

**THE NORTH OF ENGLAND PROTECTING AND INDEMNITY  
ASSOCIATION LIMITED** ("The Company")**Company No. 505456**

Company Limited by Guarantee and not having a Share Capital

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting ("AGM") of the Company will be held at Mondrian at Sea Containers, 20 Upper Ground, London, SE1 9PD on Thursday 9 November 2017 at 09:30 hours where the following business will be transacted:

**SPECIAL RESOLUTIONS****1. AMENDMENTS TO ARTICLES OF ASSOCIATION**

That the amendments to the Articles of Association of the Company contained in Appendix A of this Notice shall be and are hereby approved with immediate effect.

**2. AMENDMENT TO MEMBERS BOARD TERMS OF REFERENCE**

That paragraph 3.13 of the Members Board's Terms of Reference shall be and is hereby amended as follows:

"Subject to Paragraph 3.14, a Board member must retire from office at the first Board meeting following the third anniversary of the date of their appointment or reappointment (as the case may be) as a Board member. Any Board member so retiring may offer themselves for reappointment by the Members Board pursuant to Paragraph 3.7. ~~provided always that a Board member shall cease to be eligible for reappointment pursuant to this Paragraph 3.13 once he has been appointed as a Board member on three previous occasions.~~"

**ORDINARY RESOLUTIONS****3. APPOINTMENT OF NON-EXECUTIVE DIRECTORS**

To appoint the following persons as Directors of the Company, who were appointed by the Board of Directors since the last AGM:

JA Tyrrell, Non-Executive Director

JP Reith, Non-Executive Director

NR Taylor, Independent Non-Executive Director

**4. FINANCIAL STATEMENTS**

To receive and consider the reports of the Directors and the Auditors together with the financial statements for the year ended 20 February 2017.

**5. APPOINTMENT OF AUDITORS**

To appoint KPMG as Auditors and to authorise the Directors to fix the Auditors' remuneration.

**6. ANY OTHER BUSINESS**

Any other business which may be transacted at the AGM.

Dated: 18 October 2017

By order of the Board

Chris Owen  
Company Secretary

Registered Office:

100 The Quayside  
Newcastle upon Tyne  
NE1 3DU

**NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING**

- 1 A Member is entitled to appoint another person as its proxy to exercise the Member's rights to attend, speak and vote at the meeting. A proxy need not be a Member of the Company.
- 2 A Form of Proxy is provided with this Notice for Members. If a Member wishes to appoint more than one proxy and so requires additional proxy forms, the Member should contact the Company Secretary, Chris Owen, on +44 (0)191 232 5221 or [chris.owen@nepia.com](mailto:chris.owen@nepia.com). To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be received by post or (during normal business hours only) by hand at the Company's registered office, The North of England Protecting & Indemnity Association Limited, The Quayside, Newcastle upon Tyne NE1 3DU or by e-mail to [chris.owen@nepia.com](mailto:chris.owen@nepia.com) not less than 48 hours before the time of the holding of the meeting or any adjournment thereof. Completion and return of the Form of Proxy will not preclude Members from attending and voting at the meeting should they wish to do so.
- 3 Any corporation which is a Member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Member provided that they do not do so in relation to the same ship.
- 4 If Members have general queries about the meeting, they should contact Chris Owen on +44 (0)191 232 5221 or [chris.owen@nepia.com](mailto:chris.owen@nepia.com). No other methods of communication will be accepted. Members must not use any electronic address provided either in this notice of general meeting or any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.

## **Appendix A**

### **Proposed Amendments to North's Articles of Association**

The proposed amendments to North's Articles of Association ("Articles") are detailed in this document. For ease of reference they have been grouped thematically under the following sub-headings:

1. Fixed Premium Non-Member Business and SMI business lines.
2. Corporate Membership Rights.
3. Alignment with the Rules.
4. Deletion of Merger Specific Provisions.
5. General Amendments.

#### **1. Fixed Premium Non-member Business and SMI business lines**

Following North's acquisition of SMI in 2014, all SMI business has been written on a fixed premium basis and policyholders do not have any corporate membership rights or obligations within SMI. Following completion of the proposed Group reorganisation (please refer to the FAQ for further details) North will effectively have 3 types of policyholder; Mutual Members, Fixed Premium Members and Fixed Premium Non-member policyholders.

