

## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9690476**

**ISSUED TO: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.**

**BY: Royal & Sun Alliance Insurance 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, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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

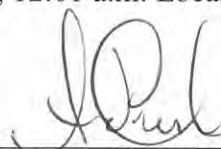
Policy Number's

Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. 9690476 issued by Royal & Sun Alliance Insurance Company of Canada to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.



Royal & Sun Alliance Insurance Company of Canada

## ROYAL &amp; SUN ALLIANCE INSURANCE COMPANY OF CANADA

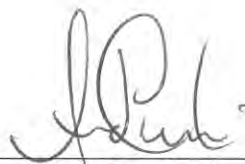
("the Company")

- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$37,476.00 (Rate Per Lawyer: \$ 54.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 1

**BROKER:**

Hub International Ontario Limited dba  
Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310  
Markham, Ontario  
L3R 5B4

Aug 29/12  
Date




Royal & Sun Alliance Insurance Company of Canada Authorized  
Representative

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

Addendum No. 1A

Name of Firm: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability:	\$15,000,000 each claim and aggregate excess of \$50,000,000
Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%) ACE INA Insurance (34%)
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	PLTO287781009 ( <i>Designated Underlying</i> )
Limit of Liability:	\$10,000,000 each claim and aggregate excess of \$65,000,000
Insurer:	Travelers Insurance Company of Canada
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	50225957



## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.



## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50225957**

**ISSUED TO: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.**

**BY: Travelers Insurance 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, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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

Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. 50225957 issued by Travelers Insurance Company of Canada to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

  
Travelers Insurance Company of Canada

## TRAVELERS INSURANCE COMPANY OF CANADA

("the Company")

- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$79,810.00 (Rate Per Lawyer: \$ 115.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 1
- BROKER:**  
Hub International Ontario Limited dba  
Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310  
Markham, Ontario  
L3R 5B4

*July 23, 2012*  
Date

  
Travelers Insurance Company of Canada Authorized Representative

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

Addendum No. 1A

Name of Firm: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability:	\$15,000,000 each claim and aggregate excess of \$50,000,000
Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%) ACE INA Insurance (34%)
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	PLTO287781009 ( <i>Designated Underlying</i> )

## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.

## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 50225958**

**ISSUED TO: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.**

**BY: Travelers Insurance 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, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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

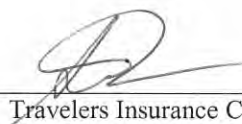
Policy Number's

Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. 50225958 issued by Travelers Insurance Company of Canada to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.



Travelers Insurance Company of Canada

## TRAVELERS INSURANCE COMPANY OF CANADA

("the Company")

- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$61,072.00 (Rate Per Lawyer: \$ 88.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 1

**BROKER:**

Hub International Ontario Limited dba  
Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310  
Markham, Ontario  
L3R 5B4

*July 23, 2012*  
Date

  
Travelers Insurance Company of Canada Authorized Representative



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

Addendum No. 1A

Name of Firm: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$50,000,000  
Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: PLTO287781009 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$65,000,000  
Insurer: Travelers Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 50225957

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$75,000,000  
Insurer: Royal & Sun Alliance Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 9690476

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$80,000,000  
Insurer: Chartis Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 34218830

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$95,000,000  
Insurer: Chubb Insurance Company (50%)/QBE Services Inc. (25%)/Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (25%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 8169-7808

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$115,000,000  
Insurer: ACE INA Insurance (50%)/ENCON Group (50%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: SRX405100

## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.



**ENDORSEMENT NO. 5**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO287781009**

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

**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 item 9 of the Declarations is amended as follows:

8a. SUM INSURED: CDN \$15,000,000.

9a. RETENTION:

1) CDN \$500,000. each and every claim including costs, charges and expenses

OR

2) CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY  
Limit CDN \$50,000,000. each claim and in the annual aggregate

WHICHEVER IS GREATER

**AND**

8b. SUM INSURED: CDN. \$15,000,000

9b. RETENTION:

1) CDN \$500,000. Each and every claim including costs, charges and expenses

OR

Interstate Fire and Casualty Insurance Company 40%, Policy No. CLQ-1000002  
Lexington Insurance Company 60%, Policy No. 023462688  
Combined Limit: U.S.\$30,000,000. each claim and in the annual aggregate

WHICHEVER IS GREATER

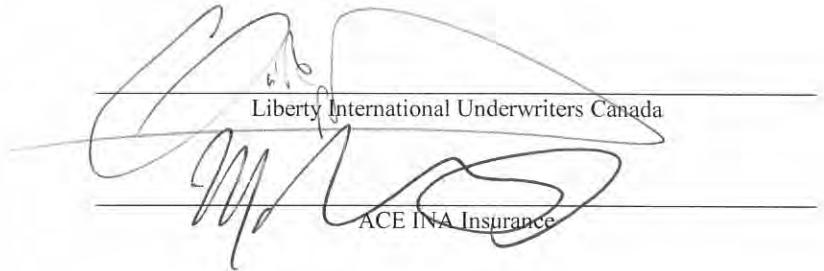
For clarification, if a claim is made to which items 8a and 9a of this Schedule are applicable, this will have no effect on the coverage available under Items 8b and 9b for claims to which those items apply, and vice versa.

