



## STEAMSHIP MUTUAL

To the Members

January 2008

Dear Sirs,

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members of The Steamship Mutual Underwriting Association Limited will be held at the Registered Office of the Company, Aquatical House, 39 Bell Lane, London E1 7LU at 12:30 hours on Monday 18th February 2008, to consider and if thought fit to pass the following resolutions as ORDINARY RESOLUTIONS:

### RESOLUTIONS

#### A. ARTICLES OF ASSOCIATION

*The retirement criteria of Directors has been reviewed and a retirement age of 72 years imposed. A transitional provision has been adopted in respect of those Directors who have already attained the age of 69 such that they would be permitted to serve until the age of 75. A provision has also been included to allow the Board to appoint up to two Directors who are not representatives of a shipowner if they consider that the individual brings a particular skill which would serve to enhance corporate governance.*

The following resolution is proposed:

THAT with effect from Noon G.M.T. on 20<sup>th</sup> February 2008, Article 10.11 of the Articles of Association of the Company be deleted in its entirety and replaced as follows:

#### Article 10.11

~~10.11 No one shall be eligible to be appointed or elected a Director unless he is or has been the Owner or agent, or a director of or employed in an executive capacity by a corporation which is or has been the Owner or agent, of a ship or ships entered for insurance in the Company.~~

10.11. Save for a maximum of two persons, who are eligible under B) below, and nominated by a majority of the Directors as having expertise required for the good governance of the Company, only those persons who qualify under both the following conditions shall be eligible to be appointed or elected as Directors of the Company, namely

- A) any person who is or has been:
    - (i) an Owner or his agent; or
    - (ii) a director or a person employed in any executive capacity by a corporation which is any of the following:
      - a) a Member;
      - b) the holding company of a corporation which is a Member
      - c) a subsidiary of a Member corporation
      - d) associated with a Member corporation.
- (corporations described at b, c and d above collectively "Associated Corporations")

AND

L.73

- B) save where the Directors otherwise exceptionally resolve, who has not attained the age of 72 years.

PROVIDED THAT :

1) Where a Director of the Company holds that office by virtue of the application of the criteria in A) above, and either:

- (i) the Owner ceases to have any vessels entered in the Company; or
- (ii) the Member ceases to be a Member of the Company; or
- (iii) the Director ceases to be employed by a current Member or one of its Associated Corporations;

the Director shall retire at the AGM following the date of cessation of entry, membership or employment as the case may be, but shall be eligible for re-election from year to year for a maximum of a further three years from that date or until the Director has attained the age of 72 years, if earlier, with the approval of a majority of the other Directors.

2) Notwithstanding the provisions of B) above, those serving Directors who have already attained the age of 69 years by 20th February 2008, shall be eligible to continue as Directors until they attain the age of 75 years.

B. CLASS 1 RULES

The following resolution is proposed:

THAT with effect from Noon G.M.T. on 20<sup>th</sup> February 2008, the amendments to the Rules of Class 1 (Protection and Indemnity) of the Association, annexed hereto, and as explained in the attached commentary, be adopted.

By Order of the Board of  
The Steamship Mutual Underwriting Association Limited

R.A. Lakeman  
*Secretary*

*31<sup>st</sup> January 2008*

**AMENDMENTS FOR 2008/9 TO THE RULES OF CLASS 1 PROTECTION  
AND INDEMNITY OF THE STEAMSHIP MUTUAL UNDERWRITING  
ASSOCIATION LIMITED**

