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Appendix A

UKB Bye-Laws - Explanatory notes on proposed changes

Bye-Law 1 - Interpretation

The 'Members' Committee' and associated concepts are defined. Other changes are housekeeping.

Bye-Laws 2 to 8 - Membership and Member's meetings

Persons who serve on the Members' Committee will automatically be Members of UKB. The Directors of UKB are currently automatically Members of UKB and this will remain unchanged.

The UKB Board will call Annual General Meetings, but there is provision for the Members' Committee, or any 2 members or the Chairman thereof, to be able to call Special General Meetings of the Members, in the same way that the Board or any 2 members or the Chairman thereof can call Special General Meetings.

Bye-Laws 9 to 12 - Voting rights

The position on voting at Members' meetings is unchanged save that on a poll each Director and each member of the Members' Committee will have one vote (and if a person qualifies in both of those capacities, he still only has one vote).

Bye-Laws 13 to 26 - Members' Committee

The Members Committee will be constituted by a Special Resolution of the Members (requiring support of 75% of the votes cast at the Annual General Meeting). The first members of the Members' Committee are to be appointed by Special Resolution.

The minimum number of members of the Members' Committee is set at 20 and the maximum at 45 – these numbers can be changed by ordinary resolution of the Members of UKB.

Members of the Members' Committee have a qualification requirement that is shared by current UKB Board members – i.e. 10,000 entered tonnes and under the age of 70. No Manager or employee of the Manager can be a member of the Members' Committee.

Members of the Members' Committee who have attained 3 years of service are required to retire by rotation in the same way that directors are currently required to retire. The retirement and re-election process will take place at Annual General Meetings of the Members of UKB. Persons wishing to stand for election to the Members' Committee will have to be sponsored by at least 5 Members of UKB, as is currently the case for candidates for election as directors of UKB.

A person who ceases to be eligible for appointment, election or re-election to the Members' Committee, or who resigns his office in writing, must immediately stand down. A person can also be removed from the Members' Committee by a vote of Members at a general meeting. All these provisions match similar current provisions for UKB Directors.

The current requirement for nomination forms (for election of Directors) to be submitted by 30th June has been replaced by a requirement for nominations forms (for election to the Members' Committee) to be submitted by 60 days prior to the date of the general meeting at which the election is held.

The Members' Committee has the power to fill its own casual vacancies, and power to delegate to sub-committees consisting of 2 members of the Members' Committee together with such other persons as the Members' Committee deems appropriate. It can also delegate to the Managers any powers, duties or discretions vested in the Members' Committee by the Rules or Bye Laws.

All of the provisions which apply to the UKB Board regarding conflicts of interest, remuneration and expenses are repeated for the Members' Committee.

The quorum for the Members' Committee is 5 and matters are to be settled by a majority vote.

The Members' Committee has the power to appoint its Chairman and the Chairman has a casting vote in the same way that the Chairman of the Board has.

There are provisions which apply to the calling of meetings of the Members' Committee, written resolutions of the Members' Committee, the cessation of

membership of the Committee (members of the Members' Committee can be removed by ordinary resolution of the members of UKB at a Special or Annual General Meeting) and the keeping of minutes – all mirroring those which currently apply to the UKB Board.

Bye-Laws 27 to 41 - Directors

The number of directors of UKB is set at a minimum of 8 and a maximum of 16 (instead of the current 35). The qualification for appointment or election as a director is that a person be a member of the Members' Committee or, if there is no Members' Committee, that they represent 10,000 entered tonnes; or that a person be ordinarily resident in Bermuda.

An additional qualification has been added, allowing the appointment of such other persons as the Directors or the Members Committee consider is fit. This mirrors a similar qualification under the UKE Articles and has been included in case the Board (or the Club's regulator) considers it is necessary to recruit persons with a particular expertise that is not offered by any ship owner or Bermuda resident director.

Within the limits on total numbers, up to two Managers may serve as UKB Directors (but they do not thereby become Members). However, it is currently not intended that any Manager should serve as a UKB director.

As noted above, if there is a Members' Committee, the current retirement by rotation provisions will be applied at Members' Committee level. A person whose eligibility to be a Director derives from membership of the Members' Committee will cease to be a Director when such person is no longer eligible for re-election to the Members' Committee.

However, provisions have also been retained in Bye Law 28D to address the situation if there were no Members' Committee – (the Members have power to dissolve it) - in which case retirement by rotation would apply directly to the post of Director and procedures would apply for the election or re-election of Directors directly by the Members.

Both the Board and the Members' Committee have the power to fill casual vacancies on the Board – and where a casual vacancy is filled by the Board, the director so appointed has to be approved at the next Members' Committee meeting. The Members' Committee has the power to remove directors.

The current wording relating to delegation has been improved to make clear that the directors may delegate any of their powers to committees consisting of 2 or more of the directors together with such other persons (not being directors) as the directors think appropriate, the latter provision having been previously made explicit only in relation to the Audit Committee.

Bye-Laws 42 to 46 - Officers other than Directors

The wording has been adjusted to reflect current practice of electing a Chairman and Deputy Chairmen of the Board. There is a newly added reference to a Chairman of the Members' Committee (who can be the same or a different person from the Chairman of the Board). In addition, such other officers may be elected as the Members' Committee (or the Directors if there is no Members' Committee) shall from time to time determine.

Bye-Law 64 - Indemnity

Minor logical improvements have been made to the wording regarding the protection given to members of committees.

UKE Articles - Explanatory notes on proposed changes

The purpose of the amendments is to reflect the changed mechanism for appointment or election of UK(E) Directors. They are currently selected by UKB Directors, and in future would be selected by the Members' Committee.

Bye-laws

**The United Kingdom
Mutual Steam Ship
Assurance Association
(Bermuda) Limited**

Managers

Thomas Miller (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton HM1179
Bermuda

Interpretation

- 1 In these Bye-Laws the following expressions shall where the context so admits have the following respective meanings: ~~—~~ —

“**The Acts**” means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company, and includes The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation and Amendment Act 1993.

“**The Company**” means The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.

“**The Companies**” means ~~The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited and The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited~~ the Company and each of its subsidiaries from time to time within the meaning of section 86 of the Companies Act 1981, as amended.

“**Register of Members**” means the Register of Members for the time being maintained by the Company.

“**The Rules**” means the Rules from time to time in force governing the conduct of the whole or any part of the business of the Company.

“**Board**” means the Board of Directors of the Company.

“**The Directors**” means the members of the Board for the time being.

“**Chairman**” means the Chairman of the Board.

~~“**President**” “**Vice-President**” “**Secretary**” and “**Treasurer**”~~ Chairman of the Members’ Committee” means the Chairman of the Members’ Committee.

“**Deputy Chairman**” and “**Secretary**” mean, respectively, only the officers of the Company having such titles.

“**The Managers**” means the Managers for the time being of the Company.

“**Members’ Committee**” means a committee of the members of the Company as may be constituted from time to time in accordance with Bye-Law 13.

“**Ship**” (in the context of a ship entered or proposed to be entered in the Company) means ship, boat or hovercraft or any 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 purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any proportion of the tonnage thereof or any share therein.

“**Tonnage**” means the gross tonnage of a ship as certified in the Certificate of Registry of such ship or in any other official document relating to the registration of such ship.

“**Entered Tonnage**” means the tonnage figure recorded as entered tonnage in the certificate of entry of an entered ship.

“**Ton**” means the unit of tonnage.

“**Insurance**” means any insurance or reinsurance.

“**Owner**” in relation to an entered ship means owners, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator or builder of such ship and any other person (not being an insurer reinsured under ~~Rule 13~~ the Rules or the rules of any of the other Companies) named in the certificate of entry or endorsement slip, by or on whose behalf the same has been entered in any of the Association Companies whether he be a member of the Association or not.

“**Reserves**” means the Reserve Fund established and maintained in accordance with the provisions of the Acts and such other reserves as the Directors may from time to time decide to establish and maintain.

“**The Seal**” means the Common Seal of the Company.

“**Year**” means calendar year unless otherwise specifically stated.

