



APPENDIX B

AMENDMENTS TO THE RULES AND BYE-LAWS OF THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED (UKB), AND TO THE RULES AND ARTICLES OF ASSOCIATION OF THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION(EUROPE) LIMITED (UKE) FOR THE PURPOSE OF RESTRUCTURING THE CLUB.

TO BE CONSIDERED BY THE MEMBERS OF THE ASSOCIATION AT THE SPECIAL GENERAL MEETING OF THE ASSOCIATION TO BE HELD IN BERMUDA ON 22nd JANUARY, 2013

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1A. UKB Rules - Explanatory notes on proposed changes

Foreword

The Foreword has been amended so that it relates to UKB only.

Rule 1. Introduction

Rule 1(10) is deleted as this will no longer be needed following the restructure.

Rule 2. Risks Covered

Rule 2, section 17, proviso D - an obsolete footnote relating to a resolution passed on 22 January 1981 is removed as it is no longer required.

Rule 2, section 22 - a typographical error was corrected.

Rule 14. Membership

Paragraphs E and F - changes are made to correct the language for greater accuracy.

Rule 19. Calls

An amendment to paragraph (i) of Rule 19(A) corrects a typographical error. A logical amendment is made to paragraph (ii) of Rule 19(A) to recognise that UKB's claims, expenses and outgoings will arise mainly from reinsurance business following the restructure.

Rule 22. Overspill Claims, Calls and Guarantees

A cross reference is added to Rule 24 where the definition of 'Catastrophe Reserve' can be found for ease of reference.

Rule 23. Payment

The language is expanded so that the provisions have regard to both Associations. An incorrect cross reference is also corrected.

Rule 26. Investment

The provisions relating to investment of the funds of the Association are shortened and rationalised, as these matters are now governed by a separate detailed written investment policy.

Rule 32. Sums Due

The scope of paragraph A is extended so that set-off is not allowed in respect of funds due or alleged due by either of UKB or UKE.

1B. UKB Rules - Highlighted text of proposed changes

Foreword

The Rules

(Effective on and from noon Greenwich Mean Time on 20th February, 2012).

~~The UK P&I Club is a mutual protection and indemnity association, which operates through two legal entities: The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited and The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.~~

~~In the case of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited~~ These Rules were adopted in accordance with the powers conferred by The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation & Amendment Act 1993 and the Bye-Laws of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, which said Bye-Laws provide for the alteration, abrogation of or addition to the Rules by Resolution of the Association.

~~In the case of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited these Rules were adopted in accordance with the powers conferred by the articles of association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited, which provide for the alteration abrogation of or addition to the Rules by Resolution of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.~~

These Rules shall be the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited ~~and the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited~~ respectively, provided that the latter shall be read subject to and in accordance with the following:

- ~~1~~ References to “the Association” shall be references to The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited save for the references in the definitions of “Directors” and “Member” in Rule 44, where references to the Association shall remain references to The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.
- ~~2~~ References to “the Act” shall be references to the Memorandum of Association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.
- ~~3~~ References to the “Bye-Laws” shall be references to the Articles of Association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.

Foreword (continued)

- ~~4 For the avoidance of doubt for the purpose of Rule 14 no contract of insurance or reinsurance with The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited shall entitle any person to be or become a member of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.~~

The notes to the Rules are for guidance only and do not form part of the Rules.

Rule 1 (continued)

personal injury or death of a seaman, the Association shall discharge or pay such claim on the Owner's behalf directly to such seaman or dependent thereof

PROVIDED ALWAYS that

- i) the seaman or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated,
- ii) subject to (iii) below, the amount payable by the Association shall under no circumstances exceed the amount which the Owner would otherwise have been able to recover from the Association under the Rules and the Owner's terms of entry,
- iii) where the Association is under no liability to the Owner in respect of such claim in accordance with Rule 31(B)(ii)(a) and (d) by reason of cancellation for non-payment of amounts due to the Association, the Association shall nevertheless discharge or pay that claim to the extent only that it arises from an event occurring prior to the date of cancellation, but as agent only of the Owner, and the Owner shall be liable to reimburse the Association for the full amount of such claim.

~~10 The Associations shall, as far as possible and save as provided in the Rules or as the Directors shall in their discretion determine, be run on a unified basis and as one association.~~

Rule 2 (continued)

B Disposing of damaged cargo or sound cargo from a damaged ship

The additional costs (over and above those which would have been incurred by him if the cargo or the entered ship had not been damaged) incurred by the Owner in discharging or disposing of damaged cargo or sound cargo following damage to an entered ship, but only if and to the extent that the Owner has no recourse to recover those costs from any other party.

C Failure of consignee to remove cargo

The liabilities and additional costs (over and above the costs which would have been incurred by him if the cargo had been collected or removed) incurred by an Owner solely by reason of the total failure of a consignee to collect or remove cargo at the port of discharge or place of delivery, but only if and to the extent that such liabilities or costs exceed the proceeds of sale of the cargo and the Owner has no recourse to recover those liabilities or costs from any other party.

D Through or transshipment bills of lading

Liability for loss, shortage, damage or other responsibility in respect of cargo carried by a means of transport other than the entered ship, when the liability arises under a through or transshipment bill of lading, or other form of contract, approved by the managers, providing for carriage partly to be performed by the entered ship.

~~Note: By Resolution passed on 22nd January, 1981, the Directors decided that there shall be no recovery from the Association for loss or damage to cargo carried under Through Bills of Lading from ports in the Rivers Paraguay and Parana, and arising prior to shipment in the entered ship unless the Owner shall have given prior notice of such carriage to the Managers, and have agreed with them special cover on such terms as they may think appropriate.~~

Note: For the purpose of paragraph D, a contract is deemed to be approved if it incorporates the ICC Rules or the internationally accepted conventions such as CMR 1956 (Convention relative au Contrat de transport international de Marchandises par Route), CIM 1980 (Les règles uniformes concernant le Contrat de transport International ferroviaire de Marchandises), or the Warsaw Convention 1929 or 1955, as appropriate.

PROVIDED ALWAYS that:

a) Standard Terms of Contracts of Carriage

Unless and to the extent that the Directors in their discretion otherwise decide, or special cover has been agreed in writing by the Managers, there shall be no recovery from the Association in respect of liabilities which would not have been incurred or sums which would not have been payable by the Owner if the cargo (including cargo on deck) had been carried under a contract incorporating terms no less favourable to the Owner than the Association's recommended standard terms of carriage which shall be the Hague Visby Rules and/or such other rules and/or conventions as the Directors may from time to time determine.

Rule 2 (continued)

or amended by the Protocol of 1978 and any subsequent Protocol, or such of those aforesaid provisions as are contained in the laws of any State giving effect to that Convention or to such Protocol.

F Any fine to the extent that

- (i) the Owner has satisfied the Directors that he took such steps as appear to the Directors to be reasonable to avoid the event giving rise to such fine and
- (ii) the Directors in their discretion and without having to give any reasons for their decision, decide that the Owner should recover.

G Notwithstanding the terms of Rule 5(G)(i), the Directors in their discretion may authorise the payment, in whole or in part, of an Owner's claim for loss of an entered ship following confiscation of the ship by any legally empowered court, tribunal or authority by reason of the infringement of any customs law or customs regulation:

PROVIDED ALWAYS that:

- a) the amount recoverable from the Association shall under no circumstances exceed the market value of the ship without commitment at the date of the confiscation;
- b) the Owner shall have satisfied the Directors that he took such steps as appear to the Directors to be reasonable to prevent the infringement of the customs law or regulation giving rise to the confiscation;
- c) any amount claimed under this paragraph (G) of Section 22 shall be recoverable to such extent only as the Directors in their discretion may determine without having to give any reasons for their decision.

Note: Claims relating to oil pollution fines under this Section 22 will be subject to the limitation set out in Rule 5(B) and in the corresponding note.

Section 23 **Enquiry expenses**

Costs and expenses incurred by an Owner in defending himself or in protecting his interests before a formal enquiry into the loss of or into a casualty involving the entered ship but only to the extent and on such conditions as the Directors in their discretion may determine.

Section 24 **Expenses incidental to the operation of ships**

Liabilities, costs and expenses incidental to the business of owning, operating or managing ships which in the opinion of the Directors fall within the scope of the Association;

PROVIDED ALWAYS that:

- a) Subject to paragraph (b) of this proviso there shall be no recovery under

Membership

- A If the Association accepts an application from an Owner who is not already a Member for a ship to be entered on terms that Calls are payable to the Association ("Call Entries"), then such Owner shall, as from the date of the acceptance of such entry, be and become a Member and his name shall be entered in the register of Members.
- B If the Association accepts an application from an Owner for a ship to be entered on terms that a fixed premium is payable to the Association ("Fixed Premium Entries"), the Managers may in their discretion decide either that the Owner is to be or that he is not to be a Member and they may accept the application on either basis.
- C Whenever the Association agrees to accept the reinsurance of any risks in accordance with Rule 13 (A) the Managers may in their discretion decide that the insurer reinsured by the Association and/or the Owner insured by such insurer is to be a Member or that neither of them is to be a Member and they may accept the application on any such basis.
- D An Owner shall cease to be a Member if for any reason whatsoever the period of insurance shall have terminated in respect of all ships entered in the Associations in his name. Whenever the period of any reinsurance shall have terminated the insurer reinsured by the Association and the Owner insured by such insurer, if previously a Member, shall cease to be one.
- E Any Owner who is or becomes a Member shall be and remain a member of The United Kingdom Mutual Steam Ship Assurance Association (Isle of Man) Limited ("the IOM Company") (or its successors or assigns) subject always to the provisions of the memorandum and articles (or equivalent) of the Association IOM Company (or the constitutional documentation of any successor or assign) from time to time in force. It is a condition of membership of the Association and of acceptance of any application for membership of the Association that the aforesaid terms apply.
- F In the event that the Directors determine, in their discretion, that for the protection and security of the Association's undertaking and property and the interests of the Members ~~of the Association~~ against loss, damage or injury, the Association transfers its funds and business to the IOM Company, of which the Owner is also a member under Rule 14E, then any certificate of entry present and in force, issued to each Owner shall be transferred, assigned and conveyed to the IOM Company immediately whereupon the IOM Company shall provide the same coverage afforded under the applicable certificate of entry on the same terms and conditions as the certificate of entry present and in force issued by the Association. Entry of the ship with the IOM Company shall be on the same terms and conditions as entry with the Association.

Rule 19

Calls

- A The Owners who have entered ships for insurance in the Association in respect of any policy year (not being a policy year closed in accordance with Rule 25) otherwise than on terms that a fixed premium shall be payable in respect of such ship, shall provide by way of Calls to be levied from such Owners all funds which in the opinion of the Directors are required:
- i To meet such of the general expenses of the Associations (or any of them) as the Directors may from time to time think fit to charge against the insurance business of the Associations in respect of such policy year;
 - ii To meet the claims, expenses and outgoings (whether incurred, accrued or anticipated) of the insurance and/or reinsurance business of the Associations (or any of them) in respect of such policy year (including, without prejudice to the generality of the foregoing, any such excess of the claims and other outgoings in respect of fixed premium entries over the premiums payable to the Associations (or any of them) in respect thereof as the Directors may charge to such policy year, and any proportion of any claims, expenses or outgoings of any insurer other than the Associations which has fallen or which may be thought likely to fall upon the Associations (or any of them) by virtue of any reinsurance or pooling agreement concluded between the Associations (or any of them) and such other insurer);
 - iii For such transfers to the contingency account, catastrophe or other reserves of the Associations (or any of them) (as referred to in Rule 24) and for subsequent application for the purposes of such reserves or otherwise as the Directors may think expedient;
 - iv For such transfers as the Directors may think proper to meet any deficiency which has occurred or may be thought likely to occur in any closed policy year or years of the Associations (or any of them).
- B The said Calls shall be levied by means of Mutual Premium, Supplementary Premium and Overspill Calls in accordance with the provisions of Rules 20 to 22.