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

<b>Rule</b>		<b>Comment</b>
<b>2</b>	<b>Definitions</b>	
	<b>Container</b>	
	Includes trailer, flat, pallet, tank or <del>[similar receptacle]</del> <b>any other equipment the function of which is the containment or transport of cargo during carriage</b> <del>[which may have been specifically agreed to be covered by the Club].</del>	<i>An amendment to clarify those ancillary items which fall within the definition of 'Container' in order to remove uncertainty.</i>
	<b>Passenger</b>	
	<b>Means any person carried on board the entered ship pursuant to a contract for carriage.</b>	<i>Definition introduced for clarity and to define scope of cover for Supernumeraries who are defined under the existing rule (inter alia) as persons other than fare-paying passengers.</i>
<b>25</b>		
<b>iii b</b>	Supernumeraries and <del>[non fare-paying passengers]</del> <b>persons being carried other than pursuant to a contract for carriage.</b> The following risks as set out in Rule 25 ii are covered in respect of these persons:...	
<b>3</b>	<b>Scope of Cover</b>	
<b>v</b>	A Member is only insured against loss, damage, liability or expense incurred by it which arise:-	
<b>a</b>	out of events occurring during the period of entry of a Ship in the Club; and	
	<b>Save where cover for through transport risks has been taken out by the Member on such terms as the Managers agree in writing pursuant to Rule 25 xiii d:</b>	<i>An amendment to recognise that the provision of agreed cover for through transport risks requires a variation to the standard position that cover is only available in respect of risks arising out of the operation of a ship operated by a Member and in which it has an interest.</i>
<b>b</b>	in respect of the member's interest in the entered Ship; and	
<b>c</b>	in connection with the operation of the Ship by or on behalf of the Member.	

<b>6</b>	Entry	
v a	If the Managers determine that the nature of the risk has materially changed since the ship was entered; or	
<b>b</b>	If the Member fails to comply with the obligations under sub-paragraph iv of this rule,	
	the Managers shall be entitled, without prejudice to any other right or remedy of the Club, in their absolute discretion by notice in writing to:	
<b>(i)</b>	terminate the entry of such ship <b>or Member</b> from the commencement of the Policy Year or such later date as they may decide, or	<i>An amendment to clarify that the Managers have the right in the circumstances specified to terminate the Member's entry</i>
<b>(ii)</b>	amend or vary the terms of such entry as they think fit.	
<b>9</b>	Joint Members <b>and Assureds</b>	
iii		
Claims between Joint Members Assureds	There shall be no recovery out of the funds of the Club in respect of any liability, costs, and expenses arising out of or as a result of any claim, <del>or</del> dispute <b>or difference</b> between any Joint Members, <del>and/or</del> affiliates <b>and/or any others insured to any extent</b> under one entry.	<i>An amendment to clarify that liabilities arising out of disputes or differences between co-assureds under any one entry are not covered by the Club.</i>
<b>18</b>	General Exceptions and Limitations	
iii		
	When a Member for whose account a ship is entered in this Class is entitled to limit its liability, the liability of the Club shall not exceed the amount of such limitation or, if the ship is not entered for her full tonnage, such proportion of the said amount as the entered tonnage bears to the full tonnage, <b>in respect of the aggregate of all claims subject to limitation arising out of that incident or occurrence; and</b>	<i>An amendment to provide that a Member's recovery in respect of its own property shall be for that proportion of the claim which would have been subject to limitation if the claim had been brought by a third party. This provision will operate in circumstances where limitation applies and where the value of the aggregate of all claims subject to limitation (including the Member's own property) would exceed the limitation fund.</i>
<b>a</b>	<b>When the Member is entitled under Rule 25 to recover in respect of damage to, or loss of, a vessel, cargo or other property owned by it, as if such vessel, cargo or property was owned by a third party; and when,</b>	
<b>b</b>	<b>If that claim had been pursued by a third party it would have been subject to limitation; and</b>	
<b>c</b>	<b>When the aggregate of all the claims subject to limitation, (including that of the Member as if its property was owned by a third party), in respect of that incident or occurrence would have exceeded the amount to which the Member would be entitled to limit liability;</b>	
	<b>the Member's recovery from the Club in respect of its own claim shall not exceed the amount to which it would have been rateably reduced had it been a claim</b>	

