

WEST.

THE WEST OF ENGLAND SHIP OWNERS MUTUAL INSURANCE ASSOCIATION (LUXEMBOURG)

CONSTITUTION



**The West of England Ship Owners Mutual
Insurance Association (Luxembourg)**

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DEFINITIONS

“AUDITORS” means the independent auditor(s) of the Association referred to in Article 24.

“ASSOCIATION” means The West of England Ship Owners Mutual Insurance Association (Luxembourg).

“BOARD” means the board of directors for the time being of the Association.

“CHAIRMAN” means the Chairman of the Board for the time being of the Association referred to in Article 8.2.

“CHARTER” means the group corporate governance charter of the Association which may exist from time to time and bind the Association, the Members, the Directors, any committee and more generally any other person or entity in relation of the daily or the other management or the audit of the Association.

“CLASSES” means the classes of insurance afforded by the Association to the Members as set out in Article 6.1 and which may be further defined in the Rules. “Class 1”, “Class 2”, “Class 3” and “Class 4” have the meanings set out in Article 6.1.

“CLASS MEETING” means a separate meeting of the Members who have Vessels entered in any specific Class and called under the provisions of Article 18.

“CO-ASSURED” means a person who is named in a certificate of entry as being a person capable of benefiting and/or accepting obligations from such entry in addition to or in substitution for the named Member.

“COMPANY LAW” means the Law of 10 August 1915 concerning commercial companies, as amended.

“CONSTITUTION” means this Constitution as originally framed or as altered from time to time in accordance with the provisions hereinafter contained.

“CONTRIBUTIONS” means any sum payable to the Association in respect of an Insured Vessel.

“DIRECTORS” means the directors for the time being of the Association.

“GENERAL MEETING” means the general meeting of Members of the Association.

“GENERAL MANAGER” means the authorised manager (dirigeant agréé), within the meaning of the Insurance Law, in charge of the daily management of the Association and licensed to that effect by the competent minister of Luxembourg. The General Manager shall also act as the Secretary of the Association.

“GROSS TONNAGE” means the gross tonnage of a vessel calculated in accordance with the 1969 Tonnage Measurement Convention (or if no such tonnage has been fixed, then the gross registered tonnage) as certified in the certificate of registry of such vessel or if no such certificate exists, in any other official document relating to the registration of such vessel.

“INSURANCE LAW” means the Law of 7 December 2015 concerning the insurance sector, as amended.

“INSURE” and its derivatives shall include reinsure.

“INSURED VESSEL” means a Vessel which has been entered in one or more Classes of the Association.

“IN WRITING” means written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.

“JOINT MEMBERS” has the meaning attributed to it in Article 7.4.

“MEMBER” means a member for the time being of the Association.

“MEMBER DIRECTORS” means the Directors who represent the interests of a Member.

“OFFICE” means the registered office of the Association as mentioned in Article 4.

“ORDINARY RESOLUTION” means a resolution of the General Meeting adopted by a majority of at least half of the votes validly cast at which a Quorum is present.

“OWNER” means any owner, owner in partnership, owner holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of any vessel and any other person whatsoever interested in or in possession of any vessel. The expression “Owner” shall also include any insurer (other than the Association) of risks which could be insured by the Association which has itself entered into a contract of insurance in respect of any vessel.

“PERIOD OF INSURANCE” means the period of time during which (according to the terms of any contract of insurance) the Association is at risk as regards the occurrence of events in relation to an insured Vessel which may give rise to liability on the part of the Association to indemnify a Member or Co-Assured.

“QUORUM” means the minimum quorum required in order to validly hold a General Meeting. Save as otherwise provided in the Constitution, five (5) Members present or represented shall be the quorum.

“REGISTER OF MEMBERS” means the register of Members of the Association as mentioned in Article 7.2.

“RULES” means the general terms and conditions of the Association and its related schedules established by the General Meeting as originally framed or as from time to time altered, abrogated, or added to and for the time being in force and binding all the Members.

“SECRETARY” means the secretary for the time being of the Association referred to in Article 8.3.

“SPECIAL RESOLUTION” means a resolution of the General Meeting as set out in Article 19.1 for an amendment to the Constitution or a resolution that one or more, or all of the Classes be discontinued or wound up and the manner and terms of such discontinuance or winding-up.

“SUCCESSORS” means the heirs, executors, administrators, personal representatives, assigns (when permitted under or the Rules), receiver, curator or other person authorised to act on behalf of one who becomes incapable by reason of mental disorder of managing his property or affairs, trustee in bankruptcy, liquidator and other successors whatsoever.

“VESSEL” (in the context of a vessel entered or proposed to be entered in the Association) shall have the meaning attributed to it in the Rules.

“VICE-CHAIRMAN” means the Vice-Chairman of the Board for the time being of the Association referred to in Article 8.

Words importing the singular include the plural and vice versa, words importing the masculine include the feminine and vice versa, and words importing persons may where the context so permits include corporations and vice versa.

References to Articles or to Clauses are to Articles or Clauses of this Constitution.

Headings are inserted for ease of reference only and are not to be taken into account in construing this Constitution.