Rule 22 (continued)

- C In evidencing the matters referred to in sub-paragraph (B)(ii) above the Association shall be required to show that:
- i it has levied Overspill Calls in respect of the Overspill Claim referred to in paragraph (A) of this Section on all Owners entered in the Association on the Overspill Claim Date in accordance with and in the maximum amounts permitted under Section 5 of this Rule 22; and
 - ii it has levied those Overspill Calls in a timely manner, has not released or otherwise waived an Owner's obligation to pay those calls and has taken all reasonable steps to recover those calls.

Section 3

Payment of overspill claims

- A The funds required to pay any Overspill Claim incurred by the Association shall be provided:
- i from such sums as the Association is able to recover from the other parties to the Pooling Agreement as their contributions to the Overspill Claim, and
 - ii from such sums as the Association is able to recover from any special insurance which may, in the discretion of the Association, have been effected to protect the Association against the risk of payments of Overspill Claims, and
 - iii from such proportion of any sums standing to the credit of the Catastrophe Reserve (as defined in Rule 24) of the Associations (or any of them) as the Directors in their discretion decide, and
 - iv by levying one or more Overspill Calls in accordance with Section 5 of this Rule, irrespective of whether the Association has sought to recover or has recovered all or any of the sums referred to in sub-paragraph (ii) above but provided the Association shall first have made a determination in accordance with sub-paragraph (iii) above, and
 - v from any interest accruing to the Association on any funds provided as aforesaid.
- B The funds required to pay such proportion of any Overspill Claim incurred by any other party to the Pooling Agreement which the Association is liable to contribute under the terms of the Pooling Agreement shall be provided in the manner specified in sub-paragraphs (A)(ii) – (v) of this Section.
- C To the extent that the Association intends to provide funds required to pay any Overspill Claim incurred by it in the manner specified in sub-paragraph (A)(iv) of this Section, the Association shall only be required to pay such Overspill Claim as and when such funds are received by it, provided that it can show from time to time that, in seeking to collect such funds, it has taken the steps referred to in paragraph (C) of Section 2 of this Rule 22.

Rule 23

Payment

- A Every Call (Mutual Premium, Supplementary Premium or Overspill Call) shall be payable at such rate and, save as otherwise agreed in writing by the Managers, in such instalments and on such dates as the Directors may specify.
- B As soon as reasonably practical after the rate of any Call (Mutual Premium, Supplementary Premium or Overspill Call) shall have been so fixed the Managers shall notify each Owner concerned:
 - i Of such rate;
 - ii Of the date on which the Call concerned is payable or, if such Call is payable by instalments, of the amounts of such instalments and the respective dates on which they are payable;
 - iii Of the amount payable by such Owner in respect of each ship entered by him;
 - iv If such Call is payable by such Owner in any currency other than U.S. Dollars, of such fact.
- C The Managers may require any Owner to pay all or any part of any Call payable by him in such currency or currencies as the Managers may specify.
- D No claim of any kind whatsoever by an Owner against **any of the Associations** shall constitute any set-off against the Calls, fixed premiums or other sums of whatsoever nature due to the **Associations** or shall entitle an Owner to withhold or delay payment of any such sum.
- E Without prejudice to the rights and remedies of the Association under these Rules and in particular Rules 29 to 33 inclusive, if any Call or instalment or part thereof or any other sum of whatsoever nature (including, without prejudice to the generality of the foregoing, any fixed premium and any amount due pursuant to Rules 30 or 33 and any part thereof) due from any Owner is not paid by such Owner on or before the date specified for payment thereof, such Owner shall pay interest on the amount not so paid from and including the date so specified down to the date of payment at such rate as the Directors may from time to time determine, but the Directors may waive payment of such interest in whole or in part.
- F The Association shall have a lien or other right of action against any ship entered by the Owner in respect of any sum of whatsoever nature owed by him to **any of the Associations**, notwithstanding that the cover of the Owner or in respect of any ship entered by him may have ceased or been terminated or cancelled.
- G If any Call or other payment due from an Owner to **any of the Associations** is not paid and if the Directors decide that payment cannot be obtained, the sums required to make good any resulting shortfall or deficiency in the funds of the **Associations** shall be deemed to be expenses of the **Associations**

Rule 23 (continued)

for which, as the Directors may decide, Calls may be levied in accordance with Rule ~~20~~-19 (or, if the shortfall or deficiency is in respect of an Overspill Call under Rule 22, Section 5, a further Overspill Call under that Rule), or the reserves may be applied in accordance with Rules 24 and 25.

- H An Owner shall pay on demand to the Association or its order the amount of any premium tax or other tax levied on or in connection with the insurance or reinsurance provided by the Association to the Owner which the Association determines it or the Owner has or may become liable, and shall indemnify the Association and hold it harmless in respect of any loss, damage, liability, cost or expense which the Association may incur in respect of such premium tax or other similar tax.

Rule 26

Investment

- A The funds of the Association may ~~(subject to the general supervision of the Directors)~~ be invested ~~by the Managers by means of the purchase of such stocks, shares, bonds, debentures or other securities or the purchase of such currencies, commodities, or other real or personal property, or by means of being deposited in such accounts as the Managers~~ **Directors (or the Managers subject to the supervision of the Directors)** may think fit. ~~The funds of the Association may also be invested by such other method as the Directors may approve.~~
- B Unless the Directors otherwise decide, all the funds standing to the credit of any policy year or of any reserve or account shall be pooled and invested as one fund.
- C When funds are pooled as provided in paragraph (B) above, the investment income arising on the pooled funds ~~(taking into account any capital gains or losses)~~ shall be apportioned among and between the different policy years, reserves and accounts ~~from which the fund or funds, so invested, originated, in such manner as to ensure so far as possible that each is credited with a proportion of such income corresponding to the proportion which the amount standing to the credit of the policy year, reserve or account over the period during which the income arose bears to the total of the pooled funds over the same period.~~ **as the Directors may think fit.**
- ~~D- Without prejudice to paragraph (C) of this Rule, the Directors may direct that after the closing of any policy year that year shall not be credited with any share of the apportionments made under that paragraph and that its share shall instead be credited to any reserve or account maintained by the Association.~~

Sums Due to the Association for the Purpose of Application of the Rules on Cancellation

- A For the purpose of determining whether any (and, if so, what) sum is due for the purposes of Rule 31 (A) or otherwise under these Rules no account shall be taken of any amount due or alleged to be due by the Associations to the Owner on any ground whatever, and no set-off of any kind (including set-off which might otherwise have arisen by reason of the bankruptcy or winding up of the Owner) shall be allowed against such sum (whether or not any set-off against contributions has been allowed at any time in the past), except to the extent (if any) to which any sum demanded by the Managers as due, and required to be paid in a notice served under the said sub-paragraph, may (in the Managers' discretion) in itself have already allowed for a set-off or credit in favour of the Owner.
- B Without prejudice to the generality of Rule 39 no act, omission, course of dealing, forbearance, delay or indulgence of any kind by or on behalf of the Association nor the granting of time, nor the acceptance by the Association (whether express or implied) of liability for, or the recognition of, any claim, and whether occurring before or after any date of cessation or date of cancellation as hereinbefore referred to shall derogate from the effect of Rules 28 to 33 inclusive or be treated as any waiver of any of the Association's rights thereunder.

2A. UKB Bye-Laws - Explanatory notes on proposed changes

Bye-Law 1. Interpretation

Logical amendments have been made to definitions in Bye-Law 1 to recognise the insurance role of UKE.

The Bye-Laws contain references to the Rules. These are to be defined as the Rules of UKE and where appropriate provide for an alternate reference to “rules governing the terms of any insurance provided by the Company” in order to allow UKB to retain its ability to insure Owners if there is a business requirement to do so.

The definition of ‘Owner’ contains a reference to ‘the Association’ which is not a defined term. It is proposed to replace this reference with a reference to ‘the Company’ which is a defined term.

Bye-Law 3. Membership

A paragraph on membership fee has been added that would allow the Directors to determine from time to time that every Member shall in respect of any period in which it is a Member pay to the Company a membership fee. It is not anticipated that the Directors will need to levy such a membership fee regularly, or even at all, but if it were ever necessary to recapitalise the Club the option to levy a membership fee would allow UKB to be recapitalised without monies passing through UKE.

Bye-Law 4B. Cesser of Membership

The language is widened to include a reference to monies owed to UKE.

Bye-Law 11B. Voting at meeting of members

The references to ‘Association’ have been replaced with references to ‘Company’ in accordance with Bye-Law 1 (Interpretation).

Bye-Law 12C. Voting at meeting of members

The language in relation to the calculation of poll votes is amended to include reference to ships entered with either UKE or UKB.

Bye-Law 14A. Directors

The language in relation to the qualifications to be a director of UKB has been amended to include reference to persons with ships entered with either UKE or UKB.

Bye-Law 14C. Directors

The language in relation to categories of person who may send a notice to the company proposing a retiring director for re-election have been amended to include reference to members who have ships entered with either UKE or UKB.

Bye-Law 17. Directors

The amendment to this Bye-Law allows the Directors to delegate their powers to committees consisting of two or more Directors and such other persons not being Directors as the Directors may think appropriate. This allows UKB a flexibility which previously existed only in relation to the Audit Committee.

Bye-Law 19. Directors

The existing provisions regarding conflicts of interest are deleted and replaced by updated provisions, based on language provided by UKB’s Bermudian lawyers, Appleby, to reflect modern corporate practice which allows a director to vote and count in a quorum where he has declared any conflict of interest.

Bye-Law 25. Directors

Existing provisions for the Directors to take decisions by unanimous written resolutions are amended so that they may be passed by a majority of three-quarters of the Directors. This provides UKB with extra flexibility and aligns the Bye-Laws with similar new provisions in UKE's Articles of Association.

Bye-Law 49. Notices

The reference to 'Association' is replaced by a reference to 'Company' in accordance with the Bye-Law 1 (Interpretation).

Bye-law 53, paragraph D. Indemnity

The proposed amendment will allow any person who serves on any committee of any subsidiary company of UK (Bermuda) to receive the benefit of the indemnity provided by UKB under this Bye-Law.

2B. UKB Bye-Laws - Highlighted text of proposed changes

Bye-laws

Interpretation

- 1 In these Bye-Laws the following expressions shall where the context so admits have the following respective meanings:—

“The Acts” means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company, and includes The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation and Amendment Act 1993.

“The Company” means The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.

“The Companies” means The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited and The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited

“Register of Members” means the Register of Members for the time being maintained by the Company.

“The Rules” means the Rules from time to time in force governing the conduct of the whole or any part of **as relevant and/or applicable** the business of the Company **and/or the business of UK Europe**.

