



The London P&I Club

All correspondence should be addressed to the Managers

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6 January 2014

TO ALL MEMBERS

Dear Sirs

ARTICLES OF ASSOCIATION

At the request of the Committee, the Managers have carried out a review of the Association's governing constitution, historically known in the UK as a company's "Memorandum & Articles of Association". This review identified a number of areas for potential improvement and clarification, as well as modernisation in line with recent legislative changes.

The changes proposed by the Managers were reviewed and approved by the Committee at its meeting on 9 October 2013, with further enhancements being suggested by the Committee at the meeting. The Committee also authorised the calling of a General Meeting on Wednesday 29 January 2014, for the purpose of obtaining support from the membership for the proposed changes.

Attached to this circular therefore is a formal Notice of the General Meeting called by the Committee, which includes the proposed Special Resolution listing the changes in full.

Perhaps the most significant of the proposed amendments is that, in line with changes in UK company law, the provisions of the existing Memorandum of Association (essentially the Association's objects) are now to be incorporated into the Articles of Association, with the Memorandum itself ceasing to exist. Amongst the other proposed changes are an updating of the provisions relating to communication between the Association and its members and the service of notice, to bring them into line with modern practice; clarification of the arrangements for entries on a fixed premium basis; and an updating of the provisions dealing with conflicts of interest to cover "situational" as well as "transactional" conflicts, again in response to changes in UK company law.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

5:488





NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that an GENERAL MEETING of the MEMBERS OF THE ASSOCIATION will be held at the REGISTERED OFFICE of the Association, 50 LEMAN STREET, LONDON, E1 8HQ at 12:30 p.m. on WEDNESDAY, 29th JANUARY 2014, or as soon thereafter as the separate meeting of the members of Class 8 called for that day is finished, for the purpose of amending the Association's Articles of Association.

The following Resolution, together with any amendments thereto proposed at the meeting, will be considered, and if thought fit, passed as a SPECIAL RESOLUTION of the Association:

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

THAT the Association's Articles of Association be and are hereby amended as follows:

By the following amendments to the Clauses indicated:

1. In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof if not inconsistent with the subject or context:-

WORDS	MEANINGS
Clear Days	Has the meaning given in the Companies Act 2006
<i>[Explanation: change made to take advantage of the new Companies Act definition.]</i>	
Communication Electronic Form	Has the meaning given in the Electronic Communications Act 2000 section 1168(3) of the Companies Act 2006.
Electronic Communication Means	Has the meaning given in the Electronic Communications Act 2000 section 1168(4) of the Companies Act 2006.
<i>[Explanation: updating to refer to the electronic communications provisions of the Companies Act 2006 – various changes have been made throughout the Articles to reflect such parts of the legislation.]</i>	
Fixed Premium	Insurance provided by the Association on terms that the relevant Assured is liable to pay a fixed premium to the Association.
<i>[Explanation: new definition added for clarity.]</i>	
in in writing	Written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words, whether in Electronic Form or otherwise.



WORDS	MEANINGS
The Statutes	The Companies Acts 1985 and 1989 as defined in section 2 of the Companies Act 2006 in so far as they apply to the Association and every statutory amendment , modification, consolidation or re-enactment thereof for the time being in force.
These Articles	These Articles of Association as originally framed or as altered from time to time by Special Resolution.

[Explanation: drafting improvements.]

Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include individuals, corporations, partnerships and firms (whether or not having a separate legal personality).

In these Articles 'address' in relation to ~~Electronic Communication includes any number or address used for the purposes of such Communications.~~ **'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.**

THE ASSOCIATION

[Explanation: Since the Companies Act 2006, provisions of a company's Memorandum of Association are deemed to be incorporated in the Articles of Association. Articles 2 – 5 below are exactly as per the existing Memorandum of Association, unless otherwise indicated. As a result of inserting new Articles 2 – 5, all other Articles are renumbered accordingly, but the renumbering is not highlighted below, unless other changes have been made.]