NAME - PURPOSE - DURATION - REGISTERED OFFICE

Article 1 Name - Legal form

There exists a mutual insurance association (*association d'assurance mutuelle*) under the name "The West of England Ship Owners Mutual Insurance Association (Luxembourg)" which shall be governed by (i) the Insurance Law, (ii) the Constitution and (iii) the Charter or the Rules and (iv) where a governance matter is not governed by the Insurance Law, the Constitution or the Charter or the Rules, and if an interpretation is required, the relevant provisions governing the *société anonyme* of the Company Law.

Article 2 Purpose

2.1 The purpose of the Association is, within the limit of the Insurance Law and without prejudice to Article 6:

- to insure on a mutual basis Owners of vessels in respect of risks of a marine and transit nature and all other risks relating or incidental to maritime trade, commerce or business;
- to carry on marine and transit insurance business, to reinsure risks accepted by other insurers (provided such risks are of a nature such that they could have been directly insured by the Association), and to reinsure or retrocede any risk insured or reinsured;
- to manage and invest the funds of the Association in such manner, and in such investments, as the Board may from time to time think fit, and to vary such investments from time to time;
- generally, and without limitation to engage in all operations which may be directly connected with these objects or which may facilitate their extension or development.

Article 3 Duration

3.1 The Association is incorporated for an unlimited period of time.

3.2 It may be dissolved at any time by a Special Resolution.

Article 4 Registered office

4.1 The registered office of the Association is established at 31, Grand Rue, L-1661 Luxembourg, Grand Duchy of Luxembourg.

4.2 The Board may transfer the registered office of the Association within the same municipality or to any other municipality in the Grand Duchy of Luxembourg and, if necessary, subsequently amend this Constitution to reflect such change of registered office.

4.3 Branches or other offices may be established either in the Grand Duchy of Luxembourg or abroad by a resolution of the Board.

4.4 In the event that the Board determines that extraordinary political, economic or social circumstances or natural disasters have occurred or are imminent that would interfere with the normal activities of the Association at its registered office, the registered office may be temporarily transferred abroad until the complete cessation of these extraordinary

circumstances; such temporary measures shall not affect the nationality of the Association which, notwithstanding the temporary transfer of its registered office, shall remain a Luxembourg Association.

FUNDS – BUSINESS – MEMBERSHIP

Article 5 Funds

- 5.1 A separate account shall be kept for each Class to which shall be debited and credited all payments necessarily or properly made or received by or on behalf of the Association in connection with that Class.
- 5.2 The Board shall be entitled to apply any moneys representing the assets of one Class in discharge of the liabilities of another Class, and shall further be entitled (but not obliged) to direct that the same shall not require reimbursement. Any moneys for the time being standing to the credit of any such accounts or accounts may be invested in such investments, and such investments may be varied, from time to time as the Board may think fit. Subject to the above provision, such account or accounts shall be applied in such manner, for such purpose and at such time or times, as the Board may in its discretion think fit.
- 5.3 Any moneys remaining as a surplus upon the closure of any policy year in respect of any Class or Classes, or appearing to be surplus before such closure in relation to the estimated liabilities of that policy year may be carried to such account or accounts as the Board may think proper. Such account or accounts may be invested in such investments, and shall be applied in such manner, for such purpose and at such time or times as the Board may at its discretion think fit.

Article 6 Business

- 6.1 The insurance business of the Association shall consist of the following classes:
- Class 1, being cover against protection and indemnity and other risks;
 - Class 2, being freight, demurrage and defence cover;
 - Class 3, being cover against ship's officers and/or crew strikes; and
 - Class 4, being cover against port area strikes,
- together with such other or further classes as the Members may by Special Resolution from time to time determine, provided that any proposed addition, deletion or alteration to the classes of insurance business of the Association shall be notified to the competent Luxembourg authorities and any necessary consents in this context are obtained.
- 6.2 The business of the Association shall, subject to the provisions of the Constitution, be conducted in accordance with the Charter and the Rules.
- 6.3 Notwithstanding anything contained in the Constitution the Board may, save in so far as expressly prohibited by the Rules, accept entries of Vessels upon such special terms as to

Contributions and, without prejudice to Article 6.1, as to the nature and extent of the risks covered or otherwise as it may think fit. Without prejudice to the generality of the foregoing the Board may:

- Accept entries which insure against any of the risks described in Article 2 albeit that they arise otherwise than in respect of the Vessel to be insured; and/or
- Accept entries from Owners of Vessels on terms that some other person or persons (including anybody corporate) connected with the Owner's business or with any contract or venture undertaken by the Owner is to be or become a Co-Assured, albeit that such other person is not an Owner of a Vessel and notwithstanding that by the terms of entry such person is not to be or become a Member.