North's current Articles reflect its existing business structure, whereby both Mutual and Fixed Member business is written within the existing P&I, FD&D and War Risks classes. Underwriting of Fixed Premium Non-member business is permitted, but there is limited detail concerning the rights and obligations of Mutual Members for the profits and losses of Fixed Premium Non-member business. Presently this is not a significant issue as North does not write any Fixed Premium Non-member business, but the position will change after the proposed Group reorganisation is completed.

North currently provides a parental guarantee in respect of all SMI's liabilities. The practical implication of this is that in any circumstances where SMI has insufficient funds to meet its liabilities, the shortfall would ultimately be provided from the surplus assets of North and, in highly exceptional circumstances where North's surplus assets were also insufficient, by way of an additional call to North's Mutual Members.

The parental guarantee will no longer be effective once the Group reorganisation has been completed as North and SMI business lines will be combined within the same company. It will be necessary therefore to ensure that the link between additional calls and the liabilities of Fixed Premium Non-member business is clearly enshrined within the Articles to ensure continuity post-reorganisation.

Amendments have therefore been proposed to clarify that an additional call can be made upon Mutual Members where necessary to meet claims, expenses, outgoings, debts and liabilities arising in respect of Fixed Premium Non-member business. Similarly, clarity is also needed on the ability to allocate surpluses arising from Fixed Premium Non-member business to the P&I, FD&D and War Risks classes and a provision to this effect has also been added.

Finally, amendments have also been proposed to the objects of the company to include the activities of a general commercial company as well as specific reference to the insurance of hull and aquaculture risks currently written by SMI.

Full details of the proposed amendments relating to Fixed Premium Non-member business and SMI business lines are provided in the table below.

Article	Proposed Amendment
2.	<p><u>FIXED PREMIUM BASIS</u></p> <p><u>Means where the Association accepts an entry of insurance on terms that the person insured is liable to pay a fixed Premium</u></p>
2.	<p><u>FIXED PREMIUM MEMBER</u></p> <p><u>Means a Member whose Ship has been entered for insurance by the Association on a Fixed Premium Basis</u></p>
2.	<p><u>FIXED PREMIUM NON-MEMBER BUSINESS</u></p> <p><u>Means where the Association accepts the entry of insurance on a Fixed Premium Basis and on terms that the person insured shall not be admitted as a Member of the Association in respect of that entry;</u></p>
2.	<p>MEMBER</p> <p><u>The A person or company in whose name a Ship is entered is admitted to membership of the Association in accordance with these Articles either as a Mutual Member or a Fixed Premium Member</u></p>
2.	<p><u>MUTUAL MEMBER</u></p> <p><u>Means a Member in whose name a Ship is entered in the Association otherwise than on a Fixed Premium Basis;</u></p>
4.	<p>The <del>Subscribers to Members as at the Memorandum adoption of Association these Articles</del> and such other persons as are <u>from time to time</u> admitted to membership in accordance with these Articles shall be Members. The Association shall consist of an unlimited number of Members.</p>
5.	<p><u>Subject to article 106.4(ii), Save in respect of Fixed Premium Non-Member Business,</u> 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.</p>
16.1	<p>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 on behalf of the Association in connection with that Class, including all payments of claims, expenses and other outgoings- <u>(whether incurred, accrued or anticipated)</u>. The Directors <del>may</del> shall from time to time <u>(as required)</u> determine in what proportions the general expenses of the management and otherwise of the Association and any debts and liabilities not specifically provided for <u>(including, without limitation, claims, expenses, outgoings, debts and liabilities arising in respect of Fixed Premium Non Member Business and such sums as the Association may by Governmental legislation or regulation be required to set aside in order to establish and/or maintain an adequate solvency margin and/or guarantee fund)</u> are to be borne as between different Classes and the separate accounts of the respective Classes shall be debited accordingly.</p>
16.2	<p>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 <del>contributions</del> <u>Contributions</u> to be made by the Members of that Class. The Directors shall from time to time direct that such <del>contributions</del> <u>Contributions</u> shall be paid to the Association by the Members and shall further direct the amount thereof <u>and by what instalments and in what manner the same shall be payable</u>. 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.</p>
16.3	<p>If the amount realised by <del>contributions</del> <u>Contributions</u> to a Class shall be more than sufficient to meet claims, expenses, <u>outgoings</u> 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</p>