2. The Association is a Company limited by guarantee, and not having a capital divided into shares.
3. The registered office of the Association will be situated in England.
4. The objects for which the Association is established are:
 - (A) To carry on, on the mutual principle, marine and transit insurance business, that is to say, the business of effecting and carrying out contracts of insurance upon ships or upon the machinery, tackle, furniture or equipment of ships, or upon goods, merchandise or property of any description whatever on board ships, or upon the freight, of or any other interest in or relating to, ships or against damage (including loss of life and personal injury) arising out of or in connection with the use of ships, including third party risks, or against risks incidental to the construction, repair or docking of ships, including third party risks, or against transit risks (whether the transit is by sea, inland water, land, or air or partly one and partly another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance (but not including risks the insurance of which is motor vehicle insurance business) or against any other risks the insurance of which is customarily undertaken in conjunction with or is incidental to any such business as aforesaid and on the mutual principle generally to insure members of the Association against any liabilities incurred by them as owners of ships and all other interests of members which are usually or properly covered by or included in insurances with respect to ships and interests therein or relating thereto, and so that every such insurance shall be undertaken by the Association either as such or on behalf of the members, or of any separate class of members, of the Association and, in the last-mentioned case, on the terms that no member of any other separate class shall be

liable to contribute in respect thereof, and to re-insure any risk so insured by the Association.

- (B) Generally without any limitation to carry on marine and transit insurance business (but not including risks the insurance of which is motor vehicle insurance business) and to re-insure or accept re-insurance of any risk insured or which could be insured by the Association.
- (C) To pay, satisfy or compromise any claims made against the Association which it may be deemed expedient to pay, satisfy or compromise, whether or not the same may be valid in law, and to make gratuitous payments to any person being an assignee, chargee, legal personal representative, trustee in bankruptcy or liquidator of a member or former member in relation to ships entered by such member or former member for protection, indemnity or insurance in the Association.
- (D) To join, co-operate with, or become a member of, any society, committee or association having for its object or included in its objects the defence or advancement of the interests of ship owners or ship owners' associations as a body by joint or concerted action, and to support and contribute to the funds of any such society, committee or association.
- (E) To consider all questions connected with the shipping industry, or any allied industry, or insurance, to collect and circulate statistics and other information relating thereto, and generally to supply information and advice relating thereto or to the interests of any member therein, and to promote or oppose legislative or other measures affecting the same.
- (F) To purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property, rights or privileges which the Association may think necessary or convenient for the purposes of its business, and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Association.
- (G) To pay for any property or assets acquired by the Association either in cash or by the issue of securities or obligations or partly in one mode and partly in another and generally on such terms as may be determined.
- (H) To borrow or raise or secure the payment of money by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Association shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Association's property or assets, present and future, and collaterally or further to secure any securities of the Association by a trust deed or other assurance.
- (I) To issue and deposit any securities which the Association has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Association or of its members or of any other person or company having dealings with the Association, or in whose business or undertaking the Association is interested.
- (J) To lend money on any terms that may be thought fit and to give any guarantees that may be deemed expedient.
- (K) To invest and deal with the moneys of the Association not immediately required for the purposes of its business in or upon such investments or securities in such manner as may from time to time be determined.
- (L) To enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interests, with any person or company engaged or interested or about to become engaged or interested in the carrying on or conduct of any business

which the Association is authorised to carry on or conduct or from which the Association would or might derive any benefit whether direct or indirect.

- (M) To establish or promote, or join in the establishment or promotion of, any other body corporate (wherever incorporated) whose powers shall include the taking over of any of the undertaking, property, assets or liabilities of the Association (whether or not together with any other undertaking, property, assets or liabilities and including the implementation of any proposals for the protection or safeguarding of the property, assets or income of the Association) or the promotion of which shall be calculated to advance its interests and to acquire and hold any shares, securities, membership interests or obligations of any such body corporate, and to enter into any agreements or arrangements relating to any of the foregoing.
- (N) To amalgamate with any other Company.
- (O) To sell or dispose of or transfer the undertaking, property, assets and liabilities of the Association or any part thereof in such manner, on such terms and for such consideration as the Association may think fit (including pursuant to any scheme, arrangement or reconstruction involving the whole or any part of the undertaking, property, assets or liabilities of the Association and including the implementation of any proposals for the protection or safeguarding of the property, assets or income of the Association), and in particular for shares (fully or partly paid up), securities, policies, membership or any other obligations of any other body corporate (whether to be received by the Association and/or its members), whether promoted by the Association for the purpose or not and whether incorporated in England and Wales or not, and to improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the undertaking, property, assets and liabilities of the Association to the extent and on such terms as the Association may think fit, and to enter into any agreements or arrangements relating to any of the foregoing.
- (P) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation scheme or fund for the benefit of and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Association, or who are or were at any time officers of the Association, or who are or were at any time directors or officers or in the employment or service of any company being or having been the Managers of the Association, or any persons in whose welfare the Association is or has been at any time interested, and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Association or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (Q) To draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments.
- (R) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Association's objects or any of them, and to obtain from any such government or authority any rights, privileges or concessions which the Association may think it desirable to obtain, and to carry out, exercise and comply with such arrangements, rights, privileges or concessions and further to support or oppose any proposal made by any person or by anybody of persons to secure any changes in the law affecting the Association or the business of the Association or any of its rights, privileges or concessions, and to subscribe to any fund that may be raised or utilised for the purpose of or in connection with the support of, or opposition to, any such proposal.
- (S) To cause the Association to be registered or recognised in any foreign country.

