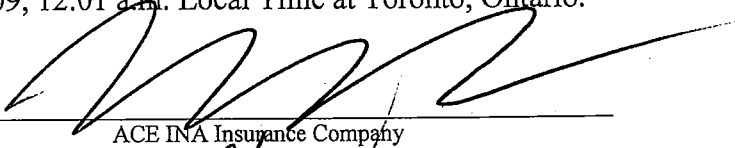
The following definitions apply to this endorsement:

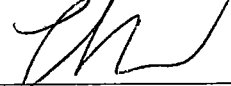
1. **Company** means the insurer as shown in the header on the Declarations page of this policy
2. **Insured** means the **Firm** noted under Item 1 of the Declarations page of this policy
3. **Firm** means the persons carrying on business under the name stated in Item 1 of the Declarations page of this policy.

All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. SRX359213 issued by ACE INA Insurance Company (50%)/Encon Group Inc. (50%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.

  
\_\_\_\_\_  
ACE INA Insurance Company

  
\_\_\_\_\_  
Encon Group Inc.

## ENDORSEMENT NO. 4

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. SRX359213**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: ACE INA Insurance Company (50%)/Encon Group Inc. (50%)**

It is understood and agreed effective July 1, 2009 the Declaration page attached hereto is amended as follows:

ITEM 3.	POLICY PERIOD	From July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
ITEM 6.	UNDERLYING INSURANCE	
	(a) Designated Underlying Policy No.:	PLTO295010006
	Underlying Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/ACE INA Insurance (34%)
	Limit of Liability:	\$15,000,000 Policy Aggregate Limit (Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim Self Insured Retention
	Coverage:	Lawyers Excess Professional Liability
	Policy Period:	July 1, 2009 to July 1, 2010
	(b)	Total Limits of all Underlying Insurance including the Designated Underlying Policy PLTO295010006 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 20005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
ITEM 7.	PREMIUM	\$125,356.00 (Rate Per Lawyer: \$242.00)

It is further hereby understood and agreed that Addendum 1A is amended as per the attached.

It is further hereby understood and agreed that Endorsement No. 1 is deleted in its entirety and replaced as follows:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2010 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2010, unless:

1. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,

2. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of 'CLLAS' or,
3. If during the period of July 1st, 2009 to May 15th, 2010, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of 'CLLAS' then,

the Insurers may or may not offer renewal terms for the period July 1, 2010 to July 1, 2011 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLAS

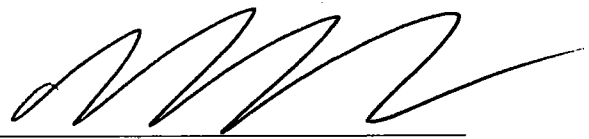
Policy Number's

Blake, Cassels & Graydon LLP	20001	20101
Borden Ladner Gervais LLP	20002	20102
Cassels Brock & Blackwell LLP	20013	20113
Davies Ward Phillips & Vineberg LLP	20003	20103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	20004	20104
Fraser Milner Casgrain LLP	20005	20105
Goodmans LLP	20007	20107
Lang Michener LLP	20014	20114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	20008	20108
McMillan LLP	20009	20109
Osler, Hoskin & Harcourt LLP	20010	20110
Torys LLP	20011	20111
WeirFoulds LLP	20012	20112

All other terms, conditions, exclusions and limitations remain unchanged.

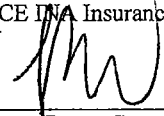
Attached to and forming part of Policy No. SRX359213 issued by ACE INA Insurance Company (50%)/Encon Group Inc. (50%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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ACE INA Insurance Company



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Encon Group Inc.



**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Policy**

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 20105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: PLTO295010006 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 50144812

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$60,000,000

Insurer: GCAN Insurance Company

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 9600183

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$65,000,000

Insurer: AIG Commercial Insurance Company of Canada

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 1676678

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019006)

Policy Period: July 1, 2009 to July 1, 2010

Policy No.: 8169-7812

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. SRD345027**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: ACE INA Insurance Company (50%)/Encon Group Inc. (50%)**

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It is hereby understood and agreed that the policy number above is deleted and replaced as follows:

POLICY NO.: SRX359213

And further agreed that policy number SRX359213 replaces policy number SRD345027 in it's entirety, issued by ACE INA Insurance Company (50%)/Encon Group Inc. (50%) to Fraser Milner Casgrain LLP.

All other terms, conditions, exclusions and limitations remain unchanged.

This Endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at Toronto, Ontario.



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ACE INA Insurance Company



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Encon Group Inc.

