

January 2014

To the Members

Dear Sirs,

NOTICE IS HEREBY GIVEN that a General Meeting of the Members of Steamship Mutual Underwriting Association Limited (the Association) will be held at the Registered office of the Company, Aquatical House, 39 Bell Lane, London, E1 7LU, United Kingdom, at 11.00 hours on 18 February 2014, to consider and if thought fit to pass the following resolutions:

RESOLUTIONS

CHAIRMAN'S REMUNERATION

The following resolution is proposed:

THAT with effect from 14th May 2013 the fee payable to the Chairman shall be increased to £750 per meeting attended.

CLASS 1 RULES

The following resolution is proposed:

THAT with effect from Noon G.M.T. on 20th February 2014, the proposed amendments to the Rules of Class 1 (Protection and Indemnity) of the Association, as set out in the table annexed hereto, and as summarised and explained in the commentary, be adopted.

Explanatory notes in italics have been provided in the table, but in summary the principal changes are as follows:

Rule 2 - Definitions - Ship

An amendment to reflect a proposed change to the definition of Eligible Vessel in the Pooling Agreement, which will exclude from pooling liabilities arising in relation to vessels constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production.

Rule 17 – Recovery and Rule 25 ii (c) (ii) – Repatriation Expenses

The references to sub-Rule 17 iv have been deleted and the text of that provision has been set out in Rule 25 ii c (ii), being the Rule which specifically addresses cover for repatriation expenses. A minor amendment gives the Managers a further discretion to make payments in relation to damages or compensation for personal injury, illness or death of any Seaman.

Rule 19 – Hull Risks and Specialist Operations

v Salvage Operations - An amendment to reflect changes which have been agreed to the Pooling Agreement for the year 2013-14, which clarify that the exclusion in Appendix V paragraph 24 of

L.229

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority
(Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority
(Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)
AQUATICAL HOUSE 39 BELL LANE LONDON E1 7LU
Tel: +44 20 7247 5490 Website: www.steamshipmutual.com

the Pooling Agreement in respect of liabilities, costs and expenses arising out of salvage operations, includes wreck removal operations by the entered vessel.

Rule 21 – War Risks

The second part of the existing Rule 21 refers to a number of guarantees, undertakings and certificates of financial responsibility which the Club now issues pursuant to identified legislation or international conventions, notwithstanding the exclusions in Rules 20 (Nuclear Risks) and 21 (War Risks). The proposed amendment to Rule 21 would permit the Club to issue a guarantee, undertaking or certificate pursuant to new legislation or an international convention which is not in the existing list identified in Rule 21, and which comes into force during the policy year. The Wreck Removal Convention may come into force during 2014 requiring Clubs to issue Wreck Removal blue cards.

Rule 25 ii (c) (ii) – Repatriation Expenses

The provision previously set out under Rule 17 iv is re-stated as proviso (a) to Rule 25 ii (c) (ii). A further amendment is proposed to this Rule following agreement by International Group Clubs to cover repatriation costs where abandonment occurs after cesser of entry or termination of P&I cover due to insolvency of a Member, for a period until expiry of the policy, or 3 months after the date of cesser or termination upon notice, whichever shall first occur. This addresses concerns of MLC Flag State Parties in connection with the implementation of the Maritime Labour Convention (MLC), and the manner in which Club cover responds following cesser of entry upon insolvency, or cancellation or termination where a Member has failed to pay premium.

The existing exclusions to recovery of expenses in connection with crew substitution and shipwreck unemployment indemnity are extended to exclude recovery for repatriation expenses by the Member (but not relevant third parties) in the circumstances specified, for example in the ordinary course of business, such as upon the commercial sale of a ship, rather than upon insolvency.

Rule 25 vi – Pollution

A number of proposed amendments harmonise the language used across paragraphs 25 vi a to d. The existing requirement in sub-paragraph d (“Costs Pursuant to Government Directions”), that Club cover shall not respond for liabilities, costs and expenses otherwise recoverable under the Entered Vessel’s hull policy, is extended to apply equally across all of the sections in which Club cover for pollution liabilities or pollution mitigation/avoidance is provided. The Hull policy proviso is therefore removed from sub-paragraph d, and listed along with the other provisos (i) to (iv) that apply across sub-paragraphs a to f of Rule 25 vi.

Rule 25 vii – Fixed and Floating Objects

Rule 25 xiii - Cargo Liabilities

Amendments to these Rules clarify that liability to property other than cargo, whether or not on board an entered ship, fall to be covered under the FFO as opposed to the Cargo Liabilities Rule.

