

DECLARATIONS

Policy Number: 023462720

NOTICE: THIS IS A CLAIMS MADE POLICY, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. READ THE ENTIRE POLICY CAREFULLY.

ITEM 1. **FIRM:** McCarthy Tétrault Registered Foreign Lawyers & Solicitors; McCarthy Tetrault (NY) LLP; McCarthy Tetrault LLP, and others as more fully described in the Policy.

ITEM 2. **PREDECESSOR FIRM(S):** N/A

ITEM 3. **POLICY PERIOD:**

- (A) Inception Date: September 30, 2012
- (B) Expiration Date: September 30, 2013
At 12:01 a.m. both dates at the Address in ITEM 1.

ITEM 4. **LIMITS OF LIABILITY** (inclusive of **Defense Costs**):

- (A) 30,000,000 maximum limit of liability each **Claim**
- (B) 30,000,000 maximum aggregate limit of liability under this Policy for all **Claims**.

ITEM 5. **RETENTION AMOUNT:** US\$ 75,000 per claim for U.K. work
US\$ 50,000 per claim for U.S.A. work
US\$ 50,000 per claim ex-U.S.A. and U.K. work

ITEM 6. **EXTENDED REPORTING PERIOD:**

- | | | | |
|-----|-------------------|-----|------------------------|
| (A) | Additional Period | (B) | Additional Premium |
| | 1 Year | | 150% of Annual Premium |
| | 2 Year | | 225% of Annual Premium |
| | 3 Year | | 300% of Annual Premium |

ITEM 7. **PENDING OR PRIOR DATE:** Not applicable.

ITEM 8. **PREMIUM:** \$ 147,744

ITEM 9. **INSURERS and PARTICIPATIONS**

Lexington Insurance Company: 60.00% of 100.00% of the LIMIT and PREMIUM

Interstate Fire & Casualty Company: 40.00% of 100.00% of the LIMIT and PREMIUM

These Declarations, the completed signed Application and this Policy with Endorsements shall constitute the contract between the Insured and the Company. In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

Date



Authorized Representative

ENDORSEMENT NO. 1
CLLAS COMPATIBLE AND ALLOCATION ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on September 30, 2012, forms part of

Policy No.:	023462720
Issued to:	McCarthy Tétrault Registered Foreign Lawyers & Solicitors; McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and others as more fully described in the Policy.
Issued by:	Lexington Insurance Company

In consideration of the premium charged, it is agreed that:

- (1) Section II. DEFINITIONS is amended by adding **Canadian Insureds** to the definition of **Insured Person**.
- (2) No coverage will be available under this Policy for **Claims** against a **Canadian Insured** arising out of **Professional Services** provided by such **Canadian Insured** from an office or branch of the **Canadian Firm** located in Canada, its provinces or territories and that arise from the practice of laws of the jurisdiction of Canada, its provinces or territories, unless such **Professional Services** are incidental to the practice of the laws of a jurisdiction other than Canada, its provinces or territories.
- (3) For purposes of this endorsement:

Notwithstanding anything to the contrary in this Policy, no coverage will be available to a **Canadian Insured** under this Policy for Claims for which (a) the policy issued by the **Canadian Lawyers Liability Assurance Society scheduled below (the "CLLAS Policy")** or (b) the other policies scheduled below only if they provided coverage in respect of such Claim in excess of the **CLLAS Policy (together with the CLLAS Policy, the "Scheduled Policies")** would afford coverage regardless of: the limit(s) of liability of the Scheduled Policies; compliance, or lack thereof, with the notice and/or reporting requirements of the Scheduled Policies; and whether the Schedule Policies have been canceled:

SCHEDULED POLICIES

	Policy Number
Canadian Lawyers Liability Assurance Society	23008
Royal & Sun Alliance Ins. Co./Northbridge Ins. Co.	9690485
Travelers Insurance Company of Canada	50225964
ACE INA Insurance/Encon Group Inc.	SRX405104
Chubb Insurance Company/ Liberty International Underwriters/ QBE Services Inc.	8169-7828
Chartis Insurance Company of Canada	34218833
Royal & Sun Alliance Insurance Company	9690482
Travelers Insurance Company of Canada	50225963
Liberty International Underwriters/ACE Insurance	PLTO295061009

