

**North of England Protecting & Indemnity Association Limited ("North")**

**Protecting & Indemnity Committee (the "Committee") - Terms of Reference**

**1. Constitution**

- 1.1. The Committee was established pursuant to Article 108.1 of North's Articles of Association as a Committee of the Members Board (the "Board") upon and subject to these terms of reference with effect from noon GMT on 20 February 2013.
- 1.2. Unless the context otherwise requires, words or expressions contained in these Terms of Reference shall bear the same meaning as in North's Articles of Association, as amended from time to time.

**2. Membership**

- 2.1. The membership of the Committee shall consist from time to time of those Board members who have or who's appointing Members have at the relevant time one or more Ships entered for insurance in North's Protecting & Indemnity Class (the "P&I Class") for North's current Policy Year.
- 2.2. The Company Secretary shall be the secretary of the Committee.

**3. Committee Meetings**

- 3.1. The quorum necessary for the transaction of business at a Committee meeting shall be seven Committee members.
- 3.2. The Chairman, or in his absence the Vice Chairman, shall chair all Committee meetings, but if at any Committee meeting neither the Chairman or the Vice Chairman are present at the time appointed for holding the same, the Committee members present shall choose one of their number to chair such meeting and the Committee member so chosen shall preside at such meeting accordingly so long as neither the Chairman nor the Vice Chairman shall be present.
- 3.3. Questions arising at any Committee meeting shall be decided upon a show of hands by a majority of votes. Every Committee member present in person at a Committee meeting shall have one vote. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- 3.4. The Directors are entitled to attend and speak at Committee meetings.
- 3.5. The Committee shall hold regular meetings each year in accordance with the timetable and standing agenda requirements set out in the Appendix to these Terms of Reference and shall hold such further meetings as may be required from time to time to discharge its functions effectively.

#### **4. Functions & Powers**

- 4.1. The functions and powers of the Committee shall be to:
  - 4.1.1. consult with and receive reports from the Directors upon matters concerning the P&I Class;
  - 4.1.2. exercise the powers and discretions of the Directors under the Rules of the P&I Class in relation to all policy years prior to 20 February 2013 which were delegated by the Directors to the Members Board pursuant to Article 85 of North's Articles of Association with effect from 20 February 2013;
  - 4.1.3. exercise the powers and discretions given to the Members Board under the Rules of the P&I Class.

#### **5. Powers & Discretions**

- 5.1. When exercising any power or discretion vested in the Committee, the Committee shall:
  - 5.1.1 act in the way it considers, in good faith, to be in the best interests of the Members as a whole; and
  - 5.1.2 act in accordance with the Rules of the P&I Class, and the Articles of Association; and
  - 5.1.3 only exercise the power or discretion for the purposes for which it has been conferred; and
  - 5.1.5 exercise independent judgement; and
  - 5.1.6 exercise reasonable care, skill and diligence.
- 5.2 A Committee member shall not be entitled to vote on any matter relating to a case or claim involving a Ship in which he is in any way interested ("Ship Claim"), nor shall a Committee member be entitled to vote on any matter relating to a contract or arrangement in which he is in any way interested ("Interested Contract"). For the avoidance of doubt a Committee member shall be permitted to attend any meeting at which a Ship Claim or an Interested Contract is due to be discussed or considered but must absent himself from such meeting whilst a Ship Claim or an Interested Contract is being discussed or considered. If a Committee member should vote on such matters his vote shall not be counted and he shall not be counted in the quorum present at the meeting for the purposes of the relevant decision.
- 5.3 The Committee shall have reasonable access to independent professional advice at North's expense where it judges it necessary to discharge its responsibilities under this Paragraph 5. The scope and costs of such advice shall be subject to the prior approval of the Chairman.

**6. Delegation**

- 6.1. The Committee may delegate any of its functions or powers to committees (including standing committees and local committees) consisting of such member or members of its body as it thinks fit or to the Managers.
- 6.2. The Managers and any committee formed pursuant to Paragraph 6.1 (as the case may be) shall in the exercise of any function or power delegated to it conform to any regulations that may from time to time be imposed upon it by the Committee being not inconsistent with any regulations of North's Articles of Association, these terms of reference and the provisions of the Statutes.
- 6.3. The meetings and proceedings of any committee formed pursuant to Paragraph 6.1 shall be governed by the provisions of these Terms of Reference regulating the meetings and proceedings of the Committee, so far as the same are applicable and are not superseded by any regulations made by the Committee under Paragraph 6.2.

**7. Reporting Procedures**

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee and to all Directors, unless a conflict of interest exists in which case the conflicted Committee member or Director shall not be provided with the minutes of any decision to which the conflict relates.

## **Appendix**

### **Protecting & Indemnity Committee - Timetable & Standing agenda**

#### **Frequency of Meetings**

Meetings shall be held in January, May, and September of each year.

Further meetings shall be held as and when required in order to enable the Committee to discharge its duties effectively.

#### **Standing Agenda**

##### **Items for every Meeting**

Apologies

Minutes of Previous Meeting

Matters Arising from the Previous Meeting

Cases for Consideration

Members Claims Report

International Group Claims Report

Date and Venue of Forthcoming Meetings

Any Other Business

##### **Items for January Meeting**

P&I Class Reinsurance

##### **Items for September Meeting**

P&I Class Rule Amendments

P&I Class Policy Year Accounts

Pooling Agreement Amendments

P&I Class Mutual Premium