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Rule 26 – Classification and Condition Surveys**Rule 37 – Non-Payment of Premium and Other Sums**

A new provision at Rule 37 iii c preserves the right on the part of the Managers to cancel back for non-payment of premium from inception of a policy year, in circumstances where cover may already have been terminated in accordance with the Rules from a later date, such as under Rule 26 iii b (i), based on the vessel's condition. A corresponding amendment to Rule 26 iii b,

recognises that the rights set out therein do not prejudice other rights which may be available to or exercised by the Managers elsewhere in the Rules.

Rule 47

Given that the Club Rules already exclude the application of the Contracts (Rights of Third Parties) Act 1999 and similar legislation, (with the aim of precluding third parties from acquiring rights under the Rules), a consequential amendment is required to permit payments to third parties as contemplated in Rules 17 iii and 25 ii c (ii).

By Order of the Board of
Steamship Mutual Underwriting Association Limited

S. A. Ward
Secretary
24th January 2014

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AMENDMENTS FOR 2014/15 TO THE RULES OF CLASS 1 PROTECTION AND INDEMNITY OF STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED

In the table below, the proposed new wording is shown in **bold** and underlined and wording to be deleted is shown as [~~xxx~~]. Explanatory notes in italics have been provided for the proposed changes.

2	Definitions	Comment
	In these Rules the words and phrases hereinafter set out shall have the following meanings or effects if not inconsistent with the subject or context:	
	Seaman	
	means any person, including the Master and apprentices, employed as part of a ship's complement under the terms of a crew agreement or other contract of service or employment to serve on board an Entered Ship, and for the purposes of cover under Rules 17 iii and iv and 25ii c (ii) shall include a seafarer, being any person who is employed or engaged or works in any capacity on board a ship to which the Maritime Labour Convention 2006, or equivalent statutory provisions, apply.	<i>It is proposed that the provision in Rule 17 iv referring to repatriation expenses be deleted, and set out instead in the specific Rule which addresses cover for repatriation expenses, Rule 25 ii c (ii).</i>
	Ship	
	means any ship, boat, hydrofoil, hovercraft or other description of vessel (including a lighter, barge or similar vessel howsoever propelled but excluding (a) a unit or vessel constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production and (b) a fixed platform or fixed rig) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part of such ship, boat, hydrofoil, hovercraft or other description of vessel or any proportion of the tonnage thereof or any share therein, including any ship, boat, hydrofoil, hovercraft or other description of vessel under construction.	<i>An amendment to reflect the proposed change to the definition of Eligible Vessel in the Pooling Agreement, which will exclude from pooling liabilities arising in relation to vessels constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production.</i>
17	Recovery	
	If any Member shall become liable in damages or otherwise or shall incur any liabilities, costs or expenses as hereinafter set out in Rules 25 and 28 , in respect of a ship which was entered in the Club at the time of the casualty or event giving rise to such liabilities, costs or expenses, such Member shall be entitled to recover, out of the funds of the Club, the amount of such liabilities, costs or expenses to the extent and upon the terms, conditions and exceptions provided by these Rules and by the Certificate of Entry;	
	<i>Provided always that:</i>	
i	Unless the Directors otherwise determine, it shall be a condition precedent of a Member's right to recover from the funds of the Club in respect of any liabilities, costs or expenses that he shall first have paid the same out of funds belonging to him absolutely and unconditionally and not by way of loan or otherwise;	

ii	The Member shall have no right to recovery from the Club in respect of any liabilities, costs or expenses where the Directors determine that the reimbursement or any payment in respect thereof exposes the Club to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any State or International Organisation; unless the express terms of such sanction, prohibition or adverse action permit payment of any sums due from the Club to the Member into a blocked account, in which event payment by the Club into that account shall discharge the Club from all liability to the Member howsoever arising in respect of the claim to which such payment relates.	
iii	Notwithstanding the provisions of Rule 17 i, where a Member has failed to discharge a legal liability to pay damages or compensation for personal injury, illness or death of any Seaman, the Club shall discharge or pay such claim on the Member's behalf directly to such Seaman or dependant thereof.	
iv	Notwithstanding the provisions of Rule 17 i, where a Member has failed to discharge a legal liability to pay repatriation expenses payable under any statutory enactment giving effect to the Maritime Labour Convention 2006 or equivalent statutory provisions, the Club shall discharge or pay such claim on the Member's behalf directly to such Seaman or dependant thereof, provided that the Club has previously agreed to cover such risks in accordance with Rule 25 ii c (ii).	<i>This provision is to be set out in Rule 25 ii (c) (ii) which deals specifically with repatriation expenses.</i>
	<i>Provided always that:</i>	
a	In respect of legal liability to pay damages or compensation for personal injury, illness or death, the Seaman or dependant has no enforceable right of recovery against any other party and would otherwise be uncompensated;	
b	The amount payable by the Club shall not be subject to set off of any amount due to the Club and, subject to c below, shall under no circumstances exceed the amount which the Member would otherwise have been able to recover from the Club under the Rules and Member's terms of entry;	
c	Where the Club is under no liability to the Member to pay claims, by reason of <u>the termination</u> the retrospective cancellation of cover pursuant to Rule 37 for non-payment of amounts due to the Club, the Club will nevertheless discharge or pay claims in accordance with sub-paragraph <u>iii (above)</u> of this Rule and iv (above) but, save as otherwise agreed by the Managers, to the extent only that such liability has arisen from an event occurring prior to the date <u>of notice of such termination when notice of such cancellation has been given,</u> and otherwise subject to and in accordance with the Rules and applicable terms of entry.	<i>The reference to sub- rule iv dealing with repatriation expenses has been deleted and the text of the provision has been set out in Rule 25 ii c (ii). The reference to termination being retrospective is deemed otiose. A minor amendment gives the Managers a further discretion to make payments in relation to damages or compensation for personal, injury, illness or death of any Seaman.</i>
d	Any payment made by the Club pursuant to this Rule 17 iii and iv and Rule 25 ii c (ii) is made as agent only of the Member, and the Member shall be liable to reimburse the Club for the full amount of such payment.	<i>This provision will also be set out in full under Rule 25 ii c (ii)</i>
v	Any liability costs or expenses (other than those arising in respect of oil pollution) incurred by the Club or by any other party to the Pooling Agreement in respect of an	