	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.
16.4	<u>If the amount realised by Premiums from Fixed Premium Non Member Business shall be more than sufficient to meet the claims, expenses, outgoings and liabilities of Fixed Premium Non Member Business then the whole or any proportion of the surplus may be applied for the purposes of the Classes in such proportions and in such manner as the Directors may determine in their absolute discretion.</u>
21.	The Directors may, notwithstanding the provisions of these Articles or of the Rules, accept entries upon <u>a Fixed Premium Basis, or on such other special terms as to membership, <del>contribution</del>Contribution</u> (including exemption from the provisions of Article 22) 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. <u>Where an entry is accepted on a Fixed Premium Basis, the Directors may decide in their absolute discretion whether such entries are accepted as Fixed Premium Non-Member Business, or on the basis that the relevant party becomes a Fixed Premium Member.</u>
106.6 (i)	<del>Except as provided in article 106.4 (ii) below,</del> to divide the <u>Members into different classes with reference to the risks accepted by the Association into different classes and</u> upon the terms that the <del>persons</del> <u>Members of a Class shall be</u> protected, indemnified, or insured <del>in one class shall mutually protect, indemnify</del> on either a mutual basis or <del>insure each other</del> <u>Fixed Premium Basis</u> without recourse to the <del>persons protected, indemnified, or insured</del> <u>Members of another class</u> Class except as to working and other expenses or upon any other terms;
106.6 (ii)	<del>To</del> effect and carry out contracts of <del>marine and transit</del> insurance pursuant to <del>Article</del> <u>Articles</u> 106.42, 106.3 and <u>106.4 in respect of Fixed Premium Non Member Business:</u> a) with such persons or companies as the Managers (or if at any time there are no Managers, the Directors) may from time to time determine; and <del>b) — on terms that any such person or company is liable to pay a fixed premium to the Association and shall not be or become a Member of the Association as a consequence of entering into that contract of insurance; and</del> e)b) upon such other terms and conditions as the Managers (or if at any time there are no Managers, the Directors) may from time to time determine to be in the interests of the Association.
106.1	<u>to carry on the business of a general commercial company;</u>
106.2	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 <u>hull</u> , 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;
106.4	<u>to carry on an aquaculture insurance business, that is to say, the business of effecting and carrying out contracts</u>

of insurance on the equipment, installation, machinery, livestock and other assets associated with aquaculture, as well as on the risks arising from or associated with the carrying on of an aquaculture business. "Aquaculture" as referred to in this Article 106.4 shall be taken to include, without limitation, aquafarming and mariculture (whether of fish, crustaceans or molluscs, and whether in freshwater or seawater), algaculture and the cultivation of ornamental fish.

## **2. Corporate Membership Rights**

The Articles do not currently differentiate between Mutual and Fixed Premium Members in any significant level of detail and Fixed Premium Members enjoy the same corporate membership rights as Mutual Members, whilst also having the benefit of no exposure to additional calls. Amendments have therefore been proposed to ensure that the corporate membership rights of Mutual and Fixed Premium Members are commensurate to the risks that they accept.

It is proposed that Fixed Premium Members will have no right to vote at Members meetings (in that capacity) and their participation in Members meetings be limited to receiving notice, attending and speaking. The rights of Members (Mutual and Fixed Premium) to participate in distributions and returns of capital will continue to be determined on a case by case basis at the discretion of the Directors. A summary of the proposed corporate membership rights of each category of policyholder is shown in the table below.

	Mutual Members	Fixed Premium Members	Fixed Premium Non-member Policyholders
Notice of Members meetings	✓	✓	X
Attend and speak at Members meetings	✓	✓	X
Vote at Members meetings	✓	X	X
Participation in distributions/ capital returns (at the Directors' discretion)	✓	✓	X
Liability for additional calls	✓	X	X

In addition to the above changes, the following amendments have also been proposed either as a consequence of the clarification of corporate membership rights or to align the Articles with North's normal administrative practices at Members meetings:

- to change the quorum requirement for Members meetings from 7 Members to 7 Mutual Members;
- to confirm that in a situation where a joint or fleet entry is involved, notices under the Articles can be given to the senior Member on behalf of all other Members comprised within the relevant joint or fleet entry; and
- to formally recognise the authority of Members Board representatives to exercise the votes of their appointing Member at Members meetings without any further formality, e.g. completion of a proxy form.

Full details of the proposed changes to corporate membership rights are provided in the table below.