	<b>subject to limitation under the limitation fund and/or in accordance with any other right to limitation in respect of the incident or occurrence.</b>	
<b>24</b>	<b>Imprudent Trading</b>	
<b>i</b>	No claim shall be recoverable from the Club if it arises out of or is consequent upon an entered ship:	
<b>a</b>	carrying contraband, blockade running or being employed in <b>an unlawful</b> trade [ <del>unlawful in the countries of shipment, destination or transit</del> ], or	<i>An amendment to bring this Rule into line with those of other Clubs.</i>
<b>b</b>	performing any voyage or being employed in any trade which in the opinion of the Directors is [ <del>unsafe or improper or involves extraordinary risks</del> ]- <b>imprudent, unsafe, unduly hazardous or improper.</b>	
<b>25</b>	<b>Preamble</b>	
	The liabilities, costs and expenses against which a Member may be protected and indemnified by entry in the Club are limited to those set out in Rules 25i to 25 xxi inclusive, subject always to	
<b>i</b>	The terms therein provided, and	
<b>ii</b>	The terms of this Rule and of all other Rules of Class 1 Protection and Indemnity insurance, and	
<b>iii</b>	Any other terms and conditions applicable to the Member's entry <b>and in particular, where cover is excluded in respect of any sub-paragraph of this Rule 25 under the terms of the Member's entry, those liabilities, costs and expenses shall not be recoverable under any other sub-paragraph of this Rule 25.</b>	<i>A provision to clarify that there may be no recovery for risks specifically excluded under the terms of the Member's entry in circumstances where more than one Rule may be potentially applicable.</i>
<b>25 v</b>	<b>Collision Liability</b>	
<b>c</b>	A Member's liability to indemnify the owner of the other ship against, <b>or to pay</b> , liabilities, costs and/or expenses of or incidental to: ....(liabilities in relation to the other ship)	<i>Technical amendment to cover direct liability, rather than one by way of indemnity, in respect of the other ship following a collision.</i>
<b>25</b>		
<b>xiii</b>	<b>Cargo Liabilities</b>	
<b>b</b>	<b>Handling of Damaged or Worthless Cargo</b>	
	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 <b>or worthless</b> cargo, provided that the Member has no recourse to recover such costs from any other party and, <b>in respect of such cargo</b> , 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.	<i>The Rule relating to cover for damaged cargo does not always protect a Member in respect of worthless cargo, since such cargo may be undamaged. This amendment, in keeping with the rules of some other Clubs, ensures cover when the owner is liable for undamaged but worthless cargo.</i>
<b>25</b>		
<b>xiii</b>	<b>Cargo liabilities</b>	
<b>d Through Transport</b>	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 contract of carriage have been approved in writing by the Managers on such terms as they may require;	
(ii)	<del>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, such carriage shall for all purposes under this Rule be deemed to have been performed by a third party.</del>	
	<b>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.</b>	<i>An amendment to clarify the intent of sub-paragraph d (ii). In the case of transshipment risks, where the carriage is performed by two vessels, both owned by the Member but only one of which is entered with the Club, liabilities arising out of the performance of the non-entered vessel should be directed to that vessel's P&amp;I insurers.</i>
Proviso (viii) Discretionary Claims		
(a)	.....	
(b)	The delivery of cargo carried on an entered ship without the production of the relevant bill of lading:	
(c)	<b>The delivery of cargo carried under a non-negotiable bill of lading, waybill or similar document without production of such document by the person to whom delivery is made, where such production is required pursuant to the terms of and/or the law applicable to that document, except where the Member is obliged by law to deliver, or relinquish custody or control of, the cargo, without production of such document; ...</b>	<i>This amendment reflects a proposed change to the Pooling Agreement in the light of the decision in the "Rafaela S", clarifying the availability of cover for delivery of cargo carried under a non-negotiable bill of lading. In the "Rafaela S," the English House of Lords held that production of a non-negotiable Bill of lading was required to ensure proper delivery of cargo. The Rule change recognises however that under the law of some jurisdictions, such as the United States, a carrier can be required to deliver cargo without production of the non-negotiable bill, notwithstanding the provisions of the contractual law applicable to that bill.</i>
	<i>Renumber following clauses (d),(e)(f)</i>	