- (T) To make discretionary payments to the members and former members of the committee of the Association.
- (U) To make discretionary payments to the members and former members of the Association.
- (V) To do all or any of the above things in any part of the world and either as principal, agent, trustee or otherwise, and either alone or in conjunction with others, and by or through agents, sub-contractors, trustees or otherwise.
- (W) To do all such other things as are incidental or the Association may think conducive to the attainment of the above objects or any of them.

And it is hereby declared (i) that the word "Company" in this Article shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, (ii) that the word "ship" in this clause shall mean a ship or boat or any other description of vessel used in navigation or for the carriage or storage of goods, whether British or foreign, or any part thereof or any proportion of the tonnage thereof or any share therein, including any ship, boat or vessel under construction, and (iii) that in this Article words importing persons shall include companies.

5. **Without prejudice to any other amounts owed to the Association by its members,** Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a member, and the costs, charges, and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding five pounds.

[Explanation: drafting improvement to distinguish between contributions to assets on a winding up, on the one hand, and calls, premiums and other payments to the Association, on the other.]

- 3.7. (A) A person (if not already a member of the Association) shall become a member of the Association following the acceptance by the Association of an application made by or on behalf of such person for insurance of that person's insurable interest in any Ship and as from (and not before) the date of commencement of such insurance provided that: **(i) no person shall by virtue of being an Other Assured be entitled to be a member of the Association and not more than one Co-assured, (ii) in the case of an application by or on behalf of one or more Co-assureds for insurance of their insurable interest in a Ship, not more than one of such Co-assureds shall be entitled to be a member of the Association in respect of the same entry of a Ship shall be entitled to be that Ship; and (iii) persons whose insurance with the Association is accepted on a Fixed Premium basis shall not become a member of the Association by virtue of such acceptance.**

[Explanation: drafting improvements and clarification that in addition to Other Assureds and the limit on the number Co-assureds, a Fixed Premium assured shall not become a member of the Association.]

- (B) A member shall cease to be a member ipso facto:-
 - (i) in the case of an individual, upon his death;
 - (ii) if the member shall cease to have any Ship entered in the Association for insurance; **or (and for these purposes a member shall cease to have any ship entered in the Association for insurance if the only entries he has are on a Fixed Premium basis); or**

[Explanation: drafting improvement to clarify that ships entered on a Fixed Premium basis will not be taken into account when determining whether a member shall cease to be a member.]

- (iii) if the Committee shall pursuant to Article 4923 resolve that the member shall cease to be a member.

Provided always that such member, his estate and legal personal representatives shall be and remain liable to pay to the Association all such contributions and moneys as under these Articles or the Rules such member is expressed to be liable to pay.

~~7-11.~~ The Committee shall have power to make or alter rules (which shall be deemed to be part of the Rules) respecting the form of contracts of carriage to be entered into concerning the employment of Ships entered in any Class of the Association and/or to adopt as Rules the rules, by-laws or decisions passed or arrived at by any society, organisation, committee or association respecting the form of such contracts of carriage, and upon the Association giving notice in writing ~~or by Electronic Communication~~ thereof to the members of any such Class, the same shall be and become binding upon such members. The accidental omission to give such notice to or the non-receipt of such notice by any member shall not invalidate such Rules or any alteration thereof.

