

## ADVISORY COMMITTEE

### TERMS OF REFERENCE

#### Constitution

- 1 The Committee was established by resolution of the Board of the company (the Board)

#### Membership

- 2 The Committee should consist of the Chairman of the company the Vice Chairman, the immediate past Chairman, the Chairmen of the Remuneration, Audit and Investment committees plus three other directors who will rotate serving a maximum of three years. A quorum should be three members.
- 3 The Chairman of the company shall be the Chairman of the Committee.

#### Attendance at Meetings

- 4 The Managing director(s) and Executive directors shall normally attend the meetings.
- 5 The Company Secretary shall be the Secretary of the Committee.

#### Frequency of Meetings

- 6 Meetings shall be held before each Board meeting and as circumstances require.

#### Notice of Meetings

- 7 Meetings of the Committee shall be called by the secretary at the request of any of its members on not less than 10 working days notice.

#### Authority

- 8 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee And all employees are directed to co-operate with any request made by the Committee.
- 9 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

#### Duties

- 10 The duties of the Committee shall be to:
  - *receive reports from the Managers on the financial position of the company;*
  - *receive reports from the Managers on the Bad and Doubtful Debts of the company;*
  - *agree with the Managers the Annual Expenses Budget of the company and monitor the performance of the Employee Incentive Scheme and Company Pension Scheme;*
  - *keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.*
  - *consider proposals from the Managers on new business development ideas with a view to making recommendations to the Board if appropriate;*
  - *receive reports from the Managers on the management of Marine Shipping Mutual Insurance Company Limited and on the level of management fee to be paid by that company;*
  - *be available to the Managers and to advise and take decisions on matters relating to the management of the company requiring attention between Board meetings;*
  - *consider such other matters relating to the company or P&I matters generally upon which the Managers may need guidance with a view to making recommendations to the Board;*
  - *deal with disputes under P&I Class Rule 49 and FD&D Class Rule 38*

## Reporting Procedures

- 11 Minutes of meetings shall be taken by the secretary and circulated promptly to all members of the Committee.
- 12 The Chairman of the Committee shall report to the Board at each Board meeting on all matters referred for its consideration.

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**NORTH OF ENGLAND P&I ASSOCIATION LIMITED** The Quayside, Newcastle upon Tyne, NE1 3DU UK  
Telephone: +44 (0) 191 2325221 Fax: +44 (0) 191 2610540 Email: [general@nepia.com](mailto:general@nepia.com) [www.nepia.com](http://www.nepia.com)

The North of England Protecting and Indemnity Association Limited. Registered in England No. 505456. Registered Office above.

Hong Kong: Room 2503, COSCO Tower, 183 Queen's Road Central, Hong Kong Telephone: +852 25446813 Fax: +852 25424424.

Greece: 5-7 Aghiou Nikolaou, GR 185 37, Piraeus, Greece Telephone: +30 210 4283038 Fax: +30 210 4280920.

Singapore: 80 Anson Road, #26-03 Fuji Xerox Towers, Singapore 079907 Telephone: +65 64110160 Fax: +65 62240160.

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