



*Parliament of the
Cayman Islands*

GOVERNMENT MOTION NO. 6 of 2020-2021

**Issuance of a Deed of Indemnity – Cayman Islands Legal Practitioners Association
("CILPA") and Cayman Attorneys Regulatory Authority ("CARA")**

WHEREAS the Government of the Cayman Islands (the Government") is desirous of issuing a Deed of Indemnity to the Members of the Board of Directors of CILPA and CARA (as per the attached Deed of Indemnity);

AND WHEREAS Section 8 of the Public Management and Finance Law (2017 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly;

BE IT NOW THEREFORE RESOLVED THAT the Legislative Assembly hereby authorises the issuance, to Members of CILPA's Board and CARA of a Deed of Indemnity guarding against the potential liability of Members of the CILPA's Board and CARA

MOVED BY: Samuel W. Bulgin QC, J.P
Hon. Attorney General

Received in the Office of the Clerk this 26th day of November, 2020.

Passed by the Cayman Islands Parliament this 16th day of December, 2020.

Clerk of the Parliament

DEED OF INDEMNITY

THIS DEED OF INDEMNITY is made the day of2020

BY:

- 1) The Cabinet of the Cayman Islands (the "**Cabinet**") for and on behalf of the Government of the Cayman Islands; in favour of
- 2) Every person who is or was at any time a director or Council member of the Cayman Islands Legal Practitioners Ltd. or a member of the board of its subcommittee, the Cayman Attorneys Regulation Authority (each an "**Indemnified Person**" and together the "**Indemnified Persons**").

WHEREAS

- a) The Cabinet recognizes that competent and experienced persons are increasingly reluctant to serve as directors of corporations or members of boards unless they are protected by comprehensive liability insurance or indemnification or both, due to the increased exposure to litigation costs and risk resulting from their service to such boards.
- b) The Indemnified Persons are members of the board of directors of the Cayman Islands Legal Practitioners Association Ltd. or members of the board of the Cayman Attorneys Regulation Authority, discharging the function of anti-money laundering supervisor for attorneys.
- c) The Indemnified Persons shall have the benefit of the Indemnity provided for herein by the Cabinet.
- d) The Cabinet has agreed to indemnify the Indemnified Persons on the terms and conditions hereinafter setout.

Now **THIS DEED WITNESSETH** as follows:

1. INTERPRETATION

- 1.1 In this Deed (including the recitals) the following expressions shall have the following meanings, unless the context otherwise requires:
- 1.2 "**Claims**" means all claims, demands, actions and proceedings, whether civil, criminal or regulatory by way of arbitration, suit, action or in connection with any application otherwise or in which an Indemnified Person is named in his/her capacity as a Member of the Board and "**Claim**" shall be construed accordingly;
- 1.3 "**Indemnified Person**" means an Indemnified Person and that person's successors, heirs, executors, administrators and personal representatives; and
- 1.4 "**Losses**" means any losses, damages, penalties, judgments, liabilities, compensation or other awards, costs, taxes, fees, fines or expenses whatsoever, or any amount paid or other awards, costs, taxes, fees, fines or expenses whatsoever, or any amount paid in settlement thereof, arising in connection with any Claim, whether instigated, imposed or incurred (or, in the case of a settlement, agreed) under the laws of the Cayman Islands or the law of any other jurisdiction.

