



THE LONDON

STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

All correspondence should be addressed to the Managers

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CLASS 8, THE FREIGHT, DEMURRAGE AND DEFENCE CLASS

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the MEMBERS OF CLASS 8, THE FREIGHT, DEMURRAGE AND DEFENCE CLASS, of the Association will be held at the REGISTERED OFFICE of the Association, 50 LEMAN STREET, LONDON, E1 8HQ at 12:20 p.m. on WEDNESDAY, 25th JANUARY 2006, or as soon thereafter as the meeting of Class 7 called for that day is finished, for the purpose of amending the Rules.

The following amendments together with such further amendments, if any, as may be proposed will be submitted for adoption with or without modification and with effect from noon G.M.T. on the 20th day of February 2006.

[New wording is in bold. The explanatory notes in italics will not appear in the actual Rules.]

RULE 4 UNREASONABLE CONDUCT

- 4.1 The Committee may reject or reduce any recovery by an Assured where in its **sole** discretion it determines that the Assured has not at any time (whether before, at the time of, during or after any casualty, event or matter liable to give rise to a claim upon the Association) taken such steps to protect his interests as the Committee in its **sole** discretion would have expected an uninsured person acting reasonably in similar circumstances to have taken.
- 4.2 Without prejudice to the generality of Rule 4.1, an Assured must at all times (whether before, at the time of, during or after any casualty, event or matter liable to give rise to a claim upon the Association) take such steps to protect his interests in relation to Date Compliance as the Committee in its **sole** discretion would expect an uninsured person acting reasonably in similar circumstances to take. For the purpose of this Rule "Date Compliance" shall mean that, in relation to computers and other equipment or systems for processing, storing or retrieving data, hardware, software, firmware and microprocessors and any equipment which contains or relies upon microprocessors, neither performance nor functioning is adversely affected by dates prior to, during and after the year 2000 and in particular that:
- no value for current date will cause any interruption in operation;
 - date-based functioning and performance shall behave consistently for dates prior to, during and after the year 2000;
 - in all interfaces and data storage, the century in any date shall be specified either explicitly or by unambiguous algorithms or inferencing rules;
 - the year 2000 shall be recognised as a leap year.

In the event that an Assured commits any breach of this obligation, the Committee may in its **sole** discretion reject any claim by the Assured against the Association arising directly

or indirectly out of such breach, or reduce the sum payable by the Association in respect thereof by such amount as it may determine.

[Explanation: The proposed changes are an example of a need within a number of Rules to achieve consistency in the wording such that it always refers to the exercise of the Committee's sole discretion. It is proposed that like changes are made to Rules 5.8, 9.2.4, 10.2, 10.2.4, 19.1 and 25.1.]

RULE 21 SETTLEMENT OF CLAIMS

- 21.1** The Committee shall meet as often as may be required for the purposes of settling and determining claims or any other matters relating to the business of the Association.
- 21.2** The Committee shall in its sole discretion have power from time to time to authorise the Managers to effect both settlement and payment of any claims, without prior reference to the Committee, of such types and up to such sums as the Committee may in its sole discretion determine.
- 21.3** No member of the Committee may vote upon any claim in which he is in any way interested.
- 21.4** **Where under any Rule the Committee shall have exercised its sole discretion in settling or determining claims or any other matters relating to the business of the Association, the Committee shall not be obliged to give reasons for any decision.**

[Explanation: The proposed change is self-explanatory.]

By Order of the Committee,
A. BILBROUGH & CO. LTD.
(Managers)

21 October 2005