~~21-25.~~ The Association shall in each year hold a General Meeting as its Annual General Meeting in addition to any other ~~meetings~~ **General Meetings** in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Association and that of the next. The Annual General Meeting shall be held at such time and place as the Committee shall determine. ~~All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.~~

~~22-26.~~ The Committee may at any time call an ~~Extraordinary~~ General Meeting. ~~Extraordinary~~ General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as is provided by the Statutes.

[Explanation: the term Extraordinary General Meeting is no longer used. Following the Companies Act 2006 all meetings which are not Annual General Meetings are known as General Meetings.]

~~23-27.~~ In the case of an Annual General Meeting or of a meeting for the passing of a Special Resolution, twenty-one clear days' notice at the least, and in any other case fourteen clear days' notice at the least **shall be given**, specifying the place, the day and the hour of meeting, and in case of special business the general nature of such business (and in the case of an Annual General Meeting specifying the meeting as such), shall be given in writing or ~~by Electronic Communication~~ **on a website (or a combination of these means)** in the manner hereinafter mentioned to all **the members of the Committee**, all the members (other than those who under the provisions of these Articles are not entitled to receive the notice) and to the Auditors for the time being of the Association. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at any General Meeting.

[Explanation: the methods by which the Company can give notification of its meetings has been expanded. Clarification also that notification of meetings should be provided to Committee members in their capacity as Directors of the Association.]

~~25.~~ ~~All business shall be deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the consideration of the accounts, balance sheet and reports of the Committee and Auditors, the appointment of members of the Committee in the place of those retiring by rotation or otherwise, and the fixing of the remuneration of the Auditors.~~

[Explanation: under the Companies Act 2006 there is no longer a need to refer to special business.]

~~26-29.~~ Where by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty-eight ~~days~~ **Clear Days** (or such shorter period as the Statutes permit) before the meeting at which it is moved, and the Association shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Statutes.

[Explanation: reference to Clear Days added as this is what is required under the Companies Act 2006.]

~~48.~~**51.** The Committee may at any time call a separate meeting of the members of any Class. A separate meeting of the members of any Class shall also be convened on the requisition in writing of members of such Class representing not less than one-tenth of the total voting rights of all the members of that Class having at the date of deposit of the requisition a right to vote at separate meetings of the members of that Class and all the provisions of the Statutes shall, mutatis mutandis, apply to any such requisition as if such requisition were in respect of an ~~Extraordinary~~ General Meeting of the Association. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Association or to the proceedings thereat shall, mutatis mutandis, apply, except that:-

- (A) Not more than seven clear days' notice of any such meeting shall be required.
- (B) Five members of the Class present in person and having the right to vote at the meeting shall be a quorum but if the Class has less than five such members the quorum shall be such lesser number.
- (C) If at any adjourned meeting a quorum is not present those members of the Class who are present in person or by proxy and entitled to vote at the meeting shall be a quorum.

~~49.~~**52.** Unless otherwise determined by the Association by Ordinary Resolution, the Committee shall be not less than ~~six~~**seven** nor more than thirty-~~six~~**seven** in number.

[Explanation: the minimum and maximum number of Committee members are changed to odd numbers in order to avoid any potential for an equality of votes.]

~~57.~~**60.** No person other than a member of the Committee retiring at the meeting shall, unless recommended by the Committee for appointment, be eligible for appointment to the office of member of the Committee at any General Meeting unless within the prescribed time before the day appointed for the meeting, there shall have been given to the Association notice in writing ~~or using Electronic Communication~~ by some member duly qualified to be present and vote at the meeting of his intention to propose such person for appointment and also notice in writing ~~or using Electronic Communication~~, signed by the person to be proposed, of his willingness to be appointed. The prescribed time above mentioned shall be ~~such that, between the date when the notice is served or deemed to be served and the day appointed for the meeting, there shall be not less than seven nor more than forty-five~~ **Clear eDays**.

[Explanation: deletion as this is already included within the definition of Clear Days.]

~~58.~~**61.** The Association may by Ordinary Resolution **from time to time** increase or reduce the **numbers for the maximum and/or minimum** number of members of the Committee and determine in what rotation such increased or reduced number shall go out of office.

[Explanation: drafting improvement to clarify intention of wording.]