It is further understood and agreed that, in the event of a claim or claims being made against the Insured hereunder and where such claim(s) arises out of the same or related ACT, the company's maximum limit of liability payable under this policy combined will be \$15,000,000. In addition the company's maximum annual aggregate limit for all claims under this policy will not exceed \$15,000,000.

Attached to and forming part of Policy No. PLTO287781009 issued by Liberty International Underwriters Canada/ACE INA Insurance to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

All other terms and conditions remain unchanged.



Liberty International Underwriters Canada

ACE INA Insurance

## ENDORSEMENT NO. 4

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO287781009

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

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

Notwithstanding the provisions of Exclusion No. 7, the following is hereby agreed and understood with effect from inception:

1. Subject to the provisions of this Endorsement No. 2 and all other terms, conditions, exclusions and limitations of the Policy, coverage under Clause I. COVERAGE: A) AND B) is hereby extended to include liabilities of, or claims against, the Insured with respect to Umbrella Claims.

### 2. DEFINITIONS

All capitalized terms herein, other than those defined herein, shall have the meanings set forth in the Policy. Unless specifically stated otherwise, where used herein the following terms shall have the following meanings:

- (a) "Associated Firm" means each of the following law firms involved in the Umbrella Firm, other than the Primary Insured and the Umbrella Firm, and includes their respective predecessor firms:

- 1(A). MARTINEAU WALKER
- 1(B). DAVIS & COMPANY
2. MARTINEAU WALKER
3. THE ASSOCIATED FIRM(S) IDENTIFIED AS SUCH IN THE CLLAS APPLICATION DATED MARCH 26, 2007
4. THE ASSOCIATED FIRM(S) IDENTIFIED AS SUCH IN ANY FURTHER UPDATED CLLAS APPLICATIONS

- (b) "Claim Portion Percentage" has the meaning set out in paragraph 3(a)(iv) hereof.

- (c) "Umbrella Claim" means any claim arising out of Act(s) rendered or alleged to have been rendered or which should have been rendered in whole or in part by 1) the Primary Insured in the name of or on behalf of the Umbrella Firm or 2) by the Umbrella Firm in the name of or on behalf of the Umbrella Firm, which is made against one or more of the Umbrella Firm, the Primary Insured and the Associated Firms.

- (d) "Primary Insured Insurance Program" means the Policy and any other policy of Insurance which provides professional liability coverage in excess of the coverage afforded by the Policy to the Primary Insured from time to time.
- (e) "Primary Insured" means the Insured as stated in Item 2 of the Policy Schedule of the Policy and any predecessor firm(s).
- (f) "Umbrella Firm" means the partnership, association or other arrangement between or among the Primary Insured and one or more Associated Firm(s) to be known publicly as:
  - 1. FASKEN MARTINEAU DAVIS
  - 2. FASKEN MARTINEAU
  - 3. THE UMBRELLA FIRM(S) IDENTIFIED AS SUCH IN THE CLLAS APPLICATION DATED MARCH 26, 2007
  - 4. THE UMBRELLA FIRM(S) IDENTIFIED AS SUCH IN ANY FURTHER UPDATED CLLAS APPLICATIONS
- (g) "Claim" or "Claims" means any claim made against the Insured and, for greater clarity, includes an Umbrella Claim.

### 3. UMBRELLA CLAIMS

#### (a) Determination and Allocation of Liability

The determination of and the allocation of liability for an Umbrella Claim shall be as mutually agreed by the Primary Insured and the Associated Firms based upon a reasonable assessment of the relevant facts available from time to time, all subject however to the following:

- (i) If such claim in fact arises out of Act(s) rendered or which should have been rendered, by the Primary Insured in combination with one or more of the Associated Firms and does not arise out of Act(s) rendered or which should have been rendered in whole or in part by, in the name or on behalf of, the Umbrella Firm, the provisions of paragraph 3 (c) shall not apply to said claim.
- (ii) Subject to subparagraph 3 (a) (iii), the Primary Insured and the Associated Firms shall make a determination as to which of them were involved in rendering or failing to render the services giving rise to said claim (said determination to be made on the basis of contributory fault) and the liability for said claim shall be allocated equally among those of the Primary Insured and the Associated Firms which were determined to be so involved. If the Primary Insured and the Associated Firms are unable to mutually agree as to such determination, it will be deemed that each of the Primary Insured and the Associated Firms were involved in rendered or failing to render the services giving rise to the claim. For greater clarity, it is hereby acknowledged that if the services giving rise to the claim were rendered or failed to be rendered in whole or in part by individual partners, associates, employed lawyers, employees of, or consultants to, the Umbrella Firm who are not partners, associates, employed lawyers, or Associated Firms, it will be deemed that each of the Primary Insured and Associated Firms were involved in rendering the services giving rise to the claim.