- 6.4 The funds necessary to meet the amount debited to the separate account of each Class and funds thought proper to meet, provide for or reserve against outstanding, anticipated and future claims, expenses and outgoings shall be provided by Contributions to be made in accordance with the Rules, and it shall be lawful for the Board from time to time to direct that Contributions shall be paid to the Association accordingly.
- 6.5 All risks underwritten on behalf of any Class shall be underwritten in the name of the Association, but subject to the provisions of Article 5.1 no person shall, in respect of insurance in any Class, be liable to pay or entitled to receive any money in respect of any insurance in any other Class.
- 6.6 In the event of any Owner defaulting in payment of any Contribution due from him for insurance in any Class, the Board may in its absolute discretion determine that the same shall be paid by the other Owners entered for insurance in that Class in the manner set out in the Rules and payment may be enforced in the name of the Association.
- 6.7 Neither the Charter or the Rules nor any of their provisions shall if duly passed in accordance with the Constitution, be unconstitutional or ultra vires unless any such provisions of any such relevant Charter or the Rules in question are contrary to the express provisions of the Constitution.
- 6.8 The Board shall at any and all times have power to create in the name of the Association a reserve deposit fund or initial effective capital fund or other similar fund. Such power shall without limitation include power by formal resolution of the Board to determine the maximum level of such fund from time to time, the level of paid in or unpaid capital thereto, and how allocations to such fund shall be made. In addition, the Board shall have power to impose such conditions as it may see fit on the disposition of such fund, including the power to impose such conditions as may be required by the Luxembourg authorities.
- 6.9 The Board shall at any and all times have power to adjust Contributions paid or payable by individual Members in respect of any Class to such extent and subject to such terms and conditions as it may think fit.

Article 7 Membership

- 7.1 The Association shall consist of an unlimited number of Members but not less than five Members shall pay premiums called by the Association as and when they fall due in accordance with the Rules.

- 7.2 The Association shall keep a Register of Members which shall contain the following particulars:
- the name and address of each Member;
 - the Gross Tonnage of all Vessels entered for insurance within each Class by each Member.
 - the date at which each Owner commenced to be a Member, and the date at which a Member ceased to be a Member, by reference to each particular Class.
- 7.3 The Register of Members shall, subject to reasonable notice, be open to inspection by every Member during business hours, provided always that the said Register of Members may be closed for a reasonable period of time, as and when required in connection with a meeting of the Association.
- 7.4 An Owner who enters a vessel in the Association for insurance shall (if not already a Member) be and become a Member of the Association as from the commencement of the Period of Insurance relating to such vessel in accordance with any contract of insurance and shall be entered as such in the Register of Members. Where more than one Owner of any vessel wishes to be insured, one of the following modes of entry may be expressly agreed between such Owners and the Association:
- either all such Owners shall be and become Joint Members;
 - or one of such Owners shall be and become the Member and the remainder shall be and become Co-Assured(s);
 - or more than one of such Owners shall be and become Joint Members and the remainder shall be and become Co-Assured(s),
- provided that, in each case, both or all of the Owners of any one vessel who are to be and become Members shall together constitute but a single Member and shall be entered as such in the Register of Members; and:
- the contents of any notice or communication by or on behalf of the Association to any one of the Joint Members shall be deemed to have been validly notified or communicated to all of the Joint Members, and
 - the Joint Member whose name first appears in the Register of Members shall be entitled to exercise all voting and other rights of the Joint Members and the Association shall be entitled to disregard any communication from, or purported exercise of such rights by, any other Joint Member.
- 7.5 A Member shall cease to be a Member of the Association if for any reason (whether by virtue of the provisions of the Constitution or the Rules, any contract of insurance or otherwise howsoever) the Period of Insurance shall be terminated in respect of all Vessels entered by him for insurance in the Association.
- 7.6 Membership shall not be transferable or transmissible.
- 7.7 The Constitution shall bind the Association and the Members and their Successors to the same extent as if it had been signed by each Member and contained an undertaking by each Member to observe all and each of the provisions hereof.
- 7.8 Every engagement or liability of a Member in respect of any insurance or otherwise shall for all purposes relating to enforcing such engagement or liability be deemed to be an engagement or liability by or on the part of such Member to the Association, and not to any other Member or other person and all moneys payable thereunder shall be paid to the Association.
- 7.9 All claims against the Association shall be made and enforced against the Association only.

7.10 The Association is a corporation and has a legal personality of its own which is entirely separate from that of its Members or any one of them. The Association, and not each Member, shall be the insurer of the Members. No Member insures any other Member. Accordingly, every engagement or liability of a Member in respect of any insurance or other obligation of the Association shall for all purposes, including without limitation the enforcement of such engagement or liability, be (and shall be deemed to be) an engagement or liability to the Association and not to any other Member. All monies payable in respect of any such engagement or liability shall be payable to the Association and not to any other Member. No partnership between Members shall be created by such engagement or liability. Any engagement and liability on the part of Members (other than as provided in Article 7.4) shall be several and not joint unless expressly otherwise provided. Any claim in respect of the insurance provided by the Association may only be made and enforced against the Association and shall not be made or enforced against any Member.

BOARD AND MANAGEMENT DELEGATION

Article 8 Composition and powers of the Board

- 8.1** The Association shall be managed by a Board composed of at least five (5) directors.
- 8.2** The Association shall have a Chairman and may have not more than two (2) Vice-Chairmen all of whom shall be elected by the Board from among its number. Any person so appointed shall hold such office until he resigns or ceases to be a Director.
- 8.3** The Association shall have a Secretary, and may in addition have an assistant Secretary, both of whom shall be appointed by the Board.
- 8.4** The Board is vested with the broadest powers to act in the name of the Association and to take any action necessary or useful to fulfill the Association's corporate purpose, with the exception of the powers reserved by the Insurance Law or by this Constitution or by the Charter or the Rules to the General Meeting.
- 8.5** The business of the Association shall be managed by the Board which may exercise all such powers of the Association and do on behalf of the Association all such acts as may be exercised and done by the Association and as are not by the Constitution required to be exercised or done by the Association in General Meeting, subject nevertheless to any provisions of the Constitution or the provisions or the Charter or the Rules or any agreement which may be entered into with a third party.
- 8.6** The Board is responsible for delivering the long-term success of the Association and in particular the Board shall:
- determine the Association's strategy and risk appetite, based on their understanding of the strategic challenges and related risks facing the Association;
 - approve appropriate frameworks for risk management and control;
 - ensure regulatory compliance by the Association;
 - monitor and evaluate the performance of the Association against its strategic goals, plans, risk profile and budgets;

