



The London P&I Club

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CLASS 5, THE PROTECTING AND INDEMNITY CLASS

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the MEMBERS OF CLASS 5, THE PROTECTING AND INDEMNITY CLASS, of the Association will be held at the REGISTERED OFFICE of the Association, 50 LEMAN STREET, LONDON, E1 8HQ at 12 noon on WEDNESDAY, 29th JANUARY 2014, or as soon thereafter as the meeting of the Committee 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 2014.

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

RULE 1 INTRODUCTORY

1.1 In these Rules, unless the context requires otherwise:

“Assured” means a person whose application for insurance within this Class of any interest in a Ship has been accepted by the Association and includes, for the avoidance of doubt, a Co-assured ~~and, an~~ Other Assured; **and persons with Fixed Premium Entries;**

[Explanation: clarification that persons with fixed premium entries may be assureds.]

“~~Electronic Communication Form~~” has the meaning given in **section 1168(3) of the Companies Act 2006;**

“~~Electronic Communications Act 2000; Means~~” has the meaning given in **section 1168(4) of the Companies Act 2006;**

[Explanation: updating to refer to the electronic communications provisions in the Companies Act 2006 – various changes have been made throughout the Rules to reflect such parts of that legislation.]

“**Fixed Premium Entry**” has the meaning given in Rule 1.5;

[Explanation: new definition added for clarity.]

“**in writing**” means written, printed, lithographed, electronic form, or visibly expressed in all or any of those or any other modes of representing or reproducing words;

[Explanation: the new definition is consistent with the Articles and has been added for clarity.]

“Member” means an Assured who is a member of the Association in accordance with the Companies Act ~~1985~~**2006** and the Articles;

“~~Memorandum~~” means the ~~Memorandum of Association of the Association in force from time to time;~~

[Explanation: the removal of references to the memorandum is because under the Companies Act 2006 the memorandum is deemed to be incorporated in the articles of association. Changes have been proposed in other Rules to reflect this development.]

1.2 These Rules and all contracts entered into by the Association relating to any insurance afforded by the Association within this Class (which shall hereinafter be understood to include also any reinsurance which may be afforded by the Association within this Class in accordance with Rule 31.1.1) shall be subject to the ~~Memorandum and~~ Articles, and words as defined in the Articles shall have the same meaning in these Rules unless the context requires otherwise or unless they are defined differently in these Rules. Without prejudice to the generality of the foregoing, the provisions of the Articles relating to Co-assureds shall be binding on all Co-assureds notwithstanding that not all Co-assureds are Members.

1.3 All ~~contracts entered into~~ **insurance afforded** by the Association **within this Class and all contracts relating thereto** shall be deemed to incorporate the provisions of these Rules....

[Explanation: drafting improvement.]

1.4.1.2 the Managers shall be at liberty in their **sole** discretion to delay making payment to the Assured until after recovery under such reinsurance.

[Explanation: change made throughout the Rules to achieve consistency.]

1.5 An Assured may be insured on terms that he is liable to pay a fixed premium to the Association (a "Fixed Premium Entry").

[Explanation: definition of fixed premium cover under the Rules.]

1.6 On acceptance by the Association of an application from any person for insurance within this Class of any interest in a Ship, that Ship shall thereupon be entered in this Class in respect of the interest of such person who (if not already) shall become a Member in this Class (and any such application shall constitute such person's agreement to so become or continue as a Member in accordance with the provisions of the Companies Act ~~1985~~**2006**), and shall so continue until such time as all entries of Ships by that Assured for insurance within this Class of any interest in them shall have terminated under these Rules,

~~4.5-41.6.1~~ **1.6.1** PROVIDED that a person whose only interest in a Ship is insurance or reinsurance which he has afforded in respect of the same and which the Association has agreed wholly or partly to reinsure within this Class, shall not thereby become a Member in this Class nor shall such Ship be entered unless the premium payable to the Association for such reinsurance shall be by way of Calls determined by the Committee in accordance with Rules 32 and 33; and

~~4.5-21.6.2~~ **1.6.2** PROVIDED that no person shall by virtue of being an Other Assured be entitled to be a Member and no more than one Co-assured in respect of such entry shall be entitled to be a Member and the Association shall have the right to designate one Co-assured in respect of an entry as a Member in this Class; **and**

1.6.3 PROVIDED that no person shall by virtue of being an Assured with a Fixed Premium Entry be entitled to be a Member.

[Explanation: clarification that in addition to Other Assureds and the limit on the number of Co-assureds, a fixed premium assured shall not become a member in the Class.]

