

APPENDIX A

AMENDMENTS TO THE RULES AND ARTICLES 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 19th January 2021.

AMENDMENTS TO THE RULES

Rule 2, Section 13B – Liability arising out of towage of an entered ship other than customary towage

Amend Rule 2, Section 13 B by addition of the words in bold below and by removing all the words shown in quotation marks from the formal text of the Rule section, and adding them back as a Note to the same Rule section.

“Note

For the purpose of this paragraph B, the Managers will approve contracts for towage of an entered ship on terms not less favourable to the entered ship than:

- i) The Lloyds standard form of salvage agreement (1980, 1990, 1995, 2000, **2011, or 2020**, whether or not incorporating SCOPIC), or
- ii) a contract that contains a term that the parties to the towage contract, and any parties on whose behalf they contract, shall be responsible for any loss of or damage to or wreck removal of their own ship, cargo or property and for loss of life or personal injury thereon, without recourse against the other and will indemnify the other against any such liability.”

Rule 2, Section 22 – Fines

Amend Rule 2, Section 22 by deletion of the words indicated and by addition of words in bold type as shown below:

A) Fines as set out in paragraphs (B) to (F) below when and to the extent that they are imposed in respect of an entered ship by any court, tribunal or authority and are imposed:

- i) upon the Owner, or
- ii) upon any person whom the Owner may be legally liable to reimburse (other than under the terms of a contract or indemnity) or reasonably reimburses with the approval of the Managers, or
- iii) upon any person whom the Owner may be legally liable to reimburse under the terms of a contract or indemnity, but only if and to the extent that such terms have previously been approved by the Managers in writing;

B) Fines for short or overlanding or over delivery of cargo, or for failure to comply with regulations relating to declaration of goods or

EXPLANATORY NOTES

Rule 2, Section 13B – Liability arising out of towage of an entered ship other than customary towage

Elsewhere in the Rules, guidance on the Managers’ approach to approvals is provided in the form of Notes to the Rules, especially where such guidance may need regular updating. Notes to the Rules can be amended and updated without need for an SGM. The change also adds more recent versions of the Lloyds standard form of salvage agreement.

Rule 2, Section 22 – Fines

The proposed amendment will provide for smuggling fines to be covered on a discretionary basis under paragraph 22(F) rather than as of right.

A growth in the scale of smuggling has resulted in increased exposure in relation to smuggling fines, in some cases to levels potentially involving the International Group Pool or even the IG General Excess Loss contract. The Board feels it is therefore appropriate that in smuggling cases Clubs and their Members should have the comfort of knowing that the Owner had taken reasonable steps (albeit unsuccessfully) to avoid the event giving rise to the fine.

to documentation of the entered ship in respect of her cargo (**other than fines or penalties arising from the smuggling of goods or cargo or any attempt thereat**);

C) ~~Fines for smuggling or for any infringement of any customs law or customs regulation relating to the construction, adaptation, alteration or fitment of the entered ship~~ **not used**;

D) Fines for contravention of any law or regulation relating to immigration;

E) Fines in respect of an accidental discharge or escape of oil or other substance, or the threat thereof;

PROVIDED ALWAYS that:

There shall be no recovery from the Association in respect of fines arising out of

a) the overloading of an entered ship or

b) infringements or violations of or non-compliance with the provisions regarding construction, adaptation and equipment of ships contained in the International Convention for the Prevention of Pollution from Ships, 1973, as modified or amended by the Protocol of 1978 and any subsequent Protocol, or such of those aforesaid provisions as are contained in the laws of any State giving effect to that Convention or to such Protocol.

F) Any fine to the extent that

i) the Owner has satisfied the Members' Committee that he took such steps as appear to the Members' Committee to be reasonable to avoid the event giving rise to such fine and

ii) the Members' Committee in its discretion and without having to give any reasons for their decision, decides that the Owner should recover.

The categories of fines that are recoverable as of right have been restricted since 2000, in response to concerns that the motivational and deterrent effect of fines can be undermined by insurance. It is therefore already the case that a wide variety of fines are satisfactorily covered on a discretionary basis under paragraph F of Rule 2, Section 22, with most routine fines being assessed by the Managers under a delegated discretion from the Members' Committee.

All Clubs in the International Group have agreed that an equivalent change shall be made to the International Group Pooling Agreement. This amendment will therefore keep the Rules in alignment with the Pooling Agreement.

Rule 5U – Certificates and Undertakings

Amend paragraph (i) of the Proviso to Rule 5U by the addition of the words in bold type as shown below:

PROVIDED ALWAYS THAT:

i) The Owner shall indemnify the Association to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Owner **entered into such policy and** complied with the terms and conditions thereof, and ...

Rule 5U – Certificates and Undertakings

The purpose of the amendment is to make clearer that the indemnity obligation in paragraph (i) of the Proviso applies regardless of whether or not the Owner has in fact bought primary war insurance.

Rule and Articles – Name change

Delete the bracketed word "Europe" from the name of the Company wherever used in the Rules or Articles of Association, and from the name of the Managers as used in the Articles.

Rule 44 – Definitions

Articles – The articles for the time being of 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 United Kingdom Mutual Steam Ship Assurance Association (~~Europe~~) Limited,

Rule and Articles – Name change

As advised in Club circular 16/20, a Resolution was passed at a Special General Meeting of the Company, held on 24th September 2020 in London, to change the name of The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited with effect from 20th February 2021, by deletion of the bracketed word "Europe".

Notice was also given that with effect from the same date the name of the Managers would be changed from Thomas Miller P&I (Europe) Limited to Thomas Miller P&I 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 United Kingdom Mutual Steam Ship Assurance Association (~~Europe~~) Limited.

Article 2 – Interpretation

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

Article 59 – Managers

Thomas Miller P&I (~~Europe~~) Ltd (a company incorporated in England with company number 02920387), or such other member of the Thomas Miller Group of companies as shall be appointed as Manager by the Company from time to time, shall be the Managers of the Company.