2. INDEMNIFICATION

- 2.1 The Cabinet shall, to the fullest extent permitted by law and without prejudice to any other indemnity to which an Indemnified Person may otherwise be entitled, indemnify and hold the Indemnified Persons harmless on demand in respect of all Claims and Losses arising out of, or in connection with actual or purported exercise of, or failure to exercise, any of the Indemnified Persons' powers, duties or responsibilities relating to anti-money laundering supervision as a member of the board of directors of the Cayman Islands Legal Practitioners Association Ltd. or the board of the Cayman Attorneys Regulation Authority; PROVIDED THAT the Indemnified Person acted in good faith.
- 2.2 Each Indemnified Person shall be entitled to the rights of indemnification provided in this Deed if such Indemnified Person was or is a party or witness or is threatened to be made party or witness to any threatened, pending or completed Claim.
- 2.3 The termination of any proceeding by judgment, order of court, settlement, conviction or on plea of *nolo contendere*, or its equivalent, shall not of itself, create a presumption that the Indemnified Person did not act in good faith.
- 2.4 Subject to clause 2.7 and without prejudice to clause 2.5 and to the generality of the indemnity set out in clause 2.1 of this Deed, the Cabinet shall, to the fullest extent permitted by law, indemnify and hold the Indemnified Person harmless on an "as incurred" basis against all legal and other costs, charges or expenses reasonably incurred in defending or resisting Claims.
- 2.5 The indemnity contained in clause 2.1 shall extend to oblige the Cabinet, within 28 business days of any written demand, first to advance to the Indemnified Person the full amount of all costs or expenses (not limited to legal costs, expenses and/or disbursements) anticipated by the Indemnified Person to be incurred by such Indemnified Person in defence of, or otherwise in connection with, any Claim commenced against him/her in any jurisdiction arising out of or in any way connected with this Deed and secondly to provide all such further advances as are necessary to cover any such further anticipated costs or expenses within 28 business days of any further written demand being made therefore.
- 2.6 For the purposes of clause 2.5 and subject to clause 2.7 of this Deed, the Indemnified Person shall, within a reasonable amount of time, notify the Cabinet when an expense has been incurred and shall only be entitled to use advances to satisfy the same to the extent that they have been reasonably incurred.
- 2.7 For the purposes of this Deed, all legal and other costs, charges and expenses will be deemed to be reasonably incurred unless otherwise disputed within 28 business days of notice thereof having been provided by an Indemnified Person to the Cabinet.
- 2.8 An Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he or she may have ceased to be a director or council member of the Cayman Islands Legal Practitioners Association Ltd. or a member of the board of the Cayman Attorneys Regulation Authority.

- 2.9 An Indemnified Person shall keep the Cabinet fully informed of the progress of any Claim, including providing all information in relation to Claims or Losses or any other costs, charges or expenses incurred as the Cabinet may reasonably request.
- 2.10 An Indemnified Person shall not make any admission of liability, agreement or compromise with any person in relation to any Claim without the prior written consent of the Cabinet, such consent not to be unreasonably withheld.
- 2.11 No Indemnified Person shall be liable to the Cabinet for acts, defaults or omissions of any other Indemnified Person.
- 2.12 The indemnity in clause 2.1 if this Deed shall not extend to Claims which arise out of or are attributable to an Indemnified Person's willful misconduct or fraud.
- 2.13 The indemnity in clause 2.1 of this Deed shall be applicable to all Claims made or commenced, whether prior to or after the entry into this Deed, whether arising from acts or omissions occurring before or after the delivery of this Deed.
- 2.14 The benefit of the indemnity in clause 2.1 shall survive the termination of this Deed, howsoever arising.

3. GOVERNING LAW AND JURISDICTION

- 3.1 This Deed shall be governed by, and interpreted in accordance with, laws of the Cayman Islands.
- 3.2 All parties agree that the Courts of the Cayman Islands are to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationship established by this Deed or otherwise arising in connection with this Deed.
- 3.3 A party who is not a party to this Deed shall have no right under any law to enforce any of its terms.
- 3.4 The Indemnified Persons represent that they have had the opportunity to consult with an Attorney and/or have had a reasonable amount of time to review and consider this Deed, and have carefully read and understand the scope and effect of the provisions of this Deed. No party has relied upon any representations or statements made by any other party hereto which are not specifically set forth in this Deed. Each Indemnified Person acknowledges that he/she understands the terms and consequences of this Deed and is fully aware of the legal and binding effect of this Deed.

IN WITNESS WHEREOF this Deed has been sealed, executed and delivered by the Cabinet of the Cayman Islands for and on behalf of the Government of the Cayman Islands the day and year first above written.

THE PUBLIC SEAL of the
Cayman Islands was hereunto
Affixed and this Deed was executed
as a Deed by the Cabinet of the
Cayman Islands for and on behalf of
the Government of the Cayman Islands
in the presence of

The Cabinet of the Cayman Islands for and on behalf of
the Government of the Cayman Islands

Witness Signature
Witness Name:

Witness Signature
Witness Name:

The Indemnified Persons

Witness Signature
Witness Name:

The Indemnified Persons