~~4.61.7~~ **1.6.7** All the Members for the time being in this Class shall form one separate Class of the Association. The Committee and Managers of the Association shall be the Committee and Managers of this Class.

~~4.71.8~~ **1.7.8** References to entered Ships, Assureds, Co-assureds, Other Assureds, **Fixed Premium Entries**, insurance and reinsurance afforded by the Association (howsoever the same may be expressed) shall hereinafter be understood as relating exclusively to this Class unless otherwise expressly stated and where appropriate to the context references to entered Ships, Assureds, Co-assureds ~~and~~, Other Assureds **and Fixed Premium Entries**, shall be

understood to include formerly entered Ships, former Assureds, former Co-assureds and, former Other Assureds, **and former Fixed Premium Entries.**

[Explanation: drafting improvement.]

- ~~4.81.9~~ A person by whom or on whose behalf an application has been made and accepted by the Association for insurance shall be deemed to have agreed not only on his own behalf but also on behalf of his successors and assigns and each of them that both he and they will in every respect be subject to and bound by any such resulting contract of insurance with the Association, including the provisions of these Rules incorporated as aforesaid.
- ~~4.91.10~~ In the event of any conflict between the English text of these Rules and any text thereof written in any other language the English text shall prevail.
- ~~4.101.11~~ The business of this Class shall, subject to the Articles, be conducted according to these Rules and shall be managed by the Committee which may, subject to the Articles, exercise all powers of the Association and do on behalf of the Association all acts as may be exercised and done by the Association. The Committee may delegate any of its powers to sub-committees consisting of such member or members of the Committee or such other persons in each case as it thinks fit.
- ~~4.111.12~~ Without prejudice to the generality of Rule ~~4.10~~**1.11**, the Committee may from time to time appoint any person, firm or corporation to be the Manager or Managers of the Association for such period and upon such terms as it thinks fit, and may vest in such Manager or Managers such of the powers vested in the Committee as it may think fit, and such powers may be exercisable for such period and upon such conditions and subject to such restrictions and generally upon such terms as the Committee may determine. The Committee may make such arrangements as it thinks fit for the management of the Association's affairs in the United Kingdom or abroad, and may for this purpose appoint local boards, attorneys and agents, and delegate to them such powers as it may deem requisite or expedient.

RULE 2 ~~MUTUAL CONTRIBUTION CALLS AND PREMIUMS~~

- 2.1** The funds necessary for the purposes described in Rule 32 shall be determined by the Committee with reference to each successive period of 12 months commencing at noon GMT on 20th February each calendar year and such funds shall be contributed mutually by Assureds (without prejudice to Rule 23) by way of Calls determined in accordance with these Rules or as may otherwise have been agreed in writing,
- 2.2** Each successive 12 month period described in Rule 2.1 shall hereinafter be referred to as a "Policy Year" but notwithstanding any such references to separate Policy Years, or the issuing of fresh Certificates of Entry for each new Policy Year in accordance with Rule 6.3, an Assured's rights and obligations shall be determined within the total continuity of the period of, and with regard to, all entries of Ships by him during that period.
- 2.3** **Assureds whose application for a Fixed Premium Entry has been accepted by the Association in accordance with Rule 1(5) shall be liable to pay a fixed premium to the Association of such amount and at such times as is determined by the Association.**

[Explanation: clarification of premium payment obligations of fixed premium assureds.]

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:~~

- ~~(a) no value for current date will cause any interruption in operation;~~
- ~~(b) date-based functioning and performance shall behave consist ently for dates prior to, during and after the year 2000;~~
- ~~(c) in all interfaces and data storage, the century in any date shall be specified either explicitly or by unambiguous algorithms or inferencing rules;~~
- ~~(d) 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: removal of references to the millennium bug.]

