

HONG KONG SOLICITORS INDEMNITY FUND LTD.

Hong Kong Solicitors Indemnity Fund Limited ("the Company") was established by the Law Society and empowered by the Solicitors (Professional Indemnity) Rules ("the Rules") to manage and administer the Professional Indemnity Scheme ("the Scheme") and the Professional Indemnity Fund ("the Fund").

The Company held a total of 13 meetings during the year, including an Annual General Meeting.

The major issues addressed by the Company and its agents in the administration of the Scheme include the following:

- The recommendations of the PIS Claims Committee on the conduct of claims, in particular provision of indemnity and applications for waiver of the deductible
 - The performance of the investment managers
 - Shortfall contributions
 - Stop loss insurance
 - Approval of the audited accounts of the Company and the Fund
 - Proposed amendments to the Rules
 - Approval of the PIS Annual Report
 - Participation in the Committee of Inspection of H/H Casualty and General Insurance Ltd. and FAI General Insurance Company Ltd. (in liquidation), and the Creditors' Committee of FAI First Pacific Insurance Co. Ltd. (in provisional liquidation)
 - Service provided by the Company's auditors
 - Professional indemnity issues relating to the Land Titles Bill
 - Professional indemnity issues relating to the Closer Economic Partnership Agreement
- Professional indemnity issues relating to Standardization of Mortgage Origination documents
 - Credit ratings of the Scheme's reinsurers

Mr. Vincent W.S. Liang retired from his directorship with effect from 1 November, having served the Company as a Director since 1993 and Chairman since 1995. Mr. Liang was succeeded by Mr. Peter C.L. Lo as Chairman. In addition, the Company welcomed Mr. Anson K.C. Kan who was appointed to the Board on 30 September.

Directors of Hong Kong Solicitors Indemnity Fund Ltd.:

Peter C.L. LO (*Chairman*)

Mark J. BRADLEY

Denis G. BROCK

Anthony W.K. CHOW

Peter R. GRIFFITHS

Christopher G. HOWSE

Anson K.C. KAN

Sylvia W.Y. SIU

Cecilia K.W. WONG

Norris H.C. YANG

Secretary: ESSAR Insurance Services Ltd.
("ESSAR")