- (iii) In the event that the determination of involvement in and the allocation of liability for the Umbrella Claim as determined by a court of competent jurisdiction on the basis of contributory fault differs from the determination of involvement in and the allocation of liability made in subparagraph 3 (a) (ii) hereof, such determination and allocation shall take precedence and in such case such amended determination shall be considered for all purposes of the Policy to have been made with effect from the inception of such claim.
- (iv) The portion of the liability allocated to the Primary Insured pursuant to subparagraph 3 (a) (ii) or 3 (a) (iii) hereof, if any, expressed as a percentage of the total liability for the claim is herein referred to as the "Claim Portion Percentage."

(b) Coverage Limitations

For the purposes of Clause I. COVERAGE: A) and B) and Clause IV CONDITIONS: 9. Cost of the Policy, notwithstanding any other provision of the Policy to the contrary, the liability for an Umbrella Claim shall be limited to the portion of the Umbrella Claim that is allocated to the Primary Insured pursuant to the Claim Portion Percentage.

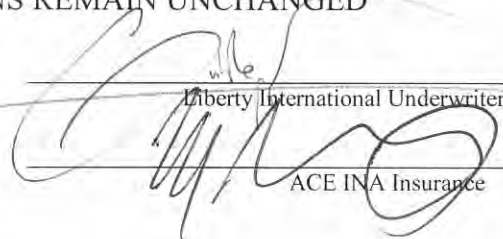
(c) Non-Aggregation of Policy Limits

Responsibility of each Insurance policy (including the Policy) comprising the Primary Insured Insurance Program for the liability of each Umbrella Claim where the Claim Portion Percentage exceeds zero but is less than 100% shall be determined (i) by determining the amount of coverage which would have been afforded under each Insurance policy (including the policy) comprising the Primary Insured Insurance Program as if the Claim Portion Percentage had been 100% and (ii) by multiplying the result by the Claim Portion Percentage. An illustration of the application of the foregoing is attached hereto.

(d) Contingent Coverage B

In the case of an Umbrella Claim for which the Claim Portion Percentage is zero, if the Primary Insured is not provided coverage under the insurance program(s) of an Associated Firm(s) for any costs, charges and expenses incurred by the Primary Insured in respect of said claim, notwithstanding the provisions contained in paragraphs 3 (b) and 3 (c) hereof, this Policy shall provide coverage to the Primary Insured as prescribed under Clause IV CONDITIONS: 9. Costs of the Policy in respect of such costs, charges and expenses.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

  
 Liberty International Underwriters Canada  
 ACE INA Insurance



# ILLUSTRATION OF RESPONSIBILITY OF THE LIABILITY FOR AN UMBRELLA CLAIM

Assume the following:

- (a) An Umbrella Claim including costs, charges and expenses totaling \$75,000,000.00.
- (b) It is agreed pursuant to paragraph 3(a)(iv) that the Primary Insured and one of the Associated Firms are involved in the claim and thus the Claim Portion Percentage is 50%.
- (c) The primary Insured Insurance Program which is comprised of the Policy plus two excess Insurance policies provides limits of \$75,000,000 none of which have been impaired at the time of said claim.

The schematic below illustrates the extent to which the responsibility for the Umbrella Claim will be borne by the Policy and each excess insurance policy including any reinsurance arrangements underlying said policies, pursuant to paragraph 3(c) hereof.

Coverage	\$75,000,000 = Total Claim	Responsibility of Liability
\$10,000,000 XS \$65,000,000	EXCESS POLICY No. 2	\$5,000,000 (50% OF \$37,000,000)
\$15,000,000 XS \$50,000,000	EXCESS POLICY No. 1	\$7,500,000 (50% of \$32,000,000)
\$49,000,000 XS \$1,000,000	POLICY (CLLAS)	\$24,500,000 (50% of \$49,000,000)
\$1,000,000	COMPULSORY	

**ENDORSEMENT NO. 3**

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO287781009**

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

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

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It is hereby declared, agreed and understood that the following Exclusion No. 7 is included in the Policy with effect from inception:

7. Any liability arising out of professional services rendered or which should have been rendered:
- (a) in whole or in part by, in the name or on behalf of, any Association or
  - (b) in whole or in part by one or more of the member law firms of the Association other than the Insured.
- For the purposes of this exclusion, an Association shall mean:
- (c) any association whose name or business style is held out to the public
  - (d) any International partnership, and
  - (e) any joint partnership

Constituted by the Insured with one or more other law firms which are not Insured under the policy for the purposes of rendering professional services, marketing professional services, client referrals and/or staff development and education.