**ENDORSEMENT NO. 2**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. SRD345027**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: ACE INA Insurance Company (50%)/Encon Group Inc. (50%)**

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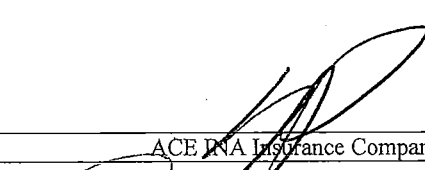
It is hereby understood and agreed that any reference to Commerce and Industry Insurance Company in the policy documentation is amended to read:

AIG Commercial Insurance Company of Canada

All other terms, conditions, exclusions and limitations remain unchanged.

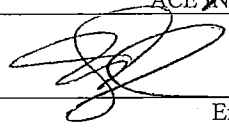
Attached to and forming part of Policy No. SRD345027 issued by ACE INA Insurance Company (50%)/Encon Group Inc. (50%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 7, 2008, 12:01 a.m. Local Time at Toronto, Ontario.



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ACE INA Insurance Company



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Encon Group Inc.

## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. SRD345027**

**ISSUED TO: Fraser Milner Casgrain LLP**

**BY: ACE INA Insurance (50%)/Encon Group Inc. (50%)**

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2009 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named Insured at July 1<sup>st</sup>, 2009, unless:

1. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$34,000,000, issued by Canadian Lawyers Liability Assurance Society ("CLLAS") is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
2. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any claim covered under this policy or any like policy issued to any member firm of "CLLAS" or,
3. If during the period of July 1st, 2008 to May 15th, 2009, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations is established or made against any claim which is not covered under the "CLLAS" policy or any International insurance program, but is covered under this policy or any like policy issued to any member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2009 to July 1, 2010 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

For the purpose of this endorsement, member firm of CLLAS and their corresponding policies are listed below:

Member Firms of CLLASPolicy Number's

Blake, Cassels & Graydon LLP	19001	19101
Borden Ladner Gervais LLP	19002	19102
Cassels Brock & Blackwell LLP	19013	19113
Davies Ward Phillips & Vineberg LLP	19003	19103
Fasken Martineau DuMoulin LLP (a multi-discipline partnership)	19004	19104
Goodmans LLP	19007	19107
Lang Michener LLP	19014	19114
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	19008	19108
McMillan LLP	19009	19109
Osler, Hoskin & Harcourt LLP	19010	19110
Torys LLP	19011	19111
WeirFoulds LLP	19012	19112


All other terms, conditions, exclusions and limitations remain unchanged.

Attached to and forming part of Policy No. SRD345027 issued by ACE INA Insurance (50%)/Encon Group Inc. (50%) to Fraser Milner Casgrain LLP.

This Endorsement shall be effective from July 1, 2008, 12:01 a.m. Local Time at Toronto, Ontario.

Issued By: **AUG 15 2008**  
Date:

Accepted By:  
Date:

  
Authorized Signature of the Company

\_\_\_\_\_  
Authorized Signature of the Insured

ACE INA INSURANCE (50%)  
ENCON GROUP INC. (50%)

("the Company")

- ITEM 1. NAME OF FIRM: Fraser Milner Casgrain LLP
- ITEM 2. ADDRESS OF FIRM: 1 First Canadian Place, P.O. Box 100  
Toronto, ON M5X 1B2
- ITEM 3. POLICY PERIOD:  
From July 1, 2008 to July 1, 2009 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:  
\$20,000,000 Each & Every Claim and in the Aggregate (including Defence Costs, Charges & Expenses)
- ITEM 5. COVERAGE:  
Lawyers Excess Professional Liability
- ITEM 6. UNDERLYING INSURANCE:
- (a) Designated Underlying Policy No.: PLTO295010005  
Underlying Insurer: Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%)/  
ACE INA Insurance (34%)  
Limit of Liability: \$15,000,000 Policy Aggregate Limit  
(Including Defence Costs, Charges & Expenses) Excess of Underlying Insurance where applicable or \$500,000 every claim  
Self Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2008 to July 1, 2009
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO295010004 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$5,000,000 per claim/\$5,000,000 annual aggregate as more fully described in Underlying Policy No. 19005 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM: \$129,954.00 (Rate Per Lawyer: \$242.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE: 2

**BROKER:**

Pro-Form Insurance Services  
15 Allstate Parkway, Suite 220  
Markham, Ontario  
L3R 5B4

July 23, 2008  
Date

July 15/2008  
Date

ACE INA Insurance Authorized Representative

ENCON Group Inc. Authorized Representative

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
Lawyers Excess Professional Liability Insurance Policy

Addendum No. 1A

Name of Firm: Fraser Milner Casgrain LLP

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$30,000,000 each claim and aggregate excess of \$5,000,000 each claim and \$5,000,000 aggregate