~~59.~~**62.** The Committee may from time to time and at any time appoint any person to be a member of the Committee either to fill a casual vacancy or as an additional member of the Committee, provided that the total number of members of the Committee shall not exceed the maximum number fixed by or in accordance with these Articles. ~~The Committee may also from time to time remove any person (howsoever appointed) as a member of the Committee provided that a resolution to effect such removal has been duly passed at a meeting of the Committee at which not less than half of all the serving members of the Committee voted in favour of such resolution.~~ Subject to the provisions of the Statutes and unless removed earlier, a member of the Committee so appointed shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall then be eligible for re-appointment. A member of the Committee who retires under this Article shall not be taken into account in determining the rotation of retirement of members of the Committee or the number of members of the Committee to retire at such meeting.

[Explanation: see new Article 63(F) below.]

~~60-63.~~ The office of a member of the Committee shall be vacated:-

- (A) ~~If he becomes a~~ **bankruptcy order is made against him or makes any arrangement or a composition is made** with his creditors generally **in satisfaction of his debts.**

[Explanation: the revised wording is now more consistent with that in the Model Articles for Private Companies introduced by the Companies Act 2006 and is therefore increasingly standard wording.]

- (B) ~~If he becomes of unsound mind,~~ **a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a member of the Committee and may remain so for more than three months, or he is or has been suffering from mental or physical ill health.**

[Explanation: the Mental Health (Discrimination) Act 2013 has made amendments to the Model Articles designed to prevent discrimination against directors purely on the grounds of mental health.]

- (C) If he ceases to be a member of the Committee, is removed as a member of the Committee or is prohibited from being a member of the Committee, pursuant to any provision of the Statutes or these Articles.
- (D) If he resigns his office by notice in writing ~~or using Electronic Communication~~ to the Association.
- (E) If having retired in accordance with Article ~~59~~**56 or 62** and being eligible for re-appointment is not re-appointed at the relevant Annual General Meeting.
- (F) If the Committee removes any person (howsoever appointed) as a member of the Committee provided that a resolution to effect such removal has been duly passed at a meeting of the Committee at which not less than half of all the serving members of the Committee voted in favour of such resolution.**

[Explanation: provision moved here from new Article 62 above – this is a more appropriate place for this wording.]

~~61. — Unless otherwise determined by the Association by Ordinary Resolution, either generally or in any particular case, no member of the Committee shall vacate or be required to vacate his office as a member of the Committee on or by reason of his attaining or having attained the age of seventy, and any member of the Committee retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a member of the Committee shall be capable of being re-appointed or appointed, as the case may be, as a member of the Committee notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a member of the Committee of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any member of the Committee or person proposed to be re-appointed or appointed as such.~~

[Explanation: this wording is no longer required as the Companies Act 2006 does not require resignation at age 70.]

~~62-64.~~ In addition to any power to remove a member of the Committee conferred on the Association by the Statutes, the Association may by ~~Extraordinary~~**Special** Resolution remove any member of the Committee before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. The person so appointed shall be subject to retirement by rotation at the same time as if he had become a member of the Committee on the day on which the member of the Committee in whose place he is appointed was last appointed a member of the Committee.

[Explanation: updated as the Companies Act 2006 refers to 'Special Resolutions'.]

~~64-66.~~ Without prejudice to the generality of the following provisions:-

- (A) 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 they think fit, and may vest in such Manager or Managers (including A. Billbrough &

Co. Limited hereinafter referred to) such of the powers hereby vested in the Committee as they may think fit, and such powers may be made exercisable for such period and upon such conditions and subject to such restrictions and generally upon such terms as the Committee may determine. A Manager shall receive such remuneration (by way of salary, commission, brokerage or otherwise) as the Committee may determine.