“Board” means the Board of Directors of the Company.

“The Directors” means the members of the Board for the time being.

“Chairman” means the Chairman of the Board.

“President” “Vice-President” “Secretary” and “Treasurer” mean, respectively, only the officers of the Company having such titles.

“The Managers” means the Managers for the time being of the Company.

“Ship” (in the context of a ship entered or proposed to be entered in **either of the Companies**) means ship, boat or hovercraft or any other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any proportion of the tonnage thereof or any share therein.

“Tonnage” means the gross tonnage of a ship as certified in the Certificate of Registry of such ship or in any other official document relating to the registration of such ship.

“Entered Tonnage” means the tonnage figure recorded as entered tonnage in the certificate of entry of an entered ship

“Ton” means the unit of tonnage.

“Insurance” means any insurance or reinsurance.

“Owner” in relation to an entered ship means owners, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator or builder of such ship and any other person (not being an insurer reinsured under Rule 13) named in the certificate of entry or endorsement slip, by or on whose behalf the same has been entered in ~~the Association~~ **either of the Companies** whether he be a member of the ~~Association~~ **Company** or not.

“Reserves” means the Reserve Fund established and maintained in accordance with the provisions of the Acts and such other reserves as the Directors may from time to time decide to establish and maintain.

“The Seal” means the Common Seal of the Company.

“Year” means calendar year unless otherwise specifically stated.

“Month” means calendar month.

“Notice” means written notice unless otherwise specifically stated.

“May” shall be construed as permissive.

“Shall” shall be construed as imperative.

“UK Europe” means **The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.**

Words importing only the singular number shall also include the plural number and vice versa. Words importing only the masculine gender shall also include the feminine and neuter genders. Words importing persons shall also include companies or associations or bodies of persons whether corporate or unincorporated .

“Electronic communication” means the same as in the Electronic Transactions Act 1999 (and includes for the avoidance of doubt e-mail.)

“In writing” and **“written”** means visibly expressed in any mode of permanently representing or reproducing words, including telegram, facsimile transmission (fax) and other electronic communication.

“These Islands” means the Islands of Bermuda.

Words and expressions shall (a) bear the same meaning as in The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation and Amendment Act 1993 or any statutory modification thereof in force for the time being and (b) to the extent consistent with that Act and any modification thereof in force for the time being bear the same meaning as in the Rules.

Bye-laws

Membership

- 2 The Company shall consist of an unlimited number of members.
- 3 A Every Owner who has a ship entered for insurance in either of the Companies, whether in the name of the Owner or by way of reinsurance, and every insurer reinsured by either of the Companies, shall, provided the name of such Owner (or as the case may be such insurer) is entered in the Register of Members and subject to the proviso to paragraph (B) of this Bye-Law, be a member of the Company.
 - B Subject to the proviso to this paragraph, any owner who desires to enter a ship for insurance in either of the Companies, and any Owner whose ship is the subject or part of the subject of an application by an insurer for reinsurance by either of the Companies and any insurer who applies for reinsurance by either of the Companies shall, if he is not already a member of the Company, be deemed in applying for such entry or reinsurance to have agreed that if such entry or reinsurance is accepted he will thereupon become and be a member of the Company in accordance with these Bye-Laws;
PROVIDED ALWAYS that subject to the Rules
 - a) The Managers shall have the right to require that acceptance of an application from an Owner shall be upon terms that such Owner shall not be or become a member of the Company, and
 - b) Unless otherwise agreed in writing by the Managers no insurer who applies for reinsurance by either of the Companies and no Owner whose ship is the subject or part of the subject of such application for reinsurance shall be or become a member of the Company, but in any event the insurance of every Owner and the reinsurance of every insurer shall be subject to the Acts, to these Bye-Laws and to the Rules whether or not such Owner or insurer be a member of the Company.
 - C Every Director of the Company whilst holding that office shall be a member of the Company and his name shall be entered in the Register of Members.
 - D Membership shall not be transferable or transmissible.
 - E The Register of Members shall be open to inspection by any officer of a member in person on payment of any expenses incurred. A member is not entitled to make copies of any entry in the Register.
 - F Every member shall in respect of any period during which it is a member pay to the Company such membership fee as the Directors may determine from time to time.

Cesser of membership

- 4 A A member shall *ipso facto* cease to be a member:-
- i If being a member in his capacity as a Director and not otherwise, he shall cease to be a Director;
 - ii If, being an individual, he shall die or a receiving order shall be made against him or he shall make any arrangement or composition with his creditors generally;
 - iii If, being an individual, he become incapable by reason of mental disorder of managing and administering his property and affairs;
 - iv If, being a corporation, it be wound up or dissolved;
 - v If, not being a member in his capacity as a Director, he shall cease to have any ship entered for insurance in either of the Companies, whether the entry be in his name or by way of reinsurance.
 - vi If, being an insurer reinsured by the Company, he shall cease to be reinsured by either of the Companies.
- B A member who ceases to be a member and his estate, personal representatives, trustees in bankruptcy, receiver or other person authorised to act on behalf of a member who becomes incapable by reason of mental disorder of managing his property and affairs or liquidator as the case may require shall, notwithstanding such cesser, be and remain liable to pay to the Company all moneys which under these Bye-Laws or the Rules such member would, had he not ceased to be a member, have been liable to pay to the Company **and/or UK Europe** in respect of the period down to and including the 20th February next after the date of such cesser.

Meeting of members

- 5 A general meeting of the members of the Company shall be held at least once in every year either in these Islands or elsewhere at a time and place to be fixed from time to time by the Board.
- 6 Notice of each annual general meeting of the Company shall be given by an officer of the Company in writing to each member entitled to receive notice and to attend and vote at general meetings. All such notices shall be sent not less than five business days before the meeting convenes, stating the date, time, place and objects and that the election of Directors will take place thereat.
- PROVIDED ALWAYS that only members:-
- a) who are members by reason of their position as Directors of the Company; or
 - b) who are entered in the Register of Members at least sixty days prior to the date of any general meeting of the Company shall be entitled to receive notice of and attend and vote (either in person or by proxy) at such meeting and all references in these Bye-Laws to the rights and obligations of members in respect of general meetings shall be construed accordingly.

Bye-laws

- 7 The Board or any two members thereof or the President may convene a special general meeting of the members upon at least five business days' notice in writing to each member. Such notice shall state the date, time, place and objects of such meeting, which may be held either in these Islands or elsewhere.
- 8 The chairman of a general meeting of the members or of a meeting of the Board or of a meeting of a committee of the Directors may, provided that a quorum is present, with the consent of a majority of those present and if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

Votings at meetings of members

- 9 Five members of the Company present in person or by proxy shall constitute a quorum at any general meeting of the members.
- 10 A Where an appointment is made in writing (but not by electronic communication) the instrument appointing the proxy shall be signed under the hand of the appointor or his attorney or, if such appointor is a corporation, the proxy shall be executed on behalf of the corporation by one of its officers.
 - B Where an appointment is made by electronic communication it shall be subject to such procedure for verifying appointments made in this manner as the Board shall from time to time specify; provided however, that if the Board has not specified any such procedure for verifying appointments made in this manner, no appointment may be made by electronic communication.
 - C The instrument appointing a proxy shall, subject always to Bye-Law 52 hereof, be in the form in the schedule annexed hereto. A person appointed a proxy need not be a member.
- 11 A Where an appointment is made by an instrument in writing (but not by an electronic communication) the instrument appointing a proxy shall be left with the Secretary not less than twelve hours before the holding of the meeting or adjourned meeting, as the case may be, at which the person named in such instrument proposes to vote.
 - B Where an appointment is contained in an electronic communication and an address has been specified for the purpose of receiving electronic communications
 - i in the notice convening the meeting, or
 - ii in any instrument of proxy sent out by the ~~Association~~ **Company** in relation to the meeting, or

iii in any invitation contained in an electronic communication to appoint a proxy issued by the ~~Association~~ **Company** in relation to the meeting, the electronic communication shall be received at such address not less than twelve hours before the commencement of the meeting or adjourned meeting at which the person named in such appointment proposes to vote. In relation to electronic communications 'address' includes any number or address used for the purpose of such communications.

- 12 A All questions proposed for consideration by the members at any general meeting of the Company shall be determined by a majority of votes of those present or represented by proxy. All such questions shall be decided by a show of hands, unless a poll is demanded by the chairman of the meeting or by at least five of the members present or represented by proxy. At any general meeting, unless the matter is determined by a poll, a declaration by the chairman of that meeting that a resolution has been carried and an entry made to that effect in the minutes of the meeting shall be sufficient evidence of the fact. In the case of an equality of votes, the chairman shall have a second or casting vote.
- B Any ballot for the election of Directors pursuant to Bye-Law 14(C)(iii) shall be conducted in such manner and at such time as the Directors may from time to time decide and may be by means of a postal ballot or otherwise provided that on such ballot a member shall not vote for more candidates than there are vacancies and in respect of each candidate for whom he votes he shall be entitled to the same number of votes which he would have had on a poll. The result of such ballot shall be announced and be deemed to be an integral part of a general meeting of the Company.
- C
- i Every member shall, on a show of hands, have one vote.
 - ii On a poll members shall have the vote or votes specified in sub paragraphs (a) to (c) below, and shall be entitled to cast votes under more than one of those sub-paragraphs if qualified to do so:
 - a) A Director who is a member by virtue of Bye-Law 3(C), in his capacity as member – one vote.
 - b) A member in whose name a ship or ships is or are entered for insurance in **either of the Companies** on terms that such member is liable to pay a fixed premium to **either of the Companies** in respect of such ship or ships – one vote.
 - c) A member in whose name a ship or ships is or are entered for insurance in **either of the Companies** on terms that such member is liable to pay calls (as defined in the Rules) to **either of the Companies**
 - i For each ship whose entered tonnage is 1500 tons or more – one vote;
 - ii For other such ships each of whose entered tonnage is less than 1500 tons—one vote only, irrespective of the number of those other ships.

Bye-laws

PROVIDED ALWAYS that:

An insurer reinsured by either of the Companies shall not in any event be entitled to a vote under any of the sub-sections of this paragraph.

- D Where a number of persons are members of the Companies by virtue of their having jointly entered the same ship for insurance in either of the Companies, then only one member shall be entitled to receive notice of and to attend and vote (by reason of the ownership of that ship) either in person or by proxy at any general meeting of the Company and, in the absence of agreement between those members, the member first named in the relevant certificate of entry shall be the one entitled to notice and to attend and vote either in person or by proxy.

Directors

13 The number of Directors shall be not less than ten nor more than thirty-five as the members may from time to time determine.

14 A Any person who has not attained the age of seventy shall be eligible to be appointed, elected or re-elected a Director if he is either (a) ordinarily resident in these Islands or (b) the owner or agent or a director of, or employed in an executive capacity by, a corporation which is the owner or agent of a ship or ships entered for insurance in either of the Companies to the extent of not less than 10,000 entered tons.

B No Manager and no employee of any Manager shall be eligible to be appointed or elected as a Director.