	entered ship arising from any one casualty or event, including any claim in respect of liability for the removal or non-removal of any wreck, shall be treated for the purposes of these Rules as if they were one claim;	
vi	If less than the full tonnage of a ship is entered in the Club, the Member shall be entitled only to recover such proportion of its claim as the entered tonnage bears to the full tonnage;	
vii	In no case whatsoever shall interest be paid on sums due from the Club.	
19	Hull Risks and Specialist Operations	
	Unless the Managers otherwise agree in writing as a term of entry, the Club shall not insure any Member to any extent whatsoever, against the following risks:	
v	Salvage Operations	
	liabilities, costs and expenses arising out of salvage operations (including for the purpose of this Rule, wreck removal) , conducted by an entered ship, other than where the purpose of such operations is saving or attempting to save life at sea.	<i>This provision is amended to reflect changes which have been agreed to the Pooling Agreement for the year 2013-14, which clarify that the exclusion in Appendix V paragraph 24 in respect of liabilities, costs and expenses arising out of salvage operations includes wreck removal operations by the entered vessel.</i>
21	War Risks	
	Unless otherwise agreed in writing with the Managers on such terms as they may require, there shall be no recovery from the Club in respect of a Member's liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or on the part of the Member's servants or agents) when the incident in respect of which such liability arises, or such costs or expenses are incurred, was caused by:	
i	war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power or any act of terrorism;	
ii	capture, seizure, arrest, restraint or detainment (barratry or piracy excepted) and the consequences thereof or any attempt thereat;	
iii	mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war, save for those liabilities, costs or expenses which arise solely by reason of:	
a	the transport of any such weapons whether on board the entered ship or not, or	
b	the use of any such weapons either as a result of Government order or through compliance with a written direction given by the Managers or Directors where the reason for such use was the avoidance or mitigation of liabilities, costs or expenses which would otherwise fall within the cover of the Club.	
	In the event of any dispute as to whether or not any act constitutes an act of terrorism, the decision of the Directors shall be final.	
	<i>Provided always that:</i>	

(i)	Notwithstanding the exclusion of cover in Rules 20 and 21 , the Club shall discharge and pay on behalf of the Owner liabilities, costs and expenses pursuant to a demand made under	
	(a) a guarantee or other undertaking given by the Club to the Federal Maritime Commission under Section 2 of US Public Law 89-777; or	
	(b) a certificate issued by the Club in compliance with Article VII of the International Conventions on Civil Liability for Oil Pollution Damage 1969 and 1992 or any amendments thereof; or	
	(c) an undertaking given by the Club to the International Oil Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) or, except where such liabilities, costs and expenses arise from or are caused by an act of terrorism, the Tanker Oil Pollution Indemnification Agreement (TOPIA); including any addendum to, or variation or replacement of such Agreements, or	
	(d) a certificate issued by the Club in accordance with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001;or	
	<u>(e) a guarantee, undertaking or certificate issued by the Club in accordance with, or pursuant to, any other law, regulation or international convention coming into force during the current Policy Year.</u>	<i>Amendment to take into account the coming into force of any new legislation or international convention during the policy year and the consequent requirement of the Club to issue a guarantee, undertaking or certificate pursuant thereto. The Wreck Removal Convention may come into force during 2014 requiring Clubs to issue Wreck Removal blue cards.</i>
(ii)	Where any such guarantee, undertaking or certificate is provided by the Club on behalf of the Owner as guarantor or otherwise, the Owner agrees that:	
	(a) any payment by the Club under any guarantee, undertaking or certificate referred to in proviso (i) (a), (b), (c), and (d) and (e) above in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any other policy of insurance or extension to the cover provided by the Association, be by way of loan; and...	<i>See note above</i>
	(b) there shall be assigned to the Club, to the extent and on the terms that the Managers determine in their discretion to be practicable, all the rights of the Owner under any such other insurance and against any third party; and	
	(c) unless the Managers shall otherwise determine, the Owner shall indemnify the Club to the extent that any payment under any guarantee, undertaking or certificate referred to in proviso (i) (a), (b), (c), or (d) or (e) above in discharge of the said liabilities, costs and expenses is or would have been recoverable under a standard P&I war risk policy of insurance, had the Owner complied with all the terms and conditions thereof, under which the vessel shall be deemed to be insured without deductible for its full value.	<i>See note above</i>
25 i	Liability to Persons	

