

**CIRCULAR REF: 2009/026**

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

**11 DECEMBER 2009  
AAW/JI**

**NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF THE ASSOCIATION - 15 JANUARY, 2010**

Enclosed is a formal Notice of an Extraordinary General Meeting of the Members of the Association to be held on Friday, 15 January, 2010. The Meeting has been called to submit to the Members proposed changes to the Memorandum & Articles of Association and to the Rules of the Protecting and Indemnity Class and Freight Demurrage & Defence Class (substantially in the form attached) which, if approved and adopted, will take effect from noon GMT on 20 February 2010. These changes were considered and approved by the Directors at their meeting on 13 October, 2009.

For easy reference the following papers are enclosed:-

1. Notice of Meeting, together with Form of Authorisation.
2. Document marked "Amendments to the Memorandum and Articles of Association of The North of England Protecting & Indemnity Association Limited, together with explanatory notes.
3. Document marked "Amendments for 2010/2011 to the Rules of the Protecting & Indemnity Class of The North of England Protecting and Indemnity Association Limited".
4. Document marked "Amendments for 2010/2011 to the Rules of the Freight Demurrage & Defence Class of The North of England Protecting and Indemnity Association Limited".
5. Form of Proxy.

**ALAN WILSON**  
**COMPANY SECRETARY - North Insurance Management Limited**  
**As Managers on behalf of the North of England P&I Association Limited**

**CIRCULAR**

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**NORTH OF ENGLAND P&I ASSOCIATION LIMITED 100 The Quayside, Newcastle upon Tyne, UK, NE1 3DU**  
Telephone: +44 (0) 191 2325221 Fax: +44 (0) 191 2610540 [www.nepia.com](http://www.nepia.com)

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**

**Company No. 505456**

Company Limited by Guarantee and not having a Share Capital

("the "Association")

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Association will be held at The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS, on 15 January, 2010 at 0930 hours for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions.

**Ordinary Resolutions**

- (1)** That the amendments to the Memorandum and Articles of Association contained in the document marked "Amendments to the Memorandum and Articles of Association of The North of England Protecting and Indemnity Association Limited" and for the purpose of identification signed by the Chairman of the Association, be and are hereby adopted with immediate effect.
- (2)** That the amendments to the Rules of the Protecting and Indemnity Class contained in the document marked "Amendments for 2010/2011 to the Rules of the Protecting and Indemnity Class of The North of England Protecting and Indemnity Association Limited" and for the purpose of identification signed by the Chairman of the Association, be and are hereby adopted with effect from 20 February 2010.
- (3)** That the amendments to the Rules of the Freight Demurrage & Defence Class contained in the document marked "Amendments for 2010/2011 to the Rules of the Freight Demurrage & Defence Class of The North of England Protecting and Indemnity Association Limited" and for the purpose of identification signed by the Chairman of the Association, be and are hereby adopted with effect from 20 February 2010.

Dated: 11 December 2009

By order of the Board

Secretary

Registered Office:

Baltic Place  
South Shore Road  
Gateshead  
Tyne & Wear NE8 3BA

NOTE:

1. Each Member which is a corporation may authorise a representative to act on its behalf at the Meeting and to exercise the same powers as the Member. A Form of Authorisation is enclosed with this Notice. It should be delivered to the Company before the start of the Meeting to which it refers unless the representative is a Director of the North of England Protecting and Indemnity Association Limited and is Chairman, Director, Manager or Secretary of a Member in which case he is deemed authorised to so act.
2. Any Member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of him. A form of proxy is enclosed.

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

**N.B.** This form does not need to be completed unless you or your representative are 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 Extraordinary General Meeting of The North of England Protecting and Indemnity Association Limited on 15 January, 2010."

Certified a true copy:

Signed .....

For and on behalf of

[ ]

Dated .....

## AMENDMENTS TO ARTICLES OF ASSOCIATION

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

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*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 )

GENERAL

Preliminary

1. The regulations contained in Table A and Table C in the Schedule to the Companies (Table A to F) Regulations 1985 in force at the time of adoption of these Articles and the Model Articles of Association for private companies limited by guarantee in Schedule 2 to the Companies (Model Articles) Regulations shall not apply to the Association and these Articles alone shall constitute the regulations of the Association.

Interpretation

2. 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 following expressions shall have the following

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meanings unless inconsistent  
with the context:

## WORDS

## MEANING

THESE ARTICLES

These Articles of Association, whether as originally ~~framed-adopted~~ 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

COMPANIES ACT 2006

The Companies Act 2006 (as amended from time to time)

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 8890**

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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~~ qualify as such in accordance with the provisions of

**Article 63**

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THE EXECUTIVE DIRECTORS	The persons appointed by the Directors to be Executive Directors of the Association pursuant to <b>Article 8890</b>	Formatted: Font: Bold
GMT	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	
<u>HARD COPY FORM</u>	<u>Has the meaning given in section 1168 of the Companies Act 2006</u>	
THE JOINT MANAGING DIRECTOR	The person or persons appointed by the Directors to be a Joint Managing Director of the Association pursuant to <b>Article 8890</b>	Formatted: Font: Bold
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 <b>Article 8890</b>	Formatted: Font: Bold
MEMBER	The person or company in whose name a <u>S</u> hip 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	
<u>ORDINARY RESOLUTION</u>	<u>Has the meaning given in section 282 of the Companies Act 2006</u>	
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	
<del>QUALIFYING TONNAGE</del>	<del>Tonnage by virtue of which a Director is eligible in accordance with these Articles for appointment as a Director of the Association</del>	

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 <del>are imparted to those words in these</del> <u>Articles</u>
SEAL	The common seal of the Association
SEAMAN	<del>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</del>
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, <u>or any offshore structures other than ships</u>
<u>SPECIAL RESOLUTION</u>	<u>Has the meaning given in section 283 of the Companies Act 2006</u>
THE STATUTES	<u>The Companies Acts as defined in section 2 of the Companies Act 2006 1985 and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Association</u> <del>statutory modification or re-enactment thereof for the time being in force</del>
THE UNITED KINGDOM	Great Britain and Northern Ireland
WRITING	<del>Printing, typewriting, lithography, facsimile and any other mode or modes of representing or reproducing words in</del>

~~visible form~~ Hard Copy Form or to the extent agreed (or deemed to be agreed by virtue of a provision of the Statutes) electronic form or website communication

~~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 meaning in these Articles~~

2.1 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Statutes but excluding any statutory modification thereof not in force when these Articles become binding on the Association.

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2.2 Words importing the masculine gender only shall include the feminine gender and the neuter (as appropriate).

2.3 References to any Statute or statutory provision include, unless the context otherwise requires, a reference to that Statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant Statute or statutory provision.

2.4 Where the word "address" appears in these Articles it is deemed to include postal address and, where applicable, electronic address.

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2.5 The expression "working day" in relation to a period of notice means any day other than Saturday, Sunday and Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealing Act 1971 in the part of the UK where the Association is registered.

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2.6 The expression "clear days" in relation to a period of notice to call a meeting means the number of days referred to excluding the day when the notice is given and the day of the meeting.

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2.7 Where the word "company" appears in the Articles it shall be deemed to include any partnership or other body of persons, whether incorporated or not and whether domiciled in the United Kingdom or elsewhere.

2.8 In these Articles the expressions "holding company" and "subsidiary" shall have the meanings given to them respectively by section 1159 of the Companies Act 2006 and the expression "subsidiaries" shall include a subsidiary undertaking as defined by section 1162 of the Companies Act 2006.

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## BUSINESS

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2.

~~Any breach or class of business which, by the Memorandum of Association of the Association or these Articles, is either expressly or by implication authorised to be undertaken by the Association, may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business~~

3. The head office shall be at such place in Newcastle upon Tyne or elsewhere as the Association in general meeting shall from time to time ~~appoint~~determine.

## MEMBERSHIP

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4. The Subscribers to the Memorandum of Association and such other persons as are admitted to membership in accordance with these Articles shall be Members. The Association shall consist of an unlimited number of Members.

5. Every person whose application to enter a Ship for the insurance of his interest therein in any Class of the Association has been accepted shall (if not already a Member) be and become a Member of the Association as from the date upon which the application is accepted

6.

6.1(A)

~~Applicants for membership shall apply in writing on a form approved by the Managers undertaking thereby to be bound by the Memorandum of Association, these Articles and the Rules of Association if~~

~~approved for entry, Every person who wishes to become a Member shall apply for membership in such form as the Directors require to be executed by him agreeing to be bound by the Memorandum of Association of the Association and these Articles and on being so admitted his name shall be entered in the register of members of the Association.~~

~~6.2(B)~~

~~The Directors shall be at liberty to approve, defer, or reject any application without assigning any reason for their decision, The Directors shall have an absolute discretion in determining whether to accept or reject any application for membership and shall not be bound to assign any reason for their decision.~~

~~(C)~~

~~The Secretary shall enter the names and addresses of all persons who are Members of the Association in the Register of Members in accordance with the provisions of the Statutes;~~

~~6.3(D)~~

~~Membership shall not be transferable, or transmissible;~~

~~6.4(E)~~

~~A MemberMembership shall be entitled to the advantages and subject to the liabilities of Members of a Classcommence as from Noon on the 20th day of February, or as from Noon on the day named stated in a Member's in his above application, if accepted, until such membership is terminated.~~

Cessation of 7.  
Membership

~~A Member shall cease to be a Member ipso facto :-~~

~~7.1(+)~~

~~Where the Member is an individual, upon its his or her death or if a receiving order shall be made against him or if he shall become bankrupt or make any composition or arrangement with his creditors generally~~

or if he shall become incapable by reason of mental disorder of managing and administering his property and affairs;

7.2(ii)

~~Where~~ Where the Member is a corporation, upon the passing of any resolution for voluntary winding up (other than voluntary winding up for the purposes of Company or Group reorganisation) or upon an order being made for compulsory winding up or upon dissolution or upon a receiver or manager of all or part of the corporation's business or undertaking being appointed or upon possession being taken by or on behalf of the holder of any debentures secured by a floating charge or any property comprised in or subject to the charge or upon the institution of any similar process or proceeding under the laws of any relevant jurisdiction;

7.3(iii)

~~If~~ If having failed to pay when due and demanded by the Managers any sum due from him to the Association, he is served with a notice by or on behalf of the Managers of the Association requiring him to pay such sum on or before any date which may be specified in such notice and he fails to pay such sum in full on or before the date so specified;

7.4(iv)

~~If~~ If the Member shall cease to have any Ship entered for insurance in the Association;

Provided that a person who has ~~thus~~ ceased to be a Member or (as the case may require) his estate, personal representatives, trustee in bankruptcy, committee, curator bonis, receiver, liquidator or similar official or agent shall (in addition to his liability under Clause 6 of the Memorandum of Association) be and remain liable to pay to the Association all such contributions and monies which under these

Articles or the Rules such Member would, had he not ceased to be a Member, have been liable to pay the Association in respect of the period ending 20th February next after the date of ~~cesser~~ cessation of membership.

Joint Members

8.

Where any Ship is entered in any Class of the Association for insurance, all persons having an interest in such Ship so entered in such Class by them shall be deemed to be Joint Members. Joint Members shall for the purposes of the guarantee under the Memorandum of Association and of any contribution falling due pursuant to these Articles and the Rules of any Class be treated as one Member but shall be jointly and severally liable in respect thereof.

#### CLASSES AND RULES

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9.

The Members shall be divided into Classes, according to the risks against which they respectively shall be insured, and any Member may belong to one or more Classes at the same time.

Existing classes

10.

10.1(A)

With effect from the date of ~~amendment~~ adoption of this-these Articles the following Classes exist and shall operate within the Association:-

10.1.1(i)~~The~~ the Protecting and Indemnity Classes;

10.1.2(ii)~~The~~ the Freight, Demurrage and Defence Class; and

10.1.3(iii)~~The~~ the War Risks Class;

~~(iv) The Shore Strikes Class; and~~

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~~(v) The Crew Strikes Class.~~

	<del>10.2(B)</del>	The Rules of each such Class in force at the date of the <del>amendment-adoption of this</del> <u>these Articles</u> shall remain in force and be binding on the Members subject to any alterations, <del>thereto,</del> additions <del>therein</del> or repeals <del>thereof</del> made as <del>hereinafter provided</del> in accordance with the terms of <u>these Articles from time to time.</u>
Alteration of Rules	<del>10.3(C)</del>	Any Rule of a Class may be altered, added to or repealed by: <p style="margin-left: 40px;"><u>10.3.1</u> Ordinary Resolution at any general meeting of the Association; <u>or</u></p> <p style="margin-left: 40px;"><u>10.3.2</u> by resolution of the <u>Directors.</u></p> <p>but <del>so that</del> this provision shall be without prejudice to the powers conferred upon the Directors by <b>Articles 11,12 and 13</b> <del>hereof.</del></p>
Contracts of Carriage	11.	The Directors shall have power to make or alter Rules (which shall be deemed to be part of the Rules) respecting the form of contracts of carriage to be entered into concerning the employment of Ships entered <del>to-in</del> any Class of the Association and/or to adopt as Rules the rules, by-laws or decisions passed or arrived at by any society, organisation, committee or association respecting the form of such contracts of carriage, and upon the Association giving notice in writing thereof to the Members of any such Class, the same shall be and become binding upon such Members. The accidental omission to give such notice to or the non-receipt of such notice by any Member shall not invalidate such Rules or any alteration thereof.

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Limit or Extension of Cover	12.	Notwithstanding anything contained in these Articles or the Rules, the Directors shall have <del>absolute power by resolution</del> <u>the power</u> to limit or extend the insurance afforded by any of the Rules. The power to extend the insurance afforded by any of the Rules may be applied retrospectively in individual cases <u>in the Directors' absolute discretion</u> <del>, which the Directors in their absolute discretion consider to be border line cases and where they consider the Member should be protected</del>
Government Reinsurance Scheme	13.	Notwithstanding anything contained in these Articles or the Rules, the Directors shall have power to impose such further terms and conditions as may appear advisable to them in the interests of the Members in respect of any matters arising directly or indirectly in connection with any Scheme of Government Reinsurance or relating to any liabilities which Members may incur or loss they may suffer as a result of the United Kingdom being engaged in war.
Discontinuance of Institution of Classes	14.	Any Class may be discontinued, merged or wound up and any new Class may be instituted in such manner and upon such terms as may be directed by the Association by Special Resolution.
	15.	The business of each Class shall, subject to these Articles, be conducted according to the Rules of the Class.