“**Month**” means calendar month.

“**Notice**” means written notice unless otherwise specifically stated.

“**May**” shall be construed as permissive.

“**Special Resolution**” means a resolution (i) passed at a meeting of the members on a show of hands by not less than 75% of the votes cast (in person or by proxy) by those entitled to vote or (ii) passed at a meeting of the members on a poll by members representing not less than 75% of the total voting rights of the members who (being entitled to do so) vote by person or by proxy on the resolution.

“**Shall**” shall be construed as imperative.

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

Words importing only the masculine gender shall also include the feminine and neuter genders.

Words importing persons shall also include companies or associations or bodies of persons whether corporate or unincorporated .

“Electronic communication” means the same as in the Electronic Transactions Act 1999 (and includes for the avoidance of doubt e-mail.)3

“In writing” and **“written”** means visibly expressed in any mode of permanently representing or reproducing words, including telegram, facsimile transmission (fax) and other electronic communication.

“These Islands” means the Islands of Bermuda.

Words and expressions shall (a) bear the same meaning as in The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation and Amendment Act 1993 or any statutory modification thereof in force for the time being and (b) to the extent consistent with that Act and any modification thereof in force for the time being bear the same meaning as in the Rules.

Membership

- 2 The Company shall consist of an unlimited number of members.
- 3 A Every Owner who has a ship entered for insurance in ~~either~~any of the Companies, whether in the name of the Owner or by way of reinsurance, and every insurer reinsured by ~~either~~any of the Companies, shall, provided the name of such Owner (or as the case may be such insurer) is entered in the Register of Members and subject to the proviso to paragraph (B) of this Bye-Law, be a member of the Company.
- B Subject to the proviso to this paragraph, any owner who desires to enter a ship for insurance in ~~either~~any of the Companies, and any Owner whose ship is the subject or part of the subject of an application by an insurer for reinsurance by ~~either~~any of the Companies and any insurer who applies for reinsurance by ~~either~~any of the Companies shall, if he is not already a member of the Company, be deemed in applying for such entry or reinsurance to have agreed that if such entry or reinsurance is accepted he will thereupon become and be a member of the Company in accordance with these Bye-Laws;

PROVIDED ALWAYS that subject to the Rules

- a) The Managers shall have the right to require that acceptance of an application from an Owner shall be upon terms that such Owner shall not be or become a member of the Company, and
- b) Unless otherwise agreed in writing by the Managers or otherwise provided in the Rules or the rules of any of the other Companies no insurer who applies for reinsurance by ~~either~~any of the Companies and no Owner whose ship is the subject or part of the subject of such application for reinsurance shall be or become a member of the Company, but in any event the insurance of every Owner and the reinsurance of every insurer

shall be subject to the Acts, to these Bye-Laws and to the Rules and the rules of the other Companies (as applicable) whether or not such Owner or insurer be a member of the Company.

- C ~~Every~~ Subject to Bye-Laws 28A(d) 28B, every Director of the Company and every member of the Members' Committee whilst holding that office shall be a member of the Company and his name shall be entered in the Register of Members.
- D Membership shall not be transferable or transmissible.
- E The Register of Members shall be open to inspection by any officer of a member in person on payment of any expenses incurred. A member is not entitled to make copies of any entry in the Register.
- F Every member shall in respect of any period during which it is a member pay to the Company such membership fee as the Directors may determine from time to time.

Cesser of membership

- 4 A A member shall ipso facto cease to be a member:-
- i If, being a member in his capacity as a Director and not otherwise, he shall cease to be a Director;
 - ii If, being a member in his capacity as a ~~Director~~member of the Members' Committee and not otherwise, he shall cease to be a ~~Director~~member of the Members' Committee;
 - iii ~~If~~ If, being an individual, he shall die or a receiving order shall be made against him or he shall make any arrangement or composition with his creditors generally;
 - iv ~~If~~ If, being an individual, he ~~become~~becomes incapable by reason of mental disorder of managing and administering his property and affairs;
 - v ~~If~~ If, being a corporation, it be wound up or dissolved;
 - vi ~~If~~ If, not being a member in his capacity as a Director or in his capacity as a ~~Director~~member of the Members' Committee, he shall cease to have any ship entered for insurance in ~~either~~any of the Companies, whether the entry be in his name or by way of reinsurance.; and
 - vii ~~If~~ If, being an insurer reinsured by the Company, he shall cease to be reinsured by ~~either~~any of the Companies.

- B A member who ceases to be a member and his estate, personal representatives, trustees in bankruptcy, receiver or other person authorised to act on behalf of a member who becomes incapable by reason of mental disorder of managing his property and affairs or liquidator as the case may require shall, notwithstanding such cesser, be and remain liable to pay to the ~~Company~~Companies all moneys which under these Bye-Laws or the Rules or the rules of any of the other Companies such member would, had he not ceased to be a member, have been liable to pay to any of the ~~Company~~Companies in respect of the period down to and including the 20th February next after the date of such cesser.

Meeting of members

- 5 A general meeting of the members of the Company shall be held at least once in every year either in these Islands or elsewhere at a time and place to be fixed from time to time by the Board.
- 6 Notice of each annual general meeting of the Company shall be given by an officer of the Company in writing to each member entitled to receive notice and to attend and vote at general meetings. All such notices shall be sent not less than five business days before the meeting convenes, stating the date, time, place and objects ~~and that the election of Directors will take place thereat.~~

PROVIDED ALWAYS that only members:-

- a) who are members by reason of their position as Directors of the Company or who are members by reason of their position as members of the Members' Committee; or
- b) who are entered in the Register of Members at least sixty days prior to the date of any general meeting of the Company

shall be entitled to receive notice of and attend and vote (either in person or by proxy) at such meeting and all references in these Bye-Laws to the rights and obligations of members in respect of general meetings shall be construed accordingly.

- 7 The Board, the Members' Committee or any two members ~~thereof or the President of the Board or the Members' Committee or the Chairman or the Chairman of the Members' Committee~~ may convene a special general meeting of the members upon at least five business days' notice in writing to each member. Such notice shall state the date, time, place and objects of such meeting, which may be held either in these Islands or elsewhere.
- 8 The chairman of a general meeting of the members, or of a meeting of the Board or of a meeting of the Members' Committee or of a meeting of a committee of the Directors or of a meeting of a committee of the Members' Committee may, provided that a quorum is present, with the consent of a majority of those present and if so

directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

~~Votings~~ Voting at meetings of members

- 9 Five members of the Company present in person or by proxy shall constitute a quorum at any general meeting of the members.
- 10 A Where an appointment is made in writing (but not by electronic communication) the instrument appointing the proxy shall be signed under the hand of the appointor or his attorney or, if such appointor is a corporation, the proxy shall be executed on behalf of the corporation by one of its officers.
- B Where an appointment is made by electronic communication it shall be subject to such procedure for verifying appointments made in this manner as the Board shall from time to time specify; provided however, that if the Board has not specified any such procedure for verifying appointments made in this manner, no appointment may be made by electronic communication.
- C The instrument appointing a proxy shall, subject always to Bye-Law ~~52~~63 hereof, be in the form in the schedule annexed hereto. A person appointed a proxy need not be a member.
- 11 A Where an appointment is made by an instrument in writing (but not by an electronic communication) the instrument appointing a proxy shall be left with the Secretary not less than twelve hours before the holding of the meeting or adjourned meeting, as the case may be, at which the person named in such instrument proposes to vote.
- B Where an appointment is contained in an electronic communication and an address has been specified for the purpose of receiving electronic communications
- i in the notice convening the meeting, or
 - ii in any instrument of proxy sent out by the Association in relation to the meeting, or
 - iii in any invitation contained in an electronic communication to appoint a proxy issued by the Association in relation to the meeting,

the electronic communication shall be received at such address not less than twelve hours before the commencement of the meeting or adjourned meeting at which the person named in such appointment proposes to vote. In relation to electronic communications 'address' includes any number or address used for the purpose of such communications.