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

  
\_\_\_\_\_  
Liberty International Underwriters Canada  
  
\_\_\_\_\_  
ACE INA Insurance

## ENDORSEMENT NO. 2

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO287781009

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

**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.

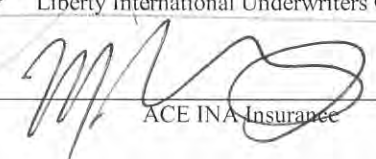
- e. Upon request, ACE INA Insurance may attend with Liberty at any claim(s) meeting(s) with the Insured. Any claim(s) meeting(s) will be scheduled during normal business hours, at a time and location reasonably convenient to both Liberty and ACE INA Insurance, subject to the Insured's availability.
- 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 Canada



ACE INA Insurance

## ENDORSEMENT NO. 1

### ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. PLTO287781009

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

**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, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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>
Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013




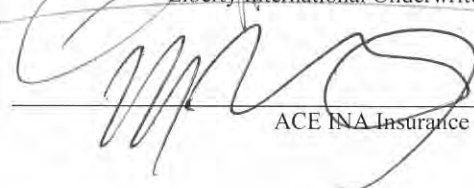
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. PLTO287781009 issued by Liberty International Underwriters Canada (66%)/ACE INA Insurance (34%) to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

  
 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.:** PLTO287781009
2. **NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.  
and others as more fully described in the Policy
3. **PREDECESSORS IN BUSINESS:** all predecessor Firms
4. **ADDRESS OF THE FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
5. **PERIOD OF INSURANCE:** From: July 1, 2012  
To: July 1, 2013
6. **EXPIRY DATE:** July 1, 2013
7. **PREMIUM:** CDN. \$168,642.00 (Rate Per Lawyer: \$ 243.00)
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

\$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Assurance Society (CLLAS)

10. **DATE OF PROPOSAL:** March 29, 2012
11. **INSURER:** LIBERTY INTERNATIONAL UNDERWRITERS CANADA/  
ACE INA INSURANCE

6/12/12  
Date

8/27/12  
Date

[Signature]  
Liberty International Underwriters Canada Authorized Representative

[Signature]  
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 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.

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.

4. Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the Insurer 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 Insurer or by surrender of this policy to the Insurer.

If this policy is canceled by the Insured resulting from the downgrade 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.

#### 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:

- a. 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
- b. 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. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 34218830**

**ISSUED TO: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.**

**BY: Chartis Insurance 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, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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

Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. 34218830 issued by Chartis Insurance Company of Canada to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

  
Chartis Insurance Company of Canada

## CHARTIS INSURANCE COMPANY OF CANADA

("the Company")

- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:** \$15,000,000 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$84,668.00 (Rate Per Lawyer: \$ 122.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 1
- BROKER:**  
Hub International Ontario Limited dba  
Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310  
Markham, Ontario  
L3R 5B4

*July 5/12*  
Date

*L. Darby*  
Chartis Insurance Company of Canada Authorized Representative

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

Addendum No. 1A

Name of Firm: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability:	\$15,000,000 each claim and aggregate excess of \$50,000,000
Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%) ACE INA Insurance (34%)
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	PLTO287781009 ( <i>Designated Underlying</i> )

Limit of Liability:	\$10,000,000 each claim and aggregate excess of \$65,000,000
Insurer:	Travelers Insurance Company of Canada
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	50225957

Limit of Liability:	\$5,000,000 each claim and aggregate excess of \$75,000,000
Insurer:	Royal & Sun Alliance Insurance Company of Canada
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	9690476



## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.

Chartis  
145 Wellington Street West  
Toronto, ON M5J 1H8  
416 596 3000 Telephone  
416-977-2743 Facsimile  
1-800-387-4481 Toll Free  
www.chartisinsurance.com



## CHARTIS INSURANCE COMPANY OF CANADA

### Re: Our Privacy Principles

We at Chartis Insurance Company of Canada want our policyholders, insureds and claimants to be aware of how and why we handle personal information. The very nature of our business is such that the collection, use and disclosure of personal information is fundamental to the products and services we provide.

We work hard to respect and maintain client privacy. Accordingly, we have adopted and implemented the attached *Privacy Principles* for Chartis' business. We consider these obligations to be integral to our working and contractual relationship.

Should you have any questions or concerns, please contact the Chartis Privacy Officer in Canada at 1-800-387-4481.

Thank you for your co-operation and support.

A handwritten signature in dark ink, appearing to read "Lorraine Capetola".

Lorraine Capetola  
Privacy Officer  
Chartis Insurance Company of Canada



# CHARTIS INSURANCE COMPANY OF CANADA

## PRIVACY PRINCIPLES

### **Chartis and Individual Privacy**

We at Chartis Insurance Company of Canada (referred to as “Chartis”, “we”, “our” or “us”) abide by these *Privacy Principles* and want you, our policyholders, insureds and claimants (referred to as “Customers” or “you”), to be aware of how and why we handle personal information. We work hard to respect and maintain your privacy. However, the very nature of our business is such that the collection, use and disclosure of personal information are fundamental to the products and services we provide.