- set and monitor the Association's overall investment strategy and the risk parameters which underlie it;
- approve the Association's annual operating budget, and accounting policies;
- approve the Association's reinsurance and insurance requirements;
- approve recommendations made by the Group Nomination & Remuneration Committee with respect to appointment and remuneration of the Directors of the Association, of the Advisory Committee Members and of the Directors of the Managers; and
- review the performance of the CEO and of the other Directors of the Managers.

8.7 The Board may create one or several committees. The composition and the powers of such committee(s), the terms of the appointment, removal, remuneration and duration of the mandate of its/their members, as well as its/their rules of procedure are determined by the Board in accordance with the Charter or the Rules. The Board shall be in charge of the supervision of the activities of the committee(s) in accordance with the Charter or the Rules.

8.8 A Director may hold any other office or place of profit under the Association (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Association, on such terms as to remuneration and otherwise, as the Board shall arrange.

8.9 The remuneration of the Directors shall be such sum per annum as the Board shall from time to time determine or such larger sum as the Association shall from time to time by Ordinary Resolution determine. Such remuneration shall be divided among those Directors holding or who held office during the relevant financial year or any part thereof in such proportions as may be determined by the Directors holding office at the time of such determination and in default of such determination equally, provided that a Director holding or who held office for a part only of the relevant financial year shall in default of such determination aforesaid be entitled only to a proportionate part of what (on the basis of an equal division) he would have received had he held office for the whole of the year. The Association may by Ordinary Resolution vote any additional remuneration to any one or more of the Directors.

8.10 The Directors shall also be entitled to be paid all travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of the Board, committees of the Board, General Meetings or Class Meetings.

Article 9 Convening a Board meeting

9.1 The Board shall meet at the request of the Directors. Meetings of the Board shall be held at the registered office of the Association unless otherwise indicated in the notice of meeting.

9.2 Written notice of any meeting of the Board must be given to Directors twenty-four (24) hours at least in advance of the time scheduled for the meeting, except in case of emergency, in which case the nature and the reasons of such emergency must be set out in the notice. Such notice may be omitted in case of consent of each Director in writing, by facsimile, electronic mail or any other similar means of communication, a copy of such signed document being sufficient proof thereof.

9.3 No prior notice shall be required in case all the members of the Board are present or represented at a board meeting and waive any convening requirement or in the case of resolutions in writing approved and signed by all members of the Board.

Article 10 Conduct of a Board meeting

- 10.1 The Chairman of the Association or in his absence a Vice-Chairman shall preside at all meetings of the Board but if at any meeting the Chairman or a Vice-Chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
- 10.2 Any Director may act at any meeting of the Board by appointing another Director as his proxy in writing, or by facsimile, electronic mail or any other similar means of communication, a copy of the appointment being sufficient proof thereof. A Director may represent one or more, but not all of the other Directors.
- 10.3 Meetings of the Board may also be held by conference call or video conference or by any other means of communication allowing all persons participating at such meeting to hear one another on a continuous basis, allowing for an effective participation in the meeting. Participation in a meeting by these means is equivalent to participation in person at such meeting.
- 10.4 The Board may deliberate or act validly only if at least five (5) Directors or such higher number as from time to time may be fixed by the Board are present or represented, including a majority of Member Directors.
- 10.5 The Board may, unanimously, pass resolutions by circular when expressing its approval in writing, by facsimile, electronic mail or any other similar means of communication. Each Director may express his consent separately, the entirety of the consents evidencing the adoption of the resolutions. The date of such resolutions shall be the date of the last signature.

Article 11 Minutes of the Board meeting

- 11.1 The minutes of any meeting of the Board shall be signed by the Chairman, if any, or, in his absence, by the Vice-Chairman and the Secretary or in his absence any Director.
- 11.2 Copies or excerpts of such minutes which may be produced in judicial proceedings or otherwise shall be signed by the Chairman, if any, or, in his absence, by the Vice-Chairman and the Secretary or in his absence any Director.

Article 12 Dealing with third parties

- 12.1 The Board shall represent the Association in regard to third parties and before the courts, whether as plaintiff or defendant.
- 12.2 The Association shall be bound towards third parties in all circumstances (i) by the joint signature of any two (2) Directors or (ii) by the joint signature or the sole signature of any person(s) to whom such signatory power may have been delegated by the Board within the limits of such delegation in accordance with the Constitution and the Rules.
- 12.3 Within the limits of the daily management, the Association shall be bound towards third parties by the signature of any person(s) to whom such power may have been delegated, acting individually or jointly in accordance within the limits of such delegation in accordance with the Constitution or the Rules and any agreement which may be entered into with a third party.

