

CIRCULAR REF: 2009/015

**CIRCULATED TO ALL MEMBERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**16 SEPTEMBER 2009
AAW/JI**

ANNUAL GENERAL MEETING OF THE MEMBERS - 13 OCTOBER 2009

Enclosed is a copy of the Statutory Reports and Financial Statements of the Association for the year ended 20 February 2009 which include the formal Notice of the Annual General Meeting of the Members of the Association which is to be held at Jesmond Dene House, Jesmond Dene Road, Newcastle upon Tyne NE2 2EY, at 0930 hours on Tuesday 13 October 2009. Also enclosed is the Form of Proxy and, at the request of the Company's Directors, a copy of the Financial Statements of the North of England Mutual Insurance Association (Bermuda) Limited which also includes Notice of the Annual General Meeting.

For ease of reference the following documents are enclosed:

1. Statutory Reports and Financial Statements of the Association for the year ended 20 February 2009 which include the Notice of Meeting.
2. Form of Proxy and Form of Authorisation.
3. Financial Statements of the North of England Mutual Insurance Association (Bermuda) Limited which include the Notice of Meeting.
4. Form of Proxy.
5. Document marked "Proposed Amendments to the Memorandum and Articles of Association of the North of England P&I Association Limited".

AA WILSON
COMPANY SECRETARY

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CIRCULAR

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The North of England Protecting and Indemnity Association Limited. Registered in England No. 505456. Registered Office above
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North Insurance Management Limited. Registered in England No. 3922841. Registered Office above. Regulated in the UK by the Financial Services Authority

**THE NORTH OF ENGLAND PROTECTING AND INDEMNITY
ASSOCIATION LIMITED**

FORM OF PROXY

The undersigned, a Member of The North of England Protecting and Indemnity Association Limited, hereby appoints the Chairman of the meeting or or to be the undersigned's proxy in the order named to vote on behalf of the undersigned at the Annual General Meeting of the Members of the said company to be held on 13 October, 2009, and any adjournment thereof.

This form is to be used in respect of the following Resolutions. This proxy will be used only in the event of a poll being directed or demanded.

	For	Against
The Resolution to adopt the Report and Accounts.		
The Resolution to elect Directors and to replace those who retire in accordance with the Bye-laws.		
The Resolution to appoint Deloitte & Touche as Auditors, and to authorise the Directors to fix their remuneration.		
The Resolution to adopt the amendments to the Memorandum and Articles of Association contained in the document marked "Proposed Amendments to the Memorandum and Articles of Association of the North of England P&I Association Limited".		

As witness the hand of the undersigned this day of2009

For (Name of Member IN CAPITALS)

.....

By (Office)

Notes

1. If you wish any person other than the Chairman to act as your proxy, please insert the name of your proxy in the space provided. That person must either be a director or a Member of the Association or a duly authorised representative of a body corporate which is a Member of the Association. If no name is inserted you will be deemed to have appointed the Chairman of the meeting. A proxy need not be a member.
2. Please indicate with an X in the appropriate spaces how you wish your votes to be cast in respect of each of the Resolutions. On receipt of this form duly signed but without any specific direction how you wish your votes to be cast, the proxy will vote in favour of the Resolutions unless so instructed and on any other Resolutions proposed at the meeting your proxy will vote or abstain at his discretion.
3. In the case of a corporation this form should either be under its seal or be signed by an authorised officer of the corporation, who should state in the line below his office (e.g. Company Secretary, Director).
4. To be valid at the Annual General Meeting referred to, this form must be completed, signed and deposited with the Secretary of the Association, The Quayside, Newcastle upon Tyne,

NE1 3DU, England, not less than 12 hours before the time appointed for holding the meeting. Completion and return of this form will not prevent you from attending the voting in person if you so wish.

**THE NORTH OF ENGLAND PROTECTING AND INDEMNITY
ASSOCIATION LIMITED**

N.B. This form does not need to be completed unless you or your representative is attending the meeting in person and is not required if any of your Chairman, Directors, Managers or Secretary is a Director of The North of England Protecting and Indemnity Association Limited as he or she is automatically authorised to represent you.