RULE 5 APPLICATION FOR INSURANCE AND CONDITIONS

- 5.1** It is a condition of entry of a Ship for insurance in this Class that the person making application, or on whose behalf such application is made, for such entry and who in accordance with Rule ~~4-51.6~~ becomes or continues as a Member as a result of such entry shall agree to become and shall become a member (or, if already a member, shall continue as such) of The London Steam-Ship Owners' Mutual Insurance Association (Bermuda) Limited (herein referred to as "LSSO (Bermuda)", a company incorporated in Bermuda without share capital with which the Association reinsures risks of this Class) PROVIDED that **(i)** no person shall by virtue of being an Other Assured be entitled to be a member of LSSO (Bermuda) ~~and~~; **(ii) in the event that an application has been accepted by the Association in relation to persons who are Co-assureds in respect of a Ship**, no more than one Co-assured in respect of such entry shall be entitled to be a member of LSSO (Bermuda) and the Association shall have the right to designate one Co-assured in respect of an entry as a member of LSSO (Bermuda); **and (iii) no person shall by virtue of being an Assured with a Fixed Premium Entry be entitled to be a member of LSSO (Bermuda) in respect of such Fixed Premium Entry.**

[Explanation: clarification that in addition to Other Assureds and the limit on the number of Co-assureds, a fixed premium assured shall not be a member of LSSO Bermuda.]

- 5.2** An application for entry or renewal of entry of a Ship in this Class by or on behalf of any person who in accordance with Rule ~~4-51.6~~ becomes or continues as a Member as a result of such entry shall incorporate or be deemed to incorporate and be treated as comprising an application to become or continue as a member of LSSO (Bermuda) on the terms of and subject to the Bermuda Companies Act 1981 (as amended), Incorporating Act (as amended) and Bye-laws of LSSO (Bermuda), and subject to the Rules of Reinsurance Class I of LSSO (Bermuda), being the Rules applicable to members of LSSO (Bermuda) who have entries in this Class of the Association which are reinsured by the Association with LSSO (Bermuda).

- 5.3** A person by whom or on whose behalf an application has been made and accepted by the Association for insurance in this Class and who in accordance with Rule ~~4-51.6~~ becomes or continues as a Member as a result of such entry shall be deemed to have agreed to become a member of LSSO (Bermuda) and to be bound by the terms of the said Incorporating Act, Bye-laws and Rules of Reinsurance Class I of LSSO (Bermuda) and the Managers shall be empowered to sign on behalf of such person any documents required to be signed by such person in order to become or continue as a member of LSSO (Bermuda).

5.6 Any application for insurance shall be on such form and in such medium as may from time to time be prescribed by the Association and the applicant shall at the time of the application and at all times thereafter provide all material particulars and information and any further particulars and information requested by the Association. The Association shall be entitled to receive and process applications for insurance which are submitted by Electronic Communication **Means** or by any other means agreed by the Association.

5.10 Notwithstanding and without prejudice to any other provision of these Rules or the ~~Memorandum and~~ Articles relating to the amendment of these Rules, these Rules may, on such notice as the Committee may in its sole discretion decide, be amended at any time (including with effect from any time during the course of any current or future Policy Year) to such extent as the Committee may in its sole discretion determine is necessary as a result of the implementation of or any change in, or potential or proposed implementation of or any change in, any sanction, prohibition, restriction, legislation, regulation or requirement to obtain any licence, consent, permission or approval, by any government, state, international organisation, regulatory or competent authority, official body or the like.

RULE 9 RISKS COVERED

9.19.2.6 there shall be no recovery in excess of US\$2,500 per unit, piece or package where an ad valorem bill of lading, waybill or other document containing or evidencing the contract of carriage has been issued in which a unit value of more than US\$2,500 (or the equivalent in any other currency) is declared and/or inserted by reference to a unit, piece, or package or by reference to an overall or aggregated value or otherwise where the effect of such a declaration and/or insertion is to deprive the ~~Member~~ **Assured** of any right or rights of limitation to which he would otherwise have been entitled and which causes him to incur a greater liability than he would have done but for such declaration and/or insertion to the extent that such liability thereby exceeds US\$2,500 (or the equivalent in any other currency) in respect of any such unit, piece or package, unless this has been promptly notified to the Association by the Assured and the Association has agreed or arranged cover on special terms, which may include the requirement that an additional premium be paid;

[Explanation: amendment to achieve consistency in terminology used in the Rules.]

RULE 11 LIMITATIONS ON COVER

11.5.1 an Assured, whose interest in an entered Ship is that of a charterer other than a charterer Co-assured with a ~~Member~~ **Assured** who is the registered owner or demise charterer of the Ship, and any Co-assured(s) of such charterer shall be limited for all liabilities in the aggregate to a maximum of US\$350,000,000 (U.S. Dollars Three Hundred and Fifty Million),

11.5.3 an Assured whose interest in an entered Ship is that of a charterer Co-assured with a ~~Member~~ **Assured** who is the registered owner or demise charterer of the Ship shall be limited for all liabilities in the aggregate to a maximum of US\$350,000,000 (U.S. Dollars Three Hundred and Fifty Million).

