



PACIFIC & ORIENT INSURANCE CO BERHAD (No 12557-W)
A Member Of The Pacific & Orient Group

HEAD OFFICE
JOHOR BAHRU
POH
KUALA
PULANG
KUCHING
INTERNET

11 Floor Wisma Bumi Raya No 10 Jalan Raja Laut P.O. Box 10853 50730 Kuala Lumpur
Suite 905, 9th Floor Johor Tower No 15 Jalan Gereja 80100 Johor Bahru, Johor
75 Jalan Raja Eklam 30450 Ipoh, Perak
No 2 Jalan PM7 Plaza Mahkota Bandar Hilir 75000 Malaka
51-11-A Mercara BHC Bank Jalan Sultan Ahmad Shah 10050 Pulau Pinang
Lot 232 1st Floor Jalan May Tena 93400 Kuching Sarawak Malaysia
www.pacific-orient.com

TEL 03-26665535 FAX 03-26665145
TEL 07-2222557 FAX 07-2224553
TEL 05-2550370 FAX 05-2532543
TEL 05-2642990 FAX 05-2645515
TEL 04-2273355 FAX 04-2273343
TEL 082-2356019 FAX 082-2356019
TOLL FREE NO 1 800 88 2121

2013 CERTIFICATE OF INSURANCE

This Certificate of Insurance and the attached sample Schedule in Appendix 1 forms part of the Pacific & Orient Insurance Co. Berhad Master Policy No. 129712U7000002 issued to the Malaysian Bar for and on behalf of its Members and it is hereby certified that this insurance has been effected for those Members named in the Schedule hereunder in respect of the Limits of Indemnity specified and for the Period of Insurance stated.

When reading this Certificate, please note the use of specially-defined words that appear in bold type. There is a list of these words in Clause 36. Although the words "we" and "you" are defined, these words do not appear in bold type.

In consideration of payment of the premium and subject to the Schedule, limitations, conditions, provisions and other terms of this Certificate, we agree as follows:

WHO IS INSURED?

1. We agree to insure you being the Firm; and:
 - (a) each principal;
 - (b) each employee; and
 - (c) the estate and legal representative of each person referred to in (a) and (b) above.

WHAT WE INSURE YOU FOR AND WHEN

2. We agree to indemnify you against civil liability for a claim that:
 - (a) arises from your legal practice; and
 - (b) is first made against you during the Period of Insurance.
3. Our indemnity also extends to:
 - (a) Claimant's costs and defence costs; and
 - (b) **Loss Mitigation:** This Clause is only for clients' monies and provides indemnity in respect of any costs incurred by the Firm including all expenses which minimise the exposure of the Firm to actions against it or such other reasonable outlay incurred in otherwise mitigating the consequences of any action, omission, misconduct or dishonesty on the part of a principal or of an employee, which action, omission, misconduct or dishonesty, in the absence of such mitigation, would have given rise to a claim or loss which may result in a claim under the policy.





PACIFIC & ORIENT INSURANCE CO. BERHAD (NO.12557-W)

Provided that the mitigating actions taken are:

- i) Notified to us within 60 days of the first action being taken;
 - ii) Subsequent actions taken after the notification aforesaid are with our prior consent.
 - iii) There is no admission of liability; and
 - iv) All such actions are within the spirit of the Bar Council's Rules and Rulings that govern the Profession.
4. Professional appointments and assignments assumed or undertaken by you in a personal capacity shall be regarded as incidental to the Firm provided that any fees or other income accruing there from inure to the benefit of the Firm or its predecessor/s or successor/s.
5. However we will not indemnify you if you engage otherwise than in "Private Practice" which shall be interpreted in accordance with its generally accepted meaning.

HOW MUCH WE INSURE YOU FOR

6. The maximum amount we will indemnify you for any **one claim** is the amount specified in Item 7 of the Schedule, subject to the provisions of Clause 12. The maximum amount includes claimant's costs.
7. We will also indemnify you for **defence costs**, which amount shall be in addition to the Limit of Indemnity specified in Item 7 of the Schedule. Any payment by us of **defence costs** shall not reduce such Limit of Indemnity.