It is further understood and agreed and notwithstanding Clause V. "Other Insurance", that:

- (1) If **Loss** on account of a **Claim** covered or alleged to be covered by both this Policy and the Policies issued by CLLAS referred to in this Policy, **CLLAS** and the Company agree to use their best efforts to determine a fair and proper allocation of all amounts, including **Defense Costs**, that the Company shall be obligated to pay under this Policy in connection with such **Claim**. In making such determination, the parties shall take into account the contributory fault by the **Insured** and the **Canadian Insured** giving rise to the **Loss**. In the event that an allocation cannot be agreed to, then the Company agrees to follow the procedures and terms and conditions of the Letter Agreement between CLLAS and the Company (referred to in the Letter Agreement as the CLLAS International Insurers, dated July 21, 2008 and attached hereto.)
- (4) For the purposes of this Endorsement:
 - (a) the term "**Canadian Firm**" means McCarthy Tétrault LLP; and
 - (b) the term "**Canadian Insureds**" means collectively the **Canadian Firm** and each person who has a relationship to the Canadian Firm specified in Clauses (1) to (5) of the definition of **Insured Person** as if each reference to **Firm** was read as a reference to **Canadian Firm**.
- (5) This Policy, including but not limited to Section V, **OTHER INSURANCE**, shall be deemed amended to the extent necessary to effect the purpose and intent of this Endorsement.

The title and any heading in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT NO. 2
EXTENSION OF POLICY PERIOD ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on September 30, 2012, forms part of

Policy No.: 023462720
Issued to: McCarthy Tétrault Registered Foreign Lawyers & Solicitors;
McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and
others as more fully described in the Policy.
Issued by: Lexington Insurance Company

The premium for the Period of Insurance from September 30, 2012 – September 30, 2013, shall be \$147,744, exclusive of the Excess & Surplus lines taxes and fees, of which \$88,646.40 being 60.00% of 100.00% shall be payable to the Company.

It is hereby understood and agreed that this policy will, without notice, automatically renew for a further 12 months to expire on September 30, 2014, and it is further agreed that the premium for this extended **Policy Period** will be calculated based on the rate per attorney applicable to this policy multiplied by the number of attorneys declared hereunder at September 30, 2013, except, if during the period September 30, 2012 to July 30, 2013:

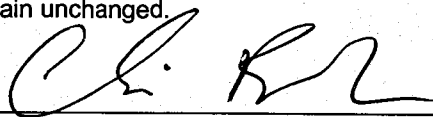
- (1) a **Claim** payment is made under this policy that is equal to or greater than \$5,000,000, or,
- (2) a **Claim** reserve or a combination of a payment and a reserve, under this policy or under any of the policies issued to those law firms insured by the Company otherwise known as CLLAS International member firms equal to or greater than 65% of the **LIMIT OF LIABILITY** is established or made by the Company or,
- (3) a **Claim** payment or an aggregate of **Claim** payments is made under this policy or under any of the policies issued to those law firms insured by the Company otherwise known as CLLAS International member firms that is equal to or greater than \$10,000,000, then,

each policy issued to each and every CLLAS International member firm shall lapse at its 2013 expiration date, being July 1, 2013, or September 30, 2013, with respect to this policy, and the Company may or may not offer renewal terms for the period commencing either July 1, 2013 to July 1, 2014, or September 30, 2014 to September 30, 2104, with respect to this policy, which may or may not be accepted by the CLLAS International member firms.