C i At each annual general meeting those Directors who have been in office for three years since their last election or re-election shall retire from office. For the purpose of this Bye-Law, "year" means a period from one annual general meeting of the Company to the next annual general meeting.

ii A Director retiring in accordance with Bye-Law 14(C)(i) and qualified to hold office under Bye-Law 14(A) shall be eligible for re-election.

iii The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a qualified person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost. If there shall be more candidates than vacancies for any office(s) of Director, then the persons to be elected shall be selected by ballot conducted in accordance with the provisions of Bye-Law 12(B).

iv No person other than a Director retiring at the meeting shall be eligible for election to the office of Director at any general meeting unless not later than 30th June in the year in which such general

meeting is held there shall have been delivered to the registered office of the Company:

- a) notice in writing signed by at least five members none of whom has any commercial, proprietary or business interests in any ship entered for insurance in either of the Companies by or on behalf of any of the other members whose names appear in the said notice, and each of whom is duly qualified to attend and vote at such meeting, of their intention to propose such person for election; and
 - b) notice in writing signed by that person of his willingness to be elected.
- v The Directors shall have power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board of Directors, and the continuing Directors may act, notwithstanding any vacancy in their number provided that in the event that the number of continuing Directors has been reduced below the number of ten the continuing Directors must immediately appoint a sufficient number of persons to restore the number of continuing Directors to a minimum of ten. Any Director so appointed shall hold office only until the next following annual general meeting, and, provided always that he is qualified to hold office under Bye-Law 14(A), shall then be eligible for re-election.

15 A The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and incorporating the Company, and who, in addition to the powers and authorities by these Bye-Laws or the Rules or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of any statute and of these Bye-Laws and the Rules. Subject to the provisions of these Bye-Laws the business of the Company shall be conducted in accordance with Rules from time to time adopted by the Company in general meeting which may at any time be altered, abrogated or added to by the Company in general meeting.

B Without prejudice to the generality of the foregoing the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures or other securities.

16 The Directors shall exercise a general supervision over the affairs of the Company and without limitation of the foregoing they shall be responsible for the correct keeping of the books and for the safekeeping of all moneys and securities of the Company and shall submit their books, accounts and vouchers to the auditor whenever required so to do and shall furnish such information and explanations to the auditor as may be necessary for the performance of his duties.

Bye-laws

17 The Directors may delegate any of their powers to committees consisting of two or more of the Directors, ~~or to an Audit Committee consisting of and~~ such ~~Directors or~~ other persons (not being Directors) as the Directors may think appropriate, but every such committee, ~~including any Audit Committee,~~ shall conform to such directions as the Directors shall impose on it.

18 The Directors may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules vested in the Directors as they may think fit and such powers, duties or discretions may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as the Directors may determine and the Directors may at any time revoke such delegation: Provided that nothing hereinbefore in this Bye-Law contained shall entitle the Directors to delegate to the Managers any of the powers, duties or discretions of the Directors:-

- A Which are required by law to be exercised by the Directors personally, or
- B Which relate to general meetings of the proceedings thereat, or
- C Which are conferred by Bye-Laws 15(B) or 20, or
- D Which relate to meetings of the Directors or committees of the Directors or the proceedings thereat, or
- E Which relate to the appointment of Managers or the Secretary, or
- F Which relate to the Seal, Reserves, accounts or notices of general meetings; And so that:-
 - i The Directors may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid, and
 - ii Nothing hereinbefore in this Bye-Law contained and no such delegation as aforesaid shall constitute the Managers directors of the Company.

~~19 A Director shall not as a Director vote, nor shall he be counted in the quorum present upon a motion, in respect of any contract, matter or arrangement which he shall make with the Company or in which he is so interested as aforesaid and, if he do so vote his vote shall not be counted.~~

19 A A Director may hold any other office or position of profit with the Company or any body corporate in which the Company is interested (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

- B A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- C Subject to the provisions of the Acts and the Rules, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares (or otherwise conferred) in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- D So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.
- E Subject to the Acts and the Rules and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.
- F Subject to the provisions of the Rules, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Acts and these Bye-Laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.
- 20 The remuneration of the Directors shall be such sum (if any) as shall from time to time be voted to them by the Company in general meeting, and any such sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the Directors as they shall resolve or, failing such resolution, equally. The Directors' remuneration shall be deemed to accrue *de die in diem*.

Bye-laws

- 21 The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or of committees of the Directors or of general meetings of the Company or otherwise in connection with the business of the Company.
- 22 The quorum necessary for the transaction of the business of the Board shall be two. Any Director or member of a committee of Directors may participate in a meeting of the Directors or of such committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to communicate with and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall, unless otherwise agreed by the participants, be deemed to take place where the largest group of those participating is assembled or, if there is no such group, at the place where the chairman of the meeting is participating.
- 23 Questions arising at any meeting of the Directors shall be decided by a majority of those present and entitled to vote. In the case of an equality of votes the chairman shall have a second or casting vote.
- 24 The Secretary on the requisition of any Director shall and a Director may, at any time summon a meeting of the Directors. Notice of meetings of the Directors may be by telephone or otherwise.
- 25 A resolution in writing signed, or otherwise approved by **all three-quarters** of the Directors shall be as valid and effectual as if it had been passed by a meeting of the Board duly called and constituted.
- 26 A The office of Director shall immediately be vacated if the Director:-
i Ceases to be eligible for appointment, election or re-election as provided in Bye-Law 14 or
ii Resigns his office by notice in writing to the Company.
- B Subject to any provisions to the contrary contained in the Acts the members may at any special or annual general meeting convened and held in accordance with the Bye-Laws remove a Director. The notice of any such meeting shall contain a statement of the intention so to do and at any such meeting such Director shall be entitled to be heard on the matter of his removal. Nothing in this Bye-Law shall have the effect of depriving any person of any compensation or damages which may be payable to him in respect to the termination of his appointment as a Director of the Company or of any other appointment with the Company. A vacancy upon the Board created by the removal of a Director under the provisions of this Bye-Law may be filled by election of the members at the meeting at which such Director is removed and, in the absence of such election, there shall be deemed to be a vacancy which may be filled in accordance with the provisions of Bye-Law 14(C)(v).

Bye-laws

Notices

47 Except as otherwise prescribed in the Acts, these Bye-Laws or the Rules, a notice or other document may be served by the Company on any member either by sending it by courier or through the post in a prepaid letter or by sending it by telegram, cable, radio telegraph, facsimile transmission (fax), or electronic communication, addressed to such member:

- i at the address which shall have been expressly furnished by him to the Company as the address at which notices from the Company may be served upon him (including, for electronic communication, any address furnished for that purpose); or
- ii if no such address shall have been furnished, at his address as appearing in the Register of Members.

48 A Any notice or other document if sent by courier or by post shall be deemed to have been served on the day following the day on which it was handed to the courier or put into the post, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and handed to the courier or stamped and put into the post.

B Any notice or other document if sent by telegram, cable, radio telegraph, facsimile transmission (fax) or electronic communication shall be deemed to have been served on the day on which it was transmitted.

49 Nothing in these Bye-Laws shall require the ~~Association~~ **Company** to accept any electronic communication (including any proxy):

- i other than at the address supplied by the ~~Association~~ **Company** for the purpose;
- ii found or suspected to contain a computer virus or to be otherwise contaminated;
- iii other than in compliance with any verification procedure applied by the ~~Association~~ **Company** from time to time, and, for the avoidance of doubt, if no verification procedure has been adopted by the ~~Association~~ **Company**, the ~~Association~~ **Company** shall not be required to accept any electronic communication for any purpose under these Bye-Laws.

Seal

50 The Directors shall provide for the safe custody of the Seal, which shall only be used by authority of the Board or of any committee of the Directors authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director or the Secretary or by some other person appointed by the Board for the purpose. Any document required to be executed as a deed on behalf of the Company may be signed or executed by any person authorised by the Board for that purpose, without the use of the Seal.

Bye-laws

D ~~The indemnity provided to Directors, other officers of the Company, any member of a committee duly constituted under these Bye-Laws and the Managers~~ in paragraphs (A) and (B) of this Bye-Law shall be extended to the directors, other officers, **committee members** and managers of any subsidiary companies wholly owned or controlled by the Company.

54 No person specified in Bye-Law 53 shall be liable for the acts, receipts, neglects or defaults of any other such person, or for joining in any receipt or other act for conformity, or for any loss or expense happening to or incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company may be or have been invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are or have been deposited, or for any loss occasioned by any error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which happens in relation to the Company or any subsidiary thereof.

PROVIDED ALWAYS that:

The exemption of liability contained in this Bye-Law shall not extend to any matter which would render it void at law.

55 The indemnification and exemption of liability provided by, or granted pursuant to, these Bye-Laws shall, unless otherwise provided when authorised or ratified, continue as to a person who has ceased to hold the position for which he is entitled to be indemnified or exempted from liability and shall inure to the benefit of the heirs, executors and administrators of such a person.

3A. UAE Rules -Explanatory notes on proposed changes

Foreword

The Foreword has been amended so that it relates to UKE only.

Rule 1. Introduction

Rule 1(10) is deleted as this will no longer be needed following the restructure.

Rule 2. Risks Covered

Rule 2, section 17, proviso D - an obsolete footnote relating to a resolution passed on 22 January 1981 is removed as it is no longer required.

Rule 2, section 22, the amendment corrects a typographical error.

Rule 3. Special Cover

The reference to "Act" is replaced with references to the "Memorandum and Articles" of UKE, as these are the constitutional documents which are relevant for the purposes of UKE's Rules.

Rule 13. Reinsurance

The reference to "Act" is replaced with references to the "Memorandum and Articles" of UKE, as these are the constitutional documents which are relevant for the purposes of UKE's Rules.

Rule 14. Membership

Paragraph D - a reference to 'Associations' has been replaced with a reference to 'Association' as it is not necessary to refer to Owners who have ships entered in UKB. In paragraphs E and F, changes are made to correct the language for greater accuracy.

Rule 19. Calls

An amendment to paragraph (i) of Rule 19(A) corrects a typographical error. A logical amendment is made to paragraph (ii) of Rule 19(A) to recognise that UKB's claims, expenses and outgoings will arise mainly from reinsurance business following the restructure.

Rule 22. Overspill Claims, Calls and Guarantees

A cross reference is added to Rule 24 where the definition of 'Catastrophe Reserve' can be found for ease of reference.

Rule 23. Payment

The language is expanded so that the provisions have regard to both Associations. An incorrect cross reference is also corrected.

Rule 26. Investment

The provisions relating to investment of the funds of the Association are shortened and rationalised, as these matters are now governed by a separate detailed written investment policy.

Rule 32. Sums Due

The scope of paragraph A is extended so that set-off is not allowed in respect of funds due or alleged due by either of UKB or UKE.

Rule 42. Law of Contract

The contracts of insurance and the Rules of UKE will be governed and construed in accordance with English law. References to contracts of insurance being deemed to be made in Bermuda are deleted as they are not relevant to UKE.

Rule 43. Delegation

The reference to "Bye-Laws" is replaced with references to the "Memorandum and Articles" of UKE, as these are the constitutional documents which are relevant for the purposes of UKE's Rules.

Rule 44. Definition

Definitions are updated for consistency.

3B. UKE Rules - Highlighted text of proposed changes

Foreword

The Rules

(Effective on and from noon Greenwich Mean Time on 20th February, 2013).

The UK P&I Club is a mutual protection and indemnity association, which operates through ~~two legal entities~~: The United Kingdom Mutual Steam Ship Assurance Association (~~Bermuda~~Europe) Limited and ~~its parent company~~ The United Kingdom Mutual Steam Ship Assurance Association Europe(~~Bermuda~~) Limited.