- 12 A All questions proposed for consideration by the members at any general meeting of the Company shall, unless otherwise provided for in these Bye-Laws, be determined by a majority of votes of those present or represented by proxy. All such questions shall be decided by a show of hands, unless a poll is demanded by the chairman of the meeting or by at least five of the members present or represented by proxy. At any general meeting, unless the matter is determined by a poll, a declaration by the chairman of that meeting that a resolution has been carried and an entry made to that effect in the minutes of the meeting shall be sufficient evidence of the fact. In the case of an equality of votes, the chairman shall have a second or casting vote.
- B Any ballot for the election of ~~Directors~~ a member of the Members' Committee pursuant to Bye-Law ~~14(C)(iii)~~ 15Ciii or Directors or Bye-Law 28Diii shall be conducted in such manner and at such time as the Members' Committee or the Directors, as applicable, may from time to time decide and may be by means of a postal ballot or otherwise provided that on such ballot a member shall not vote for more candidates than there are vacancies and in respect of each candidate for whom he votes he shall be entitled to the same number of votes which he would have had on a poll. The result of such ballot shall be announced and be deemed to be an integral part of a general meeting of the Company.
- C
- i Every member shall, on a show of hands, have one vote.
 - ii On a poll members shall have the vote or votes specified in sub paragraphs (a) to (c) below, and shall be entitled to cast votes under more than one of those sub-paragraphs if qualified to do so:
 - a) A Director and/or a member of the Members' Committee who is a member by virtue of Bye-Law ~~3(C)~~, in his capacity as member (including where he is a member both by virtue of him being a Director and a member of the Members' Committee) – one vote.
 - b) A member in whose name a ship or ships is or are entered for insurance in any of the Company Companies on terms that such member is liable to pay a fixed premium to any of the Company Companies in respect of such ship or ships – one vote.
 - c) A member in whose name a ship or ships is or are entered for insurance in any of the Company Companies on terms that such member is liable to pay calls (as defined in the Rules) ~~to the Company or the rules of any of the other Companies~~ to any of the Companies:
 - i For each ship whose entered tonnage is 1500 tons or more – one vote;
 - ii For other such ships each of whose entered tonnage is less than 1500 tons – one vote only, irrespective of the number of those other ships.

PROVIDED ALWAYS that:

An insurer reinsured by any of the CompanyCompanies shall not in any event be entitled to a vote under any of the sub-sections of this paragraph.

- D Where a number of persons are members of the Company by virtue of their having jointly entered the same ship for insurance in any of the CompanyCompanies, then only one member shall be entitled to receive notice of and to attend and vote (by reason of the ownership of that ship) either in person or by proxy at any general meeting of the Company and, in the absence of agreement between those members, the member first named in the relevant certificate of entry shall be the one entitled to notice and to attend and vote either in person or by proxy.

Members' Committee

13 The members of the Company may by Special Resolution constitute a Members' Committee. The first members of the Members' Committee shall be appointed by Special Resolution. The members shall determine the powers, duties, discretions and responsibilities of the Members' Committee and may by Special Resolution dissolve the Members' Committee.

14 The number of members of the Members' Committee shall be not less than twenty nor more than forty-five or such other number as the members of the Company may from time to time determine.

15 A Any person who has not attained the age of seventy shall be eligible to be appointed, elected or re-elected a member of the Members' Committee if he is the owner or agent or a director of, or employed in an executive capacity by, a corporation which is the owner or agent of a ship or ships entered for insurance in any of the Companies to the extent of not less than 10,000 entered tons.

B No Manager and no employee of any Manager shall be eligible to be appointed or elected as a member of the Members' Committee.

C i At each annual general meeting those members of the Members' Committee who have been in office for three years since their last election or re-election shall retire from office. For the purpose of this Bye-Law, "year" means a period from one annual general meeting of the Company to the next annual general meeting.

ii A member of the Members' Committee retiring in accordance with Bye-Law 15Ci and qualified to hold office under Bye-Law 15A shall be eligible for re-election.

iii The Company at the meeting at which a member of the Members' Committee retires in the manner aforesaid may fill the vacated office by electing a qualified person thereto, and in default the retiring member of the Members' Committee shall, if offering himself for re-election, be

deemed to have been re-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 member of the Members' Committee shall have been put to the meeting and lost. If there shall be more candidates than vacancies for any office(s) of members of the Members' Committee, then the persons to be elected shall be selected by ballot conducted in accordance with the provisions of Bye-Law 12B.

iv No person other than a member of the Members' Committee retiring at the meeting shall be eligible for election to the office of a member of the Members' Committee at any general meeting unless not later than 60 days prior to the date of such general meeting there shall have been delivered to the registered office of the Company:

(a) notice in writing signed by at least five members of the Company none of whom has any commercial, proprietary or business interests in any ship entered for insurance in any of the Companies by or on behalf of any of the other members of the Company whose names appear in the said notice, and each of whom is duly qualified to attend and vote at such meeting, of their intention to propose such person for election; and

(b) notice in writing signed by that person of his willingness to be elected.

v The Members' Committee shall have power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Members' Committee, and the continuing members of the Members' Committee may act, notwithstanding any vacancy in their number provided that in the event that the number of continuing members of the Members' Committee has been reduced below the number of twenty the continuing members of the Members' Committee must immediately appoint a sufficient number of persons to restore the number of continuing members of the Members' Committee to a minimum of twenty. Any member of the Members' Committee so appointed shall hold office only until the next following annual general meeting, and, provided always that he is qualified to hold office under Bye-Law 15A, shall then be eligible for re-election.

16 The Members' Committee may delegate any of their powers to a committee consisting of members of the Members' Committee and such other persons (not being members of the Members' Committee) as the Members' Committee may think appropriate, but every such committee shall conform to such directions as the Members' Committee shall impose on it.

17 The Members' Committee may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules or the rules of any other Companies, in each case as are reserved to the Members' Committee, as they think fit and such powers, duties or discretions may be made exercisable for such period

and upon such terms and conditions and subject to such restrictions as the Members' Committee may determine and the Members' Committee may at any time revoke such delegation: Provided that nothing hereinbefore in this Bye-Law contained shall entitle the Members' Committee to delegate to the Managers any of the powers, duties or discretions of the Members' Committee:-

A Which are conferred by Bye-Law 19; or

B Which relate to meetings of the Members' Committee or committees of the Members' Committee or the proceedings thereat;

And so that:-

i The Members' Committee may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid; and

ii Nothing hereinbefore in this Bye-Law contained and no such delegation as aforesaid shall constitute the Managers members of the Members' Committee.

18 A Members of the Committee Members may hold any other office or position of profit with the Company or any body corporate in which the Company is interested (except that of auditor) in conjunction with his office of member of the Members' Committee for such period and upon such terms as the Members' Committee may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Members' Committee may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

B A member of the Members' Committee may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a member of the Members' Committee.

C Subject to the provisions of the Acts and the Rules, a member of the Members' Committee may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested.

D So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Members' Committee or by writing to the Members' Committee, a member of the Members' Committee shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow

him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

E Subject to the Acts and the Rules and any further disclosure required thereby, a general notice to the Members' Committee by a member of the Members' Committee declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

F Subject to the provisions of the Rules, a member of the Members' Committee who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with any of the Companies and has complied with the provisions of the Acts and these Bye-Laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.

19 The remuneration of the members of the Members' Committee shall be such sum (if any) as shall from time to time be voted to them by the Company in general meeting, and any such sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the members of the Members' Committee as they shall resolve or, failing such resolution, equally. The Members' Committee remuneration shall be deemed to accrue de die in diem.

20 The members of the Members' Committee shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Members' Committee or of committees of the Members' Committee or of general meetings of the Company or otherwise in connection with the business of the Company.

21 The quorum necessary for the transaction of the business of the Members' Committee shall be five. Any member of the Members' Committee may participate in a meeting of the Members' Committee or of such committee by means of a telephone conference or any communication equipment which allows all persons participating in the meeting to communicate with and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall, unless otherwise agreed by the participants, be deemed to take place where the largest group of those participating is assembled or, if there is no such group, at the place where the Chairman of the Members' Committee is participating.