For the purpose of this endorsement, CLLAS International member firms and policies are listed below:

<u>CLLAS International Member Firm</u>	<u>Policy Number</u>
Blake, Cassels, & Graydon LLP	023462686
Davies Ward Phillips & Vineberg LLP	023462687
Fasken Martineau Stringer Saul LLP	023462688
McCarthy Tétrault Registered Foreign Lawyers & Solicitors	023462720
Osler Hoskin & Harcourt LLP	023462689
Torys LLP	023462690

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



Authorized Representative

ENDORSEMENT NO. 4

This Endorsement, effective at 12:01 a.m. on September 30, 2012, forms part of

Policy No.:	023462720
Issued to:	McCarthy Tétrault Registered Foreign Lawyers & Solicitors; McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and others as more fully described in the Policy.
Issued by:	Lexington Insurance Company

In consideration of the premium charged, notwithstanding Endorsement 1 of this policy, Insured Persons are covered for Professional Services provided from an office or branch of the Canadian firm located in Canada, its provinces or territories, that arise from the practice of the laws of a jurisdiction other than Canada, its provinces or territories, except to the extent they are covered under the CLLAS policy referred to in Endorsement 1.

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



Authorized Representative

ENDORSEMENT NO. 3
CARRIER RATING DOWNGRADE ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on September 30, 2012, forms part of

Policy No.:	023462720
Issued to:	McCarthy Tétrault Registered Foreign Lawyers & Solicitors; McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and others as more fully described in the Policy.
Issued by:	Lexington Insurance Company

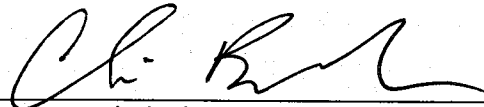
It is hereby understood and agreed that Item XX. Termination of Policy is amended to include Item C.

In the event that the Company:

- (a) ceases underwriting; or
- (b) is declared insolvent or placed under the protection of Chapter 11 or similar proceedings,
or
- (c) has its authority to carry on insurance business withdrawn; or
- (d) has its financial strength rating reduced by A.M. Best or Standard & Poor's or equivalent
rating agency to less than A-;

the Firm may terminate the policy by giving notice and the premium payable to the Firm shall be pro-rata of its proportion of premium to the time on risk.

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



Authorized Representative

ENDORSEMENT NO. 5

This Endorsement, effective at 12:01 a.m. on September 30, 2012, forms part of

Policy No.: 023462720
Issued to: McCarthy Tétrault Registered Foreign Lawyers & Solicitors;
McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and others as
more fully described in the Policy.
Issued by: Lexington Insurance Company

It is understood and agreed that Item **V. OTHER INSURANCE** is deleted in its entirety and replaced with the following:

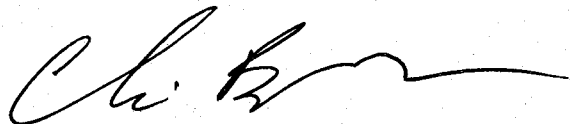
V. OTHER INSURANCE

This Policy shall be specifically excess over, and shall not contribute with, any other valid and collectible insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, except with respect to the following only:

- (A) Insurance written to be specifically excess over this Policy, or
- (B) the Solicitors Professional Liability Insurance Policy, Reference #B0738SP007400F, purchased by the Insured from the Pembroke Syndicate (Syndicate #4000) to comply with the Solicitors Regulation Authority insurance requirements, or any subsequent renewals or replacements thereof.

This Policy will not be subject to the terms of any other insurance.

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



Authorized Representative

ENDORSEMENT NO. 6

This Endorsement, effective at 12:01 a.m. on September 30, 2012, forms part of

Policy No.: 023462720
Issued to: McCarthy Tétrault Registered Foreign Lawyers & Solicitors;
McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and
others as more fully described in the Policy.
Issued by: Lexington Insurance Company

WHEREAS, the CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY INTERNATIONAL ("CLLAS"), LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY issued to Fasken Martineau LLP (a UK partnership), et al. was intended to provide certain terms and conditions in a manuscript policy form as agreed to in writing between CLLAS and Lexington Insurance Company prior to the July 1, 2008 – 2009 policy period.

WHEREAS, in the drafting of such manuscript policy, the Interrelationship of Claims provision set forth herein was inadvertently omitted from the final manuscript policy form of Policy No. 023462720 and such omission was also repeated in this renewal policy.