~~In the case of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited these Rules were adopted in accordance with the powers conferred by The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation & Amendment Act 1993 and the Bye-Laws of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, which said Bye-Laws provide for the alteration, abrogation of or addition to the Rules by Resolution of the Association.~~

~~In the case of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited These Rules were adopted in accordance with the powers conferred by the articles of association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited, which provide for the alteration abrogation of or addition to the Rules by Resolution of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.~~

~~These Rules shall be the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited and the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited respectively, provided that the latter shall be read subject to and in accordance with the following:~~

- ~~1. References to "the Association" shall be references to The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited save for the references in the definitions of "Directors" and "Member" in Rule 44, where references to the Association shall remain references to The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.~~
- ~~2. References to "the Act" shall be references to the Memorandum of Association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.~~
- ~~3. References to the "Bye-Laws" shall be references to the Articles of Association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.~~

Foreword (continued)

For the avoidance of doubt for the purpose of Rule 14 no contract of insurance or reinsurance with The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited shall entitle any person to be or become a member of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.

The notes to the Rules are for guidance only and do not form part of the Rules.

Rule 1 (continued)

personal injury or death of a seaman, the Association shall discharge or pay such claim on the Owner's behalf directly to such seaman or dependent thereof

PROVIDED ALWAYS that

- i) the seaman or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated,
- ii) subject to (iii) below, the amount payable by the Association shall under no circumstances exceed the amount which the Owner would otherwise have been able to recover from the Association under the Rules and the Owner's terms of entry,
- iii) where the Association is under no liability to the Owner in respect of such claim in accordance with Rule 31(B)(ii)(a) and (d) by reason of cancellation for non-payment of amounts due to the Association, the Association shall nevertheless discharge or pay that claim to the extent only that it arises from an event occurring prior to the date of cancellation, but as agent only of the Owner, and the Owner shall be liable to reimburse the Association for the full amount of such claim.

~~10 The Associations shall, as far as possible and save as provided in the Rules or as the Directors shall in their discretion determine, be run on a unified basis and as one association.~~

Rule 2 (continued)

B Disposing of damaged cargo or sound cargo from a damaged ship

The additional costs (over and above those which would have been incurred by him if the cargo or the entered ship had not been damaged) incurred by the Owner in discharging or disposing of damaged cargo or sound cargo following damage to an entered ship, but only if and to the extent that the Owner has no recourse to recover those costs from any other party.

C Failure of consignee to remove cargo

The liabilities and additional costs (over and above the costs which would have been incurred by him if the cargo had been collected or removed) incurred by an Owner solely by reason of the total failure of a consignee to collect or remove cargo at the port of discharge or place of delivery, but only if and to the extent that such liabilities or costs exceed the proceeds of sale of the cargo and the Owner has no recourse to recover those liabilities or costs from any other party.

D Through or transshipment bills of lading

Liability for loss, shortage, damage or other responsibility in respect of cargo carried by a means of transport other than the entered ship, when the liability arises under a through or transshipment bill of lading, or other form of contract, approved by the managers, providing for carriage partly to be performed by the entered ship.

~~*Note: By Resolution passed on 22nd January, 1981, the Directors decided that there shall be no recovery from the Association for loss or damage to cargo carried under Through Bills of Lading from ports in the Rivers Paraguay and Parana, and arising prior to shipment in the entered ship unless the Owner shall have given prior notice of such carriage to the Managers, and have agreed with them special cover on such terms as they may think appropriate.*~~

Note: For the purpose of paragraph D, a contract is deemed to be approved if it incorporates the ICC Rules or the internationally accepted conventions such as CMR 1956 (Convention relative au Contrat de transport international de Marchandises par Route), CIM 1980 (Les règles uniformes concernant le Contrat de transport International ferroviaire de Marchandises), or the Warsaw Convention 1929 or 1955, as appropriate.

PROVIDED ALWAYS that:

a) Standard Terms of Contracts of Carriage

Unless and to the extent that the Directors in their discretion otherwise decide, or special cover has been agreed in writing by the Managers, there shall be no recovery from the Association in respect of liabilities which would not have been incurred or sums which would not have been payable by the Owner if the cargo (including cargo on deck) had been carried under a contract incorporating terms no less favourable to the Owner than the Association's recommended standard terms of carriage which shall be the Hague Visby Rules and/or such other rules and/or conventions as the Directors may from time to time determine.

Rule 2 (continued)

or amended by the Protocol of 1978 and any subsequent Protocol, or such of those aforesaid provisions as are contained in the laws of any State giving effect to that Convention or to such Protocol.

- F Any fine to the extent that
- (i) the Owner has satisfied the Directors that he took such steps as appear to the Directors to be reasonable to avoid the event giving rise to such fine and
 - (ii) the Directors in their discretion and without having to give any reasons for their decision, decide that the Owner should recover.
- G Notwithstanding the terms of Rule 5(G)(i), the Directors in their discretion may authorise the payment, in whole or in part, of an Owner's claim for loss of an entered ship following confiscation of the ship by any legally empowered court, tribunal or authority by reason of the infringement of any customs law or customs regulation:
PROVIDED ALWAYS that:
- a) the amount recoverable from the Association shall under no circumstances exceed the market value of the ship without commitment at the date of the confiscation;
 - b) the Owner shall have satisfied the Directors that he took such steps as appear to the Directors to be reasonable to prevent the infringement of the customs law or regulation giving rise to the confiscation;
 - c) any amount claimed under this paragraph (G) of Section 22 shall be recoverable to such extent only as the Directors in their discretion may determine without having to give any reasons for their decision.

Note: Claims relating to oil pollution fines under this Section 22 will be subject to the limitation set out in Rule 5(B) and in the corresponding note.

Section 23 **Enquiry expenses**

Costs and expenses incurred by an Owner in defending himself or in protecting his interests before a formal enquiry into the loss of or into a casualty involving the entered ship but only to the extent and on such conditions as the Directors in their discretion may determine.

Section 24 **Expenses incidental to the operation of ships**

Liabilities, costs and expenses incidental to the business of owning, operating or managing ships which in the opinion of the Directors fall within the scope of the Association;

PROVIDED ALWAYS that:

- a) Subject to paragraph (b) of this proviso there shall be no recovery under

Rule 3

Special Cover

- A Subject to the **Memorandum and Articles**, the Managers may accept entries of ships on terms which afford cover to an Owner against any special or additional risks not set out in Rule 2. The nature and extent of the risks and the terms of the cover shall be as agreed in writing between the Owners and the Managers.
- B Notwithstanding Rule 1(5), an Owner may be insured on the special term that the risks insured may arise otherwise than in respect of the entered ship or otherwise than in connection with the operation of the entered ship provided always that this shall have been expressly agreed in writing between the Owners and the Managers.
- C Without prejudice to the generality of Rule 13C, the Managers may reinsure in whole or in part the risk or risks of the Association insured under this Rule 3, or under Rule 4, and where such reinsurance is arranged the Owner shall be entitled to recover only the net amount actually recovered under such reinsurance arrangements, together with that portion (if any) of the risk or risks retained by the Association.

Rule 13

Reinsurance

- A Subject to the ~~Act~~ **Memorandum and Articles**, and save insofar as expressly prohibited by these Rules, the Managers may enter into contracts of reinsurance on behalf of the Association whereby the Association agrees to reinsure the risks arising in connection with any one or more ships insured by another Association or insurer or else agrees to reinsure the whole or any part or proportion of the insurance business of any other Association or insurer. The consideration payable to the Association and the terms and conditions on which the reinsurance is accepted by the Association shall be such as are agreed between the Managers and such other Association or insurer. Save where otherwise agreed in writing the other Association or insurer shall be in every respect subject to and bound by the provisions of these Rules and his contract with the Association shall for all purposes take effect as though he were the Owner of any ship or ships in connection with which the relevant risks may arise and had as Owner entered the ship or ships in the Association for insurance.
- B The Association may continue to be a party to the Pooling Agreement or to any other agreement of a similar nature or purpose.
- C The Managers shall have the right in their discretion to effect on behalf of the Association the reinsurance or ceding of any risks insured by the Association (including any risk which may fall on the Association by reason of a reinsurance or pooling agreement referred to in paragraphs (A) or (B) of this Rule) with such reinsurers and on such terms as the Managers shall consider appropriate.

Membership

- A If the Association accepts an application from an Owner who is not already a Member for a ship to be entered on terms that Calls are payable to the Association (“Call Entries”), then such Owner shall, as from the date of the acceptance of such entry, be and become a Member and his name shall be entered in the register of Members.
- B If the Association accepts an application from an Owner for a ship to be entered on terms that a fixed premium is payable to the Association (“Fixed Premium Entries”), the Managers may in their discretion decide either that the Owner is to be or that he is not to be a Member and they may accept the application on either basis.
- C Whenever the Association agrees to accept the reinsurance of any risks in accordance with Rule 13 (A) the Managers may in their discretion decide that the insurer reinsured by the Association and/or the Owner insured by such insurer is to be a Member or that neither of them is to be a Member and they may accept the application on any such basis.
- D An Owner shall cease to be a Member if for any reason whatsoever the period of insurance shall have terminated in respect of all ships entered in the Associations in his name. Whenever the period of any reinsurance shall have terminated the insurer reinsured by the Association and the Owner insured by such insurer, if previously a Member, shall cease to be one.
- E Any Owner who is or becomes a Member shall be and remain a Member of The United Kingdom Mutual Steam Ship Assurance Association (Isle of Man) Limited (“the IOM Company”) (or its successors or assigns) subject always to the provisions of the memorandum and articles (or equivalent) of the Association IOM Company (or the constitutional documentation of any successor or assign) from time to time in force. It is a condition of membership of the Association and of acceptance of any application for membership of the Association—**acceptance of an application from an Owner for a ship to be entered in the Association** that the aforesaid terms apply.
- F. In the event that the Directors determine, in their discretion, that for the protection and security of the Association’s undertaking and property and the interests of the ~~Members of the Association~~ **Owners** against loss, damage or injury, the Association transfers its funds and business to the IOM Company, of which the Owner is also a member under Rule 14E, then any certificate of entry present and in force, issued to each Owner shall be transferred, assigned and conveyed to the IOM Company immediately whereupon the IOM Company shall provide the same coverage afforded under the applicable certificate of entry on the same terms and conditions as the certificate of entry present and in force issued by the Association. Entry of the ship with the IOM Company shall be on the same terms and conditions as entry with the Association.

Rule 19

Calls

- A The Owners who have entered ships for insurance in the Association in respect of any policy year (not being a policy year closed in accordance with Rule 25) otherwise than on terms that a fixed premium shall be payable in respect of such ship, shall provide by way of Calls to be levied from such Owners all funds which in the opinion of the Directors are required:
- i To meet such of the general expenses of the Associations (or any of them) as the Directors may from time to time think fit to charge against the insurance business of the Associations in respect of such policy year;
 - ii To meet the claims, expenses and outgoings (whether incurred, accrued or anticipated) of the insurance and/or reinsurance business of the Associations (or any of them) in respect of such policy year (including, without prejudice to the generality of the foregoing, any such excess of the claims and other outgoings in respect of fixed premium entries over the premiums payable to the Associations (or any of them) in respect thereof as the Directors may charge to such policy year, and any proportion of any claims, expenses or outgoings of any insurer other than the Associations which has fallen or which may be thought likely to fall upon the Associations (or any of them) by virtue of any reinsurance or pooling agreement concluded between the Associations (or any of them) and such other insurer);
 - iii For such transfers to the contingency account, catastrophe or other reserves of the Associations (or any of them) (as referred to in Rule 24) and for subsequent application for the purposes of such reserves or otherwise as the Directors may think expedient;
 - iv For such transfers as the Directors may think proper to meet any deficiency which has occurred or may be thought likely to occur in any closed policy year or years of the Associations (or any of them).
- B The said Calls shall be levied by means of Mutual Premium, Supplementary Premium and Overspill Calls in accordance with the provisions of Rules 20 to 22.