ii	Covered Risks	
a	Damages or Compensation for Loss of Life or Personal Injury or Illness	
	Liability for damages or compensation in respect of personal injury, illness or death;	
b	Medical and Funeral Expenses	
	Hospital, medical and/or funeral expenses, including repatriation of remains, in relation to injury, illness or death of any person, or any Seaman whilst engaged as crew of, or arising out of employment on board, an entered ship, provided reasonably incurred;	
c	Repatriation Expenses	
	(i) in respect of persons on board an entered ship in consequence of a casualty thereto, or consequent on illness or injury to such persons; or	
	(ii) if agreed by the Managers, on such terms as to payment of premium or otherwise as they may require, in respect of a Seaman, arising under Guideline B. 2.5 of Regulation 2.5 of the Maritime Labour Convention 2006 or equivalent statutory provisions;	
	Provided that	
	<u>(a) notwithstanding the provisions of Rule 17 i, where a Member has failed to discharge a legal liability to pay repatriation expenses payable under any statutory enactment giving effect to the Maritime Labour Convention 2006 or equivalent statutory provisions, the Club shall discharge or pay such claim on the Member's behalf directly to such Seaman or dependant thereof; and</u>	<i>The existing provision in Rule 17 iv is deleted and set out here.</i>
	<u>(b) where the Club is under no liability to the Member to pay claims, by reason of cesser of membership due to insolvency pursuant to Rule 35 i sub-paragraphs b, d or e, or the termination of cover pursuant to Rule 37 for non-payment of amounts due to the Club, the Club will nevertheless discharge or pay claims in accordance with this Rule 25 ii c (ii), but save as otherwise agreed by the Managers, to the extent only that such liability has arisen from an event occurring prior to the date of such cesser or cesser or prior to notice of such termination, or upon the earlier of either (i) three months from the date of cesser of membership or termination in accordance with such notice, or (ii) the expiry of the Policy Period, and otherwise subject to and in accordance with the Rules and applicable terms of entry; and</u>	<i>The existing provision in Rule 17 iv proviso c is set out here for clarity, but including an additional amendment following agreement by IG Clubs to cover repatriation costs where abandonment occurs after cesser of membership or termination of P&I Cover due to insolvency of a Member, for a period until expiry of the policy, or 3 months after the date of cesser or termination upon notice, whichever shall first occur.</i>
	<u>(c) any payment made by the Club pursuant to this Rule 25 ii c (ii) is made as agent only of the Member and the Member shall be liable to reimburse the Club for the full amount of such payment;</u>	<i>The existing provision in Rule 17 iv proviso d is set out here for clarity.</i>
	<u>(iii) or</u> in any other case where the Managers in their discretion determine that such expenses have been necessarily and reasonably incurred;	
d	Crew Substitutes	
	Expenses necessarily incurred in sending abroad substitutes, or in securing, engaging, repatriating or deporting a substitute engaged abroad, to replace any Seaman on board an entered ship who shall have died, or who shall have been disembarked due to injury, illness, or deserted, or in any other case in which the Managers determine that such expenses were reasonably incurred,	