- (B) The Committee may make such arrangements as may be thought fit for the management of the Association's affairs in the United Kingdom or abroad, and may for this purpose appoint ~~Local Boards, Attorneys~~**local boards, attorneys** and ~~Agents~~**agents**, and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient.
- (C) The Committee may from time to time and at any time by power of attorney under the seal appoint any corporation or person or any fluctuating body of persons, whether nominated directly or indirectly by the Committee, to be the ~~Attorney~~**attorney** or ~~Attorneys~~**attorneys** of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Committee under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such ~~Attorney~~**attorney** as the Committee may think fit, and may also authorise any such ~~Attorney~~**attorney** to sub-delegate all or any of the powers, authorities and discretions vested in him.
- (D) The Committee may exercise all the powers of the Association to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures and other securities.
- (E) Nothing in this Article contained shall prejudice or affect the appointment of A. Bilbrough & Co. Limited as Managers effected by ~~Agreement~~**agreement** made the 23rd day of November 1921 between the Association of the first part, the said A. Bilbrough & Co. Limited of the second part and Arthur Bilbrough, Kenneth Leslie Bilbrough, Fred Yates and Arthur Pears of the third part.

[Explanation: removal of capitalisations as these are not defined terms.]

68. (A) **The Committee may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a member of the Committee infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Association and which may reasonably be regarded as likely to give rise to a conflict of interests.**
- (B) **Authorisation given by the Committee under Article 68(A) may be subject to any terms and conditions which the Committee consider appropriate; and the Committee may at any time vary or terminate such authorisation.**
 - (C) **A decision to authorise any matter under Article 68(A) will only be effective if: (i) the quorum for any meeting at which the matter is considered is met without counting the member of the Committee in question or any other interested member of the Committee; and (ii) the matter is agreed to without any interested member of the Committee voting, or would have been agreed to if any interested member of the Committee's votes had not been counted.**
 - (D) **The provisions of this Article 68 shall not apply to any conflict of interest arising in relation to a transaction or arrangement between a member of the Committee and the Association; Article 67 shall apply to a member of the Committee's interests in any such transactions or arrangements.**
 - (E) **Where the Committee has authorised any matter under Article 68(A), or where a matter falls within Article 67, the Committee may, at the time of such authorisation or subsequently, provide (without limitation) that an interested member of the Committee: (i) is excluded from discussions (whether at Committee meetings or otherwise) related to the matter; (ii) is not given any documents or other information relating to the matter; or (iii) both for quorum**

purposes and for voting purposes may or may not be counted or vote at any future Committee meeting in relation to the matter.

- (F) Where the Committee has authorised any matter under Article 68(A), or where a matter falls within Article 67, then an interested member of the Committee: (i) will not be required to disclose to the Association, or use for the benefit of the Association, any confidential information relating to the matter if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the matter; (ii) may absent himself from Committee meetings at which the matter may be discussed; and (iii) may make such arrangements as he thinks fit not to receive documents and information in relation the matter, or for such documents and information to be received and read by a professional adviser on behalf of that member of the Committee.
- (G) Article 68(F) does not limit any existing law or equitable principle which may excuse the member of the Committee from disclosing information in circumstances where disclosure would otherwise be required, or from attending meetings or receiving and reading documents in circumstances where such actions would otherwise be required.
- (H) Where the Committee authorises a matter under Article 68(A), or where a matter falls within Article 67, then an interested member of the Committee: (i) will be obliged to conduct himself in accordance with any terms and conditions imposed by the Committee in relation to the matter; and (ii) will not infringe any duty he owes to the Association under sections 171 to 177 of the Companies Act 2006 if he complies with any terms, limits and conditions (if any) imposed by the Committee in relation to the authorisation.
- (I) In relation to any matter which has been authorised under Article 68(A), or where a matter involves a transaction or arrangement which falls within Article 67 (subject to a member of the Committee making a declaration of the nature or extent of his interest in an office, employment, transaction or arrangement in accordance with Article 67): (i) an interested member of the Committee will not be accountable to the Association for any benefit conferred on him in connection with that matter; (ii) the receipt of such a benefit shall not constitute a breach of his duty under section 176 of the Companies Act 2006; and (iii) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

[Explanation: this new article deals with "situational" conflicts of interest and adds flexibility for them to be approved by the Committee. The existing conflicts article (Article 67) deals with "transactional" conflicts. The purpose of this change is to distinguish "transactional" conflicts (being those requiring disclosure under sections 177 and 182 of Companies Act 2006) from "situational" conflicts (being those previously prohibited by common law but also now under section 175 of Companies Act 2006).]