Rule 22 (continued)

- C In evidencing the matters referred to in sub-paragraph (B)(ii) above the Association shall be required to show that:
 - i it has levied Overspill Calls in respect of the Overspill Claim referred to in paragraph (A) of this Section on all Owners entered in the Association on the Overspill Claim Date in accordance with and in the maximum amounts permitted under Section 5 of this Rule 22; and
 - ii it has levied those Overspill Calls in a timely manner, has not released or otherwise waived an Owner's obligation to pay those calls and has taken all reasonable steps to recover those calls.

Section 3 Payment of overspill claims

- A The funds required to pay any Overspill Claim incurred by the Association shall be provided:
 - i from such sums as the Association is able to recover from the other parties to the Pooling Agreement as their contributions to the Overspill Claim, and
 - ii from such sums as the Association is able to recover from any special insurance which may, in the discretion of the Association, have been effected to protect the Association against the risk of payments of Overspill Claims, and
 - iii from such proportion of any sums standing to the credit of the Catastrophe Reserve (as defined in Rule 24) of the Associations (or any of them) as the Directors in their discretion decide, and
 - iv by levying one or more Overspill Calls in accordance with Section 5 of this Rule, irrespective of whether the Association has sought to recover or has recovered all or any of the sums referred to in sub-paragraph (ii) above but provided the Association shall first have made a determination in accordance with sub-paragraph (iii) above, and
 - v from any interest accruing to the Association on any funds provided as aforesaid.
- B The funds required to pay such proportion of any Overspill Claim incurred by any other party to the Pooling Agreement which the Association is liable to contribute under the terms of the Pooling Agreement shall be provided in the manner specified in sub-paragraphs (A)(ii) – (v) of this Section.
- C To the extent that the Association intends to provide funds required to pay any Overspill Claim incurred by it in the manner specified in sub-paragraph (A)(iv) of this Section, the Association shall only be required to pay such Overspill Claim as and when such funds are received by it, provided that it can show from time to time that, in seeking to collect such funds, it has taken the steps referred to in paragraph (C) of Section 2 of this Rule 22.

Rule 23

Payment

- A Every Call (Mutual Premium, Supplementary Premium or Overspill Call) shall be payable at such rate and, save as otherwise agreed in writing by the Managers, in such instalments and on such dates as the Directors may specify.
- B As soon as reasonably practical after the rate of any Call (Mutual Premium, Supplementary Premium or Overspill Call) shall have been so fixed the Managers shall notify each Owner concerned:
- i Of such rate;
 - ii Of the date on which the Call concerned is payable or, if such Call is payable by instalments, of the amounts of such instalments and the respective dates on which they are payable;
 - iii Of the amount payable by such Owner in respect of each ship entered by him;
 - iv If such Call is payable by such Owner in any currency other than U.S. Dollars, of such fact.
- C The Managers may require any Owner to pay all or any part of any Call payable by him in such currency or currencies as the Managers may specify.
- D No claim of any kind whatsoever by an Owner against **any of the Associations** shall constitute any set-off against the Calls, fixed premiums or other sums of whatsoever nature due to the **Associations** or shall entitle an Owner to withhold or delay payment of any such sum.
- E Without prejudice to the rights and remedies of the Association under these Rules and in particular Rules 29 to 33 inclusive, if any Call or instalment or part thereof or any other sum of whatsoever nature (including, without prejudice to the generality of the foregoing, any fixed premium and any amount due pursuant to Rules 30 or 33 and any part thereof) due from any Owner is not paid by such Owner on or before the date specified for payment thereof, such Owner shall pay interest on the amount not so paid from and including the date so specified down to the date of payment at such rate as the Directors may from time to time determine, but the Directors may waive payment of such interest in whole or in part.
- F The Association shall have a lien or other right of action against any ship entered by the Owner in respect of any sum of whatsoever nature owed by him to **any of the Associations**, notwithstanding that the cover of the Owner or in respect of any ship entered by him may have ceased or been terminated or cancelled.
- G If any Call or other payment due from an Owner to **any of the Associations** is not paid and if the Directors decide that payment cannot be obtained, the sums required to make good any resulting shortfall or deficiency in the funds of the **Associations** shall be deemed to be expenses of the **Associations**

Rule 23 (continued)

for which, as the Directors may decide, Calls may be levied in accordance with Rule 19 (or, if the shortfall or deficiency is in respect of an Overspill Call under Rule 22, Section 5, a further Overspill Call under that Rule), or the reserves may be applied in accordance with Rules 24 and 25.

- H An Owner shall pay on demand to the Association or its order the amount of any premium tax or other tax levied on or in connection with the insurance or reinsurance provided by the Association to the Owner which the Association determines it or the Owner has or may become liable, and shall indemnify the Association and hold it harmless in respect of any loss, damage, liability, cost or expense which the Association may incur in respect of such premium tax or other similar tax.

Rule 26

Investment

- A The funds of the Association may ~~(subject to the general supervision of the Directors)~~ be invested ~~by the Managers by means of the purchase of such stocks, shares, bonds, debentures or other securities or the purchase of such currencies, commodities, or other real or personal property, or by means of being deposited in such accounts as the Managers~~ **Directors (or the Managers subject to the supervision of the Directors)** may think fit. ~~The funds of the Association may also be invested by such other method as the Directors may approve.~~
- B Unless the Directors otherwise decide, all the funds standing to the credit of any policy year or of any reserve or account shall be pooled and invested as one fund.
- C When funds are pooled as provided in paragraph (B) above, the investment income arising on the pooled funds ~~(taking into account any capital gains or losses)~~ shall be apportioned among and between the different policy years, reserves and accounts ~~from which the fund or funds, so invested, originated, in such manner as to ensure so far as possible that each is credited with a proportion of such income corresponding to the proportion which the amount standing to the credit of the policy year, reserve or account over the period during which the income arose bears to the total of the pooled funds over the same period.~~ **as the Directors may think fit.**
- ~~D Without prejudice to paragraph (C) of this Rule, the Directors may direct that after the closing of any policy year that year shall not be credited with any share of the apportionments made under that paragraph and that its share shall instead be credited to any reserve or account maintained by the Association.~~

Sums Due to the Association for the Purpose of Application of the Rules on Cancellation

- A For the purpose of determining whether any (and, if so, what) sum is due for the purposes of Rule 31 (A) or otherwise under these Rules no account shall be taken of any amount due or alleged to be due by the Associations to the Owner on any ground whatever, and no set-off of any kind (including set-off which might otherwise have arisen by reason of the bankruptcy or winding up of the Owner) shall be allowed against such sum (whether or not any set-off against contributions has been allowed at any time in the past), except to the extent (if any) to which any sum demanded by the Managers as due, and required to be paid in a notice served under the said sub-paragraph, may (in the Managers' discretion) in itself have already allowed for a set-off or credit in favour of the Owner.
- B Without prejudice to the generality of Rule 39 no act, omission, course of dealing, forbearance, delay or indulgence of any kind by or on behalf of the Association nor the granting of time, nor the acceptance by the Association (whether express or implied) of liability for, or the recognition of, any claim, and whether occurring before or after any date of cessation or date of cancellation as hereinbefore referred to shall derogate from the effect of Rules 28 to 33 inclusive or be treated as any waiver of any of the Association's rights thereunder.

Rule 42

Law of Contract

Any contract of insurance howsoever made between the Association and an Owner ~~shall be deemed to have been concluded in Bermuda unless otherwise stated in such contract~~, and ~~both~~ these Rules ~~and any such contract~~ shall be governed by and construed in accordance with English law.

Delegation

- A Whenever any power, duty or discretion is conferred or imposed upon the Managers by virtue of these Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in these Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.

- B Whenever any power, duty or discretion is stated in these Rules to be vested in the Directors, such power, duty or discretion shall be exercisable by the Directors unless the same shall have been delegated to any Committee of the Directors or to the Managers in accordance with the provisions as regards delegation contained in the ~~By-Laws~~ **Memorandum and Articles**, in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.

Rule 44

Definitions

In these Rules the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

Act	The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation and Amendment Act 1993 and every modification thereof for the time being in force.
Applicant Owner	In relation to a ship which is desired or intended to be entered for insurance in the Association, means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person (not being an insurer seeking reinsurance), by or on whose behalf an application has been, is being or is to be made for the entry of the same in the Association for insurance whether he be or is to be a Member of the Association or not.
Association	The United Kingdom Mutual Steam Ship Assurance Association (Bermuda Europe) Limited.
Associations	The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited and The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited
Bye-Laws	The Bye-Laws for the time being of the Association The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.
Call entry	An insurance on terms that the Owner is bound to pay calls to the Association.
Calls	Sum or sums payable to the Association in respect of an entered ship pursuant to Rules 19 to 23, including Mutual Premiums, Supplementary Premiums and Overspill Calls.
Cargo	Goods, including anything used or intended to be used to pack or secure goods, in respect of which an Owner enters into a contract of carriage, but excluding containers or other equipment owned or leased by the Owner.
Catastrophe Reserve	Any reserve maintained by the Association pursuant to Rule 24(B)(i).
Closed policy year	A policy year of the Association which has been closed in accordance with the provisions of Rule 25.

Rule 44 (continued)

Insurance	Any insurance or reinsurance.
In writing	Written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.
Managers	The Managers for the time being of the Association.
Member	A Member for the time being of the Association The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.
Memorandum and Articles	The memorandum and articles for the time being of the Association.
Overspill Call	A call levied by the Association pursuant to Rule 22 for the purpose of providing funds to pay all or part of an Overspill Claim.
Overspill Claim	That part (if any) of a claim (other than a claim in respect of oil pollution) incurred by the Association or by any other party to the Pooling Agreement under the terms of entry of a ship which exceeds or may exceed the Group Reinsurance Limit.
Overspill Claim Date	In relation to any Overspill Call, the time and date on which there occurred the event giving rise to the Overspill Claim in respect of which the Overspill Call is made or, if the Policy Year in which such event occurred has been closed in accordance with the provisions of Rules 25(C)(i) and 25(C)(ii), noon GMT on 20th August of the Policy Year in respect of which the Association makes a declaration under Rule 25(C)(iii).
Owner	In relation to an entered ship means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person (not being an insurer reinsured under Rule 13) named in the certificate of entry or endorsement slip, by or on whose behalf the same has been entered in the Association whether he be a Member or not.
Policy year	A year from noon G.M.T. on any 20th February to noon G.M.T. on the next following 20th February.
Pooling Agreement	The agreement dated 17th November 1992 between certain members of the group known as the International Group of Protection and Indemnity Associations and any addendum, variation, or replacement of the said agreement, or any other agreement of a similar nature or purpose.