	save that wages shall only be recoverable as part of such expenses when payable to substitutes, engaged abroad, whilst awaiting and during repatriation;	
e	Shipwreck Unemployment Indemnity	
	Wages or other compensation for loss of employment payable to Seamen in consequence of the loss or constructive total loss of an entered ship;	
	<i>Provided always that:</i>	
	In respect of paragraphs c (ii) , d and e of Rule 25 ii no such expenses shall be recoverable by or reimbursable to the Member in consequence of the termination of any agreement whether in accordance with its terms, by mutual consent or by the Member's breach, or by dismissal, or the sale of the entered ship or by reason of industrial action, or any other voluntary act of the Member giving rise to such expenses or where such expenses could reasonably have been avoided.	<i>This exclusion would preclude recovery for repatriation expenses by the Member (but not relevant third parties), for example arising in the ordinary course of business, such as the commercial sale of a ship.</i>
25		
vi	Pollution	
	Liabilities, losses, damages, costs and expenses caused by or consequent on the escape or discharge or threatened escape or discharge of oil or any other substance from the entered ship as follows:	
a	Actual Escape of Pollutants	
	Liability for loss, damage or contamination.	
b	Clean up Costs	
	Costs of any measures reasonably taken for the purpose of avoiding, minimising or cleaning up any pollution, any imminent danger of pollution, or any resulting loss, damage or contamination, together with any liability for any loss of or damage to property caused by any measures so taken.	<i>Costs relating to avoiding or minimising an imminent danger of pollution would be more appropriately classified as prevention costs. Such costs are already referred to in paragraph c, so the reference to them in paragraph b can be deleted</i>
c	Prevention Costs	
	Costs of any measures reasonably taken to prevent an imminent danger of discharge or escape from the entered ship of oil or any other substance which may cause pollution.	
d	Costs Pursuant to Government Directions	
	Liabilities, costs or expenses following a casualty to the entered ship incurred as a result of compliance with the order or direction of any government or authority (other than in respect of repair or salvage or any permanent structural alteration to an entered ship) for the purpose of avoiding, minimising or cleaning up any pollution or preventing the imminent danger of pollution.	<i>An amendment to include recovery of clean-up and prevention costs incurred pursuant to government directions.</i>
	<i>Provided always that:</i>	<i>It is proposed that the requirement for costs not to be otherwise recoverable under the Entered Vessel's Hull policy be applied not just to those arising out of compliance with government directions, but across all of the sections in which cover for pollution liabilities or pollution</i>

		<i>mitigation/avoidance is provided. These provisos are therefore removed from paragraph d, and listed with the other provisos that apply across sub-paragraphs a to f of Rule 25 vi, but also providing for Directors to have discretion to determine that a member may nevertheless be covered.</i>
	(i) such liabilities, costs or expenses are not recoverable under the Hull Policies of the entered ship and	
	(ii) there shall be no recovery under this Rule in respect of liabilities that would be recoverable under such Hull Policies but for the conduct of the Member.	
e	Voluntary Agreements	
	Liabilities, costs or expenses for which a Member may be liable or otherwise incur as a party to any agreement relating to oil pollution previously approved by the Managers on such terms as they may require.	
f	Salvors' Expenses	
	Liability for special compensation and any increment awarded thereon payable to salvors and incurred by a Member under the terms of the Special Compensation P&I Club (SCOPIC) Clause or under the provisions of Article 14 of the International Convention on Salvage 1989 or assumed under the terms of a standard form of salvage contract approved by the Managers.	
	<i>Provided always that:</i>	
	<u>(i) Unless otherwise agreed by the Managers in writing prior to the event giving rise to a claim, or unless the Directors shall in their discretion otherwise determine, there shall be no recovery under paragraphs a-f of this Rule 25 vi in respect of liabilities, costs or expenses that are recoverable under the Hull Policies of the Entered Ship, or would be recoverable under such Hull Policies but for the conduct of the Member.</u>	
	(ii) Unless otherwise agreed by the Managers in writing prior to the event giving rise to a claim, or unless the Directors shall in their discretion otherwise determine, there shall be no recovery under paragraphs a-f of this Rule 25 vi in respect of liabilities, costs and expenses which would have been recoverable by the Member in general average if the relevant charterparty or other contract of carriage had incorporated the unamended York Antwerp Rules 1994.	<i>The provisos previously numbered (i) to (iv) are re-numbered accordingly.</i>
	(iii) Without prejudice to any other provision, exclusion, limitation or condition set out in these Rules, cover under this or any other Rule is subject to Rule 22 iii.	
	(iv) A Member insured in respect of a ship which is a "relevant ship" as defined in the Small Tanker Oil Pollution Indemnification Agreement, including any addendum to, or variation or replacement of such agreement (STOPIA) shall, unless the Managers otherwise agree in writing, be a party to STOPIA for the period of entry of the ship in the Club.	
	Unless the Managers have agreed in writing or unless the Directors in their discretion otherwise determine, there shall be no cover under this Rule 25 vi in respect of such a	