Proviso (xii) <b>Heavy Lift Cargo</b>	<b>There shall be no recovery from the Club in respect of loss of or damage to or wreck removal of cargo carried on a semi-submersible heavy lift vessel or any other vessel designed exclusively for the carriage of heavy lift cargo, save to the extent that such cargo is being carried under the terms of a contract on Heavycon terms or on such terms as the Managers may otherwise agree in writing.</b>	<i>An amendment to incorporate the conditions governing recovery of Heavy Lift liabilities set out in the Pooling Agreement.</i>
xi	Removal of Wreck	
f	Without prejudice to any other provision, exclusion, limitation or condition set out in these Rules, cover under this Rule 25 xi is subject to the following provisions:	
(i)	In respect of pollution, Rule 18 ii and the note thereto; and	
(ii)	Paragraph h (i) of Rule 25v; and	
(iii)	<b>Provisos (x) and (xii) to Rule 25 xiii</b>	<i>Consequential amendment to reflect the Rule change introduced in respect of Heavy Lift cargo in Rule 25 xiii and to clarify the parameters regarding recovery in respect of deck cargo generally in the context of wreck removal.</i>
<b>25</b>		
<b>xxi</b>	Loss of or damage to containers	
	loss of or damage to containers owned or leased by the Member;  provided always that:  there shall be no recovery under this Rule <b>25 xxi</b> unless the Member has obtained the prior written agreement of the Managers to extend his cover in terms of this Rule and the Member has agreed to such special terms, and has agreed to pay such additional [ <del>calls or</del> ] premium, as the Managers may require.	<i>Correction to eliminate surplusage.</i>
26	Classification and Condition Surveys	
	Classification	
i	The Member shall ensure that from the time when a ship is entered in the Club and throughout the period of the ship's entry that:	
a	The ship is and remains classed with a Classification Society approved by the Managers in respect of the entered ship;	
b	Any incident or condition in respect of which that Classification Society might make recommendations as to repairs or other action to be taken is promptly reported to that Classification Society;	
c	All rules, recommendations and requirements of the Classification Society relating to the entered ship are complied with within the time or times specified by the Society;	
d	If requested by the Managers, any overdue recommendations or conditions are immediately notified to	

	them, together with any extensions granted by the Classification Society and certified by the Society;	
e	The Managers are authorised to inspect any documents and obtain any information relating to the maintenance of Class of the entered ship in the possession of any Classification Society with which the ship is or has at any time been classed and such Classification Society or Societies are where necessary authorised to disclose and make available such documents and information to the Managers upon request by them and for whatsoever purpose the Managers may consider necessary;	
f	If at any time after acceptance for entry or during the period of entry, the Classification Society with which the ship is classed is proposed to be changed, the Managers are to be given not less than 14 days notice in advance, and in any event as much notice in advance as is possible of the proposed change of Classification Society, stating the identity of the Classification Society to which the ship is to be transferred, and all outstanding recommendations of the ship's existing Classification Society;	
g	<b>The Member</b> <del>it</del> and the ship shall comply with all statutory requirements of the state of the ship's flag relating to the construction, adaptation, condition, fitment, equipment, manning, security and safety management of the entered ship;	
h	<b>The Member</b> <del>it</del> shall at all times maintain the validity of such statutory certificates as are issued by or on behalf of the state of the ship's flag in relation to such requirements and in relation to the International Safety Management (ISM) Code and the International Ship and Port Facility Security (ISPS) Code;	
i	Where an entered ship has been laid up for a period exceeding 6 months irrespective of whether any part of that period precedes the ship's entry and/or whether the Member has sought lying-up returns pursuant to Rule 33 the Member shall give notice of the recommissioning of the ship not less than 14 days prior to the date when the ship sails from the place of lay up.	
ii	Condition <b>and other</b> Surveys	
a	The Managers may <b>at any time</b> require a <del>Member to submit</del> an entered ship, <b>or a ship for which application for entry has been made, to be made available</b> for survey <del>at any time</del> by a surveyor or other person nominated by the Managers, within such period as may be specified by them. The Member <b>or prospective member</b> shall make the ship available within the time specified at a port or place accessible to any such <b>nominated</b> person, giving not less than 7 days prior notice of the ship's estimated arrival, and afford such facilities as may be required, including but not limited to, provision of all information and documentation requested. Unless otherwise agreed in writing by the Managers, the costs and expenses of any such surveys shall be paid by the Member	<i>In line with the International Group's commitment to verifying and maintaining the quality of entered tonnage, and following a review of the survey rules of other Group clubs, amendments have been introduced to this Rule to clarify that the Managers may require any entered vessel, or one proposed to be entered, to be made available for survey; and setting out the steps that may be taken in the event of defects or deficiencies found and their impact on the</i>