Provided however, that

- (a) if any **one claim** exceeds the Limit of Indemnity, our liability for **defence costs** shall be restricted to such proportion thereof that the Limit of Indemnity bears to the claim.
- (b) any cost recovered from the claimant will first be fully used to offset and indemnify us of any costs we may have incurred in your defence, with any balance remaining thereafter to inure to you for your benefit.

YOUR BASE EXCESS

8. Our liability under this insurance shall only apply to that part of any **one claim** which exceeds the Base Excess specified in Item 9 of the Schedule. The Base Excess shall be borne by you uninsured and at your own risk.
9. Our liability under this insurance shall only apply to that part of the **defence costs** on account of any **one claim** which exceeds the Base Excess specified in Item 9 of the Schedule. Provided however, that the Base Excess shall only be applied once in the event **claim** and/or **defence costs** are incurred.





10. Where **defence costs** is payable to panel advocates and solicitors, you must pay the amount of the Base Excess specified in Item 9 of the Schedule within 45 days of the receipt of the invoice. This payment is a condition precedent to your right to renew your insurance under the Master Policy for subsequent policy periods.
11. The Base Excess specified in Item 9 of the Schedule shall be increased to the amounts specified below in the event of any claim arising out of the following circumstances or events:

- (a) Conflict of Interest : RM100,000 or 2 times the Base Excess whichever is the higher subject to a maximum of RM300,000 where you have acted for more than one party to a transaction in respect of conveyancing of land and/or buildings otherwise than in accordance with Bar Council's Rules and Rulings as amended from time to time on conflict of interest, applicable at the time of the transaction.

However the Base Excess shall apply in the event you had obtained written waivers from the clients.

- (b) Conveyancing : RM50,000 minimum in respect of conveyancing of land and/or buildings.

However the Base Excess shall apply in the event you had in place an implemented risk management programme at the time the act, error or omission giving rise to the claim was committed.

- (c) Dishonesty of Partner : RM20,000 multiplied by the number of **principals** subject to a minimum of RM30,000 and maximum of RM250,000 per **Firm** in respect of **misconduct of principals**.

CLAIMS INVOLVING MISCONDUCT

12. Notwithstanding the Exclusion in Clause 33(e), we will indemnify the **Firm** and its **employees** against any claim arising out of **misconduct** excluding indemnity to any person(s) or **employees** who were party to or condoned such **misconduct** relating to the **claim**.

PROVIDED THAT

- (a) The maximum amount we will indemnify you for **claims** in respect of **misconduct** is RM350,000 or the Firm's Mandatory Limit whichever is the lower. This is applicable towards any **one claim** and in the aggregate during the Period of Insurance. This Limit of Indemnity is over and above the Base Excess in Clause 9.
- (b) You shall at our request take or procure, to be taken at our expense, all reasonable steps to obtain reimbursement from any party to such **misconduct** or from his personal legal representatives.
- (c) You agree that any recovery so obtained together with any monies which but for such **misconduct** would have been due to any party to such **misconduct**, shall be paid to us up to but not exceeding the amounts paid by us in respect of such **claim** together with any expenditure reasonably incurred in obtaining such reimbursement.
- (d) You establish that at the time of the **misconduct** giving rise to the claim, the **principal** who committed such **misconduct** was practising as a genuine **principal** of and carrying on





PACIFIC & ORIENT INSURANCE CO. BERHAD (NO.12557-W)

practice in common with other principals of the Firm.

- (e) The Firm complied with risk management procedures set out below or equivalent thereto (taking into account whether the firm is a sole proprietor or if the firm has a branch office) at the time of such **misconduct**.
- (i) entries in the client cashbook and client ledger of each branch maintained pursuant to Rule 11(2) of the Solicitors' Account Rules were copied and exchanged;
 - (ii) bank statements of client accounts and office account of each branch office are sent (which may be via electronic medium) by its bank direct to the principal office as well as the branch office;
 - (iii) all transactions involving operating of client bank accounts must where practical have two (2) signatories. In the event that the firm utilizes electronic banking in respect of client bank accounts, adequate risk management procedures must be in place.
 - (iv) in all other respects the Firm complies with the Solicitors' Account Rules 1990 and the Accountant's Report Rules 1990 (as amended from time-to- time).