~~70.73.~~ The Chairman may, and on the request of **three or more** members of the Committee the Secretary shall, at any time summon a meeting of the Committee. ~~It shall not be necessary to give notice of a meeting of the Committee to any member of the Committee for the time being absent from the United Kingdom.~~

[Explanation: it is considered more appropriate that at least 3 Committee members should be required to requisition a Committee meeting. The second sentence is considered outdated and has been removed.]

~~78.81.~~ A resolution ~~in writing~~ signed by, **or otherwise confirmed by**, all the members of the Committee ~~shall be as~~ **or sub-committee who are at the relevant time entitled to receive notice of a meeting of the Committee and who would be entitled to vote on the resolution at the meeting of the Committee (if that number is sufficient to constitute a quorum) shall be as valid and** effective for all purposes as a resolution passed at a meeting of the Committee duly convened and held, and may consist of several

documents in the like form each signed by, **or otherwise confirmed by**, one or more members of the Committee.

[Explanation: amendments to increase flexibility, i.e. a resolution can be confirmed rather than signed.]

~~79.~~**82.** A meeting of the Committee or a sub-committee of the Committee may consist of a conference between members **of the Committee** who are not all in one place, but of whom each is able (directly or by telephonic or video communication) to speak to each of the others, and to be heard by each of the others simultaneously. A member **of the Committee** taking part in such conference shall be deemed to be present in person at the meeting and the meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, as agreed between the members present at the meeting. The word "meeting" shall be construed accordingly.

[Explanation: drafting improvements.]

~~83.~~**86.** Any moneys for the time being in the hands of the Association and not immediately required to meet any claims, expenses and outgoings to which under these Articles or the Rules of any Class the same are applicable may be carried to such reserve or reserves as the Committee think proper, but so that (save as hereinafter provided) moneys representing contributions made by members and/or Co-assureds of any one Class shall be kept separate from moneys representing contributions made by members and/or Co-assureds of any other Classes. Any moneys for the time being standing to the credit of any reserve may be invested in such investments as the Committee think fit and moneys representing contributions made by members and/or Co-assureds of any one Class may be invested together with moneys representing contributions made by members and/or Co-assureds of any other Classes. Investment income earned on moneys representing contributions made by members and/or Co-assureds of a Class shall be the property of the Association and not the members and/or Co-assureds of that Class or any other members of the Association or any other Co-assureds of any other Classes or any other person and shall stand to the credit of that Class. Moneys standing to the credit of any reserve and representing contributions made by members and/or Co-assureds of a Class or investment income earned thereon may, on the recommendation of the Committee (but not otherwise), be applied for any purpose for which the funds of the Class may be properly applied or may, on the recommendation of the Committee (but not otherwise), be divided amongst the members and/or Co-assureds of such Class (including for the purposes of this Article, if thought fit, former members and/or Co-assureds of such Class). Such division shall be in such proportions and on such terms and conditions as may be provided by the Rules of such Class or as the members of such Class (excluding any former members) may, by ~~Extraordinary~~ **Special** Resolution passed at a separate meeting of such members, determine.

[Explanation: references under the Companies Act 2006 are to Special resolutions, not Extraordinary resolutions.]

~~86.~~— The Committee shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Association in General Meeting such income and expenditure accounts, accounts, balance sheets and reports as are specified in the Statutes.

[Explanation: the Companies Act 2006 no longer requires private companies to lay their accounts and reports before a General Meeting.]

~~87.~~**89.** A copy of every balance sheet (including every document required by the Statutes to be annexed thereto) **the audited annual accounts of the Association** which is to be laid before the Association in General Meeting, together with a copy of the Auditors' report,

shall, twenty-one days at the least before the date of the meeting, be sent to every member and to the Auditors either:-

- (A) By hand or by post to the registered address of the member or the Auditors; or
- (B) By ~~Electronic Communication~~**Electronic Means** to an address for the time being notified for that purpose to the Association.

~~88.90.~~ The Auditors' report shall be read before the Association in ~~General Meeting~~ and shall be open to inspection by any member.

[Explanation: the Companies Act 2006 does not require the auditor's report to be read before a General Meeting.]