These *Privacy Principles* apply only to the product or service our Customers have obtained or the insurance policy under which the Customer is seeking or receiving benefits. As a worldwide leader in the delivery of insurance products and services, the member companies of Chartis Inc. offer numerous products and services to many types of consumers and clients in many different countries around the world. Therefore, differing Chartis Inc. companies may adopt differing privacy practices to fit their own jurisdiction and business requirements. The Chartis Inc. Global Privacy Notice, located at [www.chartisinsurance.com](http://www.chartisinsurance.com), may also be applicable to our Customers as we conduct our business.

For the purposes of these *Privacy Principles* personal information means information that identifies an individual. For example: an individual’s name, birth date, address, age, health and financial information is personal information which Chartis may collect, use and in certain circumstances, where necessary, disclose, in the course of providing insurance services and carrying on business. Personal information does not include the name, business title, address, phone or fax number of an employee of an organization.

These *Privacy Principles* may be modified from time to time. An individual may obtain our most up to date version located at [www.chartisinsurance.com](http://www.chartisinsurance.com) or by contacting us at the address set out below in the section called “*Contacting the Privacy Officer*”.

### **1. Consent and Personal Information**

Chartis obtains consent for the collection, use and disclosure of personal information, except where prohibited by law. By purchasing Chartis’ products and services or applying for benefits, you are providing your consent to our collection, use and disclosure of your personal information as set out in these Privacy Principles. Chartis relies on the broker’s advice where the insurance broker tells Chartis that we have a Customer’s consent to collect information.

Consent may be obtained by Chartis and its affiliated companies directly or through the broker, an insurance adjuster, investigator or lawyer when personal information is collected for claims purposes.

An individual may decline to consent, or revoke consent, to the collection and use of personal information for insurance purposes but in that case insurance products and related services and benefits and the assessment of claims may be limited or terminated.

### **2. Collecting Personal Information**

Whenever practical, we collect information directly from the individual concerned on applications for insurance and through the direct interactions with us. We also collect information from various third party sources such as: insurance brokers, adjusters or other intermediaries, third party administrators, government, industry associations and other entities that have information about you. For instance, we may obtain your driving record, claims history and/or credit history, where permitted by law, to assist us in underwriting your application for insurance.

### **3. Using Personal Information**

Personal information is typically collected and used by us for insurance purposes such as: assessing risk, processing applications for insurance coverage, establishing rates, administering insurance products, investigating and handling claims. Chartis also uses personal information to detect and prevent fraud, compile statistics, verify and provide information to insurance industry associations, report to regulatory or industry entities in accordance with laws and prudent insurance industry practices, and conduct market research. This may also include collecting and disclosing personal information about third parties with respect to claims made against Chartis Customers.

### **4. Use of Personal information for Marketing Purposes**

Chartis may collect and use personal information for marketing purposes, such as identifying and communicating with individuals who are most likely to find Chartis products and services of interest. Chartis may also disclose personal information to our affiliates to use for marketing purposes to offer you their products and services which may be of interest to you. You may opt not to have us, or alternatively not to have our affiliates, collect, use or disclose personal information for marketing purposes, in which case we will collect, use and disclose personal information for insurance purposes and in accordance with our contractual rights and obligations, but we will not use or disclose personal information for marketing purposes. Offers of upgraded or additional coverage, special offers and promotional mailings, and offers of additional products and services from our affiliates will not be sent by us. Please refer to the section of these *Privacy Principles* called "*Contacting the Privacy Officer*" for information on how to decline or revoke consent to the use of personal information for marketing purposes.

### **5. Accuracy of Your Personal Information**

Chartis maintains procedures to ensure that the information we collect and use is accurate, up-to-date, and as complete as possible. However, we rely on individuals to disclose all material information to us and to inform us of any changes required. With proof of entitlement, a request to correct information in our possession may be made by contacting the Privacy Officer at the address set out below in the section called "*Contacting the Privacy Officer*".

### **6. Safeguarding Your Information**

We apply appropriate safeguards to our computer networks and physical files and we restrict access to personal information to those Chartis employees, authorized administrators, reinsurers, consultants or insurance representatives who need to know that information in order to underwrite, adjudicate or administer insurance products and services.

### **7. Disclosure of Personal Information**

Personal information is sought and exchanged with both affiliated and unaffiliated insurance companies, reinsurers, and insurance industry organizations at the time of assessing an application for insurance and any renewal, extension, variation or cancellation of any issued policy, as well as in the event of any claim, to the extent necessary for industry statistical purposes or to assess and rate a specific risk, determine the status of coverage, and investigate claims. We also share information to combat fraud; where permitted or required by law; or, at the request of government regulators.