Article 13 Management delegation

- 13.1 The day to day executive management of the Association as well as the representation of the Association in relation to such management, may be delegated to the General Manager whose powers shall be determined by the Board.
- 13.2 The General Manager may sub-delegate such management partially to any person or entity in accordance with the Charter or the Rules or in accordance with any management agreement which may exist.
- 13.3 Notwithstanding anything hereinbefore contained, the Board shall not be entitled to delegate any of the powers, duties or discretions vested in it to the extent that such powers, duties or discretions are required by the Insurance Law or the Constitution or the Charter or the Rules to be exercised by the Board itself.
- 13.4 Notwithstanding anything hereinbefore contained, the General Manager shall not be entitled to delegate any of the powers, duties or discretions vested in it to the extent that such powers, duties or discretions are required by the Charter or the Rules or by any management agreement to be exercised by the General Manager itself.
- 13.5 The Board and/or the General Manager may further delegate any other specific tasks to any person or entity in accordance with the Insurance Law, the Constitution, the Charter or the Rules or with any management agreement which may exist.

GENERAL MEETINGS OF MEMBERS

Article 14 Powers of the General Meeting

- 14.1 The Members exercise their collective rights in the General Meeting. Any regularly constituted General Meeting shall represent the entire body of Members. The General Meeting is vested with the powers expressly reserved to it by the Insurance Law, by this Constitution and by the Charter or the Rules.
- 14.2 The General Meeting shall be responsible for:
- determining the nature of the Association's business;
 - appointing and dismissing the Directors and Auditors;
 - approving the Association's annual report and accounts;
 - winding the Association up or changing its domicile; and
 - approving and amending the Constitution, the Charter and the Rules.

Article 15 Convening of General Meetings

- 15.1 A General Meeting of Members may at any time be convened by the Board.
- 15.2 It must be convened by the Board upon the written request of one or several Members representing at least ten per cent (10%) of the total voting rights of all the Members at the date

of the deposit of such request. In such case, a general meeting of Members shall be held within a period of one (1) month from the receipt of such request.

- 15.3 The request shall be in writing and shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more requisitionists.
- 15.4 If the Board does not within twenty-one days from the date of deposit of the requisition proceed duly to convene a meeting, the requisitionists or any of them representing more than one half of the total voting rights of all of requisitionists may themselves convene a meeting but any meeting so convened shall not be held after the expiration of three (3) months from the date of deposit of the requisition.
- 15.5 A meeting convened under article 15.4 by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board.
- 15.6 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly convene a meeting shall be repaid to the requisitionists by the Association.
- 15.7 In the case of all General Meetings, twenty-one (21) clear days' notice at the least specifying the place, the day and the hour of meeting, and the general nature of the business of the meeting (including specifying if it is the annual General Meeting), shall be given in writing in manner hereinafter mentioned to all the Members, persons in charge of the management and the Auditors without the latter having to attend such meeting. Such convening notice shall contain voting forms in accordance with Article 16.8.
- 15.8 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.
- 15.9 If all of the Members present or represented at a General Meeting have waived any convening requirements, the meeting may be held without prior notice or publication.

Article 16 Conduct of General Meetings

- 16.1 The annual General Meeting shall be held in Luxembourg at the registered office of the Company or at such other place in Luxembourg as may be specified in the convening notice of such meeting, in the third week of July, at the latest. If such day is a legal holiday, the annual General Meeting shall be held on the next following business day. Other General Meetings may be held at such place and time as may be specified in the respective convening notices.
- 16.2 The Board shall attend any General Meeting, composed of the Chairman of the Association who shall preside over the General Meeting, or in his absence a Vice-Chairman, the General Manager as Secretary or an assistant Secretary or a scrutineer who may be a Director and/or a Member. The Board shall ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening, majority requirements, vote tallying and representation of Members. If at any meeting neither the Chairman nor a Vice-Chairman is present within thirty (30) minutes after the time specified in the convening notice, or if none of them is willing to act as the Chairman, the Directors present shall choose a Director present to be Chairman, or if no Director is present or if all the Directors present decline to take the chair, the Members present shall choose a Member present at the meeting to be the Chairman.
- 16.3 An attendance list must be kept at all General Meetings.

- 16.4 A Member may act at any General Meeting by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication. One person may represent several or even all Members.
- 16.5 The Board may at the expense of the Association send by post or otherwise to the Members instruments of proxy (with or without stamped envelopes for their return), for use at any General Meeting or Class Meeting either in blank or nominating in the alternative any one or more persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Association, such invitations shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.
- 16.6 A corporation which is a Member may by resolution or other decision of its directors or other competent body authorise such person as it thinks fit to act as its representative at any General Meeting, or Class Meeting, of the Association and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Association, provided that a certified copy of such resolution or other decision has been deposited at the Office not less than forty-eight (48) hours before any meeting. The chairman of the meeting shall have an absolute discretion whether or not to recognise such representative and permit him to exercise any powers on behalf of such corporation.
- 16.7 Members taking part in a meeting by conference call, through video conference or by any other means of communication allowing for their identification, allowing all persons taking part in the meeting to hear one another on a continuous basis and allowing for an effective participation of all such persons in the meeting, are deemed to be present for the computation of the quorums and votes, subject to such means of communication being made available at the place of the meeting.
- 16.8 Each Member may vote at a General Meeting through a signed voting form sent by post, electronic mail, facsimile or any other means of communication to the Office or to the address specified in the convening notice. The Members may only use voting forms provided by the Association which contain at least the place, date and time of the meeting, the agenda of the meeting, the proposals submitted to the Members, as well as for each proposal three boxes allowing the Member to vote in favour thereof, against, or abstain from voting by ticking the appropriate box.
- 16.9 Voting forms which, for a proposed resolution, do not show (i) a vote in favour or (ii) a vote against the proposed resolution or (iii) an abstention are void with respect to such resolution. The Association shall only take into account voting forms received prior to the General Meeting to which they relate.