## INSURANCE AND CONTRIBUTIONS

Class Accounts	<u>16.</u>	
Funds	<u>16.116</u>	A separate account shall be kept for each Class to which shall be debited all payments which, in the opinion of the Directors, necessarily or properly fall to be made by or

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on behalf of the Association in connection with that Class, including all payments of claims, expenses and other outgoings. The Directors may from time to time determine in what proportions the general expenses of the management and otherwise of the Association and any debts and liabilities not specifically provided for are to be borne as between different Classes and the separate accounts of the respective Classes shall be debited accordingly.

16.217(A)

The funds necessary to meet the amounts debited to the separate account of a Class and the funds thought necessary to meet, provide for, or reserve against anticipated claims, expenses and outgoings, including the setting up of such reserves as the Directors may deem expedient, shall be provided by contributions to be made by the Members of that Class. The Directors shall from time to time direct that such contributions shall be paid to the Association by the Members and shall further direct the amount thereof and by what instalments and in what manner the same shall be payable. The amount which every Member of a Class is liable to contribute to the Association shall be determined in accordance with the Rules of the particular Class.

16.3(B)

If the amount realised by contributions to a Class shall be more than sufficient to meet claims, expenses and liabilities, then the whole or any portion of the surplus may be retained and applied for the purposes of that Class, or the whole or any portion of the surplus may be returned to the Members or former Members of that Class in such proportions and in such manner as the Directors may in their absolute discretion determine provided that nothing herein contained shall be deemed to give

such Members any interest in the undertaking of the Association and no payment shall be made in any manner which is contrary to the provisions of the Rules of that Class.

17.

17.118 (A)

All policies of insurance underwritten on behalf of any Class shall be underwritten in the name of the Association, but no person shall, in respect of insurance in any Class, be liable to pay or entitled to receive any money in respect of any insurance in any other Class.

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17.218 (B)

The policy year of each Class shall be closed and the rights and obligations of the Members of such Class in relation to any surplus or deficit arising, or to any other matter, shall be determined by the Directors but subject to any applicable provisions of the Rules of each such Class.

17.318 (C)

In closing the policy account for any year the Directors shall take into account all outstanding claims and liabilities and shall make provision for the same either by setting apart out of any surplus such sum as in the opinion of the Directors may be deemed sufficient, or by making a call on the Members for such further contributions as the Directors may consider necessary. The outstanding claims and liabilities of the said year, and the sums provided to meet them as aforesaid, shall then be either (i) transferred to the account for the following year, and the Members for the following year shall thereupon take over and assume liability for all the said claims and liabilities, and the Members of a Class for the year, the account of which has been closed shall thereupon be freed from liability in respect of the claims relating to such year, or (ii)

			otherwise transferred in such manner as the Directors may determine but subject to any applicable provisions of the Rules of each Class.
Member liable to Association	<u>18.19</u>		Every engagement or liability of a Member in respect of any insurance shall for all purposes relating to enforcing such engagement or liability be deemed to be an engagement or liability by or on the part of such Member to the Association, and not to any other Member or other person and all moneys payable thereunder shall be paid to the Association.
Member claims against Association only	<u>19.20</u>		All claims in respect of insurance shall be made and enforced against the Association only, not against a Member, and a Member <del>only</del> shall <u>only</u> be entitled to make and enforce such claims on the Association. The Association shall not be liable to a Member or other person for the amount of any loss, claim or demand, except to the extent of the funds which the Association is able to recover from the Members or other persons liable for the same and which are applicable to that purpose.
	<u>20.21</u>		All payments to or by the Association in respect of any insurance in any Class shall be due to or made by the Association, but shall be accounted for or charged to, as the case may be, the separate account of such Class. In case the Association shall incur any costs or expenses in or for legal proceedings or arbitration, or otherwise, in respect of the business of a particular Class, such costs and expenses shall be charged to the separate account of such Class.
Entries accepted on Special Terms	<u>21.22</u>		The Directors may, notwithstanding the provisions of these Articles or of the Rules, accept entries upon such special terms as to membership, contribution (including

		<p>exemption from the provisions of <b>Article 23.22</b>) and, within the scope of the Rules, as to the nature and extent of the risks covered and otherwise as they may think fit and may accept as such entries reinsurances from other insurers. The Directors may also reinsure any portion of the risks of the Association upon such terms as they may think fit.</p>	Formatted: Font: Bold
Default of Members	22.23	<p>In the event of any Member making default in payment of any contribution due from him for insurance in a Class, and the Managers certifying that this is irrevocable, the same shall (subject to the provisions of <b>Article 22.21</b>) be paid by such of the other Members entered for insurance in such Class as is or may be prescribed by the Rules of such Class, and payment may be enforced in the name of the Association. Each Member who may for the time being be entitled to receive from any Class any payment in respect of any loss, claim or demand, shall bear and contribute the proportion thereof due in respect of any ship or ships entered by him in such Class, including the ship in respect of which the loss, claim or demand arises</p>	Formatted: Font: Bold
	23.24	<p><b>CESSER OF INSURANCE</b></p> <p>A Member shall cease to be insured by the Association in respect of any Ship entered in a particular Class or Classes in the circumstances prescribed by the Rules of each such Class. The effects of such cessation and the respective rights and obligations of the Association and such Member in relation thereto shall likewise be determined in accordance with the Rules of the relevant Class.</p>	Formatted: Don't keep with next
Continuation of Cover	24.25	<p>All Ships whose entry does not cease as aforesaid shall, except as otherwise</p>	

provided by the Rules, continue in insurance year after year without further application for that purpose.

25.26

Upon the cesser of insurance in respect of any Ship the Managers may release the Member concerned from liability for further contributions to calls in respect thereof upon such terms as they may deem appropriate in accordance with the Rules of the relevant Class.

#### **CALLS**

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26.27

Calls shall be determined, payable and recoverable in accordance with the Rules of each Class and a certificate ~~under the hand of~~ signed by a Manager stating that a call has been made and certifying the amount which any Member is liable to contribute shall be binding and conclusive upon such Member

Default in paying  
Calls

27.28

If the amount specified in any notice of a call is not paid at the time and place appointed for payment thereof it shall forthwith become recoverable by the Association by legal action

#### **GENERAL MEETINGS**

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28.29

The Association shall in each year hold a ~~g~~General ~~m~~Meeting as its ~~a~~Annual ~~g~~General ~~m~~Meeting in addition to any other general meetings in that year. The annual general meeting shall be held at such time and place as the Directors shall determine. The Directors may call general meetings at any time. and not more than fifteen months shall elapse between the date of one Annual General Meetings and that of the next.

~~The Annual General Meeting shall be held at such time and place as the Directors shall determine All General Meetings other than~~

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Extraordinary 30.  
General Meetings

#### Annual General Meetings.

~~The Directors may at any time call an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as is provided by the Statutes~~

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#### NOTICE OF GENERAL MEETINGS

Notice

29.31

~~In the case of an Annual General Meeting or of a meeting called for the passing of a Special Resolution twenty one clear days notice at the least, and in any other case fourteen days clear days notice at the least, specifying the place, the day and the hour of meeting, and in case of special business the general nature of such business (and in the case of an Annual General Meeting specifying the meeting as such), shall be given in writing in the manner hereinafter mentioned to all the Members and to the Auditors for the time being of the Association~~A notice convening a general meeting of the Association shall be called by at least fourteen clear days' notice in writing. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. Subject to the provisions of these Articles notice of general meetings shall be given to all Members, to all Directors and to the auditors.

Short Notice of Meeting 30.32

~~A General Meeting shall, notwithstanding that it is called by a shorter notice than that specified in Article 31 be deemed to have been duly called if it be so agreed~~Notwithstanding and foregoing provisions of these Articles a general meeting may be called by shorter notice if it is so agreed in accordance with section 307(4) of the

		<u>Companies Act 2006.</u>	
	(A)	<del>In the case of a meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat, and</del>	<div>Formatted: Don't keep with next</div> <div>Formatted: Don't keep with next</div>
	(B)	<del>In the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together representing not less than 95 per cent of the total voting rights at that meeting of all the Members</del>	<div>Formatted: Don't keep with next</div> <div>Formatted: Don't keep with next</div>
Proxy Forms	31.	<u>Notwithstanding that the Association does not have a share capital, every notice convening a general meeting shall comply with the provisions of section 325(1) of the Companies Act 2006 as to giving information to members in regard to their right to appoint proxies.</u>	<div>Formatted: Don't keep with next</div> <div>Formatted: Bullets and Numbering</div> <div>Formatted: Don't keep with next</div>
Form of Notice	32.	<u>Every notice convening a general meeting shall be given in accordance with section 308 of the Companies Act 2006 that is, in Hard Copy Form, electronic form or by means of a website.</u>	<div>Formatted: Don't keep with next</div> <div>Formatted: Bullets and Numbering</div> <div>Formatted: Don't keep with next</div>
Electronic Notice	33.	<u>The Association may send a notice of meeting by making it available on a website or by sending it in electronic form and if notice is sent in either way it will be valid provided it complies with the relevant provisions of the Companies Act 2006.</u>	<div>Formatted: Don't keep with next</div> <div>Formatted: Bullets and Numbering</div> <div>Formatted: Don't keep with next</div>
Requisition by Members	<del>34.</del> 33	Subject to the provisions of the Statutes it shall be the duty of the Association, on the requisition in writing of such number of Members as is specified in the Statutes and (unless the Association otherwise resolves) at the expense of <del>the requisitionists</del> such <u>Members</u> , to give to Members entitled to receive notice of <del>the next Annual General</del> <u>any general</u> meeting notice of any resolution which may properly be moved	<div>Formatted: Don't keep with next</div>



		and is intended to be moved at that meeting and to circulate to <u>such</u> Members <del>entitled to have notice of any General Meeting sent to them</del> any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.	
Accidental omission to give notice	<u>35.34</u>	The accidental omission to give notice to, or the non-receipt of notice <u>of a meeting</u> by, any person entitled to receive notice shall not invalidate the proceedings at <del>any General Meeting</del> <u>that meeting</u> .	Formatted: Don't keep with next
		<b>PROCEEDINGS AT GENERAL MEETINGS</b>	Formatted: Don't keep with next
	<del>35.</del>	<del>All business shall be deemed special that is to be transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General meeting shall also be deemed special, with the exceptions of alterations, additions or amendments to the Rules of any Class, the consideration of the Accounts, Balance Sheets and Reports of the Directors and Auditors, the election of Directors in place of those retiring, the appointment of Auditors and the fixing of the remuneration.</del>	Formatted: Don't keep with next Formatted: Indent: Left: 1.23 cm Formatted: Bullets and Numbering Formatted: Don't keep with next
Special Notice of Resolution	<del>36.</del>	<del>Whereby any provisions contained in the Statutes special notice is required of a resolution shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty eight days (or such shorter period as the Statutes permit) before the meeting at which it is moved, and the Association shall give the Members notice of any such resolution as required by and in accordance with the provisions of the Statutes.</del>	Formatted: Don't keep with next Formatted: Bullets and Numbering Formatted: Don't keep with next
Quorum	<u>37.36.</u>	No business shall be transacted at any <del>g</del> General <del>m</del> Meeting unless a quorum is present. Seven members present in person	Formatted: Bullets and Numbering

		<p><del>shall be a quorum.</del> Seven persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a Member which is a corporation shall be a quorum.</p>	
	<del>38-37.</del>	<p>If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of or by Members, shall be dissolved. In any other case it shall stand adjourned to <del>the same</del> <u>such</u> day in the next week, at the same time and place or to such other day and such time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.</p>	<div>Formatted Table</div> <div>Formatted: Bullets and Numbering</div>
Adjournments	<del>39-38.</del>	<p>The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. Whenever a meeting is adjourned for fourteen days or more, seven clear days notice at least, specifying the place, the day and the hour of the adjourned meeting shall be given as in the case of the original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no Member shall be entitled to any notice of an adjournment. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>	<div>Formatted: Bullets and Numbering</div>
Chairman	<del>40-39.</del>	<p>The chairman (if any) of the board of Directors, or in his absence the vice-chairman or in the absence of both of them</p>	<div>Formatted: Bullets and Numbering</div>

some other Director nominated by the Directors shall preside at every general meeting, but if at any meeting neither the chairman nor the vice-chairman nor such other Director be present within fifteen minutes after the time appointed for holding the same, or if none of them be willing to act as chairman, the Directors present shall choose some Director present to be chairman, or if no Director be present, or if all Directors present decline to take the chair the Members shall choose some Member present to be chairman.

Voting on show of hands or poll ~~41-40.~~

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by at least five Members having the right to vote at the meeting or by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

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~~42-41.~~

The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll, and for the purposes of the last preceding Article a demand by a person as proxy for a Member shall be the same as a demand by the Member.

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Votes wrongly counted	<del>43.</del> <u>42.</u>	<p>If any vote shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the meeting or adjourned meeting at which the vote is given, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the result of the voting. <u>The chairman's decision shall be final and conclusive.</u></p>	Formatted: Bullets and Numbering
Polls	<del>44.</del> <u>43.</u>	<p>A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded) and place as the chairman shall direct and no notice need be given of a poll taken immediately. A poll shall be taken in such manner (including the use of ballot or voting papers) as the chairman shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. <u>The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand has made.-</u> The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.</p>	Formatted: Bullets and Numbering
Chairman's Casting Vote	<del>45.</del> <u>44.</u>	<p>In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a further or casting vote.</p>	Formatted: Bullets and Numbering
		<p><b>SEPARATE MEETINGS OF MEMBERS OF</b></p>	Formatted: Don't keep with next

## CLASSES

~~46.~~45.