Chartis sometimes retains an affiliated company or an independent third party or reinsurer ("authorized administrator") to perform on our behalf, certain functions in support of the products and services we provide. Such functions could include the underwriting, offering or administering of Chartis insurance

products and services or any related claims. Accordingly, in certain instances these affiliates or third parties will be provided with personal information to the extent that it is necessary in the performance of those specific reinsurance, underwriting, marketing, consulting, administrative, rehabilitative, claims, investigation or related services. Chartis obligates these affiliates and third parties to use and take steps to protect personal information in accordance with the requirements of these *Privacy Principles*.

Some authorized administrators may be located in the United States of America or another foreign country other than Canada and in those cases personal information will be subject to disclosure pursuant to the laws of the jurisdiction in which it is situated. By applying for and/or acquiring the products and services of Chartis you hereby consent to the authorized administrators located outside of Canada accessing, processing or storing your personal information (as the case may be) and disclosing such personal information as required by the governing laws of that jurisdiction.

We do not sell our customer lists or other personal information.

## **8. Retention and Access to Your Personal Information**

We retain personal information for the purposes described in these Privacy Principles but only for so long as is necessary to fulfill the purpose to underwrite, adjudicate or administer insurance products and services and to meet our legal and contractual obligations. Personal information is stored at one of our offices in Canada or at a location of one of our affiliates in the United States as required and defined under Disclosure of Personal Information above. Access to your personal information is limited to our employees, agents and service providers who need access in order to perform their job or provide services to us. Given the nature of insurance and our on-going exposure to potential claims, where necessary, and when legally required, some of the information we collect for insurance purposes is kept indefinitely.

With proof of entitlement, a request to access information in our possession may be made by contacting the Privacy Officer at the address set out below in the section called "*Contacting the Privacy Officer*". The right to access information is not absolute therefore, Chartis may decline access to information that we have under our control subject to any legal restrictions or rights of refusal by Chartis, such as;

- the information subject to a legal privilege;
- the information would reveal personal information about a third party;
- the information could compromise the investigation of a claim;
- the information is confidential commercial information; and
- personal health information that has not been provided to us directly by the individual requesting access.

We may charge a reasonable fee in advance for copying and sending information you have requested and to which you have a right of access.

## **9. Contacting the Privacy Officer**

Request for further information, personal information access or any concerns about how we handle your information with Chartis should be referred to our Privacy Officer, as follows:

Privacy Officer  
Chartis Insurance Company of Canada  
145 Wellington Street West  
Toronto ON  
Canada M5J 1H8  
Toll Free: 1-800-387-4481

Please also refer to "Customer Satisfaction" on our main website [www.chartisinsurance.com](http://www.chartisinsurance.com)

## 10. Website Privacy Practices

Non-personal information is collected to track the total number of visitors visiting this site, pages visited and time spent on those pages. This information is used in its aggregate form to help us improve our site. This information is used exclusively for our internal purposes

Personal information that can identify an individual, such as name, address or policy information, is collected only when voluntarily offered and solely for purposes of transacting an insurance purchase. We will not share personal information, except as otherwise required or permitted by law. Chartis may use the information submitted to respond to an inquiry. Also, the inquiry might appropriately be answered by a particular member company of Chartis Inc., and it may be forwarded to that company. That company will use the information to respond to the inquiry.

Our Website uses cookies to allow the selection of a preferred location view, default home page view and access to recently visited links (such as products, services, and individual pages) more easily. These cookies also permit Chartis to store recently visited pages so we can display information to individuals more effectively. If an individual disables cookies on their browser, the site will not remember certain functional preferences. Individuals will not be able to access a preferred location view, a customized default home page view or recently visited links.

We may share cookie information with Chartis Inc. member companies and third party business partners and service providers so that we can continue improving this site and the services available. We collect and share this information only in aggregated, non-personally identifiable format. We may also use a service that collects data remotely by using web beacons or tags embedded in our site's content. The data we collect includes which operating system and browser individuals use, how individuals navigate to and through our site, and how long individuals stay on our web pages. This information is anonymous and does not include an individual's name, e-mail address, or any other contact information. We share this information with other Chartis Inc. companies and with our third party vendor, Omniture, Inc. ("Omniture"). Omniture gives us reports of this aggregated, anonymous data. We use this data to improve our site by responding to our users' interests and providing more relevant and useful information. To learn more about Omniture's privacy standards and use of web beacons, please visit: <http://www.omniture.com/en/privacy>.

Please note that when an individual links to our or any other website, the operator of such other website (whether Chartis, a Chartis Inc. company or a third party) may collect information about that individual, including through cookies or other technologies. In addition, Internet or other service provider(s) may collect information about or submitted by individuals using our website, or any other website. An individual acknowledges that information collection or privacy practices of any other party, including Chartis Inc. companies, are not monitored or controlled by Chartis and Chartis is not responsible for such websites. Links on our website to other websites are provided only as a convenience, and the inclusion of such links does not imply endorsement of the linked site. An Individual should review the privacy policies of any other website visited to understand how information is collected and used.