22 Questions arising at any meeting of the Members' Committee shall be decided by a majority of those present and entitled to vote. The members of the Members' Committee may from time to time appoint one of their number a Chairman of the

Members' Committee and in the case of an equality of votes the Chairman of the Members' Committee shall have a second or casting vote.

23 The Secretary at the requisition of any member of the Members' Committee shall and a member of the Members' Committee may, at any time summon a meeting of the Members' Committee. Notice of meetings of the Members' Committee may be by telephone or otherwise.

24 A resolution in writing signed by all the members of the Members' Committee shall be as valid and effectual as if it had been passed by a meeting of the Members' Committee called and constituted.

25 A The office of member of the Members' Committee shall immediately be vacated if the member:

i Ceases to be eligible for appointment, election or re-election as provided in Bye-Law 15; or

ii Resigns his office by notice in writing to the Company.

B Subject to any provisions to the contrary contained in the Acts the members may; at any special or annual general meeting convened and held in accordance with the Bye-Laws, remove a member of the Members' Committee. The notice of any such meeting shall contain a statement of the intention so to do and at any such meeting such member of the Members' Committee shall be entitled to be heard on the matter of his removal. Nothing in this Bye-Law shall have the effect of depriving any person of any compensation or damages which may be payable to him in respect to the termination of his appointment as a member of the Members' Committee or of any other appointment with the Company. A vacancy upon the Members' Committee created by the removal of a member of the Members' Committee under the provisions of this Bye-Law may be filled by election of the members at the meeting at which such member of the Members' Committee is removed and, in the absence of such election, there shall be deemed to be a vacancy which may be filled in accordance with the provisions of Bye-Law 15Cv.

Minutes of the Members' Committee

26 The members of the Members' Committee shall cause minutes to be duly entered in books provided for the purpose:-

A Of all elections and appointments of Directors;

B Of the names of the members of the Members' Committee present at each meeting of the Members' Committee and of any committee of the Members' Committee;

- C Of all orders made by the Members' Committee and committees of the Members' Committee; and
- D Of all resolutions and proceedings of each meeting of the Members' Committee or any committee of the Members' Committee.

Directors

27 ~~13~~ The number of Directors shall be not less than ~~ten~~eight nor more than ~~thirty-five~~sixteen as the Members' Committee (or, if there is no Members' Committee, the members of the Company) may from time to time determine.

28 ~~14~~A Any person who has not attained the age of seventy shall be eligible to be appointed, elected or re-elected a Director if he is either (a) ordinarily resident in these Islands or (b) a member of the Members' Committee or (c) if there is no Members' Committee, the owner or agent or a director of, or employed in an executive capacity by, a corporation which is the owner or agent of a ship or ships entered for insurance in any of the CompanyCompanies to the extent of not less than 10,000 entered tons; ~~or (d) such other person as the Members' Committee and/or the Directors think fit and Directors so appointed pursuant to this Bye-Law 28A(d) shall not become Members.~~

B ~~No Manager and no employee of any Manager shall be eligible~~In addition, the Managers shall be entitled to nominate up to two executives of the Managers to be appointed ~~or elected as a Director;~~as Directors; Directors so appointed shall not become members.

C If there is a Members' Committee:

i The Members' Committee may appoint a qualified person willing to act to be a Director.

ii The Directors and the Members' Committee shall each have power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board of Directors, and the continuing Directors may act, notwithstanding any vacancy in their number provided that in the event that the number of continuing Directors has been reduced below the number of eight the continuing Directors or the Members' Committee must immediately appoint a sufficient number of persons to restore the number of continuing Directors to a minimum of eight. Any Director so appointed by the Directors (but not by the Members' Committee) shall hold office only until the next following meeting of the Members' Committee, and, provided always that he is qualified to hold office under Bye-Law 28A or 28B, shall then be eligible for re-election by the Members' Committee.

D If there is no Members' Committee:

- i At each annual general meeting those Directors who have been in office for three years since their last election or re-election shall retire from office. For the purpose of this Bye-Law, “year” means a period from one annual general meeting of the Company to the next annual general meeting.
- ii A Director retiring in accordance with Bye-Law ~~14(C)(i)~~28Di and qualified to hold office under Bye-Law ~~14(A)~~28A or 28B shall be eligible for re-election.
- iii The members of the Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by electing a qualified person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-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. If there shall be more candidates than vacancies for any office(s) of Director, then the persons to be elected shall be selected by ballot conducted in accordance with the provisions of Bye-Law ~~12(B)~~.
- iv No person other than a Director retiring at the meeting shall be eligible for election to the office of Director at any general meeting unless not later than ~~30th June in~~60 days prior to the ~~year in which~~date of such general meeting ~~is held~~ there shall have been delivered to the registered office of the Company:
 - a) notice in writing signed by at least five members none of whom has any commercial, proprietary or business interests in any ship entered for insurance in any of the ~~Company~~Companies by or on behalf of any of the other members whose names appear in the said notice, and each of whom is duly qualified to attend and vote at such meeting, of their intention to propose such person for election; and
 - b) notice in writing signed by that person of his willingness to be elected.
- v The Directors shall have power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board of Directors, and the continuing Directors may act, notwithstanding any vacancy in their number provided that in the event that the number of continuing Directors has been reduced below the number of ~~ten~~eight the continuing Directors must immediately appoint a sufficient number of persons to restore the number of continuing Directors to a minimum of ~~ten~~eight. Any Director so appointed shall hold office only until the next following annual general meeting, and, provided always that he is qualified to hold office under Bye-Law ~~14(A)~~28A or 28B, shall then be eligible for re-election.

29 ~~15~~-A The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and incorporating the Company, and who, in addition to the powers and authorities by these Bye-Laws or the Rules or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of any statute and of these Bye- Laws and the Rules. Subject to the provisions of these Bye-Laws the business of the Company shall be conducted in accordance with Rules from time to time adopted by the Company in general meeting which may at any time be altered, abrogated or added to by the Company in general meeting.

B Without prejudice to the generality of the foregoing the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures or other securities.

30 ~~16~~The Directors shall exercise a general supervision over the affairs of the Company and without limitation of the foregoing they shall be responsible for the correct keeping of the books and for the safekeeping of all moneys and securities of the Company and shall submit their books, accounts and vouchers to the auditor whenever required so to do and shall furnish such information and explanations to the auditor as may be necessary for the performance of his duties.

31 ~~17~~The Directors may delegate any of their powers to committees consisting of two or more of the Directors, ~~or to an Audit Committee consisting of such Directors or~~ and such other persons (not being Directors) as the Directors may think appropriate, but every such committee, ~~including any Audit Committee,~~ shall conform to such directions as the Directors shall impose on it.

32 ~~18~~The Directors may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules or by the rules of the other Companies vested in the Directors as they may think fit and such powers, duties or discretions may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as the Directors may determine and the Directors may at any time revoke such delegation: Provided that nothing hereinbefore in this Bye-Law contained shall entitle the Directors to delegate to the Managers any of the powers, duties or discretions of the Directors:—

- A Which are required by law to be exercised by the Directors personally, or
- B Which relate to general meetings of the proceedings thereat, or
- C Which are conferred by Bye-Laws ~~15(29B)~~ or 20,34, or
- D Which relate to meetings of the Directors or committees of the Directors or the proceedings thereat, or

- E Which relate to the appointment of Managers or the Secretary, or
- F Which relate to the Seal, Reserves, accounts or notices of general meetings;

And so that:-

- i The Directors may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid, and
- ii Nothing hereinbefore in this Bye-Law contained and no such delegation as aforesaid shall constitute the Managers directors of the Company.

