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**AMENDMENTS TO THE RULES AND BYE-LAWS**

**TO BE CONSIDERED BY THE MEMBERS OF THE ASSOCIATION AT THE ANNUAL GENERAL MEETING  
OF THE ASSOCIATION TO BE HELD IN KUALA LUMPUR ON 21st OCTOBER, 2002**

## RULES

### RULE 2, SECTION 1 - PASSENGER LIABILITIES

*Add a new proviso (e) to paragraph C of Section 1, by addition of the words indicated in bold type below:*

C Liability to pay damages or compensation:

i....

ii to passengers on board an entered ship arising as a consequence of a casualty to that ship, including the cost of forwarding passengers to destination or return to port of embarkation and of maintenance of passengers ashore;

iii....

PROVIDED ALWAYS that:

a....

**e For the purpose of this paragraph (C), 'casualty' means 'an incident involving either: (i) collision, stranding, explosion, fire, or any other cause affecting the physical condition of the entered ship so as to render it incapable of safe navigation to its intended destination; or (ii) a threat to the life, health or safety of passengers'.**

### RULE 5(A) - PAYMENT FIRST BY THE OWNER

*Amend paragraph A as indicated in bold type below:*

Unless the Directors in their discretion otherwise decide, it is a condition precedent of an Owner's right to recover from the funds of the Association in respect of any liabilities, costs or expenses that he shall first have discharged or paid the same **out of funds belonging to him unconditionally and not by way of loan or otherwise.**

### RULE 5(T) - INTEREST

*Add a new paragraph (T) to Rule 5 as indicated in bold type below:*

#### **T. INTEREST**

**In no case shall interest be paid upon sums due from the Association.**

### RULE 23 - PAYMENT

*Add a new paragraph F to Rule 23 as indicated in bold type below. Reletter the existing paragraph F as G.*

**F. The Association shall have a lien or other right of action against any ship entered by the Owner in respect of any sum of whatsoever nature owed by him to the Association, notwithstanding that the cover of the Owner or in respect of any ship entered by him may have ceased or been terminated or cancelled.**

## EXPLANATORY NOTES

### RULE 2, SECTION 1 - PASSENGER LIABILITIES

*It is proposed that the Pooling Agreement be amended to clarify the basis for the pooling of claims for compensation payable to passengers as a result of a casualty. The proposed definition, which is broadly reflective of the Association's current practice, will minimise the risk of the Association incurring liability for a claim of this kind in circumstances where pooling rights could be questioned.*

### RULE 5(A) - PAYMENT FIRST BY OWNER

*The purpose of the amendment is to strengthen the effect of the immediately preceding words, designed to protect the Association's status as an indemnity insurer.*

### RULE 5(T) - INTEREST

*The proposed amendment will formalise a long standing practice of the Association not to pay interest on claims recoverable from the Association.*

### RULE 23 - PAYMENT

*In protecting the Association from bad debt, the Managers may resort to recovering unpaid calls by means of arrest proceedings against ships entered or formerly entered in the Association. The proposed amendment would facilitate this process in some jurisdictions.*

## BYE-LAWS

### BYE-LAW 1 - INTERPRETATION

*Add, to Bye-Law 1, a definition of "electronic communication" as indicated in bold type below:*

*Delete the existing definition of "In writing" and "written" and replace it with the definition in bold type below:*

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

~~"In writing" and "written" shall also include printing, lithography, photography and other modes of representing or reproducing words in visible form.~~

**"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.**

### BYE-LAWS 6 AND 7 - MEETINGS OF MEMBERS

*Amend Bye-Laws 6 and 7 by the deletions indicated and by the addition of the words in bold type below:*

6 Notice of each annual general meeting of the Company shall be given by an officer of the Company **by mail in writing** to each member entitled to receive notice and to attend and vote at general meetings. ~~at his address as shown in the Register of Members.~~ All such notices shall be **mailed 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. ....

7 The Board or any two members thereof or the President may convene a special general meeting of the members upon at least five business days' notice in writing to each member. ~~mailed to his address as shown in the Register of Members.~~ Such notice shall state the date, time, place and objects of such meeting, which may be held either in these Islands or elsewhere.

### BYE-LAWS 10 AND 11 - VOTING AT MEETINGS OF MEMBERS

*Amend Bye-Laws 10 and 11 by the deletions indicated, by the addition of the words in bold type, and by the division into lettered paragraphs indicated below:*

10A **Where an appointment is made in writing (but not by electronic communication) the an** instrument appointing **a** the proxy shall be **in writing signed** under the hand of the appointer or his attorney or, if such appointer is a corporation, the proxy shall be executed on behalf of the corporation by one of its officers.

## EXPLANATORY NOTES

### BYE-LAW 1 - INTERPRETATION

*The purpose of this amendment to Bye-Law 1 is to reflect updated communication methods, including e-mail. The amendments to Bye-Laws 6, 7, 10, 11, 47, 48 and 49 are for a related purpose.*

### BYE-LAWS 6 AND 7 - MEETINGS OF MEMBERS

*The amendments will allow the Association to use electronic communication of notices relating to meetings.*

### BYE-LAWS 10 AND 11 - VOTING AT MEETINGS OF MEMBERS

*The proposed amendments prepare the way to allow the use of electronic communication for the appointment of proxies, subject to the development of a verification procedure.*

**BYE-LAWS****EXPLANATORY NOTES**

**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 hereof, be in the form in the schedule annexed hereto. A person appointed a proxy need not be a member.

**11A** Where an appointment is made by an instrument in writing (but not by an electronic communication) ~~The the~~ instrument appointing a proxy shall be left with the Secretary not less than 12 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.**

**BYE-LAWS 47, 48 and 49 - NOTICES**

*Amend existing Bye-Laws 47 to 49 by the deletions indicated below and by the addition of the words in bold type. Re-letter existing Bye-Laws 48 and 49 as 48A and 48B respectively. Add a new Bye-Law 49 as indicated in bold type.*

**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 by sending it **by courier or** through the post in a prepaid letter or by sending it by telegram, cable, radio telegraph, ~~telex~~ or 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.

*BYE-LAWS 47, 48 and 49 - NOTICES*

*The purpose of the amendments to Bye-Laws 47 and 48 is to allow updated methods of transmitting notices to Members.*

*The purpose of the new Bye-Law 49 is to regulate the conditions under which the Association would accept electronic notices or proxies from Members.*

## BYE-LAWS

## EXPLANATORY NOTES

**4848A** 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.

**4948B** Any notice or other document if sent by telegram, cable, radio telegraph, ~~telex or~~ facsimile transmission (fax), **or electronic communication** shall be deemed to have been served on the day on which it was ~~dispatched~~ **transmitted**.

**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.

### BYE-LAW 22 - DIRECTORS

*Amend Bye-Law 22 by the addition of the words in bold type below:*

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.**

### BYE-LAW 22 - DIRECTORS

*The proposed amendment would allow a Director who is unable to attend a Board or committee meeting to participate by means of a conference telephone or other communication equipment.*