

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, 26th JANUARY 2011, or as soon thereafter as the meeting of Class 5 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 2011.

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

Rule 12 EXCLUSION OF DAMAGE TO ENTERED SHIP, LOSS OF HIRE, SANCTIONS, ETC.

- 12.1** Recovery by an Assured in respect of any Ship entered by him shall, except as to Rule 9.2.4, be limited to legal costs, charges and disbursements. Without derogation from the generality of the foregoing, there shall be no recovery for:
- 12.1.1** loss of or damage to such Ship, her stores or fuel, or to any equipment, containers, pallets or trailers which are used in connection with such Ship and which are owned or leased by the Assured or by any company associated with or under the same management as the Assured;
 - 12.1.2** freight, demurrage, hire or detention;
 - 12.1.3** salvage or services in the nature of salvage;
 - 12.1.4** loss, damage or expense arising out of the cancellation or wrongful termination of a charter or other engagement;
 - 12.1.5** bad debts or other losses arising out of the insolvency of any person, including insolvency of agents;
 - 12.1.6** loss, damage or expense or legal costs, charges and disbursements in whole or in part arising out of or occasioned by the failure, inability or unwillingness of the Assured on financial grounds to pay and/or settle all or any financial obligations and demands and/or to discharge all or any items of expenditure whatsoever in connection with the proper prosecution and/or completion of the voyage;
 - 12.1.7** interest on any claim or part thereof that he may make or bring against the Association under or in connection with these Rules, including any claim brought by way of legal or arbitration proceedings.
- 12.2** **There shall be no recovery by an Assured in respect of any Ship entered by him for any legal costs, charges or disbursements where the provision of cover or**

any payment in respect thereof exposes or may expose the Association or the Managers to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any state, international organisation or other competent authority which the Committee in its sole discretion determines may materially affect the Association in any way whatsoever.

[Explanation: The proposed introduction of the new Rule 12.2 is designed to protect the Association from the actual or potential impact of the recently introduced and/or amended sanctions laws and regulations.]

RULE 30 REINSURANCES

30.1 The Association may:

30.1.1 accept reinsurance of risks insured by any other insurer or reinsurer to the extent that such risks might have been directly insured by the Association for the same persons and in respect of the same interests in the Ships concerned as by the original insurer;

30.1.2 effect reinsurances of any risks insured or reinsured by the Association.

30.2 **The Assured shall not be entitled to recovery in respect of that part of any costs, charges or disbursements which is not recovered by the Association under any reinsurance(s) arranged by the Association because of a shortfall in recovery from reinsurers thereunder by reason of a sanction, prohibition or adverse action against them by a state, international organisation or other competent authority or the risk thereof if payment were to be made by such reinsurers. For the purposes of this Rule 30.2 “shortfall” includes any failure or delay in recovery by the Association by reason of reinsurers making payment into a designated account in compliance with the requirements of any state, international organisation or other competent authority.**

[Explanation: The introduction of the new Rule 30.2 is a corollary to the introduction of the new Rule 12.2 (above) and which protects the Association from the actual or potential impact which the recently introduced and/or amended sanctions laws and regulations may have upon the ability of the Association’s reinsurers to make payments under reinsurances effected by the Association.]

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

14 January 2011