Article 17 Quorum, majority and vote

- 17.1 No business shall be transacted at any General Meeting unless a Quorum is present.
- 17.2 Save as otherwise provided in the Constitution, resolutions shall be adopted by Ordinary Resolution.
- 17.3 If within one hour from the time appointed for the meeting a Quorum is not present the meeting shall be dissolved. It shall stand adjourned to the same day in the next week, at the same time and place, and if at such adjourned meeting a Quorum is not present within one hour from the time appointed for holding the meeting, the Members present or by proxy shall constitute a quorum and may validly deliberate.

- 17.4 Subject to the provisions of the Law, the Board may, during the course of any general meeting, adjourn such general meeting for four (4) weeks. The Board shall do so at the request of one or several shareholder(s) representing at least ten per cent (10%) of the share capital of the Company. In the event of an adjournment, any resolution already adopted by the general meeting of shareholders shall be cancelled. Another General Meeting shall be convened within a period of one (1) month from the adjournment in accordance with Article 15.7.
- 17.5 At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the Chairman or by at least five (5) Members having the right to vote at the meeting or by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Association, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 17.6 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll, and for the purposes of the last preceding Article a demand by a person as proxy for a Member shall be the same as a demand by the Member.
- 17.7 If any vote shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it has been pointed out at the very meeting or adjourned meeting at which the vote is given, and in that case, only if in the opinion of the Chairman of the meeting it has sufficient magnitude to vitiate the result of the voting.
- 17.8 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 17.9 Vote by voting forms as prescribed in Article 16.8 are counted as a vote of show of hands or a poll, depending on the way to vote.
- 17.10 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a further or casting vote.
- 17.11 On a poll every Member present in person or by proxy shall have one vote in respect of every one hundred (100) tons of Gross Tonnage entered by him in the Association for insurance in Class 1 as appearing in the Register of Members, together with one vote in respect of every insured vessel entered by him in each other Class provided that in the case of Class Meetings, Members shall have no votes in respect of Vessels entered in any other Class and further provided that in the case of Joint Members, the vote of the lead Member who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other Joint Members. For this purpose, the lead Member shall be determined by the seniority of the Joint Members as evidenced by the Register of Members.
- 17.12 No Member shall be entitled to vote at any General Meeting, or Class Meeting, either personally or by proxy, or to exercise any privilege as a Member, unless all Contributions presently due from such Member to the Association have been paid.

17.13 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive. Without prejudice to the generality of the foregoing a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or insanity of the principal, or the revocation of the instrument of proxy or the authority under which the instrument of proxy was executed.

Article 18 Class Meetings

18.1 The Board may at any time call a separate meeting of the Members who have Vessels entered in any Class. A separate meeting of the Members having Vessels entered in any Class shall also be convened upon the written request of one or several Members representing at least ten per cent (10%) of the total voting rights of all the Members of the relevant Class at the date of the deposit of such request.

18.2 To every such separate meeting all the provisions of this Constitution relating to General Meetings or to the proceedings thereat shall, mutatis mutandis, apply except that not less than twenty-one (21) clear days' notice of any such meeting shall be required, and that if at any adjourned meeting a quorum is not present those Members having Vessels entered in that Class who are present in person or by proxy (being not less than two) shall be a quorum.

18.3 Without prejudice to Article 6.2, the Members having Vessels entered in any Class may by Special Resolution at any such separate meeting, and subject to the sanction of the Board and to prior notification of the competent Luxembourg authorities, amend or restrict the categories of risk, liability or expense covered under the Rules.

Article 19 Amendments of the Constitution

19.1 The Constitution may be amended by Special Resolution by a majority of at least three quarters of the votes validly cast at a General Meeting at which a quorum of more than five (5) Members are present or represented. If no quorum is reached in a meeting, a second meeting may be held in accordance with the provisions of Article 17.3.

Article 20 Minutes of General Meetings

20.1 The Board of any General Meeting shall draw up minutes of the meeting which shall be signed by members of the Board present at the meeting.

20.2 Any copy and excerpt of such original minutes to be produced in judicial proceedings or to be delivered to any third party, shall be certified as a true copy of the original by the notary having had custody of the original deed, in case the meeting has been recorded in a notarial deed, or shall be signed by the Chairman or a Vice-Chairman.

Article 21 Appointment, removal and term of office of Directors

21.1 Directors shall be subject to annual retirement and re-appointment at each annual General Meeting at a simple majority of the votes validly cast.