The Directors may at any time call a separate meeting of the Members of any Class. A separate meeting of the Members of a Class shall also be convened on the requisition in writing of not less than ten Members of such Class and all the provisions of the Statutes shall, mutatis mutandis, apply to any such requisition as if such requisition were in respect of an ~~Extraordinary General~~ general meeting of the Association. To every such separate meeting all the provisions of these Articles relating to general Meetings of the Association, or to the proceedings thereat shall, mutatis mutandis, apply, except that ~~not more than fourteen clear days notice of any such Meeting shall be required, and so that if~~ at any adjourned Meeting a quorum is not present those Members of the Class who are present in person or by proxy shall be a quorum.

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## VOTES OF MEMBERS

~~47.~~46.

Subject to the provisions of the Companies Act 2006 and any restrictions imposed by these Articles, on a resolution on a show of hands:

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~~47.~~46.1

~~Every Member who is present in person shall have one vote; on a show of hands and upon a poll every Member present in person or by proxy shall have one vote for every Ship entered by him for insurance in the Association~~

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46.2

every proxy present who has been duly appointed by one or more Members entitled to vote on the resolution has one vote unless the proxy has been appointed by more than one Member entitled to vote on the resolution in which case:

46.2.1 where the proxy has been instructed by one or more of such Members to vote for the resolution any by one or more of such Members to vote against the resolution the proxy has one vote for and one vote against the resolution;

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~~4.1.1~~ 46.2.2 where the proxy has been instructed by one or more of such Members as to how he should vote on the resolution and all those instructions are to vote the same way, and one or more other Members have given the proxy discretion as to how to he should vote, he may cast one vote "for" or one vote "against" in accordance with these instructions and may cast a second discretionary vote the other way;

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Provided always that

~~(A) no Member shall on a poll be entitled to more than 30 votes; and~~

~~(B) in the case of joint Members the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members, and for this purpose seniority shall be determined by the order in which the names stand as joint Members in the Registrar of Members.~~

46.3

each person authorised by a corporation to exercise voting powers on behalf of the corporation is entitled to exercise the same

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voting powers as the corporation would be entitled to. Where a corporation authorises more than one person, this is subject to the following provisions of **Articles 46.3.1 and 46.3.2:**

46.3.1 if more than one person authorised by the same corporation purport to exercise the power to vote on a show of hands in respect of the same Ships and exercise the power in the same way as each other, the power is treated as exercised in that way;

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46.3.2 if more than one person authorised by the same corporation purport to exercise the power to vote on a show of hands in respect of the same Ships and do not exercise the power in the same way as each other, the power is treated as not exercised.

47. Subject to the provisions of the Companies Act and any restrictions imposed by these Articles, on a vote on a resolution on a poll every Member present in person or by proxy or (being a corporation) present by a duly appointed representative shall have one vote for every Ship entered by him (or his appointor) for insurance in the Association and if entitled to more than one vote need not, if he votes, use all his votes or cast all his votes he uses in the same way, provided always that:

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47.1 no Member, whether present in person or by proxy or (being a corporation) present by a duly appointed representative, shall on a poll be entitled to more than 30 votes; and

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47.2 in the case of joint Members the vote of the senior who tenders a vote, whether in

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person or by proxy or by way of a duly appointed representative, shall be accepted to the exclusion of the votes of the other joint Members, and for this purpose seniority shall be determined by the order in which the names stand as joint Members in the Register of Members.

Corporation may 48.  
authorise  
Representatives  
to act

A corporation which is a Member of the Association may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Association, or at any separate meeting of the Members of any Class, and ~~the each~~ person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Association. Any Director of the Association who is qualified as such as being chairman, director, manager or secretary of a corporation such as is mentioned in **Article 6063** shall in the absence of any resolution of the directors of such corporation to the contrary be deemed to have been appointed the representative of such corporation for the purpose of this Article.

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Members unable 49.  
to vote may  
appoint Representative

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in ~~lunacy~~ mental disorder, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by such court and such committee, receiver, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-



eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

Before Voting  
Members must  
pay sums  
due

50. No Member shall, unless the Directors otherwise determine, be entitled to vote at any general meeting, either personally or by proxy, or to exercise any privilege as a Member unless all sums presently due from him to the Association have been paid.

51. On a poll votes may be given either personally or by proxy.

Qualification of  
Voters

52. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

Proxies

53. A Member may appoint more than one proxy to attend and speak and vote on the same occasion, provided that each proxy is appointed to exercise the rights attached to a different Ship or Ships entered by such Member for insurance in the Association. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney so authorised.~~The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointer is a corporation either under its common seal or under the hand of~~

~~an officer or attorney so authorised.~~

54. No person shall be appointed to be a proxy unless he is a Member or a Director or the duly authorised representative of a body corporate which is a Member of the Association.

~~55.56. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notionally certified copy or office copy of such power or authority, shall be deposited at the Office, or at such other place in the United Kingdom as is specified for the purpose in the notice convening the meeting or in the instrument of proxy issued by the Association, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. An instrument of proxy may be in any common form or in such other form as the Directors shall approve. Instruments of proxy need not be witnessed.~~

~~56.57~~ The Directors may at the expense of the Association send, by post or otherwise, to the Members instruments of proxy ~~(with or without stamped envelopes for their return)~~ for use at any general meeting or at any separate meeting of the Members of any Class, either in blank or nominating in the alternative any one or more persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Association, such invitations shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.

57. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. **Formatted:** Bullets and Numbering
58. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority notarially or in some other way approved by the Directors may:
- 58.1 in the case of a proxy not being sent in electronic form be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting or in any instrument of proxy sent out by the Association in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or **Formatted:** Bullets and Numbering
- 58.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or **Formatted:** Bullets and Numbering
- 58.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of that meeting or to the secretary or to any director. **Formatted:** Bullets and Numbering
- 58.4 A proxy appointment which is being sent in electronic form must be received at an address specified by the Association for the purpose of receiving such communications in electronic form: **Formatted:** Bullets and Numbering
- 58.4.1 in (or by way of a note to) the notice convening the meeting; or **Formatted:** Indent: Left: -0.01 cm, Hanging: 1.58 cm  
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- 58.4.2 in any form of proxy appointment **Formatted:** Indent: Left: 0 cm, Hanging: 1.57 cm

sent out by the Association; or

58.4.3 in any invitation contained in an  
electronic form to appoint a proxy  
issued by the Association;

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in each case not less than 48 hours before  
the time for holding the meeting at which  
the person named in the instrument  
proposes to vote or in the case of a poll  
taken more than 48 hours after it is  
demanded, not less than 24 hours before  
the poll is taken or where the poll is not  
taken forthwith but is taken not more than  
48 hours after it was demanded, be  
delivered at the meeting at which the poll  
was demanded to the chairman of that  
meeting or to the secretary or to any  
director.

An instrument of proxy which is not  
deposited or delivered in a manner so  
permitted shall be invalid.

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59.

In calculating the time periods in **Article**  
**58**, no account shall be taken of any part of  
a day that is not a working day.

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60.58

A vote given in accordance with the terms  
of an instrument of proxy shall be valid,  
notwithstanding the death or insanity of the  
principal, or the revocation of the  
instrument of proxy or of the authority  
under which the instrument of proxy was  
executed, provided that no intimation in  
writing of such death, insanity or revocation  
shall have been received by the Association  
at the Office at least three hours before the  
commencement of the meeting or  
adjourned meeting at which the instrument  
of proxy is used.

61.

## **WRITTEN RESOLUTIONS**

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61.1

A written resolution, proposed in accordance with section 288(3) of the Companies Act 2006, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.

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61.2

For the purposes of this **Article 61** "circulation date" is the day on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days.

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#### **NUMBER, QUALIFICATION AND REMUNERATION OF DIRECTORS**

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62.59

Unless otherwise determined by the Association by Ordinary Resolution, the number of Directors shall be not less than ten nor more than sixty.

Qualification of Directors

63.60

No person shall be eligible for appointment or reappointment as a Director unless he is ~~a Member be the owner or charterer, or he is~~ the authorised representative of a ~~Member (as the case may be) Company which is the owner or charterer of~~ Qualifying Tonnage for the time being entered and maintained in the Association for insurance as follows.

The provisions of this **Article 63** shall not apply to the eligibility for appointment of any person as a Managing Director, a Joint Managing Director, a Deputy Managing Director or an Executive Director- the appointments of which are governed by the provisions of **Article 67** and **Article 69**.

(A) ~~Qualifying Tonnage of not less than 3,000 tons gross register in the Protecting and Indemnity Class or in the Freight, Demurrage and Defence Class;~~

OR

~~(B) Qualifying Tonnage representing a value or not less than £1,000,000 (or the equivalent in other currencies acceptable to the Managers) in the War Risks Class~~

~~Provided always that a person shall be eligible for appointment or reappointment as a Director if he is qualified under either (A) or (B) above in respect of the aggregate of tonnage owned by two or more Companies.~~

~~Provided also that, in the case of a charterer Member, the Member's tonnage is entered on a mutual basis and that such Member shall also be or be associated with or affiliated to a company that is the owner or character by demise of a ship that would be eligible for entry in the Association.~~

~~The provisions of this Article 60 shall not apply to the eligibility for appointment of any person as a Managing Director, a Deputy Managing Director or an Executive Director the appointments of which are governed by the provisions of Article 64 and Article 68~~

Directors'  
Remuneration

64.61

The Directors shall be entitled to receive as remuneration for their services such sum as they may from time to time determine, not exceeding such sum as the Association in general meeting may from time to time determine, and such remuneration shall be divided amongst the Directors in such manner as they shall from time to time think fit.

65.62

The Directors shall also be entitled to be paid all travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of the

Directors or committees of the Directors or  
gGeneral mMeetings, or the mMeetings of any  
Class.

~~66.63~~ If by arrangement with the other Directors any  
Director shall perform or render any special  
duties or services outside his ordinary duties as a  
Director, the Directors may pay him special  
remuneration, in addition to his ordinary  
remuneration.

**67. RETIREMENT, APPOINTMENT,  
DISQUALIFICATION AND REMOVAL OF  
DIRECTORS**

~~67.164(A)~~ ~~Managing Directors, Joint Managing Directors,  
Deputy Managing Directors and Executive  
Directors shall not be required to retire from  
office in accordance with the subsequent  
provisions of this Article 64~~No person shall be  
appointed or re-appointed a Director at any  
general meeting unless:

67.1.1 he is recommended by the Directors; or

67.1.2 not less than three nor more than  
twenty-one clear days before the date  
appointed for the meeting, notice  
signed by a Member qualified to vote at  
the meeting has been given to the  
Association of the intention to propose  
that person for appointment or re-  
appointment stating the particulars  
which would, if he were so appointed or  
re-appointed, be required to be  
included in the Association's register of  
Directors together with notice signed by  
that person of his willingness to be  
appointed or re-appointed.

~~(B) At the Annual General meeting to be held in each  
year one third of the Directors who hold office at  
that time (or, of their number is not a multiple of  
three, then the nearest number to one third) shall  
retire from office, the Directors to retire being~~

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~~those who have been longest in office since their last appointment as Directors of the Association but as between Directors who were appointed on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot~~

~~(C) Directors retiring as aforesaid shall be eligible for re-election subject to the terms of these Articles and any retiring Director not so re-elected shall be deemed to retire at the termination of the meeting at which his successor (if any) is elected or his re-election is not approved by the Members~~

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~~67.2 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the Directors for appointment or re-appointment as a Director at the meeting or in respect of whom notice has been duly given to the Association of the intention to propose him at the meeting for appointment or re-appointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Association's register of Directors.~~

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~~67.3 Subject as aforesaid, the Association may by Ordinary Resolution appoint a person who is willing to be a Director either to fill a vacancy or as an additional Director.~~

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Appointment of  
Directors Voting  
Procedure

~~65(A) The Association at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if 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~~

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~~(B) Provided that no person other than a Director retiring at the Meeting shall unless recommended~~



~~by the Directors be eligible for election to the office of Director at any general Meeting unless not less than three nor more than twenty one days before the date appointed for the meeting there shall have been left at the registered office of the Association notice in writing, signed by a Member duly qualified to attend and vote at the Meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected~~

67.4(C)

Managing Directors, Joint Managing Directors, Deputy Managing Directors and Executive Directors shall be appointed to the office of Director pursuant to the provisions of **Article 88 90.**

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Increase or  
reduction in  
number Directors

68.66

The Association may by Ordinary Resolution increase or reduce the number of Directors and may make any appointments necessary for effecting any such increase, but this Article shall not be construed as authorising the removal of a Director otherwise than under the terms of these Articles or in accordance with the Statutes.

Casual Vacancies

69.67

The Directors may from time to time and at any time appoint any qualified person to be a Director to fill a casual vacancy. The Directors may also from time to time and at any time appoint any qualified person to be an additional Director provided that the total number of Directors shall not exceed the maximum number fixed by or in accordance with these Articles and so that not more than five persons shall be appointed as additional Directors in any one year, ~~and so that in making such appointments due regard shall be had to the provisions of Article [59]. Any person so appointed to fill a casual vacancy shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he was appointed was last appointed as a Director. Any person so appointed as an addition to the existing~~

		<del>Directors shall hold office until the next following Annual General meeting and shall then be eligible for re-appointment but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting</del>
Director vacates office	<del>70.68</del>	The office of a Director shall be vacated if:
	<del>70.1(A)</del>	he becomes bankrupt or makes any arrangement or composition with his creditors generally;
	<del>70.2(B)</del>	<del>by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have; he becomes of unsound mind</del>
	<del>70.3(C)</del>	<del>a registered medical practitioner who is treating him gives a written opinion to the Association stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months; he be prohibited from being a Director by an Order made under any provision of the Statutes</del>
	<del>70.4</del>	<del>he becomes prohibited from being a Director by virtue of any provision of the Statutes or these Articles or by law;</del>
	<del>70.5(D)</del>	he resigns his office by notice in writing to the Association;
	<del>70.6(E)</del>	he ceases to be eligible for appointment as a Director under these Articles, except and provided that a Director shall not vacate office under this <del>sub-clause</del> <u>Article</u> if and so long as he or (as the case may be) the firm of which he is a member or the corporation of which he is a chairman, director, manager or secretary <u>represents</u> continues to be a Member of the Association;
	<del>70.7(F)</del>	in the case of a Managing Director, a Joint Managing Director, a Deputy Managing Director

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or an Executive Director, his appointment as Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director (as the case may be) is revoked by the Directors pursuant to **Article 88 90** or he ceases to hold the position of Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director (as the case may be) for any reason whatsoever.