33 ~~19-A~~ A Director may hold any other office or position of profit with the Company or any body corporate in which the Company is interested (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

B A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

C Subject to the provisions of the Acts and the Rules, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares (or otherwise conferred) in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

D So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

- E Subject to the Acts and the Rules and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.
- F Subject to the provisions of the Rules, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Acts and these Bye-Laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.
- 34 ~~20~~ The remuneration of the Directors shall be such sum (if any) as shall from time to time be voted to them by the Company in a general meeting, and any such sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the Directors as they shall resolve or, failing such resolution, equally. The Directors' remuneration shall be deemed to accrue de die in diem.
- 35 ~~21~~ The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or of committees of the Directors or of general meetings of the Company or otherwise in connection with the business of the Company.
- 36 ~~22~~ The quorum necessary for the transaction of the business of the Board shall be two. Any Director or member of a committee of Directors may participate in a meeting of the Directors or of such committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to communicate with and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall, unless otherwise agreed by the participants, be deemed to take place where the largest group of those participating is assembled or, if there is no such group, at the place where the chairman of the meeting is participating.
- 37 ~~23~~ Questions arising at any meeting of the Directors shall be decided by a majority of those present and entitled to vote. In the case of an equality of votes the chairman shall have a second or casting vote.
- 38 ~~24~~ The Secretary on the requisition of any Director shall and a Director may, at any time summon a meeting of the Directors. Notice of meetings of the Directors may be by telephone or otherwise.
- 39 ~~25~~ A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed by a meeting of the Board duly called and constituted.

40 ~~26~~A The office of Director shall immediately be vacated if the Director:-

- i Ceases to be eligible for appointment, election or re-election as provided in Bye-Law ~~14~~28; or
 - ii Resigns his office by notice in writing to the Company.
- B Subject to any provisions to the contrary contained in the Acts the ~~members~~Members' Committee may, at any ~~special or annual general~~ meeting ~~convened and~~of the Members' Committee held in accordance with the Bye-Laws, remove a Director. If there is no Members' Committee, the members of the Company may at any general meeting or annual general meeting held in accordance with the Bye-Laws remove a Director. The notice of any such meeting shall contain a statement of the intention so to do and at any such meeting such Director shall be entitled to be heard on the matter of his removal. Nothing in this Bye-Law shall have the effect of depriving any person of any compensation or damages which may be payable to him in respect to the termination of his appointment as a Director of the Company or of any other appointment with the Company. A vacancy upon the Board created by the removal of a Director under the provisions of this Bye-Law may be filled by election of the members of the Members' Committee at the meeting at which such Director is removed (or if there is no Members' Committee, at the general meeting or annual general meeting at which such Director is removed) and, in the absence of such election, there shall be deemed to be a vacancy which may be filled in accordance with the provisions of Bye-Law ~~14(C)(v)~~28Cii or 28Dv (as applicable).

Minutes of Directors

41 ~~27~~The Directors shall cause minutes to be duly entered in books provided for the purpose:-

- A Of all elections and appointments of officers;
- B Of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- C Of all orders made by the Directors and committees of the Directors; and
- D Of all resolutions and proceedings of each general meeting of the members and of each meeting of the Directors or any committee of the Directors.

Officers other than Directors

42 ~~28~~The officers of the Company may consist of a ~~President~~Chairman of the Members' Committee, a Chairman, one or more ~~Vice Presidents~~Deputy Chairmen, a Secretary and such other officers, ~~including a Chairman of the Board~~, as the ~~Directors~~Members' Committee may from time to time determine.

43

A ~~29-The Directors~~If there is a Members' Committee, the Members' Committee shall as soon as conveniently may be after each annual election of DirectorsMembers' Committee, choose or elect one of their number to be the President and one or more of their numberChairman of the Members' Committee;

B If there is a Members' Committee, the Members' Committee shall (and if there is no Members' Committee the Directors shall) elect one of the Directors to be the Chairman and one or more of the Directors to be Vice-Presidents and, if the Board desires to have a Chairman of the Board, the Directors shall choose or elect such officer from their number. OtherDeputy Chairmen; and

C If there is a Members' Committee, the Members' Committee shall (and if there is no Members' Committee the Directors shall) appoint such other officers may be appointed as the Directorsas it may from time to time determine.

~~30—The Secretary shall be appointed by the Directors and shall hold office during the pleasure of the Directors. The Secretary need not be a Director.~~

~~31—A Treasurer may be appointed by the Directors and shall hold office during the pleasure of the Directors. The Treasurer need not be a Director.~~

~~32—Other officers, such as Assistant Secretaries and Assistant Treasurers, may be appointed by the Directors and shall hold office during the pleasure of the Directors.~~

44 ~~33—The same person may hold the offices of Chairman of the Board, President, Secretary and Treasurer. Any of the Vice-Presidents may also hold the offices of Secretary or Treasurer.~~more than one office.

45 ~~34—The Chairman of the Board, if any, shall act as chairman at all meetings of the members and at all meetings of the Board at which he is present. In his absence, the President, if present, shall act as chairman and, in the absence of both of them, one of the Vice-Presidents~~Deputy Chairmen shall act as chairman. If none of them is present, a chairman shall be appointed or elected by those present at the meeting. The Chairman of the Members' Committee, if any, shall act as chairman at all meetings of the Members' Committee at which he is present. In his absence, one of the Deputy Chairmen shall act as chairman. If none of them is present, a chairman shall be appointed or elected by those present at the meeting.

46 ~~35—The Secretary or an Assistant Secretary if there be one shall attend all meetings of the members, of the Board and, of committees of the Directors,~~of the Members' Committee and of committees of the Members' Committee and keep correct minutes of such meetings and enter the same in proper books provided for the purpose. They shall perform such other duties as are prescribed by the Acts or Bye-Laws, or as shall be prescribed by the Directors or Members' Committee from time to time.

Managers

- 47 ~~36~~ Thomas Miller (Bermuda) Ltd shall be the Managers of the Company.
- 48 ~~37~~ The Managers shall be entitled to attend all meetings of the Directors, the Members' Committee and of committees of the Directors and of the Members' Committee and all annual or special general meetings of the Company.
- 49 ~~38~~ In addition and without prejudice to any powers, duties and discretions for the time being delegated to the Managers pursuant to these Bye-Laws, the Managers may exercise and discharge all such powers, duties and discretions as may be conferred or imposed upon the Managers by the Rules.
- 50 ~~39~~ Whenever any power, duty or discretion is delegated to the Managers pursuant to these Bye-Laws or is conferred or imposed upon the Managers by the Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions imposed upon the Managers in relation thereto either pursuant to these Bye-Laws or (as the case may be) by the Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub delegated.

Accounts

- 51 ~~40~~ Any moneys for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings to which under these Bye-Laws or the Rules the same are applicable and the Reserves may be invested in such investments as the Directors think fit.
- 52 ~~41~~ The Directors shall cause true accounts to be kept of all transactions of the Company in such manner as to show the assets and liabilities of the Company for the time being and the books of account shall at all times be kept at the registered office of the Company or at such other place as the Directors may from time to time determine and shall always be open to the inspection of the Directors.
- 53 ~~42~~ The Board of Directors shall cause the accounts of the Company to be audited once at least in every fiscal year by the auditor appointed in conformity with Bye-Law ~~43~~54 and such audited accounts shall be laid before the members at the annual general meeting in each year and shall be open to inspection by any member.

Audit

- 54 ~~43~~ At the annual general meeting or at a subsequent special general meeting, an independent representative of the members shall be appointed as auditor of the accounts of the Company and such auditor shall hold office until the members shall appoint another auditor. Such auditor shall not be a Director or officer of the Company during his continuance in office.

- 55 ~~44~~ The remuneration of the auditor shall be fixed by the members at the time of their appointment or subsequently and they may delegate this duty to the Directors.
- 56 ~~45~~ If the office of auditor becomes vacant or the auditor is incapable of performing his duties, the Directors shall as early as practicable convene a special general meeting of the members to appoint an auditor to fill the vacancy or an acting auditor to act during the incapacity of the auditor.
- 57 ~~46~~-A The auditor shall examine such books, accounts and vouchers as may be necessary for the performance of his duties.
- B The auditor shall make a report to the members of the accounts examined by him at the annual general meeting in each year.
- C The auditor shall be furnished with a list of all books kept by the Company and shall at all times have the right of access to the books, accounts and vouchers of the Company and shall be entitled to require from the Directors such information and explanation as may be necessary for the performance of his duties.
- D The auditor shall be entitled to attend any general meeting of the Company at which any accounts which have been examined or reported on by him are to be laid before the Company and to make any statements or explanations he may desire with respect to the accounts and notice of every such meeting shall be given to the auditor in the manner prescribed for members.