Article	Proposed Amendment
2.	<p><u>FLEET ENTRY</u></p> <p><u>Means where the Association accepts the entry of more than one Ship for insurance by one or more Members on the basis that those Ships will be treated together as a fleet for underwriting purposes (by virtue of common ownership, management, control and/or otherwise), and "Fleet Entries" shall be construed accordingly;</u></p>
2.	<p><u>JOINT MEMBERS</u></p> <p><u>Has the meaning given in Article 8</u></p>
2.	<p><u>SENIOR MEMBER</u></p> <p><u>Means, in respect of either Joint Members or a Fleet Entry, the Member whom submits the application of a Ship for entry to the Association for insurance (or such other Member who may be notified to the Association in writing instead), as determined by the Association acting reasonably in the case of doubt;</u></p>
8.	<p>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 <u>"Joint Members-"</u>. Joint Members shall for the purposes of the guarantee under <del>the Memorandum of Association</del><u>these Articles</u> and of any <del>contribution</del><u>Contribution</u> 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.</p>
31.	<p>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 <del>members</del><u>Members</u> in regard to their right to appoint proxies.</p>
36.	<p>No business shall be transacted at any general meeting unless a quorum is present. Seven persons entitled to vote upon the business to be transacted, each being a <u>Mutual</u> Member or a proxy for a <u>Mutual</u> Member or a duly authorised representative of a <u>Mutual</u> Member which is a corporation shall be a quorum.</p>
39.	<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 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 <u>Mutual</u> Members shall choose some <u>Mutual</u> Member present to be chairman.</p>
45.	<p>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 <u>Mutual</u> 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 a 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 if at any adjourned Meeting a quorum is not present those <u>Mutual</u> Members of the Class who are present in person or by proxy shall be a quorum.</p>
46.1	<p>every <u>Mutual</u> Member present in person shall have one vote;</p>
46.2	<p>every proxy present who has been duly appointed by one or more <u>Mutual</u> Members entitled to vote on the resolution has one vote unless the proxy has been appointed by more than one <u>Mutual</u> Member entitled to vote on the resolution in which case:</p>
46.2.1	<p>where the proxy has been instructed by one or more of such <u>Mutual</u> Members to vote for the resolution any by</p>

	one or more of such <u>Mutual</u> Members to vote against the resolution the proxy has one vote for and one vote against the resolution;
46.2.2	where the proxy has been instructed by one or more of such <u>Mutual</u> 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;
47.	Subject to the provisions of the Companies Act <u>2006</u> and any restrictions imposed by these Articles, on a vote on a resolution on a poll every <u>Mutual</u> 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 ( <u>discounting any Ships entered on a Fixed Premium Basis</u> ) 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:
47.1	no <u>Mutual</u> 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; <del>and. Where any Mutual Member has appointed multiple proxies or (being a corporation) multiple representatives, such proxies or representatives together shall be deemed to have a maximum of 30 votes on a poll. Any person who is appointed from time to time to represent a certain Member on the Members Board shall be deemed, without further formality (subject to a written notice to the contrary from that Member), to be authorised to act either as a proxy or corporate representative for that Member (as the case may be) at any meeting of the Members convened under these Articles; and</del>
47.2	<del>in the case of joint</del> <u>Joint Members shall only be entitled to one vote together on a poll for each Ship entered, and in the case of Joint</u> Members the vote of the senior who tenders a vote, whether in person or by proxy or by way of a duly appointed representative, shall be accepted to the exclusion of the votes of the other <del>joint</del> <u>Joint</u> Members, and for this purpose seniority shall be determined by the order in which the names stand as <del>joint</del> <u>Joint</u> Members in the Register of Members.
47.3	<u>For the avoidance of doubt, a Fixed Premium Member shall be entitled to receive notice of, attend and speak at any general meeting of the Association or any Class but shall not , in their capacity as such, have any right to vote at any general meeting of the Association, or on any resolution of the Association, or at any meeting or in relation to any resolution of any Class of the Association.</u>
53.	A Member may appoint more than one proxy to attend and speak and vote <u>(as applicable)</u> 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.
100.5	<u>The Association shall be deemed to have discharged any obligation which it may have under these Articles or the Statutes to give any notice or documentation to the Members comprising:</u>  <u>(a) Joint Members; and/or</u>  <u>(b) a Fleet Entry,</u>  <u>by giving such notice only to the relevant Senior Member for the time being on behalf of all the relevant Members. The Senior Member shall be deemed to have the power to act on behalf of all Members comprising the Joint Members or Fleet Entry (as the case may be) for the purposes of exercising their rights as a Member of the Association, and the Association shall be entitled to rely on the authority of the Senior Member to so act absolutely and without liability to the other Members.</u>

### 3. Alignment with Rules

Changes have also been proposed to align the terminology used in the Articles more closely with that used in the Rules. In particular this includes the addition of the term "Contributions" which is used in the Rules to refer to all sums payable by Members including premiums and calls, definitions of which have also been added.