CLAIMS INVOLVING DEFAMATION

13. The Mandatory Limit of Indemnity as stated in Item 7 of the Schedule will apply for each and every claim in respect of defamation.

WHEN YOU HAVE TO NOTIFY US

- 14 You must notify us in writing as soon as practicable:
- (a) but no later than 60 days, of any **claim** first made against you during the **Period of Insurance**;
 - (b) but no later than 60 days of any **notifiable circumstances** of which you first become aware of during the **Period of Insurance**. We will treat any subsequently resulting **claim** as if it had been made against you during this **Period of Insurance**.
 - (c) Notice under this Policy shall be given in writing addressed to:

Jardine Lloyd Thompson Sdn Bhd
Suite 10.2 10th Floor
Faber Imperial Court
21A Jalan Sultan Ismail
50250 Kuala Lumpur

Telephone No : +603 2723 3388
Facsimile No : +603 2723 3301





YOUR DUTY TO CO-OPERATE

15. It is your duty to provide full disclosure of all relevant facts and circumstances, whether specifically requested or otherwise, which is known or becomes known to you any time before or after a claim. It is furthermore your duty to render at your own expense all reasonable assistance and co-operation to us or our authorised representatives which includes but is not limited to:
- (a) providing all relevant information, documents and data in whatsoever form; and
 - (b) attending meetings, mediation, court hearings and appearing as a witness to give evidence or testimony if required.
16. If after three written requests for you to comply with Clause 15 (a) and/or (b), you fail to respond in a timely manner or in a manner satisfactory to us or our authorised representatives, your inaction shall be deemed as total or gross disregard or avoidance and shall entitle us to void the claim except when the failure was due to circumstances beyond your reasonable control.
17. You further agree to waive any legal professional privilege to the extent of your duties described at Clause 15 and generally in relation to a claim.

YOU MUST NOT ADMIT LIABILITY OR INCUR COSTS

18. You agree:
- (a) not to admit liability for a claim;
 - (b) not to settle a claim; or
 - (c) not to incur any costs or expenses in connection with a claim without our consent except as stated in Clause 3(b), the proviso in Clause 20 and Clause 21

without our written consent, which shall not be unreasonably withheld.

WE HAVE THE RIGHT TO TAKE CONDUCT OF THE CLAIM

19. You agree that:
- (a) we have the right to take over the conduct of a **claim** against you, including its investigation, defence, avoidance, reduction or, subject to Clause 22, its settlement; and
 - (b) we may do so in your name.
20. Upon receipt of notice from you of any writ, we and/or our **authorised representatives** shall appoint a **legal practitioner** within 14 working days to take conduct of the claim without prejudice to our right to investigate and subsequently refuse coverage or to avoid the claim as provided under this insurance.

Provided that if we and/or our **authorised representatives** fail or neglect to appoint a **legal practitioner** within 14 working days and take conduct of the claim, you shall have the right, if you so choose, to appoint a **legal practitioner** from the approved panel to defend the claim and instruct





the appointed legal practitioner as you deem fit. You shall not be liable for any act or omission that compromises our right to settle or defend the claim. We shall be liable to indemnify you as if we had conduct of the claim.

21. Where the amount of the claim is less than the Base Excess in Item 9 of the Schedule, you may, with our prior written consent, assume the conduct of and settle the claim.