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Removal of  
Directors

71.69

In addition to any power to remove a Director conferred on the Association by the Statutes, the Association may by Special Resolution remove any Director before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint another qualified person in his stead.

## POWERS OF DIRECTORS

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72.70

The business of the Association and of all its Classes shall be managed by the Directors, who may exercise all such powers of the Association, and do on behalf of the Association all such acts as may be exercised and done by the Association and as are not by the Statutes or by these Articles required to be exercised or done by the Association in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Association in general meeting. No regulation made by the Association in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The powers given by this Article 72 shall not be limited by any special power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

~~71~~

~~Without prejudice to the generality of the~~

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~~foregoing provisions the Directors may at their discretion—~~

- ~~(A) exercise all the powers of the Association to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures and other securities;~~
- ~~(B) make such arrangements as may be thought fit for the management of the Association's affairs abroad, and for this purpose appoint local boards, attorneys and agents, and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient;~~
- ~~(C) from time to time and at any time by power of attorney under the Seal appoint any corporation or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him;~~
- ~~(D) institute, conduct, defend, compromise, carry out, terminate and abandon any suit, action, arbitration, proceeding or claim relating to the affairs of the Association, and from time to time by power of attorney or otherwise at their discretion employ, delegate powers to and pay such managers, agents, brokers, solicitors, counsel and other persons for all or any of the purposes of the Association or of any of the Classes and authorise any such person to sub-delegate all or any of the powers vested in him~~

~~and provide and put in bail or give security in any such proceedings as aforesaid and join with any other association or body in dealing with any action, claim or other matter relating to any shipowner or vessel although they may be not entered in the Association, and upon such terms as be considered reasonable;~~

~~(E) invest any moneys belonging to the Association upon such investments and securities as they think fit;~~

~~(F) execute or assent to any deed of composition, conveyance or assignment made by any Member of the Association, and give time for the payment of his debts, either upon security or without, and authorise any person on behalf of the Association to prove any debt due to the Association from any bankrupt or liquidating or compounding debtor, and to receive the dividends, and to act in all things arising out of or in any such bankruptcy, liquidation or composition and become and act as trustees under petition or adjudication in bankruptcy on behalf of the Association, or as trustees to any deed of arrangement with creditors or in any liquidation;~~

~~(G) entrust to and confer upon the Managers any of the powers exercisable by the Directors upon such terms and conditions and with such restrictions as the Directors may think fit and either collaterally with, or to the exclusion of, the Directors' own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.~~

Power to  
contribute to  
Charitable objects  
etc

73.72

The Directors may pay out of the funds of the Association any sum or sums of money, to any hospital, to any benevolent, charitable, educational, industrial, training or other institution, society or fund or other like object. The Directors may join in the promotion or support of any association or organisation having for its object the defence or promotion of the

interests of shipowners, and may make calls upon the Members for the purpose of contributing from time to time to the funds of such association or organisation such sums as they may deem necessary. The Directors may elect and send representatives to take part in the deliberations or management of any such association or organisation.

Pension Scheme

74.73

The Directors may establish and maintain or procure the establishment and maintenance of any non contributory or contributory pension or superannuation scheme or fund for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Association, or who are or were at any time officers of the Association or any persons in whose welfare the Association is or has been at any time interested, and the wives, widows, families and dependants of any such persons, and may make payments for or towards the insurance of such persons—~~as aforesaid.~~

Association's moneys to be deposited with Bankers

75.74

All moneys, bills and notes belonging to the Association shall be paid or deposited with the Association's bankers to an account to be opened in the name of the Association. Cheques on the Association's bankers, until otherwise from time to time resolved by the Directors, shall be signed by one Director and countersigned by a Manager of the Association or in such other manner as the Directors shall from time to time determine. The Association's banking account shall be kept with such bankers or bankers as the Directors shall from time to time determine.

76.

Directors holding other offices - inherent conflict situations

76.1

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 76** 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 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.

Directors' authority to  
authorise conflicts of  
interest 76.2

Subject to **Articles 76.1** and **76.3** 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.

Directors not to consider  
or vote on cases in  
which they are  
interested 76.3

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 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.

Directors contracting  
with Association 76.4

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) may hold any 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;

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

(v) shall not 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 be 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 statutory relationship thereby established. The nature and extent 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.



76.5 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 in the War Risks Class for the purposes of **Article 63** 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 84**).

#### PROCEEDINGS OF DIRECTORS

Board Meetings

77.

77.176

Subject to the provisions of these Articles, tThe Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings of the Directors shall be called Board Meetings. Questions arising at any Board Meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. Notice of every Board Meeting shall be given to each Director.

77.2

Managing Directors, Joint Managing Directors, Deputy Managing Directors and Executive Directors shall be entitled to attend and vote at Board Meetings but shall not be counted towards the quorum of any Board Meeting.

78.77

The Chairman, the Managing Director, the Secretary or a Joint Managing Director may, and on the request of a Director, the Managing Director or Secretary shall, at any time summon a Board Meeting Notice shall be given of Board Meetings to all Directors.

Participating by Telephone

79.

Any Director may participate in a Board Meeting or a committee constituted pursuant to **Article 85** of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in

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the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Statutes, shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

Quorum

80.78

Unless otherwise determined by the Directors, the quorum necessary for the transaction of business at a Board Meeting shall be seven.

81.79

The continuing Directors may at any time act notwithstanding any vacancy in their body; ~~and~~ provided that in the case where the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, the continuing Directors may act for the purpose of appointing an additional Director or Directors to make up such minimum, or of summoning a general meeting of the Association, but for no other purpose.

Election of  
Chairman and  
Vice-  
Chairman

82.80

The Directors shall appoint a chairman and vice-chairman at such remuneration and upon such terms as may be thought fit and such chairman and vice-chairman shall, if continuing to be Directors, retain such respective offices until the first Board Meeting held after the ~~next succeeding Annual General Meeting~~ first Board Meeting following the anniversary of their appointment.

83.81

If any casual vacancy shall occur in the office of chairman or vice-chairman the Directors shall appoint a Director to fill the same ~~and the Director so appointed shall retain such office, if continuing to be a Director, until the first Board Meeting held after the Annual General Meeting next following his appointment.~~

	<del>84.82</del>	The chairman, or in his absence the vice-chairman, shall preside at all Board Meetings, but if at any meeting neither the chairman nor the vice-chairman be present at the time appointed for holding the same, the Directors present shall choose one of their number to be a chairman of such meeting and the Director so chosen shall preside at such meeting accordingly so long as neither the chairman nor the vice-chairman shall be present. The Directors present shall choose someone of their number to act as chairman of the <del>m</del> Meeting if the chair shall be vacated by reason of <del>Article 75(D)</del> <b>76.3</b> taking effect.	Formatted: Font: Bold
Delegation of Directors Powers to Committees	<del>85.83</del>	The Directors may delegate any of their powers including the business of any particular Class or Classes of the Association to committees (including standing committees and local committees) consisting of such member or members of their body as they think fit Unless otherwise determined by the Directors the quorum necessary for the transaction of the business of a <del>c</del> Committee consisting of two or more members shall be two. Any committee so formed shall in the exercise of any power so delegated conform to any regulations that may from time to time be imposed upon it by the Directors. The chairman and vice-chairman of the Directors shall be ex-officio members of all <del>c</del> Committees.	
Proceedings of Committees	<del>86.84</del>	The meetings and proceedings of any such <del>c</del> Committees consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under <del>Article 84</del> <b>85</b> .	Formatted: Font: Bold
Defective Acts of Committees	<del>87.85</del>	All acts done by any Board Meeting or by any <del>m</del> Meeting of a <del>c</del> Committee of the Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of	

any such Director or person acting as aforesaid or that they or any of them had vacated office, be as valid as if every person had been duly appointed and had continued to be a Director.

Minutes	<u>88.86</u>	The Directors shall cause minutes to be made of all proceedings of general meetings of the Association and of Board Meetings and of <del>m</del> Meetings of <del>c</del> Committees of the Directors and of the attendances thereat and of all appointments of officers made by the Directors. Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding <del>m</del> Meeting, shall be evidence of the proceedings.
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Resolution in writing	<u>89.87</u>	A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more Directors.
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	<u>90.88</u>	<b>MANAGING DIRECTOR/EXECUTIVE DIRECTORS</b>
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	<u>90.1(A)</u>	The Directors may from time to time appoint any one or more of the Managers to any executive office carrying the title of Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director, for such period, on such terms and at such remuneration as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
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	<u>90.2(B)</u>	An individual appointed as a Managing Director, Joint Managing Director, Deputy Managing Director, or an Executive Director shall be deemed to be automatically appointed to the office of Director.
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		<b>MANAGERS</b>
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91.89

The Directors may from time to time appoint any persons to be Managers of the Association for such period and on such terms as they may think fit and, subject to the terms of any contract with the Managers or any of them, the Directors may revoke any such appointment. The Managers shall have authority to engage such professional or technical assistance on such terms as they may consider necessary in the execution of the duties of their office.

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The duties and powers of the Managers shall be such as are placed and conferred upon them by these Articles and the Rules and such other duties and powers not inconsistent therewith as the Directors shall from time to time determine.

#### **SECRETARY**

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92.90

The Secretary shall be appointed by the Directors for such term at such remuneration, and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. Anything by the Statutes required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any reason no Secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Association authorised generally or specially in that behalf by the Directors, provided that any provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in the place of, the Secretary.

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#### **THE SEAL**

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93.91

If the Association has a Seal, The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of a resolution of the Directors or of a Committee of Directors duly authorised by the

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Directors. The Directors may from time to time make such regulations as they see fit determining the persons and the number of such persons in whose presence the Seal shall be used, and until otherwise so determined the Seal shall be affixed in the presence of one Director and a Manager or the Secretary who shall both sign the instrument to which the Seal is so affixed.

94.92

The Association may have an official Seal for use abroad under the provisions of the Statutes where and as the Directors shall determine, and the Association may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Association for the purpose of affixing and using such official Seal and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official Seal as aforesaid.

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**RESERVES**

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95.93

Any moneys for the time being in the hands of the Association and not immediately required to meet any claims, expenses and outgoings to which under these Articles or the Rules of any Class the same are applicable may be ~~earned~~ allocated to such reserve or reserves as the Directors think proper but so that moneys representing contributions made by Members of one Class shall be kept separate from moneys representing contributions made by Members of any other Class. Any moneys for the time being standing to the credit of any reserve or reserves may be invested in such investments as the Directors think fit.

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**ACCOUNTS**

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96.94

The Directors shall cause proper accounts to be kept in accordance with the provisions of the

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Statutes.

97.95

The books of account shall be kept at the Office, or (subject to the provisions of the Statutes) at such other place as the Directors shall think fit, and shall always be open to the inspection of the Directors. No Member (not being a Director) shall have any right of inspecting any account or book or document of the Association except as conferred by Statute or authorised by the Directors or by Ordinary Resolution of the Association-

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96

~~The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Association in general meeting such accounts, balance sheets and reports as are specified in the Statutes~~

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97

~~A copy of every balance sheet (including every document required by the Statutes to be annexed thereto) which is to be laid before the Association in General Meeting, together with a copy of the Auditors Report and the Directors' Report, shall, twenty one days at the least before the date of the meeting, be delivered or sent by post to the registered address of every Member and to the Auditors~~

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98

~~The Auditors Report shall be read before the Association in General Meeting and shall be open to inspection by any Member~~

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#### AUDIT

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98.99

Auditors must be appointed for each financial year of the Association. The appointment must be made in the period for appointing auditors as defined in section 485 of the Companies Act 2006. Once at least in every year the accounts of the Association shall be examined and the correctness of the Balance Sheets and other Accounts ascertained by an Auditor or Auditors

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~~99.100~~

~~Auditors cease to hold office at the end of the next period for appointing auditors unless and until they are re-appointed by the Members in accordance with section 485(4) of the Companies Act 2006. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes~~

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## **NOTICES**

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~~100.1101~~

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

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~~(a) either 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~~

~~(c) by giving it using in electronic communications form to an electronic address for the time being notified to the Association by the Member; or~~

~~(d) making it available on a website; or~~

~~(a)(e) by facsimile. 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.~~

100.2102

Notices and documents shall be deemed to have been sent:

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(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. Any Member described in the Register of Members as having an address not within the United Kingdom who shall have 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

104.103 ~~Any notice or other document of served by post shall be deemed to have been served on the day following the day on which the letter containing the same was out 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 telegraph office or in the case of facsimile machine or telex, despatched and in proving such service, it should 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~~

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~~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.~~

~~100.3~~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~~mental disorder, bankruptcy, liquidation or disability of such Member.

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100.4

Any Member described in the Register of Members as having an address not within the United Kingdom 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.

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~~101.~~105

#### **WINDING UP**

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.

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~~102.~~106

#### **INDEMNITY**

~~102.~~1

Subject to the provisions of, and so far as may be permitted by, the Statutes but without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Association shall indemnify every Director, secretary or other officer of the Association against all costs, charges, losses, expenses and liabilities incurred

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by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a Director, secretary or other officer of the Association and against any such liability incurred by him in connection with the Association's activities as trustee of an occupational pension scheme as defined in section 235(6) of the Companies Act 2006.

~~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 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~~

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#### 102.2

The Directors may buy and maintain at the cost of the Association insurance cover for or for the benefit of every Director, secretary or other officer of the Association or of any associated company (as defined in section 256 of the

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Companies Act 2006) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Association (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a Director, secretary or other officer of the Association or associated company.

102.3

Subject to the provisions of, and so far as may be permitted by, the Statutes, the Association shall be entitled to fund the expenditure of every Director or other officer of the Association incurred or to be incurred:

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102.3.1 in defending any criminal or civil proceedings; or

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102.3.2 in connection with any application under sections 144(3), 144(4) or 1157 of the Companies Act 2006.

103.