Full details of the proposed changes are provided in the table below.

Article	Proposed Amendment
2.	<p><u>CALL</u></p> <p><u>Means any monies payable to the Association by a Member in discharge of calls made or levied upon the Members of a Class including, without limitation, an "additional call" "overspill call" and/or "release call", each as defined in the applicable Rules;</u></p>
2.	<p>CLASSES</p> <p>The Protecting and Indemnity Class, the Freight Demurrage and Defence Class and the War Risks Class, <u>each as defined and circumscribed by the applicable Rules and "Class" shall be construed accordingly;</u></p>
2.	<p><u>CONTRIBUTIONS</u></p> <p><u>Means the contributions required to be made by Members to the funds of the Association from time to time including, without limitation, by way of Premiums (mutual, fixed or otherwise) and Calls, and/or such other amounts that the Directors may from time to time decide in accordance with these Articles and the applicable Rules;</u></p>
2.	<p>PREMIUM</p> <p>The money consideration paid or payable by any Member <del>in discharge of the calls made or levied or policyholder</del> in respect of <del>Ships entered</del> <u>insurance accepted</u> for <del>cover in any Class of entry by</del> the Association</p>
2.	<p>SHIP</p> <p>In the context of <del>a ship entered an entry</del> or proposed <del>to be entered entry</del> 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>including those in the course of building or contracted to be built,</u> or any <u>other craft, construction, erection, equipment or</u> offshore structures <del>other than ship</del></p>

#### 4. Deletion of merger specific provisions

It is proposed that a number of provisions included in the Articles at the time of the North/SMI merger be deleted. These provisions were only effective for a specific period of time, which has now expired. These include:

- transitional requirements relating to the composition of the North Board and the quorum for North Board meetings; and
- references to the SMI Policyholders Committee, which has now been disbanded.

Full details of the proposed changes are set out in the table below.

Article	Proposed Amendment
2.	<del>RELEVANT PERIOD</del>  <del>A period of 24 Months commencing on the first date that the appointment of an SMMI Director as an additional Director takes effect.</del>
2.	<del>SMMI</del>  <del>Sunderland Marine Mutual Insurance Company Limited (Company No. 00016432)</del>
2.	<del>SMMI Director</del>  <del>Means an individual who was also a director of SMMI as at 16 January 2014;</del>
54.	<del>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.</del>
67.5	<del>Notwithstanding the provision of any other Article, in the event an Independent Director who was formerly an SMMI Director resigns, is removed or otherwise vacates his office during his initial term of office, his replacement shall be chosen from the other SMMI Directors (insofar as any of them are willing and able to act and have not already been appointed as a Director) who shall be appointed to complete such outgoing Independent Director's unexpired term of office.</del>
70.7	in the case of a Managing Director, a Joint Managing Director, a Deputy Managing Director, an Executive Director or an Independent Director, his appointment as Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director or Independent Director (as the case may be) is revoked by the Directors or the Members Board (as the case may be) pursuant to Article 90 or he ceases to hold the position of Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director or Independent Director (as the case may be) for any reason whatsoever <del>or, in the case of a person appointed by virtue of him being a senior employee of SMMI, he ceases to be a senior employee of SMMI for any reason whatsoever</del>
80.1	<del>The quorum for Directors' Meetings shall be determined as follows:</del> <del>during the Relevant Period, in accordance with Article 80.2; and</del>  <del>at all other times, The quorum for Directors' Meetings shall be</del> unless otherwise determined by the Directors, <del>the quorum shall be four Member Directors.</del>
80.2	<del>During the Relevant Period the quorum for Directors' Meetings shall be determined as follows:]</del> <del>subject to Articles 80.2.2 to 80.2.3, the quorum shall be four Member Directors and one Director who was an SMMI Director;</del>
80.3	<del>if, during</del> <del>l</del> <del> the Relevant Period, the persons attending a duly convened Directors' Meeting within half an hour</del> <del>total number</del> of Directors for the time at which the meeting was due to start <del>do not constitute a being is less than the</del> quorum <del>under Article 80.2.1 required</del> , or if during a meeting such a quorum ceases to be present,