Form of Authorisation for a Corporate Representative

This is a certified copy of a Minute of the Directors or other governing body of:

passed on []

"We hereby authorise [] to act as our representative at the Annual General Meeting of The North of England Protecting and Indemnity Association Limited on 13 October 2009."

Certified a true copy:

Signed
For and on behalf of
[]

Dated

**THE NORTH OF ENGLAND MUTUAL INSURANCE
ASSOCIATION (BERMUDA) LIMITED**

FORM OF PROXY

We A Member of The North of England Mutual Insurance Association (Bermuda) Limited, (the "Company") HEREBY APPOINT the Chairman or*to be our agent and standing proxy to represent us and to vote on our behalf at the Annual General Meeting of the Company to be held on 29 October 2009 and at any adjournment thereof.

Dated the day of 2009

For: _____

Signed by the above Grantor
in the presence of:

Witness Signature:

Witness Name (Print):

Witness Address (Print):

* Please insert name and delete as appropriate

**PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION OF THE
NORTH OF ENGLAND P&I ASSOCIATION LIMITED**

UK COMPANIES ACT 2006, ETC

The coming into force of sections of the Companies Act 2006 requires a Resolution by the Members and amendments to the Association's Articles of Association to cater for the provisions regarding Directors' duties and in particular Conflicts of Interest situations. The opportunity has also been taken to up-date the Articles dealing with Notices to Members.

UK Companies Act 2006

The UK Companies Act 2006 (the "Act") received royal assent on 8 November 2006 and its provisions are being brought into force on a section by section basis. The Act is a major overhaul of all company legislation and will see the repeal of most sections of the Companies Act 1985.

Directors' Duties

Company directors have always owed duties to the company appointing them. The Act has codified these duties and for the first time has set them out in statute. Many of the duties are similar to provisions which were in existence prior to the implementation of the Act but have been put on a more formal basis and require a more detailed recognition of the position.

Conflicts of Interest

One of the duties codified in the Act is the duty of all directors to avoid situations in which their interests may or do conflict with the interests of the Association. For companies incorporated after 1 October 2008 the board of directors may authorise any situations in which a director believes there is or may be a conflict between his interests and those of the company. However, in respect of companies like North which were incorporated before 1 October 2008 there must be a Resolution by the members granting the board the authority to authorise conflict situations. The attached Resolutions provide the necessary authority and authorise the amendments to the Articles of Association,

Directors who represent Members

It is recognised that most of our Directors also have links to Members, often as directors of such member companies. This creates an inherent potential conflict situation whereby any action proposed by North may conflict with the interests that the Director has to the member company of which he may also be a director or employee. The Article amendments are intended to distinguish between these inherent conflict situations and other conflict situations which might arise from time to time. So, for example, discussions regarding General Increases, Rule amendments or indeed any other subject in which the membership at large, as well as the Director's own company, have an interest, will involve "inherent conflict situations", whereas cases or claims relating to ships belonging to a Director's own

company or other contracts involving that company will create genuine conflict situations which will need to be handled in accordance with the Articles.

Notices to Members

The relevant Articles have been up-dated to include reference to electronic and web-site communications and to remove reference to telegrams, cables, radio telegraphs and telexes.

Company No: 00505456

COMPANY LIMITED BY GUARANTEE

NOTICE OF GENERAL MEETING

THE NORTH OF ENGLAND PROTECTING

AND

INDEMNITY ASSOCIATION LIMITED (“NEPIA”)

NOTICE IS HEREBY GIVEN that a General Meeting of NEPIA will be held at [ADDRESS] on [DATE] at [TIME] to transact the following business:

SPECIAL BUSINESS

It is noted that as a result of changes in company legislation it was necessary for NEPIA to pass an ordinary resolution to give power to its board of Directors to authorise situations where the interest(s) of a director conflict or potentially could conflict with those of the Association.