	ship so long as the Member is not a party to STOPIA.	
	(iv) A Member insured in respect of a ship which is eligible for entry in the Tanker Oil Pollution Indemnification Agreement (TOPIA) shall, unless the Managers otherwise agree in writing, be a party to TOPIA for the period of entry of that ship in the Club. Unless the Managers have agreed in writing or unless the Directors in their discretion otherwise determine, there shall be no cover under this Rule 25 vi in respect of such a ship so long as the Member is not a party to TOPIA.	
	<i>Note: See Rule 18 ii under which, inter alia, the extent of the Club's liability for claims involving oil pollution is determined by the Directors.</i>	
	The limit with effect from 20 February 2013–2014 is US\$1,000,000,000 each vessel any one accident or occurrence.	
vii	Damage to Fixed and Floating Objects	
	Liability for loss of, or damage to, or interference with rights in relation to any fixed or movable property, whether on or above, in or below land or water, and whether or not on board the entered vessel.	<i>Amendments to clarify that liabilities to property other than cargo, whether or not on board an entered ship, more properly fall to be covered under the FFO Rule as opposed to the Cargo Liability Rule.</i>
	<i>Provided always that:</i>	
a	There shall be no recovery under this Rule 25 vii in respect of:	
(i)	the liabilities set out in the following Rules: Rule 25 i–iii Persons Rule 25 ii h Effects of seamen, supernumeraries or passengers Rule 25 v Collision Rule 25 vi Pollution Rule 25 viii Non contact damage to ships Rule 25 ix Towage contracts Rule 25 xi Wreck	
	to the extent that those liabilities are recoverable under the respective Rules set out above or would be recoverable but for any exclusions or other conditions of those Rules and/or under the terms of the Member's entry.	
(ii)	Liabilities in respect of cargo or other property intended to be or having been carried in the entered ship to the extent that those liabilities are recoverable under Rule 25 xiii or would be recoverable but for any exclusions or other conditions of that Rule and/or under the terms of the Member's entry.	<i>The exclusion is amended to ensure that liabilities in respect of "other property" are specifically covered under the FFO rule, and not elsewhere, such as under the Cargo rule. References to "other property" in the Cargo rule are deleted accordingly.</i>
(iii)	Liabilities arising under the terms of any contract or undertaking, unless approved in writing by the Managers on such terms as they may require.	
(iv)	Any liabilities, costs and expenses covered under the Hull Policies of the entered ship.	
(v)	Any Excess, Franchise and/or Deductible borne by the Member under the Hull Policies of the entered ship.	
b	If a claim is made on the Club under this Rule 25 vii for	

	loss of or damage to or interference with rights in relation to any property belonging to the Member in respect of whose entered ship the claim arose, the Member shall be entitled to recover from the Club and the Club Rules shall apply in all respects, as if such property belonged to a third party, but to the extent only that such claim is not recoverable under any other insurance upon the said property, and provided that there shall be no recovery under this Rule in respect of any such claim which is not recoverable under any other insurance only by virtue of the existence of the cover provided by the Club.	
c	Without prejudice to any other provision, exclusion, limitation or condition set out in these Rules, cover under this Rule 25 vii is subject to the following provisions:	
(i)	In respect of pollution, Rule 18 ii and the note thereto; and	
(ii)	Rule 22 iii .	
xiii	Cargo Liabilities	
	Liabilities and costs insofar as they relate to cargo or other property intended to be or being or having been carried in an entered ship as follows:	<i>References to "other property" are deleted throughout the Rule. Going forward, cover for liabilities in respect of property other than cargo would not fall to be covered under the Cargo Rule, but may be covered under the FFO Rule 25 vii.</i>
a	Loss, Shortage, Damage and other Responsibility	
	Liability for loss, shortage, damage or other responsibility arising out of any breach by the Member, or by any person for whose acts, neglect or default he may be legally liable, of his obligation as carrier by sea properly to load, handle, stow, carry, keep, care for, discharge or deliver the cargo or property or out of unseaworthiness or unfitness of the entered ship.	
b	Handling of Damaged or Worthless Cargo	
	The extra costs (over and above those required by and/or incurred in the performance of his obligations under the contract of carriage) incurred by the Member in restowing, discharging or disposing of damaged or worthless cargo, provided that the Member has no recourse to recover such costs from any other party and, in respect of such cargo, the Member shall only be entitled to recover such extra costs if and to the extent that they exceed any proceeds of sale of the cargo payable to the Member.	
c	Failure of Cargo Interests to Collect Cargo	
	The extra costs and liabilities incurred by the Member arising directly out of the failure by cargo interests to collect or remove cargo from the port or place of discharge or delivery provided that:	
(i)	The Member is legally liable for such costs or has incurred them under the direction or with the approval of the Managers; and	
(ii)	The Member has no recourse to recover such costs from any other party; and	
(iii)	The Member shall only be entitled to recover such extra costs if and to the extent that they exceed the proceeds of	