	<p><del>the meeting</del> <u>Directors must be adjourned. When adjourning the meeting, the Directors shall specify a date, time and location at which the reconvened Directors' Meeting will not take place (being no less than 24 hours after the first meeting was adjourned) and shall communicate these details to any Directors who were not present at the adjourned meeting; and decision other than a decision:</u></p> <p><del>if a duly convened Directors' Meeting is adjourned in accordance with Article 80.2.2 solely as a result of the absence of a Director who was an SMMI Director, and a Director who was an SMMI Director also fails to attend the duly reconvened Directors' Meeting within half an hour of the time at which the reconvened meeting was due to start, then the quorum for that reconvened meeting shall be four Member Directors.</del></p> <p><del>1.1.1 If the total number of Directors for the time being is less than the quorum required, the</del> <b>Formatted: Level 2</b>  <del>not take any decision other than a decision:</del></p> <p>to appoint further Directors; or  to call a general meeting so as to enable the Members to appoint further Directors; or  to adjourn and reconvene a Directors' Meeting <del>pursuant to Articles 80.2.2 to such a time and 80.2.3 place as the</del>  <u>Directors present may deem appropriate.</u></p>
90.1	<p>The Directors may from time to time appoint any one or more of the Managers <del>and/or any senior employee of SMMI</del> 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.</p>
109.	<p><del>The Directors shall procure the formation of a committee to be known as the SMMI Policyholders' Committee. Such committee shall not be a committee of the Directors but shall operate pursuant to terms of reference approved by the Directors and the Directors of SMMI from time to time.</del></p>

## 5. General Amendments

A number of general amendments have also been proposed to aid interpretation and ensure that the Articles are up to date with current legislation and internally consistent.

Full details of the proposed changes are set out in the table below.

Article	Proposed Amendment
Title	<b>The Companies Act <del>1985</del> 2006</b>
2.	The words 'THE' and 'THESE' have been removed from defined terms where they directly precede the term being defined.
2.9	<u>Where the word "person" appears in the Articles it shall be deemed to include a natural person, corporate or unincorporated body (whether or not having separate legal personality).</u>
2.10	<u>Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.</u>
6.1	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 <del>the Memorandum of Association of the Association and</del> these Articles and on being so admitted his name shall be entered in the register of members of the Association.
7.4	Provided that a person who has 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 <del>Clause 6 of the Memorandum of Association</del> <u>Article 107</u> ) be and remain liable to pay to the Association all such <del>contributions</del> <u>Contributions</u> and <u>other</u> 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 cessation of membership.
17.3	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 <del>call</del> <u>Call</u> on the Members for such further <del>contributions</del> <u>Contributions</u> 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 <u>Members</u> for the following year shall thereupon take over and assume liability for all the said claims and liabilities, and the <u>Members</u> 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.
22.	In the event of any Member making default in payment of any <del>contribution</del> <u>Contribution</u> due from him for insurance in a Class, and the Managers certifying that this is irrevocable, the same shall (subject to the provisions of Article 21) 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
25.	Upon the cesser of insurance in respect of any Ship the Managers may release the Member concerned from liability for further <del>contributions to calls</del> <u>Contributions or Calls</u> in respect thereof upon such terms as they may deem appropriate in accordance with the Rules of the relevant Class.
26.	Calls shall be determined, payable and recoverable in accordance with <u>these Articles and</u> the Rules of each Class and a certificate signed by a Manager stating that a <del>call</del> <u>Call</u> has been made and certifying the amount which any Member is liable to contribute shall be binding and conclusive upon such Member

27.	If the amount specified in any notice of a <del>call</del> <u>Call</u> is not paid at the time and place appointed for payment thereof it shall forthwith become recoverable by the Association by legal action
73.	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 <del>calls</del> <u>Calls</u> 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.
95.	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 allocated to such reserve or reserves as the Directors think proper but so that moneys representing <del>contributions</del> <u>Contributions</u> made by Members of one Class shall be kept separate from moneys representing <del>contributions</del> <u>Contributions</u> 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.