DECIDING WHETHER TO PROCEED TO HEARING OR SETTLE

22. Neither of us shall be required to contest any legal proceedings to trial unless a senior member of the Malaysian Bar (to be appointed in the absence of mutual agreement by the President for the time being of the Malaysian Bar) shall advise that such proceedings could be contested with a reasonable prospect of success. The option to invoke this clause by either party shall be made within 30 days of the written notification of our decision on whether to contest or settle any legal proceedings.
23. This advice shall bind both of us. The fees payable for this advice shall not exceed RM10,000 and shall be shared equally between us.
24. If both of us cannot agree on invoking Clause 22, and if we recommend that a claim should be settled but you elect to contest the proceedings, you may do so with our prior written consent with a legal practitioner of your choice PROVIDED THAT our liability for all losses arising out of that claim shall not exceed the amount for which that claim could have been settled plus legal costs up to the date we and/or our authorised representatives recommended the settlement in writing to you.

DISPUTES WITH US

25. Except as provided in Clause 22 and Definition in Clause 36(g), if there is any dispute between us about this insurance we both may agree to arbitration on the basis that:
- (a) the sole arbitrator is to be appointed by the President for the time being of the Malaysian Bar;
 - (b) we share the costs of the arbitration equally; and
 - (c) the arbitrator's decision binds both of us.

CHANGES IN EXPOSURE

26. Your Premium, Limit of Indemnity and Base Excess shall not be varied during the **Period of Insurance** by dissolution of your firm, turnover in **principals** or **employees** after the inception date of this insurance in any circumstances other than in respect of your merger or amalgamation with another firm. However, premium will be payable in respect of the inclusion of any legal practitioner who had ceased to be insured prior to the date of commencement of this Period of Insurance.
27. In the case of your merger or amalgamation with another firm during the **Period of Insurance**, your Premium, Limit of Indemnity and Base Excess shall be re-determined. You shall give written notice of such event to us as soon as practicable and provide such other information as we may reasonably request.





SUBROGATION

28. In the event of any payment under this insurance, we shall be subrogated to the extent of such payment to all your rights of recovery. You shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable us effectively to bring the suit in your name.
29. We agree not to exercise our rights of subrogation against a principal or an employee except in the case of that person's misconduct.

CONDITIONS PRECEDENT TO LIABILITY

30. The due observance and fulfilment of the terms, conditions and endorsements of this insurance in so far as they relate to anything to be done or complied with by you and the truth of the statements and answers in the proposal form shall be condition precedent to our liability to make any payments under this insurance.

INNOCENT NON-DISCLOSURE

31. Notwithstanding Clause 30 if a principal inadvertently fails to disclose facts material or otherwise to the assessment of the risk hereunder, we shall not exercise our right to avoid this insurance on the grounds of such failure.

FRAUDULENT CLAIMS

32. If you make any claim for indemnity knowing the same to be false or fraudulent, as regards amount or otherwise, you shall forfeit the benefits of this insurance with regards to such claim.

WHAT WE EXCLUDE FROM THE INSURANCE

33. We will not indemnify you under this insurance for:
- (a) any liability which is more specifically insured under any other policy effected by you or on your behalf or which would but for this insurance be so covered.
 - (b) **claims** arising from any **notifiable circumstances** which you were aware of prior to the inception of this insurance.
 - (c) **claims** relating to **notifiable circumstances** to which this insurance would otherwise respond which you notified to us or any other insurer prior to the inception of this insurance.
 - (d) any legal proceedings outside Malaysia. This exclusion shall not apply to legal proceedings in Malaysia for the enforcement of any award or judgment secured in any foreign jurisdiction except that of the United States of America, its possessions and dependencies or Canada.
 - (e) any liability directly or indirectly caused by or contributed to by or arising from or in respect of **misconduct** (except as provided in Clause 12).





- (f) any **claim** in respect of any personal financial guarantee or undertaking given by you otherwise than in good faith in the course of the conduct of the Firm or as required by law or order of the courts.
- (g) death, bodily injury or loss of or damage to any physical property occupied or used by you for the purposes of the operations of the Firm (excluding property in your care, custody and control in connection with the Firm and for which you are responsible).
- (h) wrongful dismissal or any other alleged breach of any contract of employment by you.
- (i) wrongful termination or any other alleged breach of any contract for supply to or use by you of services, materials, equipment, other goods and/or immovable property.
- (j) any trading debt incurred by you.
- (k) the giving of any express or implied warranty or guarantee relating to the financial return on any investment.
- (l) any liability directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- (m) any liability directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- (n) any liability directly or indirectly caused by or contributed to by or arising from war, invasion, acts of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or terrorist activity or from any action taken to avoid or detect terrorist activity.
- (o) any **claims** brought about by or attributable to or consequent upon the holding by you of any appointment as a director, officer or company secretary of a company or organisation.

