



The London P&I Club

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3 January 2017

TO ALL MEMBERS

Dear Sirs

The Proposed Governance Restructuring of The London P&I Club (the “Association”)

1. Background

- A developing and increasingly demanding regulatory environment, including regulator preference for smaller statutory Boards, has led the Committee to conduct a detailed review of the corporate governance structure of the Association.
- In so doing careful attention has been paid to striking the best possible balance to ensure that the business of the Association is still able to benefit from the active participation of senior figures, drawn from a wide range of Members, whilst at the same time satisfying regulators’ expectations of corporate governance best practice.
- As a result of this review, the Committee proposes to restructure the corporate governance of the Association by constituting a new Members’ Committee and a smaller Board, the latter devoting more of its time to statutory and regulatory matters (the “Proposal”).

2. The Proposal

- The Proposal comprises the following:
 - (i) The constitution by the Members of a new Members’ Committee comprising up to 37 Member representatives and nominees. The first members of the Members’ Committee will be the members of the current Committee.
 - (ii) The constitution of a smaller Board of Directors comprising up to 14 executive and non-executive Directors with one third subject to re-election by the Members annually with the quorum for Board meetings requiring a majority of non-executive Member representatives.
 - (iii) The Members’ Committee will focus on issues relating to the shipping industry and be responsible for ensuring that the interests of the Members, as a whole, are represented at all times, promoting a culture of mutuality and fairness. The Members’ Committee will both challenge and support the Board providing the Members’ perspective and views.
 - (iv) The focus of the Board will be on statutory and regulatory matters and the Board’s terms of reference will require it to consult with the Members’ Committee on all significant decisions affecting the Members.



- (v) The existing sub-committees of the Committee will become the sub-committees of the Board and two new sub-committees of the Board will be constituted, namely:-
 - (a) a Remuneration Committee: responsible for making recommendations to the Board on all matters relating to remuneration of members of the Board (including its sub-committees) and the Members' Committee.
 - (b) a Risk Committee: this sub-committee, which is currently constituted as a sub-committee of the board of the Managers, will become a sub-committee of the Board.
- (vi) The new arrangements will take effect from 20 February 2017.

3. Procedural Steps to Implement the Proposal

- The following procedural steps to implement the Proposal will be required to be taken by the Members:
 - (i) The Members of each class (Classes 5, 7 and 8) shall hold separate class meetings to approve the amended rules of the specific class;
 - (ii) A general meeting of the Members will be held to:
 - (a) approve the amendments required to the Articles of Association of the Association to effect the proposed changes in governance arrangements;
 - (b) constitute the Members' Committee;
 - (c) appoint the first members of the Members' Committee listed below; and
 - (d) appoint the first members of the Board listed below.
- The first members of the Members' Committee will be:-

| | | |
|-----------------------|--|---------------|
| John M Lyras | Lyras Maritime, London | Chairman |
| Peter J Goulandris | Triandos Corporation, Bermuda | Vice-Chairman |
| Robert A Ho | Fairmont Management, Hong Kong | Vice-Chairman |
| Rozainah Bt Awang | MISC Berhad, Kuala Lumpur | |
| Chen Xin Chuan | COSCO (HK) Shipping, Hong Kong | |
| Peter J Cowling | Wallem Ltd, London | |
| John Dragnis | Goldenport Shipmanagement, Greece | |
| Stamos J Fafalios | Fafalios Ltd, London | |
| John L Harbor | Surrey, UK | |
| Vassilis J Laliatos | J. Laliotis Maritime Group, Athens | |
| Michael C Lemos | C M Lemos & Co Ltd, London | |
| Amnon Lion | Eastern Pacific Shipping, Singapore | |
| James L Marshall | Berge Bulk, Singapore | |
| David M Ofer | Zodiac Maritime Agencies, London | |
| Vassilis Papageorgiou | Tsakos Group, Greece | |
| John J Raggio | Sealift LLC, New York | |
| Nikolaos Savvas | Cosmoship Management, Piraeus | |
| Giangiacomo Serena | SAM International Andromeda Shipping, Monaco | |
| Bendix Todsen | PASSAT Star Schiffahrtsges mbH, Hamburg | |
| Nikolaos Veniamis | Golden Union Shipping Co, Piraeus | |
| Sophocles N Zoullas | Zenith Shipping US LLC, New York | |

- The first members of the Board will be:-

| | | |
|---------------------|-------------------------------------|---------------|
| John M Lyras | Lyras Maritime, London | Chairman |
| Peter J Goulandris | Triandos Corporation, Bermuda | Vice-Chairman |
| Robert A Ho | Fairmont Management, Hong Kong | Vice-Chairman |
| John L Harbor | Surrey, UK | |
| Vassilis J Laliatos | J. Laliotis Maritime Group, Athens | |
| Amnon Lion | Eastern Pacific Shipping, Singapore | |
| John J Raggio | Sealift LLC, New York | |
| Sophocles N Zoullas | Zenith Shipping US LLC, New York | |
| Ian E Gooch | A Bilbrough & Co Ltd, London | Manager |
| Anthony G Jones | A Bilbrough & Co Ltd, London | Manager |
| Iain Paul | A Bilbrough & Co Ltd, London | Manager |

- The following supporting documents are attached in respect of the Members' meetings to be held on Wednesday 25 January 2017:-

- (i) Notice of a General Meeting of the Members; [here](#)
- (ii) Notice of a meeting of the Class 5 Members of the Association for the purpose of amending the Rules of the Class; [here](#)
- (iii) Notice of a meeting of the Class 7 Members of the Association for the purpose of amending the Rules of the Class; and [here](#)
- (iv) Notice of a meeting of the Class 8 Members of the Association for the purpose of amending the Rules of the Class. [here](#)

Please note that in respect of items (ii), (iii) and (iv) above, explanatory notes are provided within the body of the notice text for any additional Rule changes which do not relate to the proposed governance restructuring detailed above.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)