### **DOCUMENTS SENT IN ELECTRONIC FORM OR BY MEANS OF A WEBSITE**

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103.1

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.

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103.2

Subject to any requirement of the Statutes only such documents and notices as are specified by the Association may be sent to the Association in electronic form to the address specified by the Association for that purpose and such documents or notices sent to the Association are sufficiently authenticated if the identity of the sender is confirmed in the way the Association has specified.

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104

**NAME**

The name of the Association is "The North of England Protecting and Indemnity Association Limited".

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105.

**REGISTERED OFFICE**

The registered office of the Association will be situated in England.

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106.

**OBJECTS**

The objects for which the Association is established are:

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106.1

to carry on marine and transit insurance business, that is to say, the business of effecting and carrying out contracts of insurance upon ships or upon the machinery, tackle, furniture or equipment of Ships, or upon goods, merchandise or property of any description whatever on board Ships, or upon the freight of, or any other interest in or relating to Ships or against damage arising out of or in connection with the use of Ships, or against risks incidental to the construction, repair or docking of Ships, or against transit risks (whether the transit is by sea, inland water or land, or air or partly one and partly another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance (but not including risks the insurance of which is motor vehicle insurance business) or against any other risks the insurance of which is customarily undertaken in conjunction with or incidental to any such business as aforesaid including liabilities to third parties in respect of any of the above and including on such special terms and conditions as may appear desirable to the Directors:

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106.

to insure:

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106.2.1 a Member and/or any person or

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company in which a Member has an interest, whether financial or otherwise, and which is usually or properly covered by or included in insurances with respect to Ships and interests therein or relating thereto; and

106.2.2 any other person or company against which the Directors may from time to time determine the Association shall insure;

106.3 to reinsure or accept reinsurance of any risk insured or which could be insured by the Association;

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106.4 to divide the risks accepted by the Association into different classes upon the terms that the persons protected, indemnified, or insured in one class shall mutually protect, indemnify or insure each other without recourse to the persons protected, indemnified, or insured in another class except as to working and other expenses or upon any other terms;

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106.5 to consider all questions connected with the shipping industry, or any allied industry, or insurance, to collect and circulate statistics and other information relating thereto and generally to supply information and advice relating thereto or to the interests of any member therein and to promote or oppose legislative or other measures affecting the same;

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106.6 to enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Association's objects or any of them and to obtain from any such government or authority any rights, privileges or concessions, which the Association may think it desirable to obtain, and to carry out, exercise and comply with such

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arrangements, rights, privileges or concessions and further to support or oppose any proposal made by any person or by any body of persons to secure any changes in the law affecting the Association or the business of the Association or any of its rights, privileges or concessions and to subscribe to any fund that may be raised or utilised for the purpose of or in connection with the support of, or opposition to, any such proposal;

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106.7 to join, co-operate with, or become a member of any society, committee, organisation or association having amongst its objects the defence or advancement of the interests of shipowners or shipowners' associations by joint or concerted action, and to support and contribute to the funds of any such society, committee, organisation or association;

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106.8 to pay, satisfy or compromise any claims made against the Association which it may be deemed expedient to pay, satisfy or compromise, whether or not the same may be valid in law, and to make gratuitous payments to any person being an assignee, chargee, legal personal representative, trustee in bankruptcy or liquidator of a Member or former Member in relation to Ships entered by such Member or former Member for protection, indemnity or insurance to the Association;

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106.9 to purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property, rights or privileges which the Association may think necessary or convenient for the purpose of its business, and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Association;

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106.10 to pay for any property or assets acquired by the Association either in cash or by the issue of securities or obligations or partly in one mode and partly in another and generally on such terms as may be determined;

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106.11 to lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Association) and to receive money on deposit or loan upon any terms;

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106.12 to guarantee or otherwise support or secure, either with or without the Association receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property, assets, rights and revenues (present and future) of the Association, or by both such methods or by any other means whatever, the performance of the liabilities and obligations of and the repayment or payment of any moneys whatever by any person, firm or company, including (but not limited to):

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106.12.1 any liabilities and obligations whatever of, and the repayment or payment of any moneys whatever by, any company which is for the time being or is likely to become the Association's holding company or a subsidiary of the Association or another subsidiary of the Association's holding company or otherwise associated with the Association in business; and

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106.12.2 any liabilities and obligations incurred in connection with or for the purpose of the acquisition of shares in any company which is for the time being the Association's holding company in so far as the giving of any such guarantee or other support or security is not prohibited by law; and

106.12.3 the repayment or payment of the principal amounts of, and premiums, interest and dividends on, any

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borrowings and securities;

106.13

to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Association's property or assets (whether present or future), and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Association of any obligation or liability it may undertake or which may become binding on it;

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106.14

to enter into derivative transactions (including, but not limited to, contracts for differences, options, futures and forwards), whether on exchange or over-the counter, that may be deemed expedient;

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106.15

to issue and deposit any securities which the Association has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Association or of its Members or of any other person or company having dealings with the Association, or in whose business or undertaking the Association is interested;

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106.16

to make, draw, accept, indorse and execute promissory notes, bills of exchange, and other negotiable instruments;

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106.17

to invest and deal with the moneys of the Association not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined;

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106.18

to establish or promote, or join in the establishment or promotion of, any other company whose objects shall include the taking over of any of the assets or liabilities of the

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Association or the promotion of which shall be calculated to advance its interests, and to acquire and hold any shares, securities or obligations of any such company;

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106.19

to sell or dispose of the undertaking, property and assets of the Association or any part thereof in such manner and for such consideration as the Association may think fit, and in particular for shares (fully or partly paid up), debentures, debenture stock, securities or obligations of any other company, whether promoted by the Association for the purpose or not, and to improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and assets of the Association;

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106.20

to acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Association is authorised to carry on and as part of the consideration for any such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received;

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106.21

to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation scheme or fund for the benefit of,

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and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Association or who are or were at any time officers of the Association or any persons in whose welfare the Association is or has been at any time interested, and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Association or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object;

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106.22 to cause the Association to be registered or recognised in any foreign country;

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106.23 to do all or any of the things set out in above in this **Article 106** in any part of this world and either as principal, agent, trustee or otherwise, and either alone or in conjunction with others, and by or through agents, sub-contractors, trustees or otherwise;

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106.24 to do all such other things as are incidental or the Association may think conducive to the attainment of the objects set out above in this **Article 106** or any of them and it is hereby declared that the objects specified above in this **Article 106** shall, except if at all where otherwise expressed, be in no way limited or restricted by reference to or inference from the terms of any other paragraph of the name of the Association, or the order in which such objects are stated.

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## 107. **LIABILITY OF MEMBERS**

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107.1 The liability of the Members is limited.

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107.2

Every Member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a Member or within one year afterwards, for payment of the debts and liabilities of the Association contracted before he ceases to be a Member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding One Pound.

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## **NEPIA**

### **Constitutional Review**

#### **Explanatory note in respect of the proposed changes to the constitution of NEPIA**

##### **Memorandum of Association**

<b>Clause number</b>	<b>Explanation</b>
General	<p>(1) Pursuant to provisions of the Companies Act 2006 ("CA 2006") which come into force on 1 October 2009, the Association will be deemed to have unrestricted objects save to the extent that its constitution provides otherwise. There is some debate within the legal community as to whether objects which are specific as to what a company can do would operate as a restriction or whether the new legislation will be interpreted more broadly in that a company will only be prohibited from carrying out certain functions which are specifically restricted by its constitution. It is proposed that objects should be retained in principle going forward to provide the members of the Association with clarity as to the objects and powers of the Association. Therefore the amendments proposed seek to achieve a balance between providing the members of the Association with such clarity and ensuring that the constitution of the Association is sufficiently flexible to allow it to carry out its day to day activities. Please see related comments below.</p> <p>(2) Pursuant to provisions of the CA 2006 which come into force on 1 October 2009, the memorandum of association of any company will only state (i) the desire to form a company and, if the company has a share capital, (ii) the intention of the parties to subscribe for shares (section 8 of the CA 2006).</p> <p>For companies incorporated prior to 1 October 2009 those additional provisions of the memorandum which fall outside the requirements of section 8 2006 Act (e.g. objects clause, statement of company name/authorised share capital/registered office) will automatically be deemed part of the articles of association of the company with effect from 1 October 2009 by virtue of section 28 Act 2006 ("Deemed Provisions").</p> <p>This therefore means that for those companies affected the articles of the company are actually reflected in two documents: the articles of association and the Deemed Provisions. There are practical issues with this: whenever a company is required to file its articles with Companies House (for example when it amends its articles) then the company would need to deliver not only its articles but also to append to them either (a) an extract of the old style memorandum setting out provisions which are deemed part of the articles or (b) the old style memorandum in its full form but specifying which of the provisions are deemed parts of the articles by virtue of section 28. The same</p>

	<p>would also apply whenever the company is required to provide a copy of the articles to any person. This is likely to be very cumbersome.</p> <p>Eversheds view is that companies incorporated prior to 1 October 2009 who intend to adopt new articles or amend their existing articles and who wish to amend the Deemed Provisions should take the opportunity to restructure their constitution by:</p> <ol style="list-style-type: none"> <li>1. passing a "wipe the slate clean" special resolution deleting the Deemed Provisions; and</li> <li>2. incorporating into a revised set of articles those Deemed Provisions which they wish to retain with amendments as appropriate together with any new articles that may be required.</li> </ol> <p>It is proposed that this is achieved for North of England by incorporating the Deemed Provisions with the appropriate amendments and additions as articles 104-107 of the Association's Articles. For ease of reference, the comments in this section refer to the numbering set out in a document which highlights the proposed amendments to the Association's existing memorandum.</p>
3 (A)	For the reasons noted at "General (1)" above sub-clauses (I) to (VII) have been removed. The reference to "on the mutual principle" has been deleted as the Association provides insurance to members on a fixed premium basis and on a mutual basis. Certain of the wording from paragraph 3(B)(i) and 3(C) and the entirety of 3(D) have been deleted on the basis that the matters covered by this wording are now covered by the amended wording of 3(A).
3 (B)	Paragraph 3(B)(i) has been amended to acknowledge the insurance by the Association not only of Members but also of persons and companies in which Members have an interest. Paragraph 3 (B) (ii) has been added to provide that the Association can insure any other person or company which the directors may from time to time determine the Association shall insure. For the reason noted above the reference to "On the mutual principle generally" has been removed.
Existing Objects L and M	L and M have been replaced with new objects K, L and M to broaden the Association's borrowing powers.
N	This object has been inserted to ensure that the Association has the power to enter into derivative transactions.
Existing Objects Q and R	Q and R have been replaced with new object T to ensure that the Association has the power to not only amalgamate with other companies or enter into partnership arrangements, but also to acquire the business and assets of any other person, firm or company which carries on a business which the Association's is authorised to carry on.

4	<p>New sub-paragraphs (ii) and (iii) have been included to incorporate updated CA 2006 references which are relevant for new objects K, L and M. Sub-clause (iv) (meaning of "ship") has been broadened to include any offshore structures other than ships to be consistent with the definition of "Ship" in the Association's articles. Sub-clause (v) has been amended to remove the definition of 'owner' and include a new definition of 'Member' which is consistent with the definition included in the Association's articles and accordingly cross references to 'owner' have been replaced with 'Member' throughout. Please see related comments at "New Definitions" in the NEPIA Articles section below. Please note that the amended definitions which are relevant for the purposes of the provisions of the memorandum which will be included in the Association's articles with effect from 1 October 2009 have been incorporated at articles 2.7 and 2.8 as noted below.</p>
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## Articles of Association

Article number	Explanation
Multiple Article Numbers: Definitions, 2.1, 2.2, 2.3, 6.4, 7.1, 7.2, 7.4, 10.2, 12, 26, 34, 35, (old) 35, 36, 37, 42, 43, 45, (old 55), 55, 57, 62, 64, 69.6, 70, 76.1, 76.4, 77, 83, 84, 85, 86, 87, 91, 92, 94, 100	Stylistic changes have been made to these articles.
New Definitions	<p>New definitions (which comply with the CA 2006) of "Companies Act 2006", "Hard Copy Form", "Writing" and "the Statutes" have been inserted.</p> <p>The definition of Ship has been broadened to include any offshore structures other than ships as we understand that the Association is considering insuring its Members interests in FPSOs and other offshore structures.</p>
Deleted Definitions	The definition of "Qualifying Tonnage" has been deleted as this is no longer relevant in the context of eligibility criteria for directors. The definition "Seaman" has been deleted as this is no longer a defined term which is used in the articles.
2.4, 2.5, 2.6, 2.7 and 2.8	These articles have been added to define address, working day, clear days, company, holding company, subsidiary and subsidiaries as such terms are used throughout the articles.
Existing article 2	This article has been deleted as the wording is antiquated and no longer relevant.
4	This article has been updated to clarify who the Members of the Association are.
6	This article maintains the existing principles with regard to application for membership and the absolute discretion for directors to accept or reject such applications, though the language has been modernised.



10.1	This article has been updated to reflect the existing classes of the Association being the protecting and indemnity class, the freight, demurrage and the defence class and the war risks class.
10.3	<p>This article has been amended to provide that any rule of a class can be altered, added to or replaced either by:</p> <ol style="list-style-type: none"> <li>1. ordinary resolution at a general meeting of the Association; or</li> <li>2. resolution of the directors.</li> </ol> <p>Given the timing restraints and administrative burden of seeking Members approval, this article has been amended to provide the directors with the power to alter rules.</p>
28	This article retains the principle of an annual general meeting and provides that that annual general meetings will be held at such time and place as the directors shall determine. It also provides the directors with the ability to call general meetings. Please note that under current company's legislation the term extraordinary general meeting is no longer used.
29 and 30	The existing provisions in the articles with regard to notices have been replaced with new articles 29 and 30 to reflect the current approach under the CA 2006 that a general meeting can be called by at least 14 clear days notice or by shorter notice if agreed in accordance with section 307 (4) of the CA 2006 (90% of the membership who are entitled to attend and vote at meetings).
31	This new article has been included to ensure that the Association complies with the obligations of the CA 2006 as to giving information to Members and with regard to the right to appoint proxies.
32	This new article has been included to ensure compliance with the provisions of the CA 2006 with regard to notices in that every notice of a general meeting should be delivered in hard copy form or electronic form or by way of a website.
33	This article provides the Association with the ability to send a notice of a general meeting by making it available on a website or by sending it in electronic form provided that the notice complies with the provisions of the CA 2006.
36	This article has been updated to comply with the provisions of the CA 2006 with regard to proxies and corporate representatives.