Provided however that this exclusion shall not apply to **claims** arising out of you acting in a professional capacity as a legal practitioner for any company or organisation for whom you are a director, officer or company secretary and for which you received a fee.
- (p) any liability directly or indirectly, wholly or in part caused by or contributed to by or arising from or in respect of dispute over your professional fees, charges, disbursements and other incidental costs.
- (q) any liability directly or indirectly, wholly or in part caused or contributed to or arising from or in respect of any disciplinary proceedings brought against you or by you.
- (r) any **claim** or counterclaim set off by an insured against another insured under the Malaysian Bar Professional Indemnity Insurance Scheme; provided however that this exclusion shall not apply to :





- (i) any claim where you act as a legal practitioner for the claimant;
- (ii) any claim where you act as a legal practitioner for a client in pursuing an action against another insured (second insured) and the second insured sues you.
- (s) for fines and penalties imposed by law and non-compensatory awards of any kind.

INTERPRETATION

34. The construction, interpretation and meaning of the provisions of this Certificate shall be determined in accordance with the law of Malaysia, and any disputes relating thereto shall be subject to Malaysian law and jurisdiction.
35. In this Certificate, unless the context requires otherwise:
- (a) the singular includes the plural and vice versa;
 - (b) the male gender includes the female and vice versa;
 - (c) where an expression is defined for the purpose of this Certificate, any other grammatical form of the expression has the same meaning;
 - (d) headings are merely descriptive and not an aid to interpretation;
 - (e) references to an amount of money are references to that amount in Malaysian Ringgit (RM).
 - (f) where reference to written communication, notices in writing or similar are made then the equivalent and other usual forms of electronic communications will be **acceptable**.

DEFINITIONS

36. In this Certificate, unless the context otherwise requires:
- (a) **authorised representatives** means the employees and management of Jardine Lloyd Thompson Sdn Bhd, Echelon Claims Consultants Sdn Bhd and any **legal practitioner** and any other person retained by us.
 - (b) **claim** means:
 - (i) a demand for, or an assertion of a right to, compensation or damages; or
 - (ii) an intimation of an intention to seek compensation or damages.
 - (c) **claimant's costs** means legal costs you have to pay to the person making a **claim** against you.
 - (d) **clients' monies** means money held or received by a solicitor on account of a person for whom he is acting in relation to the holding or receipts of such money either as a solicitor or in connection with his practice as a solicitor, agent, bailee, stakeholder or in any other capacity and includes solicitor trust money but does not include money to which the only





PACIFIC & ORIENT INSURANCE CO. BERHAD (NO.12557-W)

person entitled is the solicitor himself or, in the case of a firm of solicitors, one or more of the partners in the firm.

- (e) **defence costs** means reasonable costs, charges, fees and expenses incurred by you or on your behalf in the investigation, defence and/or settlement of any actual or potential claim which may form the subject of indemnity under this insurance.
- (f) **employee** means a person who, at any time, is or was employed or similarly engaged by the Firm (such as a legal assistant, articulated clerk, pupil in chambers, consultant, office or clerical staff).
- (g) **Firm** means the person(s) and/or firm name named in Item 4 of the Schedule and includes a **prior practice** which is no more specifically insured under any current or run-off whether enforceable or not.
- (h) **legal practice** means the provision of such services as are provided in the normal course of carrying on the profession as advocate or solicitor in private practice anywhere in Malaysia as governed by the Legal Profession Act of 1976 as amended.

In the event of any dispute as to whether any particular service falls within the definition of **legal practice** the ruling of the President for the time being of the Malaysian Bar shall be binding on us.

