

## VENDOR'S DISCLOSURE & ACKNOWLEDGEMENT FORM RELATING TO 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.

# VENDOR'S DISCLOSURE & ACKNOWLEDGEMENT

## Important Notices

### NOTICE 1 – PURPOSE AND EFFECT OF VENDOR'S DISCLOSURE & ACKNOWLEDGEMENT FORM

I acknowledge that this information has 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 acknowledge that the endorsement will **not**:

- Beneficially alter the obligations either the Vendor or Purchaser would otherwise have under the Policy or the Indemnity Rule in relation to existing notified Claims and Circumstances.
- Beneficially alter the obligations either the Vendor or Purchaser would otherwise have under the Policy or the Indemnity Rule in relation to any Claims and Circumstances first notified in this Vendor's Disclosure & Acknowledgement Form.

I further acknowledge that signing this Vendor's Disclosure 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 2 - WARRANTY AS TO CONTENTS OF VENDOR'S APPLICATION & 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 Vendor may result in:

- Lexon and/ or QLS pursuing the Vendor 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 Vendor remain fit and proper persons to continue to hold a local practicing certificate.

### NOTICE 3 – AUTHORITY TO RELEASE INFORMATION TO PROPOSED PURCHASER

By signing this Vendor's Disclosure & Acknowledgment Form, I authorise Lexon to release to the Purchaser on a confidential basis, to be used solely for the purpose of negotiations relating to the proposed sale of the Vendor's business, the following information held by Lexon for each such Claim or Circumstance relating to the Vendor (including any Prior Practices):

- The file number;
- The insurance year;
- Whether it is a Claim or Circumstance;
- If it is a Claim, whether indemnity has been granted;
- The current incurred value;
- Whether the matter has concluded or is ongoing; and
- The Area of Law involved.

### 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.

**"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.

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

**"Vendor's Disclosure & Acknowledgement Form"** means this form.

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# Important Questions

## QUESTION 1

**Is the Vendor aware, after due enquiry, of any Claim against the Vendor's practice which has not been formally notified to Lexon? Y/N**

If "yes" for each Claim please provide the following details:

Date Claim Made	Name of Claimant	Name of Responsible Principal	Area of Law Involved

If you answer "yes", Lexon will require you to complete a formal Notice of Claim for each matter listed above. A Form 1 and Form 3 can be found on Lexon's website at [www.lexoninsurance.com.au](http://www.lexoninsurance.com.au).

## QUESTION 2

**Is the Vendor aware, after due enquiry, of any Circumstance which may give rise to a Claim not already notified to Lexon (including any Prior Law Practice and any present or former Principals)? Y/N**

If "yes" for each Circumstance please provide the following details:

Date Circumstance Occurred	Name of Potential Claimant	Name of Responsible Principal	Area of Law Involved

If you answer "yes", Lexon will require you to complete a formal Notice of Circumstances for each matter listed above. A Form 2 and Form 3 can be found on Lexon's website at [www.lexoninsurance.com.au](http://www.lexoninsurance.com.au).

# 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 Vendor's practice and this declaration is prepared on their behalf.

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**POSITION:** \_\_\_\_\_