Notices

- 58 ~~47~~ Except as otherwise prescribed in the Acts, these Bye-Laws or the Rules, a notice or other document may be served by the Company on any member either by sending it by courier or through the post in a prepaid letter or by sending it by telegram, cable, radio telegraph, facsimile transmission (fax), or electronic communication, addressed to such member:
- i at the address which shall have been expressly furnished by him to the Company as the address at which notices from the Company may be served upon him (including, for electronic communication, any address furnished for that purpose); or
 - ii if no such address shall have been furnished, at his address as appearing in the Register of Members.
- 59 ~~48~~-A Any notice or other document if sent by courier or by post shall be deemed to have been served on the day following the day on which it was handed to the courier or put into the post, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and handed to the courier or stamped and put into the post.

- B Any notice or other document if sent by telegram, cable, radio telegraph, facsimile transmission (fax) or electronic communication shall be deemed to have been served on the day on which it was transmitted.

60 ~~49~~ Nothing in these Bye-Laws shall require the Association to accept any electronic communication (including any proxy):

- i other than at the address supplied by the Association for the purpose;
- ii found or suspected to contain a computer virus or to be otherwise contaminated;
- iii other than in compliance with any verification procedure applied by the Association from time to time, and, for the avoidance of doubt, if no verification procedure has been adopted by the Association, the Association shall not be required to accept any electronic communication for any purpose under these Bye-Laws.

Seal

61 ~~50~~ The Directors shall provide for the safe custody of the Seal, which shall only be used by authority of the Board or of any committee of the Directors authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director or the Secretary or by some other person appointed by the Board for the purpose. Any document required to be executed as a deed on behalf of the Company may be signed or executed by any person authorised by the Board for that purpose, without the use of the Seal.

Alteration of Bye-Laws

62 ~~51~~ The Board may from time to time revoke, alter, amend or add to the Bye- Laws. However, no such revocation, alteration, amendment or addition shall be operative unless or until it is confirmed at a special general meeting or at the next annual general meeting.

Form of proxy

63 ~~52~~ The form of proxy in the schedule which is part of the Bye-Laws shall be used subject to such variations or alterations to meet the circumstances of particular cases as may be necessary and as the Directors may approve.

Indemnity

64 ~~53~~-A Every Director and other officer of the Company, any member of a committee duly constituted under these Bye-Laws and the Managers (as defined in paragraph (C) of this Bye-Law) shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, liabilities, losses, damages and expenses (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, officer of the Company, member of a duly constituted committee or the Managers (as the case may be), and the indemnity contained in this Bye-Law shall extend to any person acting as a Director, officer of the Company, member of a duly constituted committee or the Managers in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election.

PROVIDED ALWAYS that:

The indemnity contained in this paragraph (A) shall not extend to any matter which would render it void at law.

- B Every person specified in paragraph (A) shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, officer of the Company, member of a duly constituted committee or the Managers in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.
- C For the purposes of this Bye-Law “the Managers” means the Managers and any and all servants and agents of the Managers to whom duties of the Managers have been entrusted.
- D The indemnity provided to Directors, other officers of the Company, any member of a committee duly constituted under these Bye-Laws and the Managers in paragraphs (A) and (B) of this Bye-Law shall be extended to the directors, other officers, ~~and managers~~ or committees of any ~~subsidiary companies wholly owned or controlled by the Company~~ of the Companies.

65 ~~54~~-No person specified in Bye-Law ~~53~~64 shall be liable for the acts, receipts, neglects or defaults of any other such person, or for joining in any receipt or other act for conformity, or for any loss or expense happening to or incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company may be or have been invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are or have been deposited, or for any loss occasioned by any error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which happens in relation to the Company or any subsidiary thereof.

PROVIDED ALWAYS that:

The exemption of liability contained in this Bye-Law shall not extend to any matter which would render it void at law.

- 66 ~~55~~—The indemnification and exemption of liability provided by, or granted pursuant to, these Bye-Laws shall, unless otherwise provided when authorised or ratified, continue as to a person who has ceased to hold the position for which he is entitled to be indemnified or exempted from liability and shall inure to the benefit of the heirs, executors and administrators of such a person.

Form of proxy

The undersigned, a Member of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, hereby appoints _____

or _____ or _____

to be the undersigned's proxy in the order named to vote on behalf of the undersigned at the (Annual or Special, as the case may be) General Meeting of the Company to be held on

_____ 20_____

and at any adjournment thereof.

Please indicate with a tick in the space below how you wish your vote to be cast:

For

Against

Resolution (1)

Resolution (2)

etc.

Unless otherwise instructed, the proxy will vote as he thinks fit.

As witness the hand of the undersigned this day

of _____ 20_____

By: _____

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

**THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE
ASSOCIATION (EUROPE) LIMITED**

Adopted by special resolution passed on • ~~2013~~[2016](#)

**THE UNITED KINGDOM MUTUAL STEAM SHIP
ASSURANCE ASSOCIATION (EUROPE) LIMITED**

COMPANY NUMBER 00022215

(The ‘Company’)

1. PRELIMINARY

1.1 The model articles for private companies limited by guarantee set out in Schedule 2 of the Companies (Model Articles) Regulations 2008 (the ‘**Model Articles**’), as excluded or modified by the following articles, together constitute the articles of association of the Company (the ‘**Articles**’).

1.2 For the avoidance of doubt, references in the Articles –

(a) to a numbered Article are to a numbered Article as set out in this document; and

(b) to a numbered article of the Model Articles are to the article as numbered in the Model Articles immediately upon the coming into force of the Companies (Model Articles) Regulations 2008.

1.3 Articles 2, 5(3), 8, 14, 19(2), 21 and 22 of the Model Articles shall not apply to the Company.

2. INTERPRETATION

2.1 Unless the context otherwise requires and except for words or expressions to which a meaning is given in the Articles, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Company.

2.2 A reference in the Articles to the exercise of a power or the taking of a decision by the directors includes the exercise of the power or the taking of the

decision by any person or committee (including any sub-committee) to whom it has been delegated.

2.3 In the Articles –

- (a) **'Bye-Laws'** means the bye-laws of UKB;
- (b) ~~(a)~~ **'Managers'** shall mean the managers of the time being of the Company;
- (c) **'Members' Committee'** means a committee of the members of UKB as may be constituted from time to time in accordance with the Bye-laws;
- (d) ~~(b)~~ **'Rules'** means the rules from time to time in force governing the conduct of the whole or any part of the business of the Company; and
- (e) ~~(e)~~ **'UKB'** means the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, a company incorporated in Bermuda.

2.4 In the Articles, the headings are for convenience only and shall be ignored in construing the meaning of the Articles.

3. CHANGE OF NAME

Without the need for a special resolution of the Company, the directors may decide at any time to change the name of the Company; and where the directors decide to change the name, the secretary (if any) or any other person authorised by the directors shall give a notice to that effect to the Registrar of Companies accompanied by a statement that the change of name has been made in accordance with the Articles (such statement to be in the form required by the Companies Acts).

4. MEMBER

4.1 UKB shall be the sole member of the Company.

4.2 Membership shall not be transferable.

5. DIRECTORS' APPOINTMENTS

- 5.1 Unless otherwise determined by the ~~members~~the Members' Committee (or, if there is no Members' Committee, the members of the Company by way of ordinary resolution), the number of directors shall be not less than three and not more than 15.
- 5.2 Any person shall be eligible to be appointed, elected or re-elected a director if he is either (a) a member of the Members' Committee, (b) if there is no Members' Committee, a director of UKB, (~~bc~~) a representative, employee or director of the Managers or the Manager's agents, or (~~ed~~) such other person as the ~~members~~Members' Committee and/or the directors think fit.
- 5.3 ~~A majority in number of members~~If there is a Members' Committee, the Members' Committee may appoint a person willing to act to be a director ~~and may remove any director (howsoever appointed) from office, without prejudice to any claim for damages he may have for breach of any contract of service between him and the Company.~~
- 5.4 ~~The directors may also~~If there is no Members' Committee, a majority in number of members of the Company may appoint a person willing to act to be a director.
- 5.5 The directors and the Members' Committee shall each have power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the board of directors, and the continuing directors may act, notwithstanding any vacancy in their number provided that in the event that the number of continuing directors has been reduced below the number of three the continuing directors or the Members' Committee must immediately appoint a sufficient number of persons to restore the number of continuing directors to a minimum of three. Any director so appointed by the directors (but not by the Members' Committee) shall hold office only until the next following meeting of the Members' Committee (or if there is no Members' Committee, the next annual general meeting), and, provided always that he is qualified to hold office under Article 5.2, shall then be eligible for re-election.

