**Terms of Reference QUALCO**

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

**SHIP AND MEMBERSHIP QUALITY COMMITTEE (“QUALCO”)**

These Terms of Reference of the UK Club Ship and Membership Quality Committee (hereinafter "the Committee") are authorised by the Board of Directors of UK (Europe) (“the UKE Board”) and are subject to amendment by that Board.

1. **Purpose**
   1. To provide the UKE Board with advice regarding the ship inspection and condition survey schemes.
   2. To provide the UKE Board with advice regarding the criteria used to classify the suitability of Members and with recommendations regarding ships/fleets not to be renewed, and decisions on mid-year terminations and the nomination of ships for double retention.
2. **Relationship with the UKE Board**
   1. The Committee is a committee of the UKE Board but without executive powers except as specified below.
   2. The Committee shall report to the UKE Board at such times and in such manner as the UKE Board may require.
3. **Membership**
   1. The Committee shall be appointed by the Members’ Committee (“MEMCO”) and shall consist of not less than three (3) Members who shall be Directors of the UKE Board or MEMCO, and shall include the Chairman and Deputy Chairmen of the UKE Board.
   2. The UKE Board shall appoint one of the Members of the Committee to be Chairman and determine the period for which he shall hold office,
4. **Meetings**
   1. Meetings shall be held as often as required but at least once a year.

* 1. Two Members of the Committee shall constitute a quorum.
  2. In the absence of the Committee Chairman or any appointed deputy, the remaining Members present shall elect one of their number to chair the meeting.
  3. The Committee may conduct meetings by means of a conference telephone or other communication equipment. Unless otherwise agreed the meetings shall be deemed to take place where the chairman of that meeting is participating.
  4. Employees or representatives of the Managers shall attend and participate in meetings as appropriate.

1. **Authority**
   1. Reporting to the UKE Board, the Committee is authorised by the UKE Board to seek any information and to instruct external advisors to carry out such enquiries and to make such reports as they may reasonably require in order to carry out the purposes set out in Clause 1 hereof.
   2. The Committee is also authorised to obtain and pay for such legal or other independent professional advice as it may consider appropriate from time to time.
   3. The Committee is authorised to obtain payment of its reasonable costs and disbursements from the funds of the Club.
2. **Duties**

QUALCO shall:

1. *General*
2. Report and make recommendations as appropriate to the UKE Board on the activities, reviews and evaluations set out in these Terms of Reference.

*Ship quality*

6.1.2 To review and make recommendations to the UKE Board regarding:

* 1. Ship inspection scheme:
     1. scope and purpose of inspection, including content, appropriate pass/fail test, and defined consequences;
     2. Process of ship selection, including both random and targeted inspections
  2. Condition survey scheme:
     1. scope and purpose of inspection, including content, appropriate pass/fail test, and defined consequences;
     2. triggers for condition survey.

6.1.3 To review whether any other forms of survey are required, having particular regard to the importance of crew quality and safety management.

6.1.4 To receive twice yearly reports on loss prevention initiatives, inspections and surveys.

1. *Membership quality*

6.2.1 To review and make recommendations to the UK(E) Board regarding criteria used:

1. to classify existing Members as unsuitable for renewal;
2. to classify a prospective new Member as unsuitable.

6.2.2 To review and agree methods of finding out suitability, including inspections and surveys, Club information, third party information, and information from Members.

6.2.3 To consider annual report from the Managers regarding ships/fleets not to be renewed and make a recommendation to the UKE Board.

6.2.4 To recommend to (or in emergency decide on behalf of) the UKE Board, on an ad hoc basis, whether to support any proposal by the Managers to exercise power to terminate mid-year under Rule 5Q.

6.2.5 To recommend to (or in emergency decide on behalf of) the UKE Board, on an ad hoc basis, whether to support any proposal by the Managers to nominate a ship or ships for double retention.

1. *Monitoring*

6.3.1 Receive reports from the Managers regarding activity of industry bodies relevant to quality of entered ships and Members; e.g. International Group, IACS and Member societies, IMO, Intertanko, OCIMF, etc.

1. **Reporting Procedures**

7.1 The Committee through its Chairman shall report to the UKE Board as often as the UKE Board may require and in the form that the UKE Board may specify from time to time.

7.2 The agendas and minutes of the meetings of the Committee may be circulated to the Members of the UKE Board, MEMCO and the Managers of the Club.