~~94.93.~~ **Subject to the provisions of the Statutes,** a notice or other document to be served by or on the Association under or in connection with these Articles must be served:-

- (A) By courier;
- (B) By sending it through the post in a prepaid letter;
- (C) By ~~telex or facsimile;~~**Electronic Means; or**
- (D) ~~By Electronic Communication~~ **By the Association's website.**

Such notices or other documents to be served by the Association on a member shall, subject to Articles ~~92,94~~ and ~~95,97~~, be sent to the member at his address in the register of members or at any address notified by him to the Association expressly or impliedly as his place of business or, if the entry of a Ship in the Association on behalf of a member is through a broker or other agent on behalf of that member 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 a Ship by or on behalf of that member, to that broker or agent at the address of any place of business of that broker or agent and such service shall be deemed to be service on the member. **Subject to compliance with all relevant provisions of the Statutes and notwithstanding any other provision of the Articles, the Association may send or supply documents or information to members by making them available on a website.** Such notices or documents to be served on the Association shall be sent to the Association at the address of the Office.

[Explanation: the methods of communication which the Association may use have been expanded.]

~~92.94.~~ Any member described in the register of members by an address not within the United Kingdom, who shall from time to time give to the Association an address within the United Kingdom at which notices may be served upon him or an address to which notices may be sent using ~~Electronic Communication~~**Electronic Means** shall be entitled to have notices served upon him at such address (or any other address as is referred to in Article ~~94,93~~), but save as aforesaid no member other than a member described in the register of members by an address within the United Kingdom shall be entitled to receive any notice from the Association.

~~94.96.~~ Any notice or other document to be served by or on the Association under or in connection with these Articles if served by post 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. A notice given by advertisement shall be deemed to have been served on the day on which the advertisement appears. Any such notice or other document sent by courier shall be deemed to have been served at the time of delivery and any such. **Any** notice or other document sent by ~~telex or facsimile or contained in an Electronic Communication~~**Electronic Means** shall be deemed to have been served at the time it was sent and in proving service it shall be sufficient to prove that the notice or other document was duly despatched.

INDEMNITY AND INSURANCE

[Explanation: the Indemnity and Insurance provisions have been updated in line with the Companies Act 2006.]

99. For the purposes of Articles 100 to 103 (inclusive):

(A) an "Officer" is any person who was or is, a member of the Committee, a Manager, a secretary of the Association or a director, manager, secretary or of an associated company; and

(B) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate or have the same members.

[Explanation: updated in line with the Companies Act 2006 and moved to clarify which Articles they relate to following the addition of Article 103.]

~~97.100.~~ Subject to the provisions of the Statutes but without prejudice to any indemnity to which an Officer ~~or the Managers of the Association~~ may otherwise be entitled, every ~~former and present Officer and the Managers~~ of the Association **or an associated company** shall, to the fullest extent permitted by the Statutes, be indemnified out of the assets of the Association against all costs, charges, expenses or liabilities incurred by him in the exercise, execution or discharge of his powers or duties or in relation thereto including, without limitation, all liabilities attaching to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Association: **or an associated company and any other liability incurred by that Officer as an Officer of the Association or an associated company.**

Subject to the provisions of the Statutes and without prejudice to any indemnity to which an Officer ~~or the Managers~~ of the Association **or an associated company** may otherwise be entitled, the Association shall provide every ~~former and present Officer and the Managers~~ of the Association with funds to meet expenditure incurred or to be incurred by him in defending any proceedings, whether civil or criminal, brought against him as an Officer ~~or the Managers~~ of the Association **or an associated company** or in connection with any application for relief in such proceedings.

[Explanation: drafting improvements.]

~~For the purposes of this article, an "Officer" is any person who was or is in relation to the Association or an associated company (as such term is defined in section 309A(6) of the Companies Act 1985), a member of the Committee, a manager of the Association, a secretary of the Association or a person engaged as an auditor by the Association.~~

[Explanation: following the Companies Act 2006 any provision in the Articles attempting to indemnify the auditors from liability is void, unless it relates to the costs of successfully defending proceedings.]

103. The Committee may decide to purchase and maintain insurance at the expense of the Association for the benefit of any Officer against any loss or liability which has been or may be incurred by an Officer in connection with that Officer's duties in relation to the Association, or any associated company.

[Explanation: although permitted by the Companies Act 2006 and earlier enactments, an express provision allowing the Association to obtain insurance in relation to Officers' liabilities (D&O Insurance) has been inserted.]

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

6 January 2014

Note: A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a Member of the Association.