- 21.2 Any Director may be removed from office at any time with or without cause by the general meeting of Members at a simple majority of the votes validly cast.
- 21.3 At each annual General Meeting a retiring Director, if willing to act, shall be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill his vacated office or an Ordinary Resolution for the re-appointment of the Director shall have been put to the General Meeting and lost.
- 21.4 At a General Meeting, a motion for the appointment of two or more persons as Directors of the Association by a single resolution shall not be put unless a resolution that it shall be so put has been first agreed to by the meeting without any vote being given against it.
- 21.5 No person other than a Director retiring at the meeting shall, if not recommended by the Board for appointment, be eligible for appointment to the office of Director 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 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, 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 clear days.
- 21.6 If a legal entity is appointed as Director of the Association, such legal entity must designate a physical person as permanent representative who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one (1) director of the Association and may not be himself a director of the Association at the same time.
- 21.7 At each annual General Meeting a retiring Director, if willing to act, shall be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill his vacated office or a resolution for the re-appointment of the Director shall have been put to the Meeting and lost.

Article 22 Vacancy in the office of a Director

- 22.1 The office of a Director shall be vacated:
- Upon his death or if a receiving order shall be made against him or if he shall become bankrupt or make any composition or arrangement with his creditors generally or if he shall become incapable by reason of mental disorder of managing and administering his property and affairs;
 - If he ceases to be a Director, or be prohibited from being a Director by an order made by a court of competent jurisdiction;
 - If he resigns his office by notice in writing to the Association; and
 - If the Board determines that he no longer meets its criteria for the appointment as a Director.
- 22.2 In the event of a vacancy in the office of a Director, this vacancy may be filled on a temporary basis and for a period of time not exceeding the initial mandate of the replaced Director by the remaining Directors until the next meeting of Members which shall resolve on the permanent appointment in compliance with the applicable legal provisions.

Article 23 Conflict of interests

- 23.1 Without prejudice of Article 23.2, no Director shall be disqualified by his office from contracting with the Association nor shall any such contract or any contract or arrangement entered into by or on behalf of the Association in which any Director is in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Association for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relationship thereby established provided always that any Director so contracting or being so interested, or proposing the same, shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or, if the interest arises after such meeting, or after the contract becomes effective, at the first meeting of the Board after it arises.
- 23.2 A Director shall not be entitled to vote, or be counted towards a quorum, upon the consideration by the Board of:
- (i) any contract with,
 - (ii) the level of premium payable by,
 - (iii) any claim made upon the Association by; or
 - (iv) any proceedings or action, whether actual or contemplated, between the Association and the Director or any Member or Co-Assured of which he is a director, employee or Member or in which he is in any way interested provided that the provisions of this clause may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Association in General Meeting.
- 23.3 Save as provided by Article 23.2 there shall be no restriction upon the power of a Director to vote, or be counted towards a quorum, upon the consideration by the Board of matters affecting that Director, or in which he may be interested either directly or indirectly.
- 23.4 The persons in charge of the management of the Association, if any, are subject to Article 23 provided that if only one (1) manager has been appointed and is in a situation of conflicting interests, the relevant decision shall be adopted by the Board.

AUDIT AND SUPERVISION

Article 24 Auditor(s)

- 24.1 The Association shall have an Auditor or Auditors who or each of whom shall be qualified under the laws of the Grand Duchy of Luxembourg to act as Auditor of the Association.
- 24.2 The Association shall at each annual General Meeting appoint an Auditor or Auditors to hold office until the conclusion of the next annual General Meeting.
- 24.3 At any annual General Meeting, a retiring Auditor however appointed shall be re-appointed without any resolution being passed unless:
- (i) he is not qualified for re-appointment, or

(ii) an Ordinary Resolution had been passed at that meeting appointing somebody instead of him providing that he not be re-appointed, or

(iii) he has given to the Association notice in writing of his unwillingness to be appointed.

24.4 The Board may fill any interim vacancy in the office of Auditor.

24.5 The remuneration of the Auditors shall be fixed by the Association in General Meeting or in such manner as the Association in General Meeting may determine.

24.6 Any Auditor may at any time be removed from office by Ordinary Resolution of the Association and by the same or other Ordinary Resolution another person may be appointed to be Auditor.

24.7 The Auditors shall make a report to the Members and the Directors on the accounts examined by them and on every income and expenditure account and balance sheet laid before the Association in General Meeting.

24.8 The Auditors' report shall be read before the Association in General Meeting and shall be open to inspection by every Member.

24.9 The Auditors shall have a right of access at all times to the books and accounts and vouchers of the Association and any other persons in charge of the daily management and shall be entitled to require from the officers of the Association such information and explanations as they think necessary for the performance of the duties of the Auditors.

24.10 The Auditors shall be entitled to attend any General Meeting of the Association and to receive all notices of and other communications relating to any General Meeting which any Member is entitled to receive and to be heard at any General Meeting which they attend on any part of the business of the meeting which concerns them as Auditors.

FINANCIAL YEAR ALLOCATION OF PROFITS INTERIM DIVIDENDS

Article 25 Financial year

The financial year of the Association shall begin at noon on the 20 of February of each year and shall end at noon on the 20 of February of the following year.

Article 26 Accounts

26.1 The Board shall cause proper books of accounts and other appropriate accounting records to be kept in such manner as is necessary to give a true and fair view of the state of affairs of the Association, and of each Class and to explain its transactions and to ensure compliance with the laws.

26.2 The account books and accounting records will be kept available for examination by the Board. No Member (not being a Director) shall have any right of inspecting any account or book or document relating thereto.