46 and 47	<p>These articles have been amended to reflect the changes to the provisions of the CA 2006 which relate to the way in which votes of proxies and corporate representatives are counted. These changes were implemented by the Shareholders Rights Directive ("SRD") which came into force on 3 August 2009. Taking each in turn:</p> <p><u>1. Proxies</u></p> <p>The SRD has clarified the rights of proxies when voting on a show of hands as follows:</p> <p>1.1 where a proxy is appointed for the same meeting by more than one Member; if all Members instruct him to vote in the same way he has one vote; if some instruct him to vote for and if some instruct him to vote against, he has one vote for and one vote against;</p> <p>1.2 where a Member appoints more than one proxy and each proxy is appointed in respect of different shares within the same holding, each appointed proxy has one vote on a show of hands.</p> <p>Article 46.2.2 provides that where a proxy has been instructed by one or more Members to vote in one way and one or more Members has given him discretion to vote, the proxy can cast one vote for and one vote against in accordance with those instructions and cast a second discretionary vote. As it is not clear from the provisions of the CA 2006 whether the Member would have a second discretionary vote in these circumstances, Article 46.2.2 has been included in line with the guidance of the Institute of Chartered Secretaries &amp; Administrators (ICSA).</p> <p>Please note that where there are multiple proxies and their votes are likely to affect the outcome of a vote, the ICSA recommends that the chairman requests a poll. Similarly if there is any uncertainty where a proxy is appointed by more than one member, it would be advisable for the chairman to demand a poll or for the proxy to demand or join in demanding a poll. Please note article 40 which details how a poll can be demanded.</p> <p><u>2. Corporate Representatives</u></p> <p>The SRD has clarified the position where a corporation authorises more than one person. In such circumstances each representative has the same voting rights as the corporation would have, so that the representatives have one vote each on a show of hands and can exercise their votes in different ways. However, where a corporation appoints more than one representative and those representatives attempt to exercise this power to vote in respect of the same holding, if they purport to exercise the power in the same way, it is treated as exercised but if they purport to exercise it in different ways, it is treated as not exercised.</p> <p>The provisions summarised above apply to all companies (including companies limited by guarantee). Whilst the</p>
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	<p>Association does not have a share capital, the voting rights of Members attach to ships as opposed to shares and therefore articles 46 and 47 tailor such provisions to reflect the Association's bespoke voting rights.</p> <p>Please note that where there are multiple proxies and their votes are likely to affect the outcome of a vote, the ICSA recommends that the chairman requests a poll. Similarly where there is any uncertainty where a proxy is appointed by more than one member, it would be advisable for the chairman to demand a poll or for the proxy to demand or join in demanding a poll. Please note article 40 which details how a poll can be demanded.</p>
(old) 55	This article has been deleted given the insertion of new article 31.
57	This provides that the instrument to appoint a proxy shall be deemed to confer authority to demand or join in demanding a poll.
58	<p>This article sets out the methods and timescales within which proxies must be delivered as follows:-</p> <ol style="list-style-type: none"> <li>1. proxies not sent in electronic form must be deposited at the registered office or such other place as is specified in the notice of the meeting not less than 48 hours before the meeting;</li> <li>2. in the case of a poll taken more than 48 hours after it was demanded, to be deposited within not less than 24 hours from the time appointed for taking of the poll;</li> <li>3. when the poll is not taken straight away but not more than 48 hours after it was demanded, it should be delivered at the poll at the meeting at which the poll was demanded; and</li> <li>4. proxy appointments sent in electronic form must be received at the address specified by the Association not less than 48 hours before the time for holding the meeting; or in the case of the poll being taken more than 48 hours after it was demanded, delivered not less than 24 hours before the poll was taken; or if the poll was not taken straight away but was taken not more than 48 hours after it was demanded, delivered at the meeting at which the poll was demanded.</li> </ol>
61	A new article 60 has been included to ensure that the articles comply with the provisions of the CA 2006 with regard to written resolutions. Written resolutions will be deemed to have lapsed if not passed within 28 days of the circulation date. The circulation date is the first day on which the resolution is circulated to members.

(old) 60, new 63	The existing provisions with regard to the qualification of directors has been removed and replaced with a simplified criteria. A person shall not be eligible for appointment or reappointment as a director unless he is a member or the authorised representative of a member.
67	<p>The provisions with regard to retirement, appointment, qualification and remuneration of the directors have been simplified as follows:-</p> <ol style="list-style-type: none"> <li>1. the retirement by rotation provisions have been removed and the current provisions provide that no person shall be appointed or reappointed as director at any general meeting unless: <ol style="list-style-type: none"> <li>a. he is recommended by the directors; or</li> <li>b. not less than 3 nor more than 21 clear days before the date appointed for the meeting a notice has been signed by a member qualified to vote at the meeting has been given to the Association of the intention to propose that person for appointment or reappointment together with a notice signed by the person to be appointed or reappointed of his willingness to be appointed or reappointed;</li> </ol> </li> <li>2. not less than 7 nor more than 28 clear days before the date appointed for holding a general meeting notice should be given to all those who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment or reappointment as a director;</li> <li>3. the Association may by ordinary resolution appoint a person who is willing to be a director either to fill a vacancy or as an additional director.</li> </ol>
70	<p>The situations in which the office of a director shall be vacated have been updated to include the following:-</p> <ol style="list-style-type: none"> <li>1. by the reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have;</li> <li>2. a registered medical practitioner who is treating him gives a written opinion to the Association stating that he has become physically or mentally incapable of acting as a director and may remain so for more than 3 months;</li> <li>3. he becomes prohibited from being a director by virtue of any provision of the Statutes (Companies Acts) or these articles or by law; and</li> <li>4. he resigns his office by notice in writing to the Association.</li> </ol>

72	This article has been amended to make it clear that the directors can exercise all of the powers of the Association. Accordingly the specific powers given to the directors set out in the existing articles of the Association have been removed and replaced with a general power.
76	The provisions with regard to directors' conflicts situations have been updated.
77	The provisions with regard to board meetings have been updated to provide that notice of every board meeting shall be given to each director.
80	The provision with regard to quorum of meetings of directors has been updated to cross reference article 10.4 (see above).
82	The provisions with regard to the election of chairman and vice chairman have been updated to remove reference to the next succeeding annual general meeting and replace it with the first board meeting held after the first board meeting following the anniversary of their respective appointments.
83	This provision with regard to the appointment of a casual vacancy in respect of chairman or vice chairman has been updated to remove references to the next following annual general meeting.
97	This provision has been updated to provide that a member should have a right to inspect any account or book or document of the Association if it is authorised by an ordinary resolution of the Association.
98 and 99	<p>The provisions with regard to laying accounts before the Association at a general meeting have been deleted as these are no longer required.</p> <p>The provisions with regard to auditors report have been deleted and replaced with the appropriate references to the CA 2006. Auditors will cease to hold office at the next period of appointment for appointing auditors unless and until they are reappointed by the members in accordance with the provisions of the CA 2006.</p>
100	The notices provisions have been updated to take advantage of the CA 2006 provisions which relate to electronic communication and to include timescales within which notices will be deemed to be served by the various methods included within article 99.
100.4	This article has been updated to ensure that a member who has an address not within the United Kingdom is still entitled to have notices or other documents served upon them at such address.

102	The indemnity provisions have been updated to reflect the current position of the CA 2006.
102.2	This article provides that the directors may buy and maintain at the cost of the Association insurance cover for the benefit of directors, the secretary and other officers of the Association.
102.3	Subject to the provisions of and so far as may be permitted by the Statutes (Companies Acts) the Association shall be entitled to fund the expenditure of its directors or other officers incurred or to be incurred in defending any criminal or civil proceedings or in connection with certain applications under the CA 2006.
103	A new provision in respect of documents sent in electronic form or by means of a website has been included to take advantage of the CA 2006.
103.2	This Article provides that subject to the requirements of the Statutes only such documents and notices as are specified by the Association may be sent to the Association in electronic form to the address specified by the Association and such documents or notices will be sufficiently authenticated if the identity of the sender is confirmed in the manner in which the Association has specified.
104-107	As noted above, the amended provisions of the Association's memorandum which are deemed to form part of its articles and which it must retain under the CA 2006 (registered office/liability of members) and those provisions which are deemed to form part of its articles and which Eversheds are suggesting it should choose to retain (name/objects) are incorporated at articles 104 - 107.

**AMENDMENTS FOR 2010/2011 TO THE RULES  
OF THE PROTECTING & INDEMNITY CLASS OF  
THE NORTH OF ENGLAND PROTECTING AND INDEMNITY  
ASSOCIATION LTD**

Explanatory notes have been provided for the proposed changes and consequential renumbering and any cross referencing which will also be required. In the proposed new Rules, new wording is in **bold** and existing wording to be deleted is shown as [.....].

*Some amendments require consequential amendment of provisions appearing earlier in the Rules. To assist in understanding these amendments, the Rules in question are set out together (although in some cases out of numerical order).*

.....

• **RULE 14 PAYMENT**

N.B. The proposed amendment to this Rule is to introduce a new provision making it clear that any taxes based on or calculated in relation to the premium payable to the Association are for the Member's account.

OLD RULE	NEW RULE
.....	.....
14(5) Effect of a Member's Non-Payment	14(5) <b>Insurance Premium Taxes</b>
Except as provided in Rule 36, if any contribution, Fixed Premium or other payment due from a Member to the Association 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 Association shall be deemed to be expenses of the Association for the purpose of contribution under Rule 12.	<b>Unless a Member shall first have paid or discharged the same directly, he shall on demand pay to the Association or to its order the amount of any premium tax or other similar tax levied on or in connection with the insurance or reinsurance provided by the Association to the Member for 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.</b>
	14[5] <b>(6) Effect of a Member's Non-Payment</b>
	Except as provided in Rule 36, if any contribution, Fixed Premium or other payment due from a Member to the

OLD RULE

14(6) Lien

The Association shall be entitled to, and the Member hereby grants, a lien on the Entered Ship in respect of any amount whatsoever owed by the Member to the Association.

NEW RULE

Association 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 Association shall be deemed to be expenses of the Association for the purpose of contribution under Rule 12.

14(7) Lien

The Association shall be entitled to, and the Member hereby grants, a lien on the Entered Ship in respect of any amount whatsoever owed by the Member to the Association.

- RULE 17 NON-PAYMENT
- RULE 39 EFFECT OF CESSER
- RULE 49 DISPUTES AND DIFFERENCES

**N.B.** The amendments to these Rules follow a review of the Association's position in respect of its rights to seek recovery of and security for sums due to it and to ensure that recovery actions can proceed as quickly as possible. These amendments reflect the movement of provisions concerning the Association's right to decide whether to commence court or arbitration proceedings from Rule 17 to Rule 49 and then set out the procedures to be used in respect of such proceedings. The wording of Rule 17 is also amended to apply cesser for non-payment to closed policy years in addition to open policy years (on the basis that it is contrary to the principle of mutuality for a Member who owes any money to have the benefit of any cover with the Association) in line with the rules of other clubs. The amendment to Rule 39 is a consequential amendment to reflect the changes to Rule 17.

OLD RULE

17(1) Notwithstanding Rule 49, all monies from time to time payable by a Member may be recovered by court proceedings commenced under the instructions of the Managers in the name of the Association. Where a Member is domiciled within a State which is an original and/or acceding party to the 1968 Brussels Convention and/or 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgements in Civil and

NEW RULE

17(1) [Notwithstanding Rule 49, all monies from time to time payable by a Member may be recovered by court proceedings commenced under the instructions of the Managers in the name of the Association. Where a Member is domiciled within a State which is an original and/or acceding party to the 1968 Brussels Convention and/or 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgements in Civil and



## OLD RULE

Commercial Matters, the English courts will have jurisdiction in respect of court proceedings commenced for the recovery of any such monies payable by that Member.

17(2) If having failed to pay any sum due to the Association a Member has ceased to be insured by the Association by virtue of Rule 37(c) (Failure to pay sums due) the Association shall not be liable for any claims under these Rules whether the incident giving rise to such claim occurred before or after the cesser of insurance, unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 42(5), at the time of the cesser of insurance.

## NEW RULE

Commercial Matters, the English courts will have jurisdiction in respect of court proceedings commenced for the recovery of any such monies payable by that Member.】

**If having failed to pay any sum due to the Association a Member has ceased to be insured by the Association by virtue of Rule 37(c) (Failure to pay sums due) the Association shall not be liable for any claim whatsoever under the rules applying to any Policy Year whether the incident giving rise to such claim occurred before or after the cesser of insurance and whether in an open or closed Policy Year.**

17(2) 】【If having failed to pay any sum due to the Association a Member has ceased to be insured by the Association by virtue of Rule 37(c) (Failure to pay sums due) the Association shall not be liable for any claims under these Rules whether the incident giving rise to such claim occurred before or after the cesser of insurance, unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 42(5), at the time of the cesser of insurance.】

**If a Member who, or whose Entered Ship or Ships, has or have ceased to be insured by the Association for any reason other than by virtue of Rule 37(c) (Failure to pay sums due) fails to pay any sum whatsoever that may be due from him to the Association, the Managers may serve him with a notice requiring him to pay such sum on or before the date specified in such notice. If the Member fails to pay such sum in full on or before the date so specified, the Association shall not be liable for any claim whatsoever under the rules applying to any Policy Year whether the incident giving rise to such claim occurred before or after the cesser of insurance and whether in an open or closed Policy Year in respect of any and all Ships that are or have at any time been entered by him, on his behalf or in which he is shown to have an interest on the relevant Certificate of Entry.**

OLD RULE

*PROVIDED ALWAYS THAT* in Rule 17(2) if any sum due is an Overspill Call or a sum due under Rule 41(3), the Member shall not be entitled to recovery from the Association of any claims whatsoever and whensoever arising in respect of any Entered Ship for any Policy Year, whether open or closed.

