

APPENDIX A

AMENDMENTS TO THE RULES AND ARTICLES OF ASSOCIATION OF THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (EUROPE) LIMITED

To be considered at a Special General Meeting of the Members of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited, to be held in London on 17th January 2019.

AMENDMENTS TO THE RULES

Rule 2, Section 1C, proviso (c) – passenger excursion contract wording

Amend proviso (c) of Rule 2, Section 1C by deletion of words as indicated below and by addition of the words in blue bold type:

(c) There shall be no recovery from the Association under this paragraph (C) in respect of ~~contractual~~ liability of an Owner, **incurred under a contract**, for death or injury to a passenger whilst on an excursion from the entered ship in circumstances where either:

- i) ~~a separate~~ **that** contract has been **separately** entered into by the passenger for the excursion, whether or not with the Owner, or
- ii) the Owner has waived any or all of his rights of recourse against any sub-contractor or other third party in respect of the excursion.

Rule 5, paragraph B(ii) – limitation of the Association's liability, oil pollution

Amend sub-paragraph B(ii) of Rule 5 by deletion of words as indicated below:

ii) Oil Pollution

For the purpose of this sub-paragraph and the provisos thereto, and without prejudice to anything elsewhere contained in these Rules, a "claim in respect of oil pollution" shall mean a liability, cost, loss or expense, howsoever incurred, in respect of or relating to an escape or discharge of oil or any threat or consequence of such escape or discharge, but excluding liability for loss of or damage to such oil.

Unless otherwise limited to a lesser sum, the Association's liability for any and all claims in respect of oil pollution shall be limited to such sum or sums as the Directors may from time to time determine.

Such limit shall, unless the Directors otherwise decide, apply in respect of any one entered ship each event and shall apply irrespective of whether the event involves the escape or threatened escape of oil from one or more than one ship and to all claims in respect of oil pollution ~~brought by the Owner or Joint Owners of the entered ship~~ whether under one Section or more than one Section of Rule 2. If the aggregate of such claims exceeds that limit, the liability of the Association for each claim shall be limited to such proportion of that limit as such claim bears to the aggregate of all such claims.

EXPLANATORY NOTES

Rule 2, Section 1C, proviso (c) – passenger excursion contract wording

The amendment is to ensure that an exclusion of cover for liability incurred under a passenger excursion contract is not enlarged into an exclusion of cover for residual liability incurred under the general passenger ticket contract. The amendment will maintain alignment of the Club's Rules with the Pooling Agreement which is being amended in similar fashion.

Rule 5, paragraph B(ii) – limitation of the Association's liability, oil pollution

The proposed amendment will remove words that are superfluous and could be misconstrued as restricting the scope of the limitation provision applicable to all claims in respect of oil pollution for each entered ship and event.

Rule 5H(iii) – Exclusion of certain liabilities, costs and expenses of salvage ships, drilling ships, dredgers and others

Amend paragraph (iii) of Rule 5H by deletion of words as indicated and by addition of the words in bold blue type below:

iii) An entered ship which is used for **specialist operations including dredging, blasting, pile-driving, well-intervention, cable or pipe laying, construction, installation, maintenance work, core sampling, depositing of spoil, or power generation** ~~the operations of dredging, blasting, piledriving, well-stimulation, laying, maintaining or removing cables or pipes, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training and tank cleaning (otherwise than on the entered ship), or other specialist operations.~~

Rule 5H(iii) – Exclusion of certain liabilities, costs and expenses of salvage ships, drilling ships, dredgers and others

Paragraph (iii) of Rule 5H describes risks known as 'specialist operations', for which some elements of cover are excluded because the operations and associated risks are considered too unusual to be shared on a mutual basis without restriction.

The proposed amendment will update the list of 'specialist operations' and will keep the Rules aligned with the Pooling Agreement, in which a corresponding list has been recently revised.

Rule 5, paragraph R – surveys of ships after lay-up

Amend paragraph R of Rule 5 by deletion of words as indicated below and by addition of the words in bold type:

R Surveys of ships after lay-up

i) If an entered ship has been laid-up for a period of six months or more, whether the ship has been entered in the Association for all or part of the period of lay-up and whether or not laid-up returns have been claimed or paid in accordance with Rule 27, the Owner shall give the Managers notice that the ship is to be recommissioned not less than seven days before the ship leaves the place of lay-up.

ii) Upon receipt of such notice the Managers in their discretion may appoint a surveyor or such other person as they may think fit to inspect the ship on behalf of the Association and the Owner shall afford such facilities as may be required for such inspection, **and**

iii) The Owner shall comply with such recommendations as the Managers may make following such inspection. Unless and to the extent that the Members' Committee in its discretion otherwise decides, an Owner who commits any breach of his obligations referred to in (i) to (iii) above shall not be entitled, in relation to any casualty, event or matter occurring during the period of the breach, to any recovery from the Association in respect of any claim arising out of such casualty, event or matter.