[Explanation: to achieve consistency with terminology used in the Rules.]

RULE 16 GUARANTIES, CERTIFICATES AND UNDERTAKINGS

16.1 Notwithstanding the exclusions in Rule 15.1 **and the provisos in Rule 9.1**, the Association will discharge on behalf of the Assured liabilities, costs, and expenses arising under a demand made pursuant to the issue by the Association on behalf of the Assured of:

16.1.1 a guarantee or other undertaking given by the Association to the Federal Maritime Commission under Section 2 of US Public Law 89-777, or

- 16.1.2 a certificate issued by the Association in compliance with Article VII of the International Conventions on Civil Liability for Oil Pollution Damage 1969 or 1992 or any amendments thereof, or
- 16.1.3 an undertaking given by the Association to the International Oil Pollution Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement (STOPIA), or, except where such liabilities, costs and expenses arise from or are caused by an act of terrorism, the Tanker Oil Pollution Indemnification Agreement (TOPIA), or
- 16.1.4 a certificate issued by the Association in compliance with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, or
- 16.1.5 **a certificate issued by the Association in compliance with Article 12 of the International Convention on the Removal of Wrecks 2007,**
PROVIDED ALWAYS that:
 - 16.1.5.6 The Assured shall indemnify the Association to the extent that any payment under any such guarantee, certificate or undertaking in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Assured complied with the terms and conditions thereof, and
 - 16.1.6.1 The Assured agrees that:
 - 16.1.6.1.2 any payment by the Association under any such guarantee, certificate or undertaking in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any policy of insurance or extension to the cover provided by the Association, be by way of loan; and
 - 16.1.6.2.3 there shall be assigned to the Association to the extent and on the terms that it determines in its **sole** discretion to be practicable all the rights of the Assured under any other insurance and against any third party.
- 16.2 Notwithstanding the provisions of Rule 3.1, the Association shall discharge or pay on the Assured's behalf directly to a seaman or dependent thereof a legal liability which an Assured has failed to discharge to such seaman or dependent:
 - (a) to pay damages or compensation for injury, illness or death of the seaman that would have been recoverable by the Assured under Rule 9.3 and/or Rule 9.4; or
 - (b) to pay the expenses of repatriating the seaman under that part of a statutory enactment or provision which gives effect to or is equivalent to Guideline B2.5 of Regulation 2.5 of the 2006 Maritime Labour Convention or any equivalent enactment,
PROVIDED ALWAYS that:
 - 16.2.1 there shall be no recovery under Rule 16.2 (a) unless the seaman or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated,
 - 16.2.2 the amount payable by the Association shall not be subject to set off of any amount due to the Association from the Assured and, subject to Rule 16.2.3 below, the amount payable by the Association shall under no circumstances exceed the amount which the Assured would have been able to recover from the Association under the Rules and his terms of entry,
 - 16.2.3 where the Association is under no liability to the Assured by virtue of cesser under Rule 3.1.2 by reason of non payment of amounts due to the Association, the Association shall nevertheless discharge or pay a claim under Rule 16.2 to the extent only that it arises from an event occurring during the period of the contract of insurance,
 - 16.2.4 any discharge or payment by the Association in accordance with Rule 9.6.2.2 and/or Rule 16.2 shall be made as agent only of the Assured, and the Assured shall be liable to reimburse the Association for the full amount of such payment,
 - 16.2.5 **notwithstanding the provisos in Rule 9.1 and Rule 16.2.3, the expenses referred to in Rule 16.2(b) shall include such expenses as are referred to in Rule 16.2(b) as are required to be paid by the Association in accordance with the terms of any undertaking in writing given by or on behalf of the Association to any state of a Ship's flag.**

[The amendments are designed to enable the Association to assist Members in complying with the financial security requirements of the Wreck Removal and Maritime Labour Conventions.]

RULE 23 CO-ASSURED AND OTHER ASSURED

23.4.7 any communication from the Association to one Assured ~~Co-assured~~ shall be deemed to have been communicated to all; **its other Co-assureds and any communication from the Association to a Member shall be deemed to have been communicated to all of its Other Assureds;**

[Explanation: drafting improvement.]