The purpose of the meeting is to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary and special resolutions:

ORDINARY RESOLUTION

As an ordinary resolution:

THAT, pursuant to the provisions of section 175(5)(a) of the Companies Act 2006 and with effect on and from the date that section is brought into force, the board of directors may authorise matters in which a director has or may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

SPECIAL RESOLUTION

As a special resolution:

THAT, the Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

By Order of the Board

[NAME]

Director/Secretary

Registered Office:

The North of England Protecting and Indemnity Association Limited
The Quayside
Newcastle upon Tyne
NE1 3DU

Email Address: alan.wilson@nepia.com

Notes:

1. A member who is entitled to attend and vote at this meeting is entitled to appoint a proxy (who must be a member or director of the Company) to attend and vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority must reach the Company's registered office not less than 48 hours (excluding any part of a day which is a non-working day) before the time fixed for holding the meeting or of any adjournment of the meeting.

The Companies Act, 1985

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A
SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

**THE NORTH OF ENGLAND
PROTECTING AND INDEMNITY
ASSOCIATION LIMITED**

(Adopted by Special Resolution passed on [])

GENERAL

Interpretation

1. In these Articles 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:-

WORDS

MEANING

THESE ARTICLES	The Articles of Association as originally framed or as altered from time to time by Special Resolution.
THE ASSOCIATION	The North of England Protecting and Indemnity Association Limited.
BOARD MEETING	A meeting of the Directors duly convened in accordance with the provisions of these Articles.
CLASSES	The Protecting and Indemnity Class, the Freight Demurrage and Defence Class and the War Risks Class.
COMPANY	Any partnership or other body of persons, whether incorporated or not and whether domiciled in the United Kingdom or elsewhere.
THE DAY	The day of any occurrence means the day as computed according to G.M.T.
THE DEPUTY MANAGING DIRECTOR	The person or persons appointed by the Directors to be a Deputy Managing Director of the Association pursuant to Article 88.
THE DIRECTORS	The directors for the time being of the Association or any of them duly acting as the board of directors of the Association including any duly appointed Managing Director and/or Joint Managing Director and/or Executive Director and/or Deputy Managing Director provided that references to the Directors in relation to the business of any particular Class of the Association shall mean and be limited to Managing Directors, Joint Managing Directors, Deputy Managing Directors,

	Executive Directors and those Directors who represent qualifying tonnage in that Class.
THE EXECUTIVE DIRECTORS	The persons appointed by the Directors to be Executive Directors of the Association pursuant to Article 88.
G.M.T.	Greenwich Mean Time or such other time as shall hereafter be adopted by Act of Parliament as standard time throughout the year in the United Kingdom.
THE JOINT MANAGING DIRECTOR	The person or persons appointed by the Directors to be a Joint Managing Director of the Association pursuant to Article 88.
THE MANAGERS	The Managers for the time being of the Association including the Managing Directors, the Joint Managing Directors, the Deputy Managing Directors and the Executive Directors (if any).
THE MANAGING DIRECTOR	The person or persons appointed by the Directors to be a Managing Director of the Association pursuant to Article 88.
MEMBER	The person or company in whose name a ship is entered in the Association.
MONTH	Calendar Month.
NOON	Noon calculated according to G.M.T.
OFFICE	The Registered Office for the time being of the Association.
POLICY YEAR	A year from Noon on any 20th February to Noon on the next following 20th February.
PREMIUM	The money consideration paid or payable by any Member in discharge of the calls made or levied in respect of ships entered for cover in any Class of the Association.
QUALIFYING TONNAGE	Tonnage by virtue of which a Director is eligible in accordance with these Articles for appointment as a Director of the Association.
RULES	The rules and regulations for the time being in force governing the protection, indemnity and insurance of Members within the different Classes of the Association - the words in such rules and regulations shall have the same meanings as are imparted to those words in this Article.
SEAL	The common seal of the Association.
SEAMAN	A person (including the Master) engaged under articles of agreement or otherwise contractually obliged to serve on board a Ship entered for insurance in any Class of the Association (except persons engaged only for nominal pay) including a substitute for such person and also including such persons while proceeding to or from such Ship.
SECRETARY	The Secretary for the time being of the Association and (subject to the provisions of the Statutes), any assistant or deputy Secretary, and any person appointed by the Directors to perform any of the duties of Secretary.