5.6 Subject to any provisions to the contrary contained in the Companies Act 2006 the Members' Committee may, at any meeting of the Members' Committee held in accordance with the Bye-Laws, remove a director. If there is no Members' Committee, then a majority of the members of the Company may at any general meeting or annual general meeting held in accordance with these Articles remove a director. The notice of any such meeting shall contain a statement of the intention so to do and at any such meeting such director shall be entitled to be heard on the matter of his removal. Nothing in this Article shall have the effect of depriving any person of any compensation or damages which may be payable to him in respect to the termination of his appointment as a director of the Company or of any other appointment with the Company. A vacancy upon the board created by the removal of a director under the provisions of this Article may be filled by election of the members of the Members' Committee at the meeting at which such director is removed (or if there is no Members' Committee, at the general meeting or annual general meeting at which such director is removed) and, in the absence of such election, there shall be deemed to be a vacancy which may be filled in accordance with the provisions of Article 5.5.

5.7 ~~5.5~~ Where a director is appointed to office as chairman, as managing director or as the holder of an executive position or is otherwise appointed to provide services to the Company, that appointment or the contract for those services will terminate immediately upon him ceasing (for any reason) to be a director. The termination of that appointment under this Article will be without prejudice to any claim for damages he may have for breach of any employment contract or contract to provide services between him and the Company.

5.8 ~~5.6~~ Any appointment or removal of a director under Article ~~5.35.6~~ shall be deemed to be an act of the Company (and no-one else). The ~~power~~powers of removal of a director from office conferred ~~on the Company~~ by these Articles is in addition to that conferred by the Companies Act 2006, to the intent that sections 168 and 169 of the Companies Act 2006 shall not apply to a removal under Article ~~5.35.6~~.

5.9 ~~5.7~~ The office of director shall immediately be vacated if the director -

- (a) ceases to be eligible for appointment, election or re-election as provided in Article 5.2; or
- (b) in the case of a director who is a director of UKB, if that director ceases to be a director of UKB;
- (c) in the case of a director who is a member of the Members' Committee, if that director ceases to be a member of the Members' Committee; or
- (b) resigns his office by notice in writing to the Company.

6. DIRECTORS' DECISIONS

- 6.1 The quorum necessary for the transaction of the business of the directors shall be two, at least one of whom must be a person referred to in Article 5.2(a).
- 6.2 Questions arising at a meeting of directors shall be decided by a majority of those present and entitled to vote. In the case of an equality of votes the chairman shall have a second or casting vote.
- 6.3 The secretary on the requisition of any director shall and a director may, at any time summon a meeting of the directors. Notice of meetings of directors may be by telephone or otherwise.
- 6.4 A resolution in writing signed by, or otherwise approved by, a three-quarters majority of the directors who are at the relevant time entitled to receive notice of a meeting of the board and who would be entitled to vote on the resolution at a meeting of the board (if that number is sufficient to constitute a quorum) shall be as valid and effectual as a resolution passed at a meeting of the board properly called and constituted. The resolution may be contained in one document or several documents in like form each signed by, or otherwise approved by, one or more of the directors concerned.

- 6.5 Article 9 of the Model Articles is modified by the deletion of the words “*not more than 7 days after*” and the substitution for them of the words “*before or after*”.
- 6.6 Where the directors have delegated any of their powers, they may revoke any delegation in whole or in part, or alter its terms and conditions; and where any person to whom any powers are delegated holds those powers by virtue of being appointed an executive, any variation or revoking of those powers is without prejudice to any contract with that executive.
- 6.7 The business of the Company shall be managed by the directors who may pay all expenses incurred in promoting and incorporating the Company and who, in addition to the powers and authorities by these Articles or the Rules or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of the Company’s memorandum of association, any statute, these Articles and the Rules. Subject to the provisions of the Company’s memorandum of association and these Articles the business of the Company shall be conducted in accordance with Rules from time to time adopted by the Company in general meeting which may at any time be altered, abrogated or added to by the Company in general meeting (with the Company’s member, UKB, exercising its powers in this regard at such a general meeting as directed by its members in a general meeting of UKB).
- 6.8 Without prejudice to the generality of Article 6.7, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures.
- 6.9 The directors shall exercise a general supervision over the affairs of the Company and without limitation of the foregoing they shall be responsible for the correct keeping of the books and for the safekeeping of all moneys and securities of the Company and shall submit their books, accounts and vouchers to the Company’s auditor whenever required so to do and shall furnish such

information and explanations to the Company's auditor as may be necessary for the performance of his duties.

6.10 The directors may delegate any of their powers to committees consisting of two or more of the directors or such other persons (not being directors) as the directors may think appropriate, but every such committee shall conform to such directions as the directors shall impose on it.

6.11 The directors may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules vested in the directors as they may think fit and such powers, duties or discretions may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as the directors may determine and the directors may at any time revoke such delegation: provided that nothing hereinbefore in these Articles contained shall entitle the directors to delegate to the Managers any of the powers, duties or discretions of the directors –

- (a) which are required by law to be exercised by the directors personally;
- (b) which relate to general meetings or the proceedings thereat;
- (c) which are conferred by Articles 6.8 or 10;
- (d) which relate to meetings of the directors or committees of the directors or the proceedings thereat;
- (e) which relate to the appointment of Managers or the secretary;
- (f) which relate to the seal, reserves of the Company, accounts or notices of general meetings; and so that –
 - (i) the directors may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid; and
 - (ii) nothing hereinbefore in this Article contained and no such delegation as aforesaid shall constitute the Managers directors of the Company.

7. DIRECTORS' APPOINTMENTS AND INTERESTS

7.1 This Article 7 is subject to the provisions of the Companies Acts and the Rules.

7.2 A director may –

- (a) be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and
- (b) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise directly or indirectly interested in, any body corporate in which the Company is interested,

and where a proposed decision of the directors is concerned with such a transaction, arrangement, office or employment, that director may be counted as participating in the decision making process for quorum and voting purposes.

7.3 Article 7.2 is subject to the relevant director making a declaration of the nature and extent of his interest in accordance with sections 177 and 184 to 187 of the Companies Act 2006.

7.4 The following shall not be treated as an **'interest'** –

- (a) an interest of which a director is not aware and of which it is unreasonable to expect him to be aware, or an interest in a transaction or arrangement of which he is not aware and of which it is unreasonable to expect him to be aware;
- (b) an interest of which the other directors are aware, or ought reasonably be aware, to the extent they are or ought reasonably to be aware of such interest;
- (c) an interest which cannot reasonably be regarded as giving rise to a conflict of interest; and

- (d) an interest if, or to the extent that, that interest contains terms of his service contract which have been, or are to be, considered by a meeting of the directors or a duly appointed committee of the directors.

8. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

- 8.1 Subject to the provisions of the Rules, the directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interests.
- 8.2 Authorisation given by the directors under Article 8.1 may be subject to any terms and conditions which the directors consider appropriate; and the directors may at any time vary or terminate such authorisation.
- 8.3 A decision to authorise any matter under Article 8.1 may be made either at a meeting of the directors, or by a decision in accordance with Article 6.4, of those directors entitled to vote on the matter; but the decision will only be effective if -
 - (a) the quorum for any meeting at which the matter is considered is met without counting the director in question or any other interested director; and
 - (b) the matter is agreed to without any interested director voting, or would have been agreed to had no interested directors' votes been counted.
- 8.4 The provisions of this Article 8 shall not apply to any conflict of interest arising in relation to a transaction or arrangement between a director and the Company. Article 7 above shall apply to directors' interests in any such transactions or arrangements.