NOW THEREFORE, the Named Insureds shown in ITEM 1 of the Declarations, on behalf of themselves and all other insureds under this Policy, agree with the Insurers and Participations shown in ITEM 9 of the Declarations as follows:

It is understood and agreed that ITEM X. Reporting is amended to include the following:

(B) Interrelationship of Claims:

All **Related Claims** will be treated as a single **Claim** made at the time the first of such **Related Claims** was made, or when the first of such **Related Claims** is treated as having been made in accordance with Section X(A)(2), whichever is earlier.

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



Authorized Representative



MEMORANDUM OF INSURANCE

POLICY NO. CLQ-1000005

INSURED: McCarthy Tétrault Registered Foreign Lawyers & Solicitors; McCarthy Tétrault (NY) LLP; McCarthy Tétrault LLP; and others as more fully described in the Policy.

ADDRESS: 5 Old Bailey, 2nd Floor
London England EC4M 7BA

In accordance with your instructions we have effected insurance as follows:

PERIOD OF INSURANCE: Inception Date: September 30, 2012
Expiration Date: September 30, 2013
(12:01 a.m. Prevailing Time at the Assured's address set forth above)

LIMIT OF LIABILITY: US\$30,000,000 each Claim and in the Annual Aggregate including Defense Costs, charges and expenses excess of the Retention.

RETENTION: US\$ 75,000 per claim for U.K. work
US\$ 50,000 per claim for U.S. work
US\$ 50,000 ex-U.S.A. and U.K. work

TYPE OF INSURANCE: Lawyers Professional Liability Insurance following the Lead Underwriter and subject to the terms and conditions of the Policy issued by the Lead Underwriter.

LEAD UNDERWRITER: Lexington Insurance Company

COMPANY'S PARTICIPATION: 40.00% of 100.00% of the annual limit and premium expressed hereon.

ANNUAL PREMIUM: \$147,744 exclusive of the Excess & Surplus lines taxes and fees, of PREMIUM: which \$59,097.60 being 40.00% of 100.00% shall be payable to the Company.

INSURED WITH: Interstate Fire & Casualty Company (the "Company")

DATED: Feb 26, 2013


Signature and Title of Authorized Representative of the Company

ATTACHING TO AND FORMING PART OF POLICY NUMBER NO: CLQ-1000005

The Company warrants that:

- A. This MEMORANDUM OF INSURANCE incorporates and is subject to all terms set forth in the Followed Policy issued by the Lead Underwriter – Lexington Insurance Company, Policy No. 023462720 on the identical subject matter and risk and is subordinate to the Followed Policy (except as regards the PREMIUM, the SUM INSURED and Section III B. REINSTATEMENT OF THE LIMIT OF LIABILITY) as contained in the Followed Policy. In matters regarding claims, the Company will act exclusively through the representative or representatives designated by the Underwriters of the Followed Policy. Notwithstanding the foregoing, the Company may, at its sole discretion, elect to associate in the investigation, settlement and/or defense of any claims to which the Company may be liable to contribute.
- B. This MEMORANDUM OF INSURANCE incorporates, and is subordinate to any changes and endorsements of the Followed Policy provided the Company consents to such changes and endorsements, such consent not to be unreasonable withheld.
- C. Any changes of insurers or co-insurers, including incomplete placements, are permitted without notice but loss of coverage resulting from any incomplete placement is assumed by the INSURED and shall not cause the layer of coverage in which the Company participates to drop to a lower level of coverage or increase the participation of the Company in such layer of coverage.
- D. In the events of the reduction or exhaustion of the sums insured under the Followed Policy and/or underlying policies by reason of claims paid thereunder, this MEMORANDUM OF INSURANCE shall:
 - a. in the event of reduction, pay the excess of the reduced underlying sums insured;
 - b. in the event of exhaustion, continue in force as Primary insurance

provided always that in the latter event, this MEMORANDUM OF INSURANCE shall only pay the excess of the retention as provided in the Followed Policy.