RULE 27 PERIOD OF INSURANCE, TERMINATION BY CONTRACTUAL NOTICE AND NOVATION

27.1 Unless otherwise agreed by the Association in writing or unless terminated earlier in accordance with these Rules, any contract of insurance in respect of any Assured's interest in an entered Ship (together with the entry of that Ship in respect of that interest) shall commence at the time stated in the Certificate of Entry relating to such contract and shall, **unless such contract is for a fixed period (in which case such contract shall, subject as otherwise provided in these Rules, cease at the end of such fixed period)**, continue until the expiry of the then current Policy Year and thereafter from Policy Year to Policy Year.

27.2 Any contract of insurance ~~in respect of any Assured's interest in an entered Ship (together with the entry of that Ship in respect of that interest) may be terminated:~~

27.2.1 (other than a contract for a fixed premium) in respect of any Assured's interest in an entered Ship (together with the entry of that Ship in respect of that interest) may be terminated by the Assured only at noon GMT on 20th February of any year with not less than 30 days' written notice to the Association;

27.2.2 in respect of any Assured's interest in an entered Ship (together with the entry of that Ship in respect of that interest) may be terminated by the Association at any time with not less than 7 days' written notice to the Assured or, in the event that the Assured declares or manifests an intention not to pay Calls **or any other amount due** to the Association, whether such Calls **or any other amount due to the Association** be then currently due and payable or payable in the future, with immediate effect upon written notice to the Assured.

27.3.1 novated, in whole or in part, to the Transferee on such terms as the Committee may in its ~~absolute~~ **sole** discretion deem necessary for the purpose of implementing or giving effect to any such sale, disposal or transfer; ...

[Explanation: in recognition of the short term nature of some charterparties, to clarify that by agreement, the period of insurance in respect of a fixed premium entry may end before 20th February, or on a set date afterwards; also to clarify the respective rights of Assureds and the Association in respect of the termination of entries.]

RULE 31 REINSURANCES

31.1 The Association may:

31.1.1 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; **The terms of such reinsurance shall be as agreed between the Association and such insurer or reinsurer and such insurer or reinsurer shall, unless otherwise agreed by the Association, be bound by and be subject to these Rules as if he was an Assured and had entered a Ship in the Association for insurance;**

[Explanation: unless otherwise agreed, where the Association reinsures the risks of another insurer or a reinsurer, that insurer or reinsurer will be subject to the Rules as if it was an Assured.]

31.1.3 towards either or both of the aforesaid purposes, continue to be a party to the Pooling Agreement dated 17th November 1992 or any amendment, **variation or replacement thereof or addendum thereto**, in which the group known as the International Group of Protection and Indemnity Associations currently participate, or to any other agreement of a similar nature or purpose.

[Explanation: drafting improvement.]

RULE 32 ANNUAL AND SUPPLEMENTARY CALLS

32.1 The Assureds who have entered Ships for insurance in the Association in respect of any Policy Year (not being a year closed in accordance with Rule 34) shall (unless such entry is for a ~~fixed premium~~ **Fixed Premium Entry** or as may be otherwise specifically agreed) provide in accordance with the provisions of Rule 32 by way of Annual **Calls** or **Annual and Supplementary Calls**, all funds which in the sole discretion of the Committee are required to meet:

[Explanation: drafting improvement.]

RULE 34 CLOSING OF POLICY YEARS

34.3.3 by returning the excess or any part thereof to those Assureds entered in respect of such Policy Year (unless such entry is ~~for a fixed premium~~ **Fixed Premium Entry**) in proportion to the Annual Call payable by Assureds in respect of such Policy Year (after taking into account any returns or rebates applicable thereto under their terms of entry or under any other provision of these Rules) save that no return shall be made to any Assured whose entry ceased in the course of such Policy Year by reason of Rule 29 or Rule 30 or whose liability for Calls in respect of such Policy Year has been assessed under the provisions of Rule 36.