- (i) **legal practitioner** means an advocate and solicitor.
- (j) **misconduct** means dishonest or fraudulent conduct in the discharge of his duties.
- (k) **notifiable circumstances** means any fact, circumstance or event which you reasonably anticipate could give rise to a claim against you at any future time.
- (l) **one claim** means:

All claims by one or more claimants that arise from

- (i) one act or omission; or
 - (ii) one series of related acts or omissions; or
 - (iii) the same act or omission in a series of related matters or transactions; or
 - (iv) similar acts or omissions in a series of related matters or transactions; or
 - (v) misconduct of one person acting alone or in collusion with others; such claims shall be regarded as attributable to one underlying cause and shall be subject to the terms of Clause 11 and Clause 12;
- (m) **Period of Insurance** means the period specified in Item 6 of the Schedule.





- (n) **principal** means
 - (i) a person who, at any time is or was a partner of the Firm; or
 - (ii) a person who is the sole practitioner of the Firm.
- (o) **prior practice** means any practice previously conducted by or engaged by any of you or to which this practice is a successor or subsequent employer.
- (p) **us** means the Insurer named in Item 2 of the Schedule except when the context requires 'us' to refer to both the Insurer and you.
- (q) **we** means the Insurer named in Item 2 of the Schedule except when the context requires 'we' to refer to both the Insurer and you.
- (r) **you** means the Firm and other parties referred to in Clause 1 or where the context requires any one or more of the Firm and other parties referred to in Clause 1.

ADDRESS FOR NOTICES TO INSURER

37. Any summons, notice, or process to be served on us may be served at the address specified in the Schedule.

PREMIUM AND CLAIMS LOADINGS

38. If we have not made any payment towards your claim or notifiable circumstance under this insurance the premium applicable for the Firm shall be RM1,140.00 per legal practitioner. The premium of RM1,140.00 per practitioner will similarly apply to newly established practices.
39. In the event that we make a payment towards your claim or notifiable circumstance under this insurance, an additional premium (also referred to as claims loading) will be applied upon renewal of your insurance. This additional premium will be calculated either as 5% of the claim amount paid by us or 5 times the 2013 premium, whichever is the lower, subject to a maximum cap of upto 25% of the amount paid for that particular claim and will apply over a period of 5 years from date of notification.





PACIFIC & ORIENT INSURANCE CO. BERHAD (NO.12557-W)

APPENDIX 1

MALAYSIAN BAR

SCHEDULE ATTACHING TO AND FORMING PART OF THE MALAYSIAN BAR PROFESSIONAL INDEMNITY INSURANCE CERTIFICATE AS PART OF MASTER POLICY NO. 129712U7000002				
1.	CERTIFICATE NO.	:	2013/M/ /	
2.	INSURER	:	Pacific & Orient Insurance Co. Berhad (12557-W) 11 th Floor, Wisma Bumi Raya No. 10, Jalan Raja Laut, P.O. Box 10953 50730 Kuala Lumpur (and its successors or assigns)	
3.	NAMED INSURED	:	(As per Attachment 1 to this Schedule)	
4.	THE FIRM	:		
5.	ADDRESS	:	(and all branches within West Malaysia)	
6.	PERIOD OF INSURANCE	:	From 1 st January 2013 to 31 st December 2013 at midnight Malaysian Time	
7.	MANDATORY LIMIT OF INDEMNITY	:	RM	each and every claim (subject to sub-limit in respect of Misconduct)
8.	SUB-LIMIT IN RESPECT OF MISCONDUCT	:	RM 350,000.00	in the aggregate (subject to Firm's Mandatory Limit, whichever is lower)
9.	BASE EXCESS	:	RM	each and every claim (subject to Clause 11 of the Certificate of Insurance)
10.	PREMIUM INCLUSIVE OF 6% SERVICE TAX	:	RM	
11.	STAMP DUTY	:	Paid on the Master Policy	
		SIGNED FOR : Pacific & Orient Insurance Co. Berhad S. KRISHNA MURTHIE General Manager Business Development, Underwriting		
The insurance is subject to the terms of the <u>Master Policy No. 129712U7000002</u> and the 2013 Certificate of Insurance.				

