

Terms of Reference MEMCO

THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION LIMITED (“UKC”)

MEMBERS’ COMMITTEE (“MEMCO”)

These Terms of Reference of the UK Club Members’ Committee (hereinafter “the Committee”) are authorised by the Committee and are subject to amendment by the Committee.

References to UKC are references to The United Kingdom Mutual Steam Ship Assurance Association Limited, references to UKB are references to The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, and references to UKNV are references to UK P&I Club N.V. - with UKC, UKB, and UKNV being referred to collectively as “the UK Club”.

1. Purpose

The Committee’s purpose is to exercise the powers, duties, discretions and responsibilities set out in these Terms of Reference, the Articles of Association of UKC, the Bye-Laws of UKB, and the Rules of the UK Club, to the extent that they are, or become, reserved for or delegated to the Committee.

2. Relationship with the UKC, UKB, and UKNV Boards

The Committee is a committee of the UK Club’s Members and is not a committee exclusively of any UK Club Board(s).

3. Membership

- 3.1 The Committee shall be comprised of such persons as are nominated and appointed by the Members of the Club from time to time in accordance with the Articles of Association of UKC and the Bye-Laws of UKB.
- 3.2 The Committee shall be composed of at least 20 but not more than 45 Members of UKC, or such other number as the Members of UKC may from time to time determine.
- 3.3 The members of the Committee shall be subject to the relevant provisions of UKC’s Articles of Association and UKB’s Bye-Laws in respect of eligibility, election, tenure and re-election.

4. Chairman and Deputy Chairmen

- 4.1 The Committee shall choose or elect one of their number to be the Chair of the Committee.
- 4.2 The Chair of the Committee, if any, shall act as chair at all meetings of the Committee at which the Chair is present. In the absence of the Chair, one of the Deputy Chairs of the Club shall act as chair. If none of them is present, a chair shall be appointed or elected by those present at the meeting.

5. Meetings

- 5.1 The Committee shall ensure that Committee meetings are held at least twice a year and shall hold such further meetings as are required (including for the settlement of claims) to discharge its duties effectively.

6. Authority

- 6.1 The Committee is authorised by the Members of the UK Club to exercise the powers, duties and discretions that are reserved for or delegated to it pursuant to the Articles of Association of UKC, the Bye-Laws of UKB, and the Rules of the UK Club.
- 6.2 The Committee is authorised to obtain and pay for such legal or other independent professional advice as it may consider appropriate from time to time.
- 6.3 The Committee is authorised to obtain payment of its reasonable costs and disbursements from the funds of the UK Club in connection with its business for the UK Club.

7. Duties

The Committee shall:

7.1 *General Duties*

- 7.1.1 Provide a forum for Members of the UK Club to play an enhanced role in the governance of the UK Club in relation to mutual Member issues.
- 7.1.2 Exercise the powers, duties, discretions and responsibilities set out in these Terms of Reference, the Articles of Association of UKC,

the Bye-Laws of UKB, and the Rules of the UK Club, which are reserved for or delegated to the Committee.

7.1.3 Provide assistance on any other matters requested by the UK Club Boards from time to time, with the aim of providing a mutual Members' perspective on those matters which are relevant to the mutual business of the UK Club.

7.1.4 Represent generally the views of mutual Members in relation to matters of strategic importance and on significant decisions proposed by the UK Club Boards.

7.2 *General Discretions*

7.2.1 Exercise the discretions referred to in paragraph 7.1 above and those powers, duties, discretions and responsibilities delegated or reserved to the Committee pursuant to the Articles of Association of UKC, the Bye-Laws of UKB, and the Rules of the UK Club.

7.3 *Constitution*

7.3.1 Call such general meetings of the UK Club Members as it sees fit in accordance with the Articles of Association of the UK Club.

7.3.2 With assistance from NOMCO, appoint and remove Directors from the UKC Board in accordance with the provisions of the UKC Articles of Association, having regard to the overall composition of the UKC Board with a view to ensuring that the Directors have the necessary skills and experience.

7.3.3 With assistance from NOMCO, appoint and remove Directors from the UKB Board in accordance with the provisions of the UKB Bye-laws, having regard to the overall composition of the UKB Board with a view to ensuring that the Directors have the necessary skills and experience.

