

No. 9 - Class 2 Rule Changes for 2003

January 2003

Notice to All Class 2 Members

NOTICE is hereby given that an Extraordinary General Meeting of the Members of Class 2 of the Association will be held on Wednesday, 5 February 2003 at 1000 hours or as soon thereafter as the business of the Extraordinary General Meeting of the Members of Class 1 of the Association has been completed, in the Beau-Rivage Palace, CH-1006 Lausanne, Switzerland, for the purpose of considering and, if thought fit, passing the following SPECIAL Resolution:

SPECIAL RESOLUTION

THAT alterations to certain of the Rules of Class 2 (as hereafter set out with commentary) be made to take effect from noon GMT on 20 February 2003:-

By order of the Board
P A Aspden
Secretary
33 Boulevard Prince Henri
1724 Luxembourg

A Member entitled to attend and vote is entitled to appoint a proxy (who need not be a Member of the Association) to attend and on a poll vote instead of him. The instrument appointing a proxy shall be left with the Secretary not less than 48 hours before the holding of the Meeting.

CLASS 2 – RULE CHANGES FOR 2003

COMMENTARY

INTRODUCTION

There is one change proposed to the Rules for 2003.

Legal advice has been taken.

FORMAT

Those parts of the 2002 Rules where it is proposed that the change is made are attached with the change marked. A proposed deletion from the 2002 Rules is identified by striking through the text to be deleted. Proposed additions are marked in underlined type, except where changes are proposed to Rule headings, where the change is identified with

ordinary text. The proposed change is accompanied by a vertical mark in the margin for ease of identification. Page headers and number of the Rules and pages will be adjusted once the change is adopted and prior to printing for the 2003 policy year.

CHANGE PROPOSED

1. **Rule 24 – Application for Entry.** This amendment amplifies the proviso whereby Members and Joint Members who have entered vessels in the Association as a fleet are jointly and severally liable to perform each other's obligations toward the Association, including liability to pay all calls and other sums.
2. **Rule 34 and Rule 42 – Termination of Insurance for Non Payment and Payment of Calls and Other Sums Due to the Association.** This amendment enables the Association's Committee or the Managers to determine when calls and other sums shall be paid, including payment by instalments, and sets out more fully the Association's rights of lien on an insured vessel and Members' rights of setoff.
3. **Rule 43 – Releases.** The amendments to this Rule amplify the procedures and time limits within which Releases must be paid or alternative security provided under the International Group Agreement as security for further calls. The Rule is also amplified to set out the Members' liabilities for further calls if a Release is not paid or security for further calls provided.
4. **Rule 54 – Arbitration.** This Rule has been renamed "Jurisdiction". The proposed amendments to the Rules enable the Association, at its option, to refer any dispute with a Member to arbitration in London as an alternative to proceeding before the High Court of Justice of England and Wales. The proposed amendments are also intended to preserve the Association's right to take proceedings outside England for the purposes of enforcement, obtaining security or exercising a lien for outstanding debts.

[link to detailed changes in Adobe Acrobat format](#)