Insurer: Canadian Lawyers Liability Assurance Society

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 19105

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$35,000,000

Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: PLTO295010005 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$50,000,000

Insurer: Travelers Guarantee Company of Canada

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 50131559

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$60,000,000

Insurer: Commerce & Industry Insurance Company

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 5463936

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$80,000,000

Insurer: Chubb Insurance Company (75%)/Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%) (Policy No. PLTO295019005)

Policy Period: July 1, 2008 to July 1, 2009

Policy No.: 8169-7812

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE**

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, "the Company" whose name appears on the Declarations agrees with the FIRM as follows:

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for Ultimate Net Loss which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 6 of the Declarations and which arises out of a claim made during the Policy Period and which is covered by underlying insurance or would be covered by underlying insurance if the insurance were not exhausted by the payment of claims.

#### **Incorporation of Underlying Policy Provisions**

This Policy of excess professional liability insurance is to indemnify the Insured in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 6 of the Declarations.

#### **Change in Underlying Insurance/Defence Provisions**

1. This Policy of excess professional liability insurance is issued in reliance upon the existence of Underlying Insurance. If the Underlying Insurance is not maintained as described, or is altered in any manner, the obligation of the Company to respond is not increased in any way and the obligation under this Policy of insurance is to pay the amounts which would have been payable if the Underlying Insurance had been maintained in full force and effect as represented at the inception date of this Policy.
2. The Company shall not be obligated to pay any claim, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable Limits of Liability in a court of competent jurisdiction, and in such a case, the Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company be called upon to assume charge of the settlement or defence of any claims made or suits brought or proceeding instituted against the Insured, but the Company shall have the right and shall be given the opportunity to associate with the Insured, or its underlying insurer or insurers, or both, in the control, defence and trial of any claims, suits or proceedings which in



the opinion of the Company, involve or appear reasonably likely to involve the Company. If the Company avails itself of such rights and opportunities, the Insured shall cooperate in the control, defence and/or trial of such matters.

To the extent that Underlying Insurance is reduced or exhausted by the payment of claims within the scope of coverage of the Underlying Insurance and within the scope of coverage of this contract of insurance, then this Policy of insurance shall operate to respond to claims in excess of the reduced underlying coverage. A claim is not within the scope of coverage of this Policy for purpose of this provision unless:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

#### **Annual Aggregate Limit of Liability**

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company's total Limit of Liability for all claims (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### **DEFINITIONS**

The term "Policy Period" shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this Policy but specifically excluding any Extended Reporting Period hereunder.

The term "Ultimate Net Loss" means sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the Insured is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the Insured, (b) office costs and expenses of the Insured and salaries and expenses of employees of the Insured, (c) general retainer fees of counsel retained by the Insured or, (d) expenses incurred by the Insured under contract with another party to provide loss prevention, risk management or claims services or other similar services.

## **GENERAL CONDITIONS**

### **Extended Reporting Period and Interprovincial/International Partnerships**

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this Policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the Limits of Liability or extend the policy period.

### **Insured's Duties In the Event Of Claim Or Suit**

The insurer will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the Insurer will accept these as providing notice, where applicable, of claims to be reported under this Policy. For the purposes of this policy, the date upon which notice of a claim or circumstance giving rise to a claim is made by the Insured to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the Policy. In the event that the Insured is notified, in respect of a particular claim, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the Insured will provide the Insurer with independent notice of such claim. The Insured shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Insured's power to give.

The Insured shall further cooperate with the Company and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any Insured may have.

### **Subrogation and Other Recoveries**

The Company's obligations to pay are net of any and all recoveries available to the Insured. In the event that this Policy is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the Company except to the extent necessary to reimburse the Insured or an insurer for amounts paid in excess of the Limits of Liability of this Policy.

The Insured shall prosecute all actions for recovery in good faith on behalf of the Company or shall cooperate with the Company in its efforts at recovery of any amounts.

### **Cancellation Clause and Extended Reporting Period:**

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;

2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the Insurers liability.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM at the address shown in this Policy stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice by the Insurer shall be equivalent to mailing.

3. If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the FIRM. If the Insurer shall refuse to renew this Policy, the FIRM shall have the right, in consideration of an additional premium equal to 150% of the annual premium for this Policy, to an extension of the cover granted by this Policy to apply, subject to its terms, conditions, exclusions and limitations, to Claims first made against the FIRM during the period of 12 calendar months after the expiry date but only when such Claim arises out of Professional Services rendered prior to the expiry date. To exercise this right, the FIRM must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Limit of Liability under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 4 of the Declarations, which limit shall apply to the Last Policy Year and the extended reporting period taken together.

### **Entire Contract**

By acceptance of this Policy the Insured agrees that the statements in the Declarations and Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.