9. MANAGEMENT OF DIRECTORS' CONFLICTS

9.1 Where the directors have authorised any matter under Article 8.1 above, or where a matter falls within Article 7, the directors may, at the time of such authorisation or subsequently, provide (without limitation) that an interested director –

- (a) is excluded from discussions (whether at directors' meetings or otherwise) related to the matter;
- (b) is not given any documents or other information relating to the matter;
or
- (c) both for quorum purposes and for voting purposes may or may not be counted or vote at any future directors' meeting in relation to the matter.

9.2 Where the directors have authorised any matter under Article 8.1, or where a matter falls within Article 7 (subject to a director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with Article 7.3), then an interested director –

- (a) will not be required to disclose to the Company, or use for the benefit of the Company, any confidential information relating to the matter if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the matter;
- (b) may absent himself from directors' meetings at which the matter may be discussed; and
- (c) may make such arrangements as he thinks fit not to receive documents and information in relation the matter, or for such documents and information to be received and read by a professional adviser on behalf of that director.

- 9.3 Article 9.2 does not limit any existing law or equitable principle which may excuse the director from disclosing information in circumstances where disclosure would otherwise be required, or from attending meetings or receiving and reading documents in circumstances where such actions would otherwise be required.
- 9.4 Where the directors authorise a matter under Article 8.1, or where a matter falls within Article 7, then an interested director –
- (a) will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the matter; and
 - (b) will not infringe any duty he owes to the Company under sections 171 to 177 of the Companies Act 2006 if he complies with any terms, limits and conditions (if any) imposed by the directors in relation to the authorisation and, where relevant, makes any disclosure required under Article 7.3.
- 9.5 In relation to any matter which has been authorised under Article 8.1, or where a matter involves a transaction or arrangement which falls within Article 7 (subject to a director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with Article 7.3) –
- (a) an interested director will not be accountable to the Company for any benefit conferred on him in connection with that matter;
 - (b) the receipt of such a benefit shall not constitute a breach of his duty under section 176 of the Companies Act 2006; and
 - (c) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

10. DIRECTORS' REMUNERATION

- 10.1 The remuneration of the directors shall be such sum (if any) as shall from time to time be voted to them by the Company in general meeting, and any such

sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the directors as they shall resolve or, failing such resolution, equally. The directors' remuneration shall be deemed to accrue *de die in diem*.

10.2 The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or of committees of the directors or of general meetings of the Company or otherwise in connection with the business of the Company.

11. MANAGERS

11.1 Thomas Miller P&I (Europe) Ltd (a company incorporated in England with company number 02920387) shall be the Managers of the Company for the time being.

11.2 The Managers shall be entitled to attend all meetings of the directors (and any duly appointed committee of the directors) and all meetings of the members of the Company.

11.3 In addition and without prejudice to any powers, duties and discretions for the time being delegated to the Managers pursuant to these Articles, the Managers may exercise and discharge all such powers, duties and discretions as may be conferred or imposed upon the Managers by the Rules.

11.4 Whenever any power, duty or discretion is delegated to the Managers pursuant to these Articles or is conferred or imposed upon the Managers by the Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions imposed upon the Managers in relation thereto either pursuant to these Articles or (as the case may be) by the Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.

12. SECRETARY

12.1 The directors may determine from time to time whether a person shall hold the office of Company secretary and, at any time when the Company is without a secretary, that anything required or authorised to be done by or to the secretary may be done by or to a director (or by a person authorised generally or specifically in that behalf by the directors); the appointment of a person, or persons jointly, to office as secretary shall be decided by the directors who may remove any person or persons appointed to that office and may appoint a person or persons to act in the place of any secretary removed from office or may appoint a person or persons to act jointly with any person holding office as secretary.

12.2 The Company may pay expenses to any secretary and article 20 of the Model Articles is modified by adding after the words “*the directors*”, where they first appear, the words “*and the Company secretary (if any)*”.

13. NOTICES

13.1 Article 34(1) of the Model Articles shall be read as if it were amended by the addition of the following sentence –

“Subject to the Articles, the provisions of section 1147 of the Companies Act 2006 shall apply to anything sent or supplied to the Company as they apply to anything sent or supplied by the Company”.

13.2 Any notice, document or other information will be deemed served on or delivered to the intended recipient if addressed either –

- (a) to an address outside the United Kingdom; or
- (b) from outside the United Kingdom to an address within the United Kingdom,

A five working days after posting, provided (in each case) it was sent by reputable international overnight courier addressed to the intended recipient, with delivery in at least five working days guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider.

14. ACCOUNTS

14.1 Any moneys for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings to which under these Articles or the Rules the same are applicable and the reserves of the Company may be invested in such investments and/or paid to UKB (whether pursuant to any contract between the Company and UKB or otherwise), in each case as the directors think fit.

14.2 The directors shall cause true accounts to be kept of all transactions of the Company in such manner as to show the assets and liabilities of the Company for the time being and the books of account shall at all times be kept at the office or at such other place as the directors may from time to time determine and shall always be open to the inspection of the directors.

15. INDEMNITY AND INSURANCE

15.1

(a) Every director and other officer of the Company and the Managers (as defined in paragraph (c) of this Article) shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all costs, liabilities, losses, damages and expenses (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such director, officer of the Company; or the Managers (as the case may be), and the indemnity contained in this Article shall extend to any person acting as a director, officer of the Company, or the Managers in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election.

(b) Every person specified in Article 15.1(a) above shall be indemnified out of the funds of the Company against all liabilities incurred by him

as such director, officer of the Company or the Managers in defending any proceedings, whether civil or criminal.

- (c) For the purposes of this Article 15.1 'the Managers' means the Managers and any and all servants and agents of the Managers to whom duties of the Managers have been entrusted.
- (d) The indemnity provided to the directors, other officers of the Company and the Managers in Articles 15.1(a) and 15.1(b) shall be extended to the Managers of any subsidiary companies wholly owned or controlled by the Company.

Provided always that:

The indemnity contained in Article 15.1 shall not extend to any matter which would render it void at law.

- 15.2 No person specified in Article 15.1 shall be liable for the acts, receipts, neglects or defaults of any other such person, or for joining in any receipt or other act for conformity, or for any loss or expense happening to or incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company may be or have been invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are or have been deposited, or for any loss occasioned by any error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which happens in relation to the Company or any subsidiary thereof.

Provided always that:

The exemption of liability contained in this Article shall not extend to any matter which would render it void at law.

- 15.3 The indemnification and exemption of liability provided by, or granted pursuant to, these Articles shall, unless otherwise provided when authorised or ratified, continue as to a person who has ceased to hold the position for which

he is entitled to be indemnified or exempted from liability and shall inure to the benefit of the heirs, executors and administrators of such a person.

15.4 Article 39 of the Model Articles shall be read as if it were amended as follows

–

(a) in article 39(1) the words “*or any relevant secretary, auditor or managers*” were added immediately after the words “*any relevant director*”; and

(b) in article 39(2) –

(i) in sub-paragraph (b), the words “*or a relevant secretary, auditor or managers of the Company or former secretary, auditor or managers of the Company*” were added immediately after the words “*a relevant director*” and the words “*secretary’s, auditor’s or managers’*” were added immediately after the words “*that director’s*”; and

(ii) the existing sub-paragraph (c) be renumbered as (d) and a new sub-paragraph (c) be added immediately after sub-paragraph (b) as follows –

“(c) a “*relevant secretary, auditor or managers*” means any *Company secretary, auditor or managers or former Company secretary, auditor or mangers of the Company or any secretary or auditor of an associated company; and*”.

15.5 For the purposes of Article 15.4 ‘managers’ means the Managers and any and all servants and agents of the Managers to whom duties of the Managers have been entrusted.