	the sale of the cargo; and	
(iv)	In any event there shall be no recovery in respect of	
(a)	storage charges for the first 30 days following discharge and	
(b)	any costs and liabilities (including storage charges), under paragraph c of this Rule 25 xiii, which have been incurred prior to notification of the failure to collect or remove cargo being received by the Managers.	
d	Through Transport	
	Liability for loss and shortage of, damage to or other responsibility in respect of cargo or other property for which the Member may be liable under a through or transshipment bill of lading or other form of contract of carriage providing for carriage to be partly performed by an entered ship, provided that	
(i)	the terms of any such contract of carriage have been approved in writing by the Managers on such terms as they may require;	
(ii)	where part of the carriage is performed by the Member in his capacity as an Owner (as defined in Rule 2) of a ship which he has not entered in the Club, the Member may recover from the Club for liability in respect of loss, shortage, damage or other responsibility in respect of cargo or other property only to the extent that it occurred during, or was consequent upon, that part of the carriage performed by the entered vessel.	
	<i>Provided always that:</i>	
	In relation to paragraphs a–d of this Rule 25 xiii	
(i)	Hague Rules and Hague- Visby Rules	
	Unless and to the extent that the Directors in their discretion otherwise determine or special terms have been agreed in writing by the Managers, there shall be no recovery from the Club in respect of any liabilities, costs and expenses which would not have been incurred or become payable by the Member if the cargo or other property had been carried under a bill of lading or other contract of carriage incorporating terms no less favourable to the carrier than the Hague Rules or Hague-Visby Rules.	
	<i>Note: A Member should ensure wherever possible that any bill of lading or other contract of carriage to which any other is the contracting party contains a provision in the same or substantially the same form as the “Himalaya” clause set out under the ‘Clauses Recommended by the Association’ at the end of the Rules, extending any exemptions and immunities of the carrier to that Member, and to each of his servants, agents and sub-contractors.</i>	
26 i	Classification	
26ii	Condition and other Surveys	
iii b	<u>Without prejudice to any other rights available to or exercised by the Managers under the Rules,</u> in the event of any non-compliance with any of the provisions of Rules 26 i or 26 ii above, or where, in the opinion of the Managers, the findings of any survey within Rule 26 ii b or audit within Rule 26 ii d so require, the Managers shall be empowered in their absolute discretion to:	<i>Consequential amendment. See note below under Rule 37 iii c.</i>
(i)	Terminate the entry of the ship and/or any other ships entered by the same Member forthwith or from a time and date specified by a notice in writing to the Member;	

(ii)	Determine that there shall be no right to recover from the Club in respect of any liability, cost or expense during a period commencing from the time and date at which the ship ceased to comply or such other date as is specified in writing by the Managers until the Managers are satisfied that compliance has been achieved or their requirements have been fulfilled;	
(iii)	Exclude cover for claims arising out of or contributed to by such noncompliance, or defects or any other deficiencies found in any such survey or audit;	
(iv)	Reduce any recovery from the Club to the extent that a claim has been contributed to by such non-compliance, or defects or any other deficiencies found in any such survey or audit;	
(v)	Vary the terms and conditions of entry, including premium rating and/or exclusion or limitation of the risks covered, save that where the Member does not accept any such variation, it may withdraw the ship from the Club forthwith on giving written notice no later than seven days following the date of notification of the variation by the Managers.	
	Provided that the Directors shall have power in their absolute discretion to admit in whole or in part a claim, which may be excluded under (i) , (ii) , (iii) and (iv) above. The exercise of their discretion by the Directors shall be final and conclusive for all purposes.	
37	Non-payment of Premium and Other Sums	
i	Irrespective of whether entered as a special and/or fixed premium entry under Rule 4 or a mutual entry under the Rules including those relating to payment of premium under Rules 10, 11, 12 and 39, a Member and, if applicable, any Joint Members or Assureds and/or Members liable for payment of sums under Rule 9 v, shall be directly liable for fixed premium, mutual premium, additional premium and overspill calls, as applicable, together with any other sums due to the Club under these Rules, regardless whether such payments may customarily be paid and accepted through intermediaries, and Section 53(1) of the English Marine Insurance Act, 1906, shall not apply.	
ii	Where sums due from the Club to a Member are paid to any intermediary, acting on behalf of and/or nominated by the Member, payment by the Club to that intermediary shall discharge the liability of the Club to the Member in respect of such sums.	
iii	If a Member fails to pay when due and demanded by the Managers any amounts due from him to the Club, the Managers shall be entitled in the exercise of their absolute discretion, and without prejudice to any other rights available to, or exercised by , them under the Rules:	<i>Consequential amendment. See note below under c.</i>
a	By notice in writing, to terminate the entry with the Club of any or all ships entered by or on behalf of such Member in respect of any policy year to which the Member's default relates with effect from the beginning of that policy year. In such circumstances the Club shall:	
(i)	return to the Member any premium paid for that policy year, after deduction of any sums already paid by the Club and of any sums for which the Club is or thereafter may become liable in respect of the said ships for that year	