RULE 35 PAYMENT OF CALLS AND PREMIUMS

35.1 Save as provided below in this Rule 35.1, **Calls and (in relation to Fixed Premium Entries) fixed premiums** shall be payable in such instalments and on such dates as the Committee shall specify, and without set-off of any amount due or alleged to be due by the Association to any Assured on any ground or of any kind whatsoever including set-off which might otherwise have arisen by reason of the bankruptcy or winding up of an Assured (whether or not any set-off has been allowed by the Association at any time in the past) except to the extent that in requiring payment of the subject amount the Association itself shall have already allowed a set-off or credit in favour of the Assured. Upon the termination of an Assured's contract of insurance all **Calls (including all instalments thereof falling due for payment after the time of such termination) or (in relation to Fixed Premium Entries) fixed premiums** in respect of such contract and remaining unpaid at the time of such termination shall become immediately due and payable notwithstanding that the due date for payment in respect of any such **Calls (including any instalment thereof) or fixed premiums** falls after the time of such termination.

35.2 The Association may decline a request by any Assured or former Assured to pay all or any part of any Call(s) **or fixed premiums** payable by him in a currency other than U.S. Dollars.

35.3 A copy of the resolution of the Committee authorising any Call(s) certified by the Managers to be a true copy and a certificate signed by the Managers with the amount due by an Assured in respect of such Call(s) shall be sufficient evidence of the Call(s) and the amount due by that Assured in respect thereof.

35.4 The amount or amounts specified in Rule 35.3 as being payable by an Assured or former Assured shall for all purposes (including the purposes of Rule 30) be and be deemed to be properly due as a debt from the Assured or former Assured to the Association at the time or times so specified and he shall have no right to question an assessment made pursuant to Rule 35.3 save that after payment thereof in full to the Association, he shall be entitled to claim repayment thereof in whole or in part by referring such matter to arbitration in accordance with Rule 43.

- 35.5** Without prejudice to any other provisions contained in these Rules the Committee may in its sole discretion at any and all times determine the rate of interest which shall be payable to the Association on any Call(s) or other amounts due to the Association (including amounts due under Rule 36) as from the due date of payment or such later date as the Committee may in its sole discretion consider fit.
- 35.6** If any Annual and/or Supplementary Call(s) or **other** payment due from an Assured or former Assured to the Association is not paid and if the Association decides that payment cannot be obtained, the sums required to make good any resulting shortfall or deficiency in the funds of the Association shall be deemed to be expenses of the Association for which, as the Committee may in its sole discretion determine, Call(s) may be levied in accordance with Rule 32 or, as the case may be, reserves may be applied in accordance with Rules 34 and 38.
- 35.7** An Assured shall pay on demand to the Association the amount of any premium tax or other excise tax for which the Association determines it or the Assured has or may become liable and shall indemnify and hold harmless the Association in respect of any loss, damage, liability, cost or expense which the Association may incur in respect of such premium tax or other excise tax.

[Explanation: clarification of the Assureds obligations and the Committee's rights, in respect of the payment of fixed premiums due to the Association].

RULE 41 NOTICES

- 41.1** Service of any notice or other document required under these Rules by the Association on an Assured may be sent through the post in a prepaid letter or by courier, telex, facsimile or **by Electronic Communication Means** all of which shall be addressed to the Assured at his address appearing in the register of Members of this Class or at any address identified by him to the Association expressly or impliedly as his place of business,
- 41.1.1** PROVIDED that if the entry of a Ship in the Association on behalf of an Assured is through a broker or other agent on behalf of an Assured, or if the Association has been notified that a broker or other agent is to be involved in any manner whatsoever with the entry of the Ship, any such notice or other document may be addressed to that broker or agent and served at the address of any place of business of that broker or agent and such service shall be deemed to be service on the Assured.
In these Rules "address" in relation to an ~~Electronic Communication~~ includes ~~any number or address used for the purpose of such Communications.~~ **41.2'Electronic Means' has the meaning set out in paragraph 7(1) of Part 3 of Schedule 4 and paragraph 7(1) of Part 3 of Schedule 5 of the Companies Act 2006.**
- 41.2** Service of any notice or other document required under these Rules by an Assured on the Association shall be by any of the methods described in Rule 41.1, sent to the address of the registered office of the Association.
- 41.3** If posted, any such notice or other document as referred to in Rules 41.1, 41.1.1 and 41.2 shall be deemed to have been served 24 hours after the letter containing the same was put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter. Any such notice or other document sent by courier shall be deemed to have been served at the time of delivery and any such notice or other document sent by telex or facsimile or ~~contained in an~~ **by Electronic Communication Means** shall be deemed to have been served at the time it was sent and in proving such service it shall be sufficient to prove that the notice or other document was duly despatched.

[Explanation: updating of the Rules in line with the communications provisions contained in the Companies Act 2006.]

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

7 January 2014

5:487