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4A. UKE Articles of Association - Explanatory notes on proposed new text

Since the existing Articles were adopted, the Companies Act 2006 ("CA 2006") has been introduced. The main reason for adopting the proposed New Articles is to bring them into line with the CA 2006, including the benefit of simplifications which were introduced by the CA 2006. These simplifications include, for example, that meetings of the members can now be called on 14 days notice rather than the 21 days currently required by the existing Articles for certain meetings.

The New Articles preserve all the powers of the Directors and the rights of UKB which are found in the existing Articles. The New Articles incorporate by reference the Model Articles for Companies Limited by Guarantee (the "Model Articles") which were introduced by the CA 2006. The Model Articles are the "default" articles of association which were introduced in conjunction with the CA 2006 (they replaced the so called Table A articles). Most of the wording of the New Articles therefore deals only with changes to the Model Articles and points not covered in the Model Articles, including for example to incorporate provisions which are bespoke to the Association.

The changes which are not a direct result of the CA 2006 include: (i) widening of the eligibility of persons to be appointed as directors to include representatives and employees of the managers and such other persons as UKB or the directors think fit; (ii) the quorum for board meetings has been changed so that at least one of the directors must be a director of UKB; (iii) the directors may now take a decision by three-quarter majority circular resolution (previously such a decision had to be unanimous); and (iv) the directors' conflicts of interest language has been extended so that a director can vote and count in a quorum in relation to a matter or transaction in which he is interested.

A clause by clause explanation of the changes to the Articles follows below:

1. **Preliminary** – This has been amended to incorporate Model A articles instead of Table A articles. This change has been made in order to bring the Articles into line with the Companies Act 2006.
2. **Interpretation** – Articles 2.1 and 2.2 are standard boilerplate and no change has been made to Article 2.3 containing the definitions.
3. **Change of Name** – Article 3 is standard boilerplate language which is commonly seen in new articles and which gives the directors the authority to change the name of the company without the need for a special resolution.
4. **Member** – This has not been changed.
5. **Directors' Appointments** – In Article 5.1 the minimum number of directors remains the same at 3, but the maximum number of directors has been increased from 10 to 15 to increase flexibility. In Article 5.2 the category of persons who may be appointed as director has been extended to include representatives, employees or directors of the managers or the manager's agents and such other persons as the members and/or the directors think fit. Article 5.3 remains the same save that a sentence dealing with the formality of appointing and removing directors has been removed as it is not required. Article 5.4 has not changed. Articles 5.5 and 5.6 contain standard boilerplate language. Article 5.7 expands the grounds on which a director will immediately be required to vacate his office to include, in relation to a director who is also a director of UKB, where such director ceases to be a director of UKB.
6. **Directors' Decisions** – In Article 6.1 at the request of Managers, the quorum is revised so that at least one of the directors making up the quorum of two must be a director who is also a director of UKB. This ensures that the Managers representatives alone cannot act as a board of Club directors. Articles 6.2 and 6.3 have not changed. In Article 6.4 provision has been made for directors to approve items by way of a three-quarters majority decision. This change was to provide flexibility for urgent decision making when it is not practical to call a Board meeting and is an expansion of the current written resolution procedure which calls for the decision to be unanimous. Article 6.5 contains standard boilerplate language which extends the right in the Model Articles for a director to waive his entitlement to notice of a meeting so that this can be done before or after the said meeting. Article 6.6 has not changed. Article 6.7 dealing with the business of the company has not changed save that it has been clarified

that the Rules may be amended at a general meeting of the company at which UKB shall exercise its power as directed by the Members of UKB. This effectively gives the members of UKB control over the changes to the Rules. No substantive changes have been made to Articles 6.8, 6.9 and 6.11. In Article 6.10 the references to the audit committee are deleted so that this clause provides that the directors may delegate their powers to committees consisting of two or more directors or other persons not being directors as the directors think fit. This gives UKE additional flexibility.

7, 8 and 9. **Directors' Interests** – The existing conflict of interest language has been deleted as this was very narrow and did not allow directors to vote and count in the quorum on matters in which they were interested. New boilerplate language has been inserted in Articles 7, 8 and 9 which deals with transactional conflicts with the Company, situational conflicts and management of those conflicts. Under Article 7.1 a director may vote or count in a quorum in relation to a transactional conflict which he has declared. Under Article 8.1 the other directors may authorise any matter which would otherwise result in a director having a situational conflict. Article 9 sets out the provisions relating to how conflicts under Articles 7 and 8 will be managed.

10. **Directors' Remuneration and Expenses** – This has not changed.

11. **Managers** – Article 11.1 refers to the managers “for the time being”. Some small changes to the language in Article 10 dealing with the Managers have been made but there are no substantive changes.

12. **Secretary** – Article 12 contains boilerplate language regarding the company secretary, as this language is no longer found in the Model Articles.

13. **Notices** – Article 13.1 amends the Model Articles so that the provisions contained within the Companies Act regarding posting of notices will apply. As the Companies Act does not deal with the posting of notices overseas Article 13.2 includes these provisions.

14. **Accounts** – Article 14 relating to the accounts of the Company has not changed.

15. **Indemnity and Insurance** – The current indemnity language has been maintained. Article 15.4 amends Article 39 of the Model Articles which relates to insurance, so that it extends to the secretary, auditors and managers.

Items removed:

the following provisions have been deleted:

- the article referring to the provisions in relation to a general meeting - this information is now contained within Companies Act 2006 and the Model Articles and so this article is no longer required;
- the restriction which prevented the managers and employees of the managers being eligible to be appointed as directors;
- the provision stating that a director shall not be required to vacate his office by reason of his having attained the age of 70 – this has been removed due to the sensitivity surrounding age discrimination and so it is now common practice for articles of association not to refer to age at all; and
- the article relating to the company seal has been deleted as this information is now contained in the Model Articles.

4B. UKE Articles of Association - New text

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

**THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE
ASSOCIATION (EUROPE) LIMITED**

Adopted by special resolution passed on • 2013

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**THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE
ASSOCIATION (EUROPE) LIMITED**

COMPANY NUMBER 00022215

(The ‘Company’)

1. PRELIMINARY

1.1 The model articles for private companies limited by guarantee set out in Schedule 2 of the Companies (Model Articles) Regulations 2008 (the ‘**Model Articles**’), as excluded or modified by the following articles, together constitute the articles of association of the Company (the ‘**Articles**’).

1.2 For the avoidance of doubt, references in the Articles –

(a) to a numbered Article are to a numbered Article as set out in this document;
and

(b) to a numbered article of the Model Articles are to the article as numbered in the Model Articles immediately upon the coming into force of the Companies (Model Articles) Regulations 2008.

1.3 Articles 2, 5(3), 8, 14, 19(2), 21 and 22 of the Model Articles shall not apply to the Company.

2. INTERPRETATION

2.1 Unless the context otherwise requires and except for words or expressions to which a meaning is given in the Articles, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Company.

2.2 A reference in the Articles to the exercise of a power or the taking of a decision by the directors includes the exercise of the power or the taking of the decision by any person or committee (including any sub-committee) to whom it has been delegated.

2.3 In the Articles –

- (a) **‘Managers’** shall mean the managers of the time being of the Company;
- (b) **‘Rules’** means the rules from time to time in force governing the conduct of the whole or any part of the business of the Company; and
- (c) **‘UKB’** means the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, a company incorporated in Bermuda.

2.4 In the Articles, the headings are for convenience only and shall be ignored in construing the meaning of the Articles.

3. CHANGE OF NAME

Without the need for a special resolution of the Company, the directors may decide at any time to change the name of the Company; and where the directors decide to change the name, the secretary (if any) or any other person authorised by the directors shall give a notice to that effect to the Registrar of Companies accompanied by a statement that the change of name has been made in accordance with the Articles (such statement to be in the form required by the Companies Acts).

4. MEMBER

4.1 UKB shall be the sole member of the Company.

4.2 Membership shall not be transferable.

5. DIRECTORS’ APPOINTMENTS

5.1 Unless otherwise determined by the members by way of ordinary resolution, the number of directors shall be not less than three and not more than 15.

5.2 Any person shall be eligible to be appointed, elected or re-elected a director if he is either (a) a director of UKB, (b) a representative, employee or director of the Managers or the Manager’s agents, or (c) such other person as the members and/or the directors think fit.

- 5.3 A majority in number of members may appoint a person willing to act to be a director and may remove any director (howsoever appointed) from office, without prejudice to any claim for damages he may have for breach of any contract of service between him and the Company.
- 5.4 The directors may also appoint a person willing to act to be a director.
- 5.5 Where a director is appointed to office as chairman, as managing director or as the holder of an executive position or is otherwise appointed to provide services to the Company, that appointment or the contract for those services will terminate immediately upon him ceasing (for any reason) to be a director. The termination of that appointment under this Article will be without prejudice to any claim for damages he may have for breach of any employment contract or contract to provide services between him and the Company.
- 5.6 Any appointment or removal of a director under Article 5.3 shall be deemed to be an act of the Company (and no-one else). The power of removal of a director from office conferred on the Company by these Articles is in addition to that conferred by the Companies Act 2006, to the intent that sections 168 and 169 of the Companies Act 2006 shall not apply to a removal under Article 5.3.
- 5.7 The office of director shall immediately be vacated if the director -
- (a) ceases to be eligible for appointment, election or re-election as provided in Article 5.2; or
 - (b) in the case of a director who is a director of UKB, if that director ceases to be a director of UKB; or
 - (b) resigns his office by notice in writing to the Company.

6. DIRECTORS' DECISIONS

- 6.1 The quorum necessary for the transaction of the business of the directors shall be two, at least one of whom must be a person referred to in Article 5.2(a).

- 6.2 Questions arising at a meeting of directors shall be decided by a majority of those present and entitled to vote. In the case of an equality of votes the chairman shall have a second or casting vote.
- 6.3 The secretary on the requisition of any director shall and a director may, at any time summon a meeting of the directors. Notice of meetings of directors may be by telephone or otherwise.
- 6.4 A resolution in writing signed by, or otherwise approved by, a three-quarters majority of the directors who are at the relevant time entitled to receive notice of a meeting of the board and who would be entitled to vote on the resolution at a meeting of the board (if that number is sufficient to constitute a quorum) shall be as valid and effectual as a resolution passed at a meeting of the board properly called and constituted. The resolution may be contained in one document or several documents in like form each signed by, or otherwise approved by, one or more of the directors concerned.
- 6.5 Article 9 of the Model Articles is modified by the deletion of the words “*not more than 7 days after*” and the substitution for them of the words “*before or after*”.
- 6.6 Where the directors have delegated any of their powers, they may revoke any delegation in whole or in part, or alter its terms and conditions; and where any person to whom any powers are delegated holds those powers by virtue of being appointed an executive, any variation or revoking of those powers is without prejudice to any contract with that executive.
- 6.7 The business of the Company shall be managed by the directors who may pay all expenses incurred in promoting and incorporating the Company and who, in addition to the powers and authorities by these Articles or the Rules or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of the Company’s memorandum of association, any statute, these Articles and the Rules. Subject to the provisions of the Company’s memorandum of association and these Articles the business of the Company shall be conducted in accordance with Rules from time to time adopted by the Company in

general meeting which may at any time be altered, abrogated or added to by the Company in general meeting (with the Company's member, UKB, exercising its powers in this regard at such a general meeting as directed by its members in a general meeting of UKB).