SHIP	In the context of a ship entered or proposed to be entered in any Class of the Association, a ship, boat, hovercraft, or 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 purposes whatsoever in navigation or otherwise on, under, over or in water, or any part of such ship, or any proportion of the tonnage thereof, or any share therein.
THE STATUTES	The Companies Act 1985 1985, the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force.
THE UNITED KINGDOM	Great Britain and Northern Ireland.
WRITING	Printing, typewriting, lithography, facsimile and any other mode or modes of representing or reproducing words in visible form.

Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include feminine gender.

Words importing persons shall include individuals, partnerships, corporations and associations.

Subject as aforesaid, any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meanings in these Articles.

Directors holding other Offices <u>inherent conflict situations</u>	75. <u>75</u> (A)	A Director may hold any other office or place of profit under the Association (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Association, on such terms as to remuneration and otherwise as the Directors shall arrange. <u>In the event that a Director is in any way interested in a Member (whether as a director, shareholder, employee or otherwise) it is acknowledged that such relationship may result in a potential conflict with the interests of the Association (referred to for the purposes of this Article 75 as an Inherent Conflict Situation). Subject to compliance with these Articles of Association, all such Inherent Conflict Situations in existence as at the date of adoption of these Articles and any future Inherent Conflict Situations are deemed authorised, subject always to the ability of the Directors (at the their discretion) to revoke such authorisation in relation to individual Directors and/or impose such restrictions or conditions as the Directors in their absolute discretion see fit. For the avoidance of doubt, authorisation of any conflict or potential conflict situations other than Inherent Conflict Situations must be considered by the Directors on a case by case basis.</u>
<u>Directors' authority to authorise conflicts of interest</u>	75 (B)	<u>Subject to Articles 75A and 75C the board of Directors acting as a whole and not by committee may by resolution authorise a situation in which the interests of a Director could or actually do directly or indirectly conflict with those of the Association.</u>
<u>Directors not to consider or vote on cases in which they are interested</u>	75 (C)	<u>A Director 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 Director 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 Director shall be permitted to attend any meeting at which a Ship Claim or an Interested Contract is due to be</u>

Directors
contracting
with
Association

75(BD)

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 Director should vote on such matters his vote shall not be counted and he shall not be counted in the quorum present at the meeting.

~~No~~ Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

(i) may be a party to or otherwise interested in any transaction or arrangement with the Association;

(ii) a Director may hold any office or place of profit under other the Association (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Association, on such terms as to remuneration and otherwise as the Directors shall arrange;

(iii) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Association or in which the Association is in any way interested;

(iv) any firm or company of which he is a member or director may, act in a professional capacity for the Association;

(v) No Director shall be disqualified by his office from contracting with the Association either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Association in which any Director shall in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Association for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary statutory relationship thereby established. The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he becomes so interested. ~~A general notice to the Directors by a Director that he is a member of any specified firm or company and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such firm or company shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed to be a sufficient declaration of interest in relation to such a contract or arrangement under this Article, and after such general notice it shall not be necessary to give any special notice relating to any particular contract or arrangement with such firm or company.~~

~~(C) A Director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to:~~

~~(i) any arrangement for giving any Director any security or indemnity in respect of any money lent by him to or obligations undertaken by him for the benefit of the~~

- ~~Association; or~~
- ~~(ii) to any arrangement for the giving by the Association of any security to a third party in respect of a debt or obligation of the Association for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or~~
- ~~(iii) except as hereinafter provided, any contract or arrangement with any other company in which he is interested only as a holder of shares or other securities.~~

~~And these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Association in General Meeting.~~

~~Directors not to consider or vote on cases in which they are interested~~

~~(D) No Director may be present or take part in the consideration of or vote upon any proposal for entry in the Association of any Ship in which is he in any way interested or be present or take part in the consideration of or vote upon any claim against the Association in which he is in any way interested.~~

75(E)

Any Director (other than a Managing Director, a Joint Managing Director, a Deputy Managing Director or an Executive Director) being or representing any Member who is not the owner of qualifying tonnage in the War Risks Class for the purposes of Article 60(B) shall not be entitled to receive notice of, be present at, or receive minutes of meetings of the Directors or of any Committee of the Directors at which the business of the War Risks Class is transacted (subject however to the rights of the Chairman and Vice-Chairman referred to in Article 83).