7.3.4 With assistance from NOMCO, appoint and remove Directors from the UKNV Supervisory Board in accordance with the provisions of the UKNV Articles of Association, having regard to the overall composition of the UKNV Board with a view to ensuring that the Directors have the necessary skills and experience.

7.3.5 Review the performance of the Committee and agree the

composition of the Committee, ensuring that its members have the necessary skills and experience and are representative of the UK Club's membership.

7.3.6 Consider and provide input on any recommendations of the UK Club Boards to amend the Articles of Association of UKC or UKNV, or the Bye-laws or Act of Incorporation of UKB.

7.3.7 Consider and provide input on any recommendations of the UK Club Boards to alter, add or repeal any Rules of the UK Club from time to time.

7.3.8 Review and agree changes to the Committee's own Terms of Reference.

7.4 *Financial*

7.4.1 Provide input to the UK Club Boards in relation to decisions regarding imposing a general increase, levying a supplementary premium or an overspill call, making a return of call or agreeing a discount on the mutual premium.

7.4.2 Provide input to the UK Club Boards in relation to any proposal that would materially change the UK Club's involvement in the affairs of the International Group or that would affect participation in the Pooling Agreement, or the International Group Agreement.

7.4.3 Provide input to the UK Club Boards in relation to their evaluation of the performance of individual policy years, the closing of policy years and the application of funds to reserves.

7.5 *Claims*

7.5.1 Exercise the powers, duties, discretions and responsibilities granted or delegated to the Committee, under the Rules of the UK Club or otherwise, in relation to risks covered by the UK Club (under Rule 2) and conditions, exceptions and limitations to such cover (as set out in Rule 5).

7.5.2 Meet as often as it may consider necessary for the settlement of claims to be paid by the UK Club as the Committee may determine in accordance with the UK Club's Rules.

7.5.3 Authorise the Managers to effect payment (without prior reference to the Committee) of claims of such types and up to such sums as the Committee may determine.

7.5.4 Provided always that no member of the Committee shall act as such in relation to the settlement of any claim in which such member is interested.

7.6 *Shipping Industry Matters*

7.6.1 Consider and review shipping industry and other related industry questions and issues that are relevant to the mutual business of the Club, including in relation to the International Group and the Pooling Agreement.

7.6.2 Provide input on the formulation of policies in relation to new shipping legislation or industry developments.

7.7 *Loss Prevention and Members' Risk Management*

7.7.1 Consider and review reports from QUALCO regarding the quality of the membership and of entered tonnage.

7.7.2 Provide input and feedback on the direction, scope and effectiveness of UK Club initiatives relating to safety, loss prevention and Members' risk assessment.

8 Exercise of powers, discretions and duties

In exercising any power, discretion or duty vested in it, the Committee shall:

8.1.1 act in accordance with UKC's Articles, UKB's Bye-laws, and the UK Club's Rules;

8.1.2 only exercise powers for the purposes for which they are conferred;

8.1.3 act in the way it considers, in good faith, would be most likely to promote the success of the UK Club for the benefit of its members as a whole;

8.1.4 exercise independent judgment; and

8.1.5 exercise reasonable care, skill and diligence.

9. Delegation

9.1 In accordance with UKC's Articles of Association, the Committee may delegate any of its powers to committees consisting of members of the Committee and such other persons (not being members of the Committee) as the Committee may think appropriate, but every such committee shall conform to such directions or regulations as the Committee shall impose on it.

9.2 In accordance with UKC's Articles of Association, UKB's Bye-laws, and UK Club Rules, the Committee may from time to time delegate to the Managers such of the powers, duties or discretions granted by the Articles, Bye-laws, or the Rules, in each case as are reserved to the Committee, as they think fit. Such powers, duties, discretions and responsibilities may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as are set out in the Articles, Bye-laws, or Rules, or as the Committee may determine.

10. Reporting Procedures

10.1 The Committee through its Chair shall report to the UK Club's regulated Boards at such times and in such manner as the Committee and the Boards may agree.

10.2 The minutes of the meetings of the Committee shall be circulated to the members of the Committee, the UK Club Boards, and the Managers of the Club.