



The London P&I Club

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TO ALL MEMBERS

Dear Sirs

Class 5 (P&I) and Class 8 (FD&D) – Calls

At its meeting on 24 April 2013, the Committee reviewed the progress of open Policy Years and Release Call rates and reached the following decisions:

Class 5 (P&I)

2010/2011

All instalments of Annual Calls have been debited and no further Calls are anticipated.

The year will be considered for closure in October 2013.

2011/2012 & 2012/2013

All instalments of Annual Calls have been debited and no further Calls are anticipated.

2013/2014

The first of the three instalments of the Annual Call have been debited. The second and third instalments will come due on 31 July and 30 November 2013.

Release Calls

The Release Call rates remain unchanged and are repeated overleaf.

Class 8 (FD&D)

2010/2011

All instalments of Annual Calls have been debited and no further Calls are anticipated.

The year will be considered for closure in October 2013.

2011/2012 & 2012/2013

All instalments of Annual Calls have been debited and no further Calls are anticipated.

2013/2014

The first of the three instalments of the Annual Call have been debited. The second and third instalments will come due on 31 July and 30 November 2013.

Release Calls

The Release Call rates remain unchanged and are repeated overleaf.

Release Calls

| | Class 5 | Class 8 |
|------------------|------------------------|------------------------|
| 2010/2011 | 15% of the Annual Call | 15% of the Annual Call |
| 2011/2012 | 15% of the Annual Call | 15% of the Annual Call |
| 2012/2013 | 15% of the Annual Call | 15% of the Annual Call |
| 2013/2014 | 15% of the Annual Call | 15% of the Annual Call |

A Release Call rate is normally formed of the sum of the estimated Supplementary Call (which under the Association's current calling structure is usually nil) and a margin determined from time to time by the Committee, expressed as a percentage of the Annual Call. The current margins in respect of the years listed above are identical to the Release Call rates.

In setting margins at these levels the factors taken into account by the Committee included each of the risk categories listed below, individually and in the aggregate.

Risk categories:

- 1) Premium risk;
- 2) Reserve risk;
- 3) Market risk;
- 4) Counterparty default risk;
- 5) Catastrophe risk; and
- 6) Operational risk.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

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