

PURCHASER'S DISCLOSURE & ACKNOWLEDGMENT FORM SUPPORTING PURCHASER'S APPLICATION FOR ACQUISITION ENDORSEMENT

When completed please return this form to:

Records & Member Services
Queensland Law Society
GPO Box 1785
BRISBANE QLD 4001
Fax : 07 3220 0616
Email: records@qls.com.au

Legal information

Lexon Insurance Pte Ltd is a wholly owned subsidiary of the Queensland Law Society ("QLS") and is a captive insurer providing professional indemnity insurance to the QLS on behalf of those members of the Queensland Legal Profession required to be covered by professional indemnity insurance that complies with the Legal Profession Act 2007, the Legal Profession (Solicitors) Rule 2007 and the Queensland Law Society Indemnity Rule 2005 (Qld).

Financial Services Reform Disclosure Notice

Pursuant to ASIC class order relief, the QLS and/or persons responsible for these matters are not licensed under the Corporations Act 2001 (Cth) in relation to the operation of the:

- a. Law Claims Levy Fund;
- b. Professional indemnity insurance arrangements made under the Queensland Law Society Indemnity Rule 1987 (Qld) and, from the repeal of that Rule, the Queensland Law Society Indemnity Rule 2005 (Qld); and
- c. Legal Practitioners Fidelity Guarantee Fund.

The QLS is not regulated under the Insurance Act 1973 (Cth).

Lexon is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 in respect of financial services.

Lexon is incorporated in Singapore and is regulated by the Monetary Authority of Singapore under Singaporean law, which differs from Australian law. Singapore has a system of financial supervision of insurers and you should consider whether to obtain further information about that.

Lexon is not authorised under the Insurance Act 1973 to conduct insurance business in Australia and is not subject to the provisions of that Act which establishes a system of financial supervision of general insurers in Australia.

Lexon has paid up capital of AUD \$19M and any disputes in relation to the terms of the Master Policy will be governed by Queensland law.

Lexon cannot be declared a general insurer for the purpose of Part VC of the Insurance Act 1973 and, if Lexon becomes insolvent, you will not be covered by the financial claims scheme provided under Part VC of that Act.

PURCHASER'S DISCLOSURE & ACKNOWLEDGMENT

Important Notices

NOTICE 1 – BENEFIT PROVIDED BY ACQUISITION ENDORSEMENT

I acknowledge that should QLS, following receipt of a recommendation from Lexon, exercise the discretion in paragraph 9 of Schedule 4 of the Indemnity Rule to extend to the Purchaser of the Vendor's practice an endorsement (as provided for in the Indemnity Rule); such endorsement will be on the following terms:

What it does do

- It will apply to Claims and/or Circumstances relating to the Vendor's practice reported after the Date of Acquisition and which:
 - Are unknown to the Purchaser as at the Date of Acquisition;
 - Relate to a client matter which has been finally billed and closed prior to the Date of Acquisition; and
 - Have not been disclosed to Lexon by the Vendor as at the Date of Acquisition.
- Without limiting the foregoing, it will apply to Claims which eventuate from:
 - Circumstances arising in the Vendor's practice prior to the Date of Acquisition unknown by the Vendor and Purchaser and which relate to a client matter which has been finally billed and closed;
 - Claims or Circumstances which are the subject of a fraudulent non-disclosure by the Vendor in the Vendor's Disclosure & Acknowledgement Form and which relate to a client matter which has been finally billed and closed prior to the Date of Acquisition.
- In circumstances where the endorsement applies, should a Claim eventuate, then:
 - The Claim will not be included in any claims loading calculation for the Purchaser;
 - Whilst an excess will still apply for any such Claim, the excess will be that which would have applied to the Vendor's practice immediately prior to the Date of Acquisition; and
 - No deterrent excess will apply.