	(including but not limited to any claim, reimbursement, reinsurance cost, or fee);	
	<i>Provided always that:</i>	
	If the total amount of the sums already paid and/or which may become payable by the Club exceeds any premium paid for that policy year, the Member shall be and remain liable for the difference.	
(ii)	Not be liable for claims in relation to the said ships arising by virtue of events occurring in any policy year to which the termination of entry relates.	
b	By notice in writing, to terminate the entry with the Club of any or all ships entered by or on behalf of the Member in respect of the policy year to which the Member's default relates, with effect from the date given in such notice which shall be in the Managers' absolute discretion.	
	In such circumstances, the Club shall:	
(i)	be entitled, in respect of any or all ships entered at any time during the policy year in respect of which entry has been terminated under this Rule, to that proportion of all Premiums and calls as the actual period of entry in respect of any such ships bears to the policy year;	
(ii)	not be liable in respect of claims in relation to the said ships arising by virtue of any event during the Policy Year to which the Member's default relates occurring after the date of termination.	
c	<u>By notice in writing, notwithstanding prior termination pursuant to the Rules (other than this Rule 37 iii), of the Member's entry of any or all ships in the Club, to determine that termination of the entry shall take effect on a date prior to that on which the original termination became effective, and in such circumstances the Club shall have the same rights under sub-paragraphs a and b above as if there had been no prior termination.</u>	<i>This amendment preserves the right on the part of the Managers to cancel back for non-payment of premium from inception of a policy year, in circumstances where cover may already have been terminated in accordance with the Rules from a later date, such as under Rule 26 iii b (i), based on the vessel's condition.</i>
	<i>Provided always that in relation to this Rule 37:</i>	
	If a Member fails to pay when due and demanded by the Managers any amounts due from him to the Club in respect of more than one ship entered in the Club, the Managers shall be entitled, in their absolute discretion, to exercise any of the options set out in this Rule 37 in respect of any such ship, and shall not be bound to exercise their discretion in the same manner in respect of each ship.	
	Further, and without prejudice to its rights under this Rule, the Club shall have a contractual lien over each ship owned by the Member and/or in the same and/or associated ownership, management or control, whether entered in the Club or not, for outstanding premiums and any other sums whatsoever due to the Club in respect of that ship or any other ship entered by the same Member. That lien shall be without prejudice and in addition to any other rights of the Club, howsoever arising, including any maritime lien or right in rem available by statute or other law of any jurisdiction. The Club shall be entitled to enforce its contractual lien hereunder in any jurisdiction in accordance with the local law of such jurisdiction. Such lien shall continue in force notwithstanding that the entry of the ship has terminated until all sums due to the Club have been paid.	

47	Dispute Resolution, Adjudication	
viii	These Rules and any contract of insurance between the Club and the Member shall be governed by and construed in accordance with English law.	
	Provided always that :	
	Save as provided in Rules 17 iii and 25 ii c (ii) , no benefit or rights are conferred or intended to be conferred, under or through the operation of the Contract (Rights of Third Parties) Act 1999 or any similar legislation.	<i>Consequential amendment required to permit payments to third parties as contemplated in Rules 17 iii and 25 ii c (ii)</i>
	Notwithstanding the above proviso, where any third party is permitted under the laws of any jurisdiction to assert howsoever a claim of whatsoever nature directly against the Club for the purpose of pursuing rights pursuant to the contract of insurance provided by the Club to a Member, then such third party shall be bound by sub-Rules 47 i b, iii, iv b, vii and viii of this Rule 47 as if the reference to Member had been to that third party.	

FORM OF PROXY

Before completing this form, please read the explanatory notes below

The undersigned, a Member of **STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED** (the "Company") hereby appoints **Herbert Menno Juniel*** or **Stephen Arthur Ward*** or **Christine Ann Gordon*** (*delete as appropriate) or failing him/her the Chairman of the meeting as my proxy to attend, speak and vote for me on my behalf at a General Meeting of Steamship Mutual Underwriting Association Limited to be held at the Registered Office of the Company at Aquatical House, 39 Bell Lane, London E1 7LU, United Kingdom, at 11:00 hours on Tuesday 18th February 2014 and at any adjournment thereof.

Signed

Date

Name (please print)

Company Name

Address

Notes to the proxy form

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You may appoint a proxy using the procedures set out in these notes.
2. To appoint a proxy using this form, the form must be: (i) completed and signed; and (ii) received by the Company not later than 48 hours before the commencement of the meeting at the registered office of the Company at Aquatical House, 39 Bell Lane, London E1 7LU, United Kingdom or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote.
3. As an alternative to completing a hard-copy proxy form, you can appoint a proxy electronically by sending it by e-mail to kathleen.kelly@sims.com. For an electronic proxy appointment to be valid, your appointment must be received by the Company not later than 48 hours before the commencement of the meeting in such manner as is specified in the notice convening the meeting or in any instrument of

proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote.

4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

5. A proxy does not need to be a member of the Company but must attend the meeting to represent you.

6. You may direct your proxy how to vote on the resolutions proposed. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.