26.3 The Board shall from time to time cause to be prepared and to be laid before the Association

in General Meeting such income and expenditure accounts, balance sheets and reports as are necessary to give a true and fair view of the transactions and the state of affairs of the Association and of each Class as at the end of every financial year.

- 26.4 A copy of every balance sheet, account and report which is to be laid before the Association in General Meeting, together with a copy of the Auditor's report, shall, not less than twenty- one (21) clear days at the least before the date of the meeting, be available on the Association's website.

LIQUIDATION

Article 27 Liquidation

- 27.1 The Association may by Special Resolution resolve that one or more, or all of the Classes be discontinued or wound up and the manner and terms of such discontinuance or winding-up.
- 27.2 Any winding-up or discontinuance of business shall be under the control of the Board unless the Association by Ordinary Resolution appoints a liquidator, upon which appointment the powers of the Board shall cease and the liquidator shall be entitled for the purpose of the beneficial winding-up, or discontinuance of business of the Association or any Class or Classes and the carrying on of its business meanwhile to exercise all or any of the powers of the Board.
- 27.3 The liquidator may be removed from office by, and any vacancy in the office of liquidator may be filled by, Ordinary Resolution.
- 27.4 The remuneration of the liquidator shall be determined by the Association by Ordinary Resolution.
- 27.5 During the course of any winding-up or discontinuance of business and not less often than once in every year the Board or the liquidator (as the case may be) shall convene a General Meeting of the Association and shall lay before the meeting an account of their or his dealings and transactions during the period from the commencement of the winding-up or discontinuance or the date of their or his last account as the case may be and a balance sheet showing the state of affairs of the Association (or such Class or Classes as are being wound up or discontinued) as at the date thereof. The said accounts and balance sheet shall be audited by the Auditors who shall report thereon to the Members and any other person in charge of the daily management and the same provisions shall apply mutatis mutandis to the Auditors' report and to such meeting and to the business to be transacted thereat as apply to the Auditors' report on the annual accounts and to the annual General Meeting of the Association.
- 27.6 In the event of any Class or Classes being wound up or discontinued and subject to the power of the Board to transfer all or part of such assets to the reserve or reserves of the Association the assets of that Class remaining after payment of all the debts and liabilities of that Class and all costs, charges and expenses of winding up the same shall be distributed amongst the Members having Vessels entered in that Class in proportion to the amounts of the Contributions actually paid by them in respect of insurance in that Class during the period of six (6) years immediately preceding the commencement of the winding-up of that Class.
- 27.7 Upon completion of the winding-up of all the Classes the Association shall be dissolved.

FINAL CLAUSE – ARBITRATION – GOVERNING LAWS

Article 28 Arbitration

- 28.1 If any difference or dispute shall arise between a Member and the Association as to the rights or obligations of the Association or the Member or as to any other matter whatsoever, such difference or dispute shall be governed by English Law and referred to the arbitration in London of a sole legal arbitrator. Such arbitrator shall be a practising Queen's Counsel of the Commercial Bar and if unavailable any other practising Queen's Counsel and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the Arbitration Act 1950 and any statutory modification or re enactment thereof. In any such arbitration, any matter decided or stated in any judgement or arbitration award (or in any reasons given by an arbitrator or umpire for making any award) relating to proceedings between the Member and any third party, shall be admissible in evidence.
- 28.2 No Member may bring or maintain any action, suit or other legal proceedings against the Association in connection with any difference or dispute unless he has first obtained an arbitration award in accordance with this Constitution.
- 28.3 For the purpose of this Article except Article 28.4 hereof the term "Member" shall also include a former Member, a Co Assured, a trustee, an assignee, a successor to the Member and any other companies in the same or associated ownership or daily management as the Member or any of the foregoing or the Members, managers, agents or employees of any of them or any other person or entity claiming any insurance or re insurance benefit from or other remedy against the Association, whether under this Constitution or the Rules, certificate of entry, insuring or re insuring agreement of this Association by contract or otherwise and the term "the Association" shall include any subsidiary or associated Association of the Association or their or its directors, agents or employees.
- 28.4 The Member warrants its authority to bind to arbitration the other entities and individuals included within the above definition. If any claim shall be made by any of them other than in arbitration the Member shall procure that such claims be referred to arbitration forthwith, pending which the Member shall not be entitled to proceed with any claim of its own against the Association connected with the same or any related subject matter; and the Association shall be entitled to recover from the Member any amounts agreed or adjudged to be due from the Association, and any costs incurred by it, in connection with any process other than arbitration.
- 28.5 In any difference or dispute where the Member or Association as defined above includes more than one party they shall be deemed one party for the purposes of appointing an arbitrator, receiving notices, and otherwise in connection with the conduct of the arbitration proceedings.
- 28.6 Any dispute or difference over the interpretation, effect or application of this arbitration clause shall be decided exclusively by the High Court in London, in accordance with English law.

Article 29 Governing Laws

- 29.1 The Constitution shall be governed by Luxembourg law.
- 29.2 The French text and the English text of the Constitution are binding. Nevertheless, the English text will prevail in proceedings conducted under English law and in particular in the event of arbitration, or in the event of disputes between the Association and its Members, former Members or Co-Assureds and other parties that relate directly to the objects of the Association.