Notwithstanding the information stated above, the right to store and disclose to third parties any information under the following circumstances is reserved: when the law permits it (such as, for example, to comply with laws or to respond to governmental authorities); to legal advisors; and to protect the rights, property, safety or security of Chartis, Chartis Inc. companies, website visitors or the public.



## ENDORSEMENT NO. 1

### ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 9690477

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

**BY:** Royal & Sun Alliance Insurance Company of Canada (67%)  
Northbridge Insurance Company (33%)

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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>
Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. 9690477 issued by Royal & Sun Alliance Insurance Company of Canada (67%)/Northbridge Insurance Company (33%) to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

*[Handwritten Signature]*



Royal & Sun Alliance Insurance Company of Canada

*[Handwritten Signature]*

Northbridge Insurance Company

Northbridge General  
Insurance Corporation

**ROYAL & SUN ALLIANCE INSURANCE COMPANY OF CANADA (67%)  
NORTHBRIDGE INSURANCE COMPANY (33%)**

("the Company")


- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 at 12:01 a.m. Local Time at the address of the Firm shown above.
- ITEM 4. LIMIT OF LIABILITY:** \$15,000,000 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$72,176.00 (Rate Per Lawyer: \$ 104.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 1

**BROKER:**


Hub International Ontario Limited dba  
Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310  
Markham, Ontario  
L3R 5B4

Aug 29/12  
Date

Aug 29/12  
Date

  
Royal & Sun Alliance Insurance Company of Canada  
Authorized Representative



  
Northbridge Insurance Company Authorized Representative

Northbridge General  
Insurance Corporation

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

Addendum No. 1A

Name of Firm: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$50,000,000  
Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: PLTO287781009 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$65,000,000  
Insurer: Travelers Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 50225957

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$75,000,000  
Insurer: Royal & Sun Alliance Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 9690476

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$80,000,000  
Insurer: Chartis Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 34218830

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$95,000,000  
Insurer: Chubb Insurance Company (50%)/QBE Services Inc. (25%)/Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (25%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 8169-7808

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$115,000,000  
Insurer: ACE INA Insurance (50%)/ENCON Group (50%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: SRX405100

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$135,000,000  
Insurer: Travelers Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 50225958

## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.



**CHUBB INSURANCE COMPANY (50%)/ QBE SERVICES INC. (25%)/  
LIBERTY INTERNATIONAL UNDERWRITERS CANADA,  
A DIVISION OF LIBERTY MUTUAL INSURANCE COMPANY (25%)  
("the Company")**

- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$138,106.00 (Rate Per Lawyer: \$ 199.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 2

**BROKER:**

Hub International Ontario Limited dba, Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310, Markham, Ontario, L3R 5B4 CHUBB INSURANCE COMPANY OF CANADA

17 July 2012  
\_\_\_\_\_  
Date

11 August 2012  
\_\_\_\_\_  
Date

21<sup>st</sup> August 2012  
\_\_\_\_\_  
Date

BY \_\_\_\_\_  
\_\_\_\_\_  
Chubb Insurance Company Authorized Representative

\_\_\_\_\_  
\_\_\_\_\_  
Liberty International Underwriters Canada Authorized Representative

\_\_\_\_\_  
\_\_\_\_\_  
QBE Services Inc. Authorized Representative

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

Addendum No. 1A

Name of Firm: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability:	\$15,000,000 each claim and aggregate excess of \$50,000,000
Insurer:	Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (66%) ACE INA Insurance (34%)
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	PLTO287781009 ( <i>Designated Underlying</i> )
Limit of Liability:	\$10,000,000 each claim and aggregate excess of \$65,000,000
Insurer:	Travelers Insurance Company of Canada
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	50225957
Limit of Liability:	\$5,000,000 each claim and aggregate excess of \$75,000,000
Insurer:	Royal & Sun Alliance Insurance Company of Canada
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	9690476
Limit of Liability:	\$15,000,000 each claim and aggregate excess of \$80,000,000
Insurer:	Chartis Insurance Company of Canada
Policy Period:	July 1, 2012 to July 1, 2013
Policy No.:	34218830



## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.



## ENDORSEMENT NO. 1

### ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7808

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

**BY:** Chubb Insurance Company (50%)/  
QBE Services Inc. (25%)/  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%)

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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

Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. 8169-7808 issued by Chubb Insurance Company (50%)/QBE Services Inc. (25%)/Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (25%) to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

CHUBB INSURANCE COMPANY OF CANADA

BY

Chubb Insurance Company

QBE Services Inc.