NOTICES

Service of a notice or document 101.

A notice or ~~other~~ document required under these Articles to be served on a Member may be served ~~either~~ by:

- ~~(a) serving it personally; or in the case of a notice of Meeting by~~
- ~~(b) sending it through the first class post in a prepaid letter or by; or~~
- ~~(c) giving it using electronic communications in electronic form to an electronic address for the time being notified to the Association by the Member; or in the case of any other notice or document, by sending it by telegram, cable, radio telegraph, facsimile machine or telex addressed to such Member at his address as appearing in the Register of Members or by giving it using electronic communications to an address for the time being notified to the Association by the Member. In the case of joint Members notice shall be served on any such Member and such service shall be sufficient service upon all joint Members; or~~
- (d) by making it available on a website; or
- (e) by facsimile.

102. Any Member described in the Register of Members as having an address not within the United Kingdom who shall from time to time give to the Association an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices or other documents served upon him at such address and all notices served at such address shall be deemed well served.

~~103. Any notice or other document if served by post shall be deemed to have been served on the day following the day on which the letter containing the same was put into the post and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post in a prepaid letter. Any notice or document served or sent by telegram, cable, radio telegraph, facsimile machine or telex shall be deemed to have been served on the day after it was handed into the telegraph, cable or radio telegraph office or in the case of facsimile machine or telex, despatched and in proving such service, it shall be sufficient to prove that such telegram, cable or radio telegraph was duly handed in, or in the case of facsimile or telex that the notice or document was duly despatched. Any notice or document served or sent by electronic communication shall be deemed to be given at the expiration of 48 hours after the time it was sent.~~

Deemed Service

103. Notices and documents shall be deemed to have been sent:

(a) if served personally, on service; and

(b) if sent by post, on the expiration of 24 hours after the envelope containing the same is posted; and

(c) if sent in electronic form to an address notified from time to time by the member to the Association, 48 hours after the notice or document was sent; and

(d) if sent by making it available on a website, the notice shall be deemed to have been given when the member received or was deemed to have received notice of the fact that the notice was available on the website; and

(e) if sent by facsimile on the day of dispatch.

104. Every legal personal representative, committee, receiver, curator bonis or other legal curator, trustee in bankruptcy or liquidator of a Member shall be bound by a notice given as aforesaid if sent to the last registered address of such Member, notwithstanding that the Association may have notice of the death, lunacy, bankruptcy, liquidation or disability of such Member.

WINDING UP DOCUMENTS SENT IN ELECTRONIC FORM OR BY MEANS OF A WEBSITE

105. Where the Statutes permit the Association to send documents or notices to its members in electronic form or by means of a website, the documents will be validly sent provided the Association complies with the requirements of the Statutes.

WINDING UP

- ~~105.~~106. In the event of the Association being wound up, the assets of the Association remaining after payment of all debts and liabilities of the Association and of all costs, charges and expenses of winding up the same, shall be distributed amongst such of the Members and/or former Members of the Association and in such proportion or amounts as the Directors in their discretion shall recommend prior to such winding up and subject always to the final decision of any Liquidator.

INDEMNITY

- ~~106.~~107. Every Director and other officer of the Association (including the Managing Directors, the Joint Managing Directors, the Deputy Managing Directors, the Executive Directors, the Managers, the Secretary and the Auditors) shall be indemnified out of the assets of the Association against all losses or liabilities which any of them may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in favour of such Director or other officer or in which he is acquitted or in connection with any application in which relief is granted to him by the Court under the Statutes, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Association in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Companies Act 1985.