- 6.8 Without prejudice to the generality of Article 6.7, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures.
- 6.9 The directors shall exercise a general supervision over the affairs of the Company and without limitation of the foregoing they shall be responsible for the correct keeping of the books and for the safekeeping of all moneys and securities of the Company and shall submit their books, accounts and vouchers to the Company's auditor whenever required so to do and shall furnish such information and explanations to the Company's auditor as may be necessary for the performance of his duties.
- 6.10 The directors may delegate any of their powers to committees consisting of two or more of the directors or such other persons (not being directors) as the directors may think appropriate, but every such committee shall conform to such directions as the directors shall impose on it.
- 6.11 The directors may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules vested in the directors as they may think fit and such powers, duties or discretions may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as the directors may determine and the directors may at any time revoke such delegation: provided that nothing hereinbefore in these Articles contained shall entitle the directors to delegate to the Managers any of the powers, duties or discretions of the directors –
- (a) which are required by law to be exercised by the directors personally;
 - (b) which relate to general meetings or the proceedings thereat;
 - (c) which are conferred by Articles 6.8 or 10;
 - (d) which relate to meetings of the directors or committees of the directors or the proceedings thereat;

- (e) which relate to the appointment of Managers or the secretary;
- (f) which relate to the seal, reserves of the Company, accounts or notices of general meetings; and so that –
 - (i) the directors may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid; and
 - (ii) nothing hereinbefore in this Article contained and no such delegation as aforesaid shall constitute the Managers directors of the Company.

7. DIRECTORS' APPOINTMENTS AND INTERESTS

7.1 This Article 7 is subject to the provisions of the Companies Acts and the Rules.

7.2 A director may –

- (a) be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and
- (b) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise directly or indirectly interested in, any body corporate in which the Company is interested,

and where a proposed decision of the directors is concerned with such a transaction, arrangement, office or employment, that director may be counted as participating in the decision making process for quorum and voting purposes.

7.3 Article 7.2 is subject to the relevant director making a declaration of the nature and extent of his interest in accordance with sections 177 and 184 to 187 of the Companies Act 2006.

7.4 The following shall not be treated as an '**interest**' –

- (a) an interest of which a director is not aware and of which it is unreasonable to expect him to be aware, or an interest in a transaction or arrangement of which he is not aware and of which it is unreasonable to expect him to be aware;

- (b) an interest of which the other directors are aware, or ought reasonably be aware, to the extent they are or ought reasonably to be aware of such interest;
- (c) an interest which cannot reasonably be regarded as giving rise to a conflict of interest; and
- (d) an interest if, or to the extent that, that interest contains terms of his service contract which have been, or are to be, considered by a meeting of the directors or a duly appointed committee of the directors.

8. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

- 8.1 Subject to the provisions of the Rules, the directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interests.
- 8.2 Authorisation given by the directors under Article 8.1 may be subject to any terms and conditions which the directors consider appropriate; and the directors may at any time vary or terminate such authorisation.
- 8.3 A decision to authorise any matter under Article 8.1 may be made either at a meeting of the directors, or by a decision in accordance with Article 6.4, of those directors entitled to vote on the matter; but the decision will only be effective if -
- (a) the quorum for any meeting at which the matter is considered is met without counting the director in question or any other interested director; and
 - (b) the matter is agreed to without any interested director voting, or would have been agreed to had no interested directors' votes been counted.
- 8.4 The provisions of this Article 8 shall not apply to any conflict of interest arising in relation to a transaction or arrangement between a director and the Company. Article 7 above shall apply to directors' interests in any such transactions or arrangements.

9. MANAGEMENT OF DIRECTORS' CONFLICTS

9.1 Where the directors have authorised any matter under Article 8.1 above, or where a matter falls within Article 7, the directors may, at the time of such authorisation or subsequently, provide (without limitation) that an interested director –

- (a) is excluded from discussions (whether at directors' meetings or otherwise) related to the matter;
- (b) is not given any documents or other information relating to the matter; or
- (c) both for quorum purposes and for voting purposes may or may not be counted or vote at any future directors' meeting in relation to the matter.

9.2 Where the directors have authorised any matter under Article 8.1, or where a matter falls within Article 7 (subject to a director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with Article 7.3), then an interested director –

- (a) will not be required to disclose to the Company, or use for the benefit of the Company, any confidential information relating to the matter if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the matter;
- (b) may absent himself from directors' meetings at which the matter may be discussed; and
- (c) may make such arrangements as he thinks fit not to receive documents and information in relation the matter, or for such documents and information to be received and read by a professional adviser on behalf of that director.

9.3 Article 9.2 does not limit any existing law or equitable principle which may excuse the director from disclosing information in circumstances where disclosure would otherwise be required, or from attending meetings or receiving and reading documents in circumstances where such actions would otherwise be required.

9.4 Where the directors authorise a matter under Article 8.1, or where a matter falls within Article 7, then an interested director –

- (a) will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the matter; and
- (b) will not infringe any duty he owes to the Company under sections 171 to 177 of the Companies Act 2006 if he complies with any terms, limits and conditions (if any) imposed by the directors in relation to the authorisation and, where relevant, makes any disclosure required under Article 7.3.

9.5 In relation to any matter which has been authorised under Article 8.1, or where a matter involves a transaction or arrangement which falls within Article 7 (subject to a director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with Article 7.3) –

- (a) an interested director will not be accountable to the Company for any benefit conferred on him in connection with that matter;
- (b) the receipt of such a benefit shall not constitute a breach of his duty under section 176 of the Companies Act 2006; and
- (c) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

10. DIRECTORS' REMUNERATION

10.1 The remuneration of the directors shall be such sum (if any) as shall from time to time be voted to them by the Company in general meeting, and any such sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the directors as they shall resolve or, failing such resolution, equally. The directors' remuneration shall be deemed to accrue *de die in diem*.

10.2 The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or of committees of the directors or of general meetings of the Company or otherwise in connection with the business of the Company.

11. MANAGERS

- 11.1 Thomas Miller P&I (Europe) Ltd (a company incorporated in England with company number 02920387) shall be the Managers of the Company for the time being.
- 11.2 The Managers shall be entitled to attend all meetings of the directors (and any duly appointed committee of the directors) and all meetings of the members of the Company.
- 11.3 In addition and without prejudice to any powers, duties and discretions for the time being delegated to the Managers pursuant to these Articles, the Managers may exercise and discharge all such powers, duties and discretions as may be conferred or imposed upon the Managers by the Rules.
- 11.4 Whenever any power, duty or discretion is delegated to the Managers pursuant to these Articles or is conferred or imposed upon the Managers by the Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions imposed upon the Managers in relation thereto either pursuant to these Articles or (as the case may be) by the Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.

12. SECRETARY

- 12.1 The directors may determine from time to time whether a person shall hold the office of Company secretary and, at any time when the Company is without a secretary, that anything required or authorised to be done by or to the secretary may be done by or to a director (or by a person authorised generally or specifically in that behalf by the directors); the appointment of a person, or persons jointly, to office as secretary shall be decided by the directors who may remove any person or persons appointed to that office and may appoint a person or persons to act in the place of any secretary removed from office or may appoint a person or persons to act jointly with any person holding office as secretary.

12.2 The Company may pay expenses to any secretary and article 20 of the Model Articles is modified by adding after the words “*the directors*”, where they first appear, the words “*and the Company secretary (if any)*”.

13. NOTICES

13.1 Article 34(1) of the Model Articles shall be read as if it were amended by the addition of the following sentence –

“Subject to the Articles, the provisions of section 1147 of the Companies Act 2006 shall apply to anything sent or supplied to the Company as they apply to anything sent or supplied by the Company”.

13.2 Any notice, document or other information will be deemed served on or delivered to the intended recipient if addressed either –

(a) to an address outside the United Kingdom; or

(b) from outside the United Kingdom to an address within the United Kingdom,

five working days after posting, provided (in each case) it was sent by reputable international overnight courier addressed to the intended recipient, with delivery in at least five working days guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider.

14. ACCOUNTS

14.1 Any moneys for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings to which under these Articles or the Rules the same are applicable and the reserves of the Company may be invested in such investments and/or paid to UKB (whether pursuant to any contract between the Company and UKB or otherwise), in each case as the directors think fit.

14.2 The directors shall cause true accounts to be kept of all transactions of the Company in such manner as to show the assets and liabilities of the Company for the time being and the books of account shall at all times be kept at the office or at such other place as the directors may from time to time determine and shall always be open to the inspection of the directors.

15. INDEMNITY AND INSURANCE

15.1

- (a) Every director and other officer of the Company and the Managers (as defined in paragraph (c) of this Article) shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all costs, liabilities, losses, damages and expenses (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such director, officer of the Company; or the Managers (as the case may be), and the indemnity contained in this Article shall extend to any person acting as a director, officer of the Company, or the Managers in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election.
- (b) Every person specified in Article 15.1(a) above shall be indemnified out of the funds of the Company against all liabilities incurred by him as such director, officer of the Company or the Managers in defending any proceedings, whether civil or criminal.
- (c) For the purposes of this Article 15.1 'the Managers' means the Managers and any and all servants and agents of the Managers to whom duties of the Managers have been entrusted.
- (d) The indemnity provided to the directors, other officers of the Company and the Managers in Articles 15.1(a) and 15.1(b) shall be extended to the Managers of any subsidiary companies wholly owned or controlled by the Company.

Provided always that:

The indemnity contained in Article 15.1 shall not extend to any matter which would render it void at law.

- 15.2 No person specified in Article 15.1 shall be liable for the acts, receipts, neglects or defaults of any other such person, or for joining in any receipt or other act for

conformity, or for any loss or expense happening to or incurred by the Company through the insufficiency of deficiency of title to any property acquired by order of the directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company may be or have been invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are or have been deposited, or for any loss occasioned by any error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which happens in relation to the Company or any subsidiary thereof.

Provided always that:

The exemption of liability contained in this Article shall not extend to any matter which would render it void at law.

15.3 The indemnification and exemption of liability provided by, or granted pursuant to, these Articles shall, unless otherwise provided when authorised or ratified, continue as to a person who has ceased to hold the position for which he is entitled to be indemnified or exempted from liability and shall inure to the benefit of the heirs, executors and administrators of such a person.

15.4 Article 39 of the Model Articles shall be read as if it were amended as follows –

(a) in article 39(1) the words “*or any relevant secretary, auditor or managers*” were added immediately after the words “*any relevant director*”; and

(b) in article 39(2) –

(i) in sub-paragraph (b), the words “*or a relevant secretary, auditor or managers of the Company or former secretary, auditor or managers of the Company*” were added immediately after the words “*a relevant director*” and the words “*secretary’s, auditor’s or managers’*” were added immediately after the words “*that director’s*”; and

(ii) the existing sub-paragraph (c) be renumbered as (d) and a new sub-paragraph (c) be added immediately after sub-paragraph (b) as follows –

“(c) a “relevant secretary, auditor or managers” means any Company secretary, auditor or managers or former Company secretary, auditor or managers of the Company or any secretary or auditor of an associated company; and”.

15.5 For the purposes of Article 15.4 ‘managers’ means the Managers and any and all servants and agents of the Managers to whom duties of the Managers have been entrusted.