A breach of the obligation in (i) above shall be deemed to **have started when the ship leaves the place of lay-up and to** have ended at such time as the Owner has complied with his obligations referred to in (ii) **and (iii)** above, **as determined by the Managers in their discretion.**

Notwithstanding the above and in addition thereto, the Members' Committee may, in the light of such inspection or in the event of any breach of the obligations referred to in (ii) to (iii) above, terminate the Owner's entry forthwith whereupon the Owner shall cease to be insured in respect of the entered ship.

Rule 5, paragraph R – surveys of ships after lay-up

The proposed amendment makes clear when an owner would be deemed to be in breach of the requirement to give seven days' notice before a ship leaves a place of lay-up after recommissioning, and allows the Managers a more flexible discretion to determine when the breach has ended.

Rule Changes for EU subsidiary insurer: Rules Foreword, and Rule 44 – Definitions

Amend the Foreword to the Rules, and Rule 44, by deletion of words as indicated below and by addition of the words in blue bold type:

Rules Foreword

The UK P&I Club is a mutual protection and indemnity association, which operates through The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited and its subsidiary ~~company~~

Rule Changes for EU subsidiary insurer: Rules Foreword, and Rule 44 – Definitions

The Club has established a subsidiary insurance company in the Netherlands, UK P&I Club N.V., in order to insure risks of EU flagged ships in the event that Great Britain ceases to be a member of the European Union.

Shipowners insured by the Club in respect of EU flagged ships will have policies underwritten

companies The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited **and UK P&I Club N.V.**

These Rules were adopted in accordance with the powers conferred by the articles of association of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited **and of UK P&I Club N.V.**

For the avoidance of doubt for the purpose of Rule 14 no contract of insurance or reinsurance with The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited **or UK P&I Club N.V.** shall entitle any person to be or become a Member of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited or **UK P&I Club N.V.**

Rule 44 – Definitions

ARTICLES: The articles for the time being of ~~the Association.~~ **The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.**

ASSOCIATION: The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited **or UK P&I Club N.V., as applicable.**

ASSOCIATIONS: The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited, **UK P&I Club N.V.,** and The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.

DIRECTORS: The Board of Directors for the time being of ~~the Association.~~ **The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited, or the Management Board and/or Supervisory Board for the time being of UK P&I Club N.V., as applicable.**

MEMBER: A Member for the time being of ~~the Association.~~ **The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.**

by UK P&I Club N.V. but will remain Members of the parent company The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited – UK(E).

The proposed amendments to the Foreword and Definitions in the Rules of UK(E) will create a single Rulebook in common for UK(E) and for UK P&I Club N.V. The use of a common Rule book will ensure that a Member's choice of EU flag makes no difference to the terms of the insurance and the benefits provided to the Member by the Club.

AMENDMENTS TO THE ARTICLES

Article 37 of Articles of Association of UK(E)

Amend Article 37A by addition of the words in blue bold type:

37

A

i 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) a member of the Members' Committee or (b) 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 Companies to the extent of not less than 10,000 Entered Tons or (c) such other person as the Members' Committee and/or the Directors think fit and Directors so appointed pursuant to this Article 37Ai(c) shall not become members, and

ii A person who is not eligible under Article 37Ai(c) solely by reason of having attained the age of seventy may be appointed to serve as a Director if (and for as long as) the Members' Committee and/or the Directors consider such service to be in the interests of the Company.

EXPLANATORY NOTES

Article 37 of Articles of Association of UK(E)

The eligibility conditions to serve as a Director of UK(E) are subject to an age requirement that Directors be less than 70 years old.

Directors appointed under Article 37Ai(c) are selected for particular specialist skills, knowledge or experience, which it may be in the interests of the Club to retain beyond the normal period of eligibility.

The proposed amendment will therefore permit the age limit for a specialist Director exceptionally to be waived where (and for as long as) the Board or Members' Committee consider such a course is necessary to serve the best interests of the Club.