NEW RULE

**[PROVIDED ALWAYS THAT** in Rule 17(2) if any sum due is an Overspill Call or a sum due under Rule 41(3), the Member shall not be entitled to recovery from the Association of any claims whatsoever and whensoever arising in respect of any Entered Ship for any Policy Year, whether open or closed.]

• RULE 39 EFFECT OF CESSER OF INSURANCE

OLD RULE

39(1) For Failure to Pay

If the cesser of insurance shall have occurred by virtue of Rule 37(c) (Failure to pay sums due), the provisions of Rule 17(2) shall apply.

39 (2) For any Other Reason

Except as provided in Rule 41, if the cesser of insurance shall have occurred by virtue of any other reason the Association shall remain liable for all claims under these Rules arising by reason of any incident which occurred before the cesser but shall be under no liability whatsoever by reason of any incident which occurred after the cesser.

NEW RULE

39(1) For Failure to Pay

If the cesser of insurance shall have occurred by virtue of Rule 37(c) (Failure to pay sums due), the provisions of Rule 17[(2)]**(1)** shall apply.

39 (2) For any Other Reason

Except as provided in Rule **17(2)** and 41, if the cesser of insurance shall have occurred by virtue of any other reason the Association shall remain liable for all claims under these Rules arising by reason of any incident which occurred before the cesser but shall be under no liability whatsoever by reason of any incident which occurred after the cesser.

• RULE 49 DISPUTES AND DIFFERENCES

OLD RULE

DISPUTES AND DIFFERENCES

49 (1) Except as provided in Rules 17(1) and 36(3), any difference or dispute which arises between an Insured Party and the Association out of or in connection with these Rules or any contract between them or as to the rights or obligations of the Association or the Insured Party thereunder or in connection therewith, shall in the first instance be referred to and adjudicated upon by the Directors. Such reference and adjudication shall be on written submissions only.

NEW RULE

DISPUTES, [AND] DIFFERENCES **AND DEBT**

49(1) Except as provided in Rules [17(1) and] 36(3) **and 49(3)**, any difference or dispute which arises between an Insured Party and the Association out of or in connection with these Rules or any contract between them or as to the rights or obligations of the Association or the Insured Party thereunder or in connection therewith, shall in the first instance be referred to and adjudicated upon by the Directors. Such reference shall be on written submissions only.

OLD RULE

49 (2) If the Insured Party concerned in such difference or dispute does not accept the decision of the Directors it shall be referred to the arbitration in London of two Arbitrators (one to be appointed by the Association and the other by such Insured Party) and an Umpire to be appointed by the Arbitrators, and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act, 1996 and any statutory modification or re-enactment thereof. Such arbitration shall be commenced within one (1) year of the date when notice of the decision of the Directors is given to the Insured Party, failing which any such dispute or difference shall be time barred.

NEW RULE

49(2) If the Insured Party concerned in such difference or dispute does not accept the decision of the Directors it shall be referred to the arbitration in London of two Arbitrators (one to be appointed by the Association and the other by such Insured Party) and an Umpire to be appointed by the Arbitrators, and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act, 1996 and any statutory modification or re-enactment thereof. Such arbitration shall be commenced within one (1) year of the date when notice of the decision of the Directors is given to the Insured Party, failing which any such dispute or difference shall be time barred.

**49(3) Sums Payable To The Association**

**Notwithstanding Rule 49(1), the Association may, in its sole discretion, recover any monies from time to time payable by a Member either:**

**(a) by court proceedings. Where a Member is domiciled within a State which is an original and/or acceding party to the 1968 Brussels Convention and/or 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters, the English courts will have jurisdiction in respect of court proceedings commenced for the recovery of any such monies payable by that Member; or**

**(b) by arbitration in London before two Arbitrators (one to be appointed by the Association and the other by the Member) and an Umpire to be appointed by the Arbitrators, with the submission to arbitration and all the proceedings therein being subject to the English Arbitration Act 1996 and any statutory modification or re-enactment thereof.**

OLD RULE

49 (3) Sole Remedy

Except as provided in Rule 36(3), no Insured Party shall be entitled to maintain any action, suit or other legal proceedings against the Association otherwise than in accordance with the procedures laid down in this Rule 49 and may only commence proceedings other than the arbitration under Rule 49(2), so as to enforce an award under such arbitration and then only for such sum if any as the award may direct to be paid by the Association. The sole obligation of the Association to such Insured Party under these Rules and any Certificate of Entry in respect of such difference or dispute shall be to pay such sum as may be directed by such an award.

*PROVIDED ALWAYS THAT* notwithstanding Rules 49(1) and (2) the Association shall be entitled at any time to take whatever action is deemed necessary by the Managers to obtain security for any claims the Association may have against the Insured Party, including the right of the Association to take action and/or commence proceedings in any jurisdiction to enforce its right of lien on ships.

NEW RULE

49[(3)](4) Sole Remedy

Except as provided in Rule 36(3), no Insured Party shall be entitled to maintain any **demand, claim, counterclaim or set-off in any legal proceedings whatsoever whether commenced by or against the Association or** any action, suit or other legal proceedings **whatsoever** against the Association otherwise than in accordance with the procedures laid down in Rule 49(1) and **Rule 49(2)** and may only commence proceedings other than the arbitration under Rule 49(2) so as to enforce an award under such arbitration and then only for such sum if any as the award may direct to be paid by the Association. The sole obligation of the Association to such Insured Party under these Rules and any Certificate of Entry in respect of such difference or dispute shall be to pay such sum as may be directed by such an award.

*PROVIDED ALWAYS THAT* notwithstanding Rules 49(1) **[and],(2) and (3)** the Association shall be entitled at any time to take whatever action is deemed necessary by the Managers to obtain security for any claims the Association may have against the Insured Party, including the right of the Association to take action and/or commence proceedings in any jurisdiction to enforce its right of lien on ships.

- RULE 19 RISKS COVERED

N.B. The proposed amendment to Rule 19(6) is to clarify the extent to which Members can recover the cost of insurances when there is a diversion of the vessel to land sick or injured crew. In some instances Members have sought to argue that the current version of the Rule allows them to seek recovery of P&I premium payable during such a diversion. Although such claims are resisted by the Managers (on the basis that it is only extra insurance required as a consequence of the diversion - such as SOL cover - which is recoverable) from time to time the Managers have found themselves in conflict with Members over the correct interpretation of the Rules. The proposed wording will avoid this conflict and reflects the position adopted by the other International Group Clubs.

OLD RULE

.....

19(6) Diversion Expenses

Expenses of diversion of an Entered Ship where and to the extent that those expenses:

(a) represent the net loss to the Member (over and above such expenses as would have been incurred but for the diversion) in respect of the cost of fuel, insurance, Seamen's wages, stores, provisions and port charges, and

(b) are incurred solely for the purpose of securing treatment for an injured or sick person or while awaiting a substitute for such person or for the purpose of landing stowaways or refugees.

.....

NEW RULE

.....

19(6) Diversion Expenses

Expenses of diversion of an Entered Ship where and to the extent that those expenses:

(a) represent the net loss to the Member (over and above such expenses as would have been incurred but for the diversion) in respect of the cost of fuel, **additional** insurance, Seamen's wages, stores, provisions and port charges, and

(b) are incurred solely for the purpose of securing treatment for an injured or sick person or while awaiting a substitute for such person or for the purpose of landing stowaways or refugees.

.....

Rule 19(17) Proviso (I) Paperless Trading

N.B. The International Group have provided clarification of the extent to which so called "cyber risks" (eg failure in the operation of the electronic system, corruption of messages in transmission, etc) are to be pooled and the wording set out below is to be adopted by Group Clubs.

OLD RULE

(I) Paperless Trading

There shall be no recovery from the Association in respect of any liability, cost or expense whatsoever or howsoever arising, whether directly or indirectly, out of or in consequence of:

(a) the Member's participation in or use of any system or contractual arrangement the predominant purpose of which is to replace paper-based documentation in shipping and/or international trade with electronic messages, including, without limitation, the Bolero system (any such system or arrangement being referred to in this Rule as a "paperless system"), or

(b) a document which is created or transmitted under a paperless system which document contains or evidences a contract or carriage, or

OLD RULE

NEW RULE

(I) Paperless Trading

[There shall be no recovery from the Association in respect of any liability, cost or expense whatsoever or howsoever arising, whether directly or indirectly, out of or in consequence of:

(a) the Member's participation in or use of any system or contractual arrangement the predominant purpose of which is to replace paper-based documentation in shipping and/or international trade with electronic messages, including, without limitation, the Bolero system (any such system or arrangement being referred to in this Rule as a "paperless system"), or

(b) a document which is created or transmitted under a paperless system which document contains or evidences a contract or carriage, or

NEW RULE

(c) the carriage of goods pursuant to such a contract of carriage,

save to the extent that the Managers in their sole discretion may determine that such liability, cost or expense would have arisen and would have been covered by the Association if the Member had not participated in or used a paperless system and any contract of carriage had been contained in or evidenced by a paper document.

For the purpose of this Rule a “document” shall mean anything in which information of any description is recorded, including, but not limited to, computer or other electronically generated information.

(c) the carriage of goods pursuant to such a contract of carriage,

save to the extent that the Managers in their sole discretion may determine that such liability, cost or expense would have arisen and would have been covered by the Association if the Member had not participated in or used a paperless system and any contract of carriage had been contained in or evidenced by a paper document.

For the purpose of this Rule a “document” shall mean anything in which information of any description is recorded, including, but not limited to, computer or other electronically generated information.]

**There shall be no recovery from the Association for any liability, cost or expense arising from the use of any electronic trading system, other than an electronic trading system approved in writing by the Managers, to the extent that such liability, cost or expense would not (save insofar as the Directors in their sole discretion shall otherwise determine) have arisen under a paper trading system.**

**For the purposes of this Proviso:**

**(a) an electronic trading system is any system which replaces or is intended to replace paper documents used for the sale of goods and/or their carriage by sea or partly by sea and other means of transport and which:**

**(i) are documents of title, or**

**(ii) entitle the holder to delivery or possession of the goods referred to in such documents, or**

**(iii) evidence a contract of carriage under which the rights and obligations of either of the contracting parties may be transferred to a third party.**

**(b) a “document” shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically generated information.**

- RULE 20 PAYMENT FIRST BY THE MEMBER

N.B. The International Group Clubs have agreed to amend their Rules to specifically provide that they would not rely on policy or technical defences (such as the “pay to be paid” Rule) in respect of crew personal injury or death claims. Although the amendment appears to change the Association’s position in respect of the pay to be paid principle, the new wording in fact reflects the existing practice of the Group Clubs in any event.

OLD RULE

Unless the Directors in their discretion otherwise decide, it is a condition precedent of a Member’s right to recover from the funds of the Association in respect of any liabilities, costs or expenses that he shall first have discharged or paid the same.

NEW RULE

**20(1) General**

Unless the Directors in their discretion otherwise decide, it is a condition precedent of a Member’s right to recover from the funds of the Association in respect of any liabilities, costs or expenses that he shall first have discharged or paid the same.

**20(2) Seamen**

**Notwithstanding the provisions of Rule 20(1), where a Member has failed to discharge a liability to pay damages or compensation for death, personal injury or illness of a Seaman, the Association shall discharge or pay such claim on the Member’s behalf directly to such Seaman or dependant thereof.**

***PROVIDED ALWAYS THAT:***

**(A) the Seaman or dependant has no enforceable right of recovery against any other party and would otherwise be uncompensated,**

**(B) subject to (C) below, the amount payable by the Association shall under no circumstances exceed the amount which the Member would have been able to recover from the Association under the Rules and the Member’s terms of entry,**

**(C) where the Association is under no liability to the Member in respect of such claim in accordance with Rule 17(1) 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 Member, and the Member shall be liable to reimburse the Association for the full amount of such claim.**

- RULE 37 CESSER OF ALL INSURANCES

N.B. A review of the cesser provisions is currently under way to ensure that in the event of a Member failing to pay sums due to the Association, the Association can act quickly to safeguard the interests of the mutual membership, to terminate cover and to take steps to recover the outstanding monies. This has resulted in extension of the effect of cesser for non-payment to closed Policy Years (see Rule 17 amendments above).

- RULE 50 NOTICES

N.B. The amendment to Rule 50 is to ensure that when taking steps to serve the Notices required of it (eg, in respect of recovery of sums due from Members), the Association can use the most convenient way of service available to it.

OLD RULE	NEW RULE
.....	.....
50(2) On an Insured Party	50(2) On an Insured Party
A notice or other document required under these Rules to be served on an Insured Party may be served in writing by sending it through the post in a pre-paid letter or by sending it by telegram, cable, courier, telex, facsimile or other electronic communication addressed to the Member at his address appearing in the Register or to his broker or agent. In the case of joint members notice shall be served on any such Member or on his broker or agent and such service shall be sufficient service upon all joint members.	A notice or other document required under these Rules to be served on an Insured Party may be served in writing by sending it through the post in a pre-paid letter or by sending it by telegram, cable, courier, telex, facsimile or other electronic communication addressed to the Member at his address appearing in the <b>[Register] Association's records</b> or to his broker or agent. In the case of joint members notice shall be served on any such Member or on his broker or agent and such service shall be sufficient service upon all joint members.
.....	.....



## AMENDMENTS FOR 2010/2011 TO THE RULES OF THE FREIGHT, DEMURRAGE AND DEFENCE CLASS

Explanatory notes have been provided for the proposed changes and consequential renumbering and any cross referencing which will also be required. In the proposed new Rules, new wording is in **bold** and existing wording to be deleted is shown as [.....].

*A number of amendments require consequential amendment of provisions which appear earlier in the Rules. To assist in understanding the amendments, the Rules in question have been set out together (although in some cases out of numerical order).*

.....

### • RULE 14 PAYMENT

N.B. The proposed amendment to this Rule is to introduce a new provision making it clear that any taxes based on or calculated in relation to the premium payable to the Association are for the Member's account.