Liberty International Underwriters Canada

## ENDORSEMENT NO. 2

### ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 8169-7808

**ISSUED TO:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associes S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

**BY:** Chubb Insurance Company (50%)  
QBE Services Inc. (25%)  
Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (25%)

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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"), QBE Services Inc. ("QBE") 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 QBE and Liberty, investigate claims or potential claims and in agreement and cooperation with QBE and 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 QBE and 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, QBE and Liberty, the exact form of which will be mutually determined by Chubb, QBE 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, QBE 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 QBE and 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 QBE and Liberty.
- e. Upon request, Chubb shall permit QBE and 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**. QBE and 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, QBE and 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, QBE 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, QBE and Liberty shall pay seventy five per cent (50%) and twenty five per cent (25%) and twenty five per cent (25%) respectively, of all loss determined by Chubb to be covered under this Policy. QBE and 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 QBE and Liberty shall each pay seventy five per cent (50%) and twenty five per cent (25%) 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, QBE and Liberty shall each pay their respective seventy five per cent (50%) and twenty five per cent (25%) 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, QBE and Liberty's payment obligations pursuant to this Endorsement are several only. Subject always to this Policy's limits of liability, neither Chubb, QBE nor Liberty shall be obligated to pay any amount whatsoever in excess of seventy five per cent (50%) and twenty five per cent (25%) and twenty five per cent (25%) respectively, of loss covered under this Policy or seventy five per cent (50%) and twenty five per cent (25%) 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

QBE Services Inc.

Liberty International Underwriters Canada

## ENDORSEMENT NO. 1

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. SRX405100**

**ISSUED TO: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.**

**BY: ACE INA Insurance (50%)/ENCON Group (50%)**

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It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2013 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>, 2013, unless:

1. If during the period of July 1st, 2012 to May 15th, 2013, 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 \$50,000,000, 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, 2012 to May 15th, 2013, 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, 2012 to May 15th, 2013, 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, 2013 to July 1, 2014 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

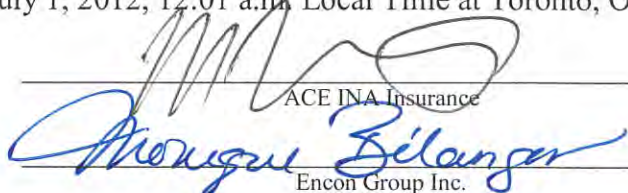
Policy Number's

Borden Ladner Gervais LLP	23002
Cassels Brock & Blackwell LLP	23013
Davies Ward Phillips & Vineberg LLP	23003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	23004
Fraser Milner Casgrain LLP	23005
Goodmans LLP	23007
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	23008
McMillan LLP	23009
Osler, Hoskin & Harcourt LLP	23010
Torys LLP	23011
WeirFoulds LLP	23012

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

Attached to and forming part of Policy No. SRX405100 issued by ACE INA Insurance (50%)/ENCON Group (50%) to Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing..

This Endorsement shall be effective from July 1, 2012, 12:01 a.m. Local Time at Toronto, Ontario.

  
ACE INA Insurance  
Encon Group Inc.

**ACE INA INSURANCE (50%)  
ENCON GROUP INC. (50%)**

("the Company")

- ITEM 1. NAME OF FIRM:** Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.
- ITEM 2. ADDRESS OF FIRM:** 333 Bay Street, Suite 2400  
Bay Adelaide Centre  
Toronto, ON M5H 2T6
- ITEM 3. POLICY PERIOD:** From July 1, 2012 to July 1, 2013 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.:** PLTO287781009  
**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, 2012 to July 1, 2013
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy No. PLTO287781009 annual aggregate limit (including Defence Costs, Charges and Expenses) as specified in Addendum 1A excess of \$50,000,000 per claim/\$50,000,000 annual aggregate as more fully described in Underlying Policy No. 23004 issued by the Canadian Lawyers Liability Insurance Society (CLLAS).
- ITEM 7. PREMIUM:** \$135,330.00 (Rate Per Lawyer: \$ 195.00)
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:** 1

**BROKER:**

Hub International Ontario Limited dba  
Pro-Form Sinclair Professional  
15 Allstate Parkway, Suite 310  
Markham, Ontario  
L3R 5B4

Date

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: Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales), Fasken Martineau DuMoulin (Pty) Ltd. (a South African corporation) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.

Underlying Insurance \*

*\*Underlying Insurance is costs inclusive*

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$50,000,000  
Insurer: Liberty International Underwriters Canada,  
A Division of Liberty Mutual Insurance Company (66%)  
ACE INA Insurance (34%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: PLTO287781009 (*Designated Underlying*)

Limit of Liability: \$10,000,000 each claim and aggregate excess of \$65,000,000  
Insurer: Travelers Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 50225957

Limit of Liability: \$5,000,000 each claim and aggregate excess of \$75,000,000  
Insurer: Royal & Sun Alliance Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 9690476

Limit of Liability: \$15,000,000 each claim and aggregate excess of \$80,000,000  
Insurer: Chartis Insurance Company of Canada  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 34218830

Limit of Liability: \$20,000,000 each claim and aggregate excess of \$95,000,000  
Insurer: Chubb Insurance Company (50%)/QBE Services Inc. (25%)/Liberty International Underwriters Canada, A Division of Liberty Mutual Insurance Company (25%)  
Policy Period: July 1, 2012 to July 1, 2013  
Policy No.: 8169-7808

## **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.
4. 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade 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.