What it does not do:

- The endorsement will only apply to the Vendor practice designated on the endorsement. Any other purchases are not included and can only be included via a separate and distinct endorsement.
- It will not change the financial obligations the Purchaser would otherwise have under the Policy or the Indemnity Rule in relation to:
 - Existing Claims and Circumstances which have been notified to Lexon as at the Date of Acquisition;
 - Any Claims or Circumstances notified to Lexon after the Date of Acquisition which arise from Vendor client matters sold to the Purchaser which were ongoing (being client matters other than those which have been finally billed and closed) as at the Date of Acquisition;
 - Any Claims which arise after the Date of Acquisition which relate to the acts or omissions of the Purchaser (rather than the Vendor); and
 - Any Claims or Circumstances which have already been notified by the Vendor.

NOTICE 2 – PURPOSE OF PURCHASER'S DISCLOSURE & ACKNOWLEDGEMENT FORM

I acknowledge that the disclosure requested of the Purchaser is sought for the purposes of QLS, following receipt of a recommendation from Lexon, determining whether to exercise the discretion in paragraph 9 of Schedule 4 of the Indemnity Rule to extend to the Purchaser of the Vendor's practice an endorsement (as provided for in the Indemnity Rule) which may reduce any claims loading or excess otherwise payable by the Purchaser in the event specific claims occur after the purchase is completed.

I further acknowledge that signing this Purchaser's Disclosure & Acknowledgement Form does not bind Lexon to recommend and/ or QLS to exercise the discretion in paragraph 9 of Schedule 4 of the Indemnity Rule..

NOTICE 3 - WARRANTY AS TO CONTENTS OF PURCHASER'S DISCLOSURE & ACKNOWLEDGEMENT FORM

The signing of this declaration warrants the truth of the matters contained therein. Any failure to disclose any Claims or Circumstances known to the Purchaser may result in:

- Lexon and/ or QLS pursuing the Purchaser for any losses thereby suffered.
- A complaint being lodged with the Legal Services Commission concerning such conduct.
- The matter being referred to the QLS Council for consideration of whether any practitioners associated with the Purchaser remain fit and proper persons to continue to hold a local practicing certificate.

DEFINITIONS

"Circumstance/s" means circumstance/s that may give rise to a Claim.

"Claim" means:

- a demand for or an assertion of a right to compensation or damages, from or against the Insured; or
- a statement of an intention to seek such compensation or damages against the Insured, including an intention to seek such compensation or damages at a future time or contingent upon the happening of a future event.

"Date of Acquisition" means the date of the agreed for the formal transfer of the Vendor's practice to the Purchaser.

"Indemnity Rule" means the Queensland Law Society Indemnity Rule 2005 as amended from time to time.

"Policy" means the QLS Master Policy, Certificate of Insurance and Schedules as amended from time to time.

"Purchaser" means the law practice intending to purchase a separate and distinct law practice.

"Purchaser's Disclosure & Acknowledgement Form" means this form.

"Vendor" means the law practice intending to sell such practice to a separate and distinct law practice.

Important Questions

QUESTION 1

Is the Purchaser aware of any Claim or Circumstance involving the Vendor's practice? Y/N

If "yes" for each Claim or Circumstance please provide the following details (or as much as is known):

Date Claim Made/ Circumstance Arose	Name of Claimant	Name of Responsible Principal	Area of Law Involved

QUESTION 2

Has the Purchaser undertaken any due diligence relating to the risk of Claims arising from the Vendor's practice? Y/N

If "yes", briefly describe below the due diligence undertaken.

Declaration

I have read and understand each of Notices 1, 2 and 3 above and agree to provide the warranties and authorities outlined therein.

I acknowledge that the answers to Questions 1 and 2 above have been provided for the purposes of QLS, following receipt of a recommendation from Lexon, determining whether to exercise the discretion in paragraph 9 of Schedule 4 of the Indemnity Rule to extend to the Purchaser of the Vendor's practice an endorsement (as provided for in the Indemnity Rule) which may reduce any claims loading or excess otherwise payable by the Purchaser in the event specific claims occur after the purchase is completed.

I confirm that I am authorised to act for and on behalf of all persons who are insured with Lexon as part of the Purchaser's existing cover and this declaration is prepared on their behalf.

SIGNATURE: _____ **DATE:** _____

NAME: _____

POSITION: _____