OLD RULE	NEW RULE
.....	.....
14(5) Effect of a Member's Non-Payment	14(5) <b>Insurance Premium Taxes</b>
If any Contribution, Fixed Premium or other payment due from a Member to the Association 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 Association shall be deemed to be expenses of the Association for the purpose of contribution under Rule 12.	<b>Unless a Member shall first have paid or discharged the same directly, he shall on demand pay to the Association or to its order the amount of any premium tax or other similar tax levied on or in connection with the insurance or reinsurance provided by the Association to the Member for 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.</b>
14(6) Lien	14[5] <b>(6)</b> Effect of a Member's Non-Payment
The Association shall be entitled to, and the Member hereby grants, a lien on the Entered Ship in respect of any amount whatsoever owed by the Member to the Association.	If any Contribution, Fixed Premium or other payment due from a Member to the Association 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 Association shall be deemed to be

expenses of the Association for the purpose of contribution under Rule 12.

**14(7) Lien**

The Association shall be entitled to and the Member hereby grants a lien on the Entered Ship in respect of any amount whatsoever owed by the Member to the Association.

- **RULE 17 NON-PAYMENT**
- **RULE 29 EFFECT OF CESSER**
- **RULE 38 DISPUTES AND DIFFERENCES**

N.B. The amendments to these Rules follow a review of the Association's position in respect of its rights to seek recovery of and security for sums due to it and to ensure that recovery actions can proceed as quickly as possible. The amendments reflect the movement of provisions concerning the Association's right to decide whether to commence court or arbitration proceedings from Rule 17 to Rule 38 and then set out the procedures to be used in respect of such proceedings. The wording of Rule 17 is also amended to make it apply cesser for non-payment to closed policy years in addition to open policy years (on the basis that it is contrary to the principle of mutuality for a Member who owes any money to have the benefit of any cover with the Association) and is in line with the rules of other clubs. The amendment to Rule 29 is a consequential amendment to reflect the changes to Rule 17.

**OLD RULE**

17(1) Notwithstanding Rule 38, all monies from time to time payable by a Member may be recovered by court proceedings commenced under the instructions of the Managers in the name of the Association. Where a Member is domiciled within a State which is an original and/or acceding party to the 1968 Brussels Convention and/or 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters, the English courts will have jurisdiction in respect of court proceedings commenced for the recovery of any such monies payable by that Member.

**NEW RULE**

17(1) [Notwithstanding Rule 38, all monies from time to time payable by a Member may be recovered by court proceedings commenced under the instructions of the Managers in the name of the Association. Where a Member is domiciled within a State which is an original and/or acceding party to the 1968 Brussels Convention and/or 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters, the English courts will have jurisdiction in respect of court proceedings commenced for the recovery of any such monies payable by that Member.]

**If having failed to pay any sum due to the Association a Member has ceased to be insured by the Association by virtue of Rule 27(c) (Failure to pay sums due) the Association shall not be liable for any claim**

17(2) If having failed to pay any sum due to the Association a Member has ceased to be insured by the Association by virtue of Rule 27(c) (Failure to pay sums due) the Association shall not be liable for any claims under these Rules whether the incident giving rise to such claim occurred before or after the cesser of insurance, unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 31, at the time of the cesser of insurance.

**whatsoever under the rules applying to any Policy Year whether the incident giving rise to such claim occurred before or after the cesser of insurance and whether in an open or closed Policy Year.**

17(2) [If having failed to pay any sum due to the Association a Member has ceased to be insured by the Association by virtue of Rule 27(c) (Failure to pay sums due) the Association shall not be liable for any claims under these Rules whether the incident giving rise to such claim occurred before or after the cesser of insurance, unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 31, at the time of the cesser of insurance.]

**If a Member who, or whose Entered Ship or Ships, has or have ceased to be insured by the Association for any reason other than by virtue of Rule 27(c) (Failure to pay sums due) fails to pay any sum whatsoever that may be due from him to the Association, the Managers may serve him with a notice requiring him to pay such sum on or before the date specified in such notice. If the Member fails to pay such sum in full on or before the date so specified, the Association shall not be liable for any claim whatsoever under the rules applying to any Policy Year whether the incident giving rise to such claim occurred before or after the cesser of insurance and whether in an open or closed Policy Year in respect of any and all Ships that are or have at any time been entered by him, on his behalf or in which he is shown to have an interest on the relevant Certificate of Entry.**

#### OLD RULE

17(3) If a Member whose Entered Ship or Ships cease for any reason to be insured by the Association fails to pay when due and demanded by the Managers any Release Call agreed or assessed under Rule 16, or any

#### NEW RULE

[17(3) If a Member whose Entered Ship or Ships cease for any reason to be insured by the Association fails to pay when due and demanded by the Managers any Release Call agreed or assessed under Rule 16, or any

other sum due by way of Contribution, Fixed Premium or otherwise, he may be served with a notice by or on behalf of the Managers of the Association requiring him to pay such sum on or before any date which may be specified in such notice. If he then fails to pay such sum in full on or before the date so specified, then the Association shall not be liable for any claims under these Rules unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 31(1), at the time of the cesser of insurance.

other sum due by way of Contribution, Fixed Premium or otherwise, he may be served with a notice by or on behalf of the Managers of the Association requiring him to pay such sum on or before any date which may be specified in such notice. If he then fails to pay such sum in full on or before the date so specified, then the Association shall not be liable for any claims under these Rules unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 31(1), at the time of the cesser of insurance.]

#### • **RULE 29 EFFECT OF CESSER OF INSURANCE**

##### OLD RULE

##### 29(1) For Failure to Pay

If the cesser of insurance shall have occurred by virtue of Rule 27(c) (Failure to Pay Sums Due), the provisions of Rule 17(2) shall apply.

##### 29 (2) For any Other Reason

If the cesser of insurance shall have occurred by virtue of any other reason the Association shall remain liable for all claims under these Rules arising by reason of any incident which occurred before the cesser but shall be under no liability whatsoever by reason of any incident which occurred after the cesser.

##### NEW RULE

##### 29(1) For Failure to Pay

If the cesser of insurance shall have occurred by virtue of Rule 27(c) (Failure to Pay Sums Due), the provisions of Rule 17[(2)](1) shall apply.

##### 29 (2) For any Other Reason

**Except as provided in Rule 17(2),** if the cesser of insurance shall have occurred by virtue of any other reason the Association shall remain liable for all claims under these Rules arising by reason of any incident which occurred before the cesser but shall be under no liability whatsoever by reason of any incident which occurred after the cesser.

#### • **RULE 38 DISPUTES AND DIFFERENCES**

##### OLD RULE

##### DISPUTES AND DIFFERENCES

38(1) Except as provided in Rule 17(1), and in the proviso to Rule 26(2), if any difference

##### NEW RULE

##### DISPUTES, [AND] DIFFERENCES **AND DEBT**

38(1) Except as provided **in the proviso to Rule 26(2)** [Rule 17(1) and in the proviso to]

or dispute shall arise between an Insured Party and the Association out of or in connection with these Rules or any contract between them or as to the rights or obligations of the Association or the Insured Party thereunder or in connection therewith, such difference or dispute shall in the first instance be referred to and adjudicated upon by the Directors. Such reference and adjudication shall be on written submissions only.

38(2) If the Insured Party concerned in such difference or dispute does not accept the decision of the Directors it shall be referred to the arbitration in London of two Arbitrators (one to be appointed by the Association and the other by such Insured Party) and an Umpire to be appointed by the Arbitrators and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act 1996 and any statutory modification or re-enactment thereof. Such arbitration shall be commenced within one (1) year of the date when notice of the decision of the Directors is given to the Insured Party, failing which any such dispute or difference shall be time barred.

**and Rule [26(2)] 38(3)**, if any difference or dispute shall arise between an Insured Party and the Association out of or in connection with these Rules or any contract between them or as to the rights or obligations of the Association or the Insured Party thereunder or in connection therewith, such difference or dispute shall in the first instance be referred to and adjudicated upon by the Directors. Such reference and adjudication shall be on written submissions only.

38(2) If the Insured Party concerned in such difference or dispute does not accept the decision of the Directors it shall be referred to the arbitration in London of two Arbitrators (one to be appointed by the Association and the other by such Insured Party) and an Umpire to be appointed by the Arbitrators and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act 1996 and any statutory modification or re-enactment thereof. Such arbitration shall be commenced within one (1) year of the date when notice of the decision of the Directors is given to the Insured Party, failing which any such dispute or difference shall be time barred.

### **38(3) Sums Payable To The Association**

**Notwithstanding Rule 38(1), the Association may, in its sole discretion, recover any monies from time to time payable by a Member either:**

**(a) by court proceedings. Where a Member is domiciled within a State which is an original and/or acceding party to the 1968 Brussels Convention and/or 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters, the English courts will have jurisdiction in respect of court proceedings commenced for the recovery of any such monies payable by that Member; or**

(b) by arbitration in London before two Arbitrators (one to be appointed by the Association and the other by the Member) and an Umpire to be appointed by the Arbitrators, with the submission to arbitration and all the proceedings therein being subject to the English Arbitration Act 1996 and any statutory modification or re-enactment thereof.

*PROVIDED ALWAYS THAT* notwithstanding Rules 38(1) and (2) the Association shall be entitled at any time to take whatever action is deemed necessary by the Managers to obtain security for any claims the Association may have against the Insured Party, including the right of the Association to take action and/or commence proceedings in any jurisdiction to enforce its right of lien on ships.

38 (3) Sole Remedy

No Insured Party shall be entitled to maintain any action, suit or other legal proceedings against the Association otherwise than in accordance with the procedures laid down in this Rule 38 and may only commence proceedings other than the arbitration under Rule 38(2), so as to enforce an award under such arbitration and then only for such sum if any as the award may direct to be paid by the Association. The sole obligation of the Association to such Insured Party under these Rules and any Certificate of Entry in respect of such difference or dispute shall be to pay such sum as may be directed by such an award.

*PROVIDED ALWAYS THAT* notwithstanding Rules 38(1) [and], **(2) and (3)** the Association shall be entitled at any time to take whatever action is deemed necessary by the Managers to obtain security for any claims the Association may have against the Insured Party, including the right of the Association to take action and/or commence proceedings in any jurisdiction to enforce its right of lien on ships.

38[(3)]**(4)** Sole Remedy

No Insured Party shall be entitled to maintain any **demand, claim, counterclaim or set-off in any legal proceedings whatsoever whether commenced by or against the Association** or any action, suit or other legal proceedings **whatsoever** against the Association otherwise than in accordance with the procedures laid down in Rule 38**(1) and Rule 38(2)** and may only commence proceedings other than the arbitration under Rule 38(2) so as to enforce an award under such arbitration and then only for such sum if any as the award may direct to be paid by the Association. The sole obligation of the Association to such Insured Party under these Rules and any Certificate of Entry in respect of such difference or dispute shall be to pay such sum as may be directed by such an award.

- **RULE 20 DEDUCTIBLES**

N.B. This amendment reflects the new FD&D standard deductibles which were set out in the Association's Circular dated 16 November 2009 (Financial Review and Renewal 2010) and which require an amendment to Rule 20.

**OLD RULE**

Unless otherwise agreed between the Member and the Managers as part of the terms upon which the Ship is entered into the Association the Member's recovery from the Association shall be subject to a deductible of 25% with a minimum of US\$2,500 and a maximum of US\$50,000 per claim.

**NEW RULE**

Unless otherwise agreed between the Member and the Managers as part of the terms upon which the Ship is entered into the Association the Member's recovery from the Association shall be subject to a deductible of 25% with a minimum of [US\$2,500] **US\$10,000** and a maximum of [US\$50,000] **US\$100,000** per claim.

- **RULE 27 CESSER OF ALL INSURANCES**

N.B. A review of the cesser provisions is currently under way to ensure that in the event of a Member failing to pay sums due to the Association, the Association can act quickly to safeguard the interests of the mutual membership, to terminate cover and to take steps to recover the outstanding monies. This has resulted in extension of the effect of cesser for non-payment to closed Policy Years (see Rule 17 amendments above).

- **RULE 39 NOTICES**

N.B. The amendment to Rule 39 is to ensure that when taking steps to serve the Notices required of it in respect of recovery of sums due from Members, the Association can use the most convenient way of service available to it.

**OLD RULE**

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39(2) On an Insured Party

A notice or other document required under these Rules to be served on an Insured Party may be served in writing by sending it through the post in a pre-paid letter or by sending it by telegram, cable, courier, telex, facsimile or other electronic communication addressed to the Member at his address appearing in the Register or to his broker or agent. In the case of Insured Parties (other

**NEW RULE**

.....

39(2) On an Insured Party

A notice or other document required under these Rules to be served on an Insured Party may be served in writing by sending it through the post in a pre-paid letter or by sending it by telegram, cable, courier, telex, facsimile or other electronic communication addressed to the Member at his address appearing in the [Register] **Association's records** or to his broker or agent. In the case

than Members) notice shall be served on any such Insured Party or on his broker or agent and such service shall be sufficient service upon all Insured Parties.

.....

of Insured Parties (other than Members) notice shall be served on any such Insured Party or on his broker or agent and such service shall be sufficient service upon all Insured Parties.

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## 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 Extraordinary General Meeting of the Members of the said company to be held on 15 January, 2010, 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 amendments to the Memorandum and Articles of Association contained in the document marked "Amendments to the Memorandum and Articles of Association of the Protecting and Indemnity Class of The North of England Protecting & Indemnity Association Limited ".		
The Resolution to adopt the amendments to the Rules of the Protecting and Indemnity Class contained in the document marked "Amendments for 2010/2011 to the Rules of the Protecting and Indemnity Class of The North of England Protecting & Indemnity Association Limited ".		
The Resolution to adopt the amendments to the Rules of the Freight Demurrage & Defence Class contained in the document marked "Amendments for 2010/2011 to the Rules of the Freight Demurrage & Defence Class of The North of England Protecting & Indemnity Association Limited ".		

As witness the hand of the undersigned this ..... day of .....200  
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 Extraordinary General Meeting referred to, this form must be completed, signed and deposited with the Secretary of the Association, Baltic Place, South Shore Road, Gateshead NE8 3BA, 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.