	<b>or prospective member</b> as and when incurred.	
<b>b</b>	<del>Any recommendations as to repair or otherwise made by a surveyor or other person appointed under the provisions of this rule must be carried out forthwith, or within such time as may be specified by the Managers and the Managers shall be notified immediately on completion of such works as are required to fulfil any such recommendations;</del>	
<b>b</b>	<b>Where a surveyor or other person surveying or inspecting an entered ship (whether or not such surveyor or person has been appointed under subparagraph a of this Rule 26 ii), makes adverse findings as to the condition of the ship, or any recommendations as to repair or maintenance or otherwise, made by a surveyor or other person appointed under the provisions of this rule</b>	<i>The Managers' rights under Rule 26 iii (for example to exclude recovery until recommendations as to repair have been complied with) may be exercisable as a result of the adverse findings of any survey or inspection of an entered ship, such as the findings of an independent Port State Control inspection.</i>
	<b>the Managers shall be entitled in their absolute discretion to</b> <b>(i) exercise any of their rights under Rule 26 iii b; and/or</b> <b>(ii) require such recommendations, or any part of them, to must be carried out forthwith, or within such time as may be specified by the Managers and the Managers shall be notified immediately on completion of such works as are required to fulfil any such recommendations; and</b>	
<b>c</b>	The Managers may require the Member to provide such evidence of compliance with such recommendations as they deem fit and/or require the ship to be made available for re-survey within such period as may be specified by them. Where re-survey is required Rule <b>26 ii (a)</b> shall apply to that survey and Rule <b>26 ii (b)</b> and <b>(c)</b> to any recommendations made thereon;	
<b>d</b>	The Managers may at any time and in their absolute discretion:	
<b>(i)</b>	appoint representatives to visit the offices of the entity or entities having operational control of the ship and/or attend on board within the time specified by the Managers to audit the Member's management systems, including interviewing all relevant personnel and reviewing all relevant documentation. The Member shall ensure full co-operation with such representatives, making all requested personnel, information and documentation available, and, unless otherwise agreed in writing by the Managers, shall pay for the reasonable costs of such audit; and	
<b>(ii)</b>	make recommendations as to the remedying of any deficiencies identified which must be carried out forthwith, or within such time as may be specified by the Managers; and	
<b>e</b>	The Managers must be notified immediately on completion of the implementation of such recommendations and provided with such evidence as they deem fit as to the remedying of such deficiencies and shall have the right to carry out re-audits to verify the same.	
<b>f</b>	<b>The Member shall comply with any requirements of the</b>	

	<b>Managers made pursuant to Rule 26 ii a-e.</b>	
<b>iii</b>		
<b>a</b>	<b>Save where the Managers in their absolute discretion determine, there shall be no right to recover from the Club in respect of any liability, cost or expense where:</b>	<i>Save where the Managers agree otherwise, and subject to the Directors' overriding discretion to admit claims at Rule 26 iii b (v), there will be no right to recover from the Club where a Member fails to carry out a required survey, and for claims arising out of defects found by a survey, until same are repaired.</i>
<b>(i)</b>	<b>the Member has failed to make a ship available for survey in compliance with the Managers' requirements under Rule 26 ii a, from the last date within which such survey was to be undertaken until a survey has been carried out and the Managers' requirements following any such survey have been fulfilled;</b>	
<b>(ii)</b>	<b>Under Rule 26 ii b, recommendations as to repair or otherwise are made, in respect of claims arising out of or contributed to by the defects or matters in respect of which such recommendations are made, until such recommendations and/or repairs have been carried out.</b>	
<b>b</b>	In the event of any non-compliance with any of the provisions of Rules 26 i or 26 ii above, <b>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</b> , the Managers shall be empowered in their absolute discretion to:	
<b>(i)</b>	Terminate the entry of the ship and/or any other ships entered by the same Member <b>forthwith or</b> from a time and date specified by a notice in writing to the Member;	
<b>(ii)</b>	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 <b>by the Managers</b> until the Managers are satisfied that compliance has been achieved <b>or their requirements have been fulfilled;</b>	
<b>(iii)</b>	Exclude cover for claims arising out of or contributed to by, such non-compliance, <b>or defects or any other deficiencies found in any such survey or audit;</b>	
<b>(iv)</b>	Reduce any recovery from the Club to the extent that a claim has been contributed to by, such non-compliance, <b>or defects or any other deficiencies found in any such survey or audit;</b>	
<b>(v)</b>	Vary the terms and conditions of entry, including premium rating and/or exclusion or limitation of the risks covered, <b>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 7 days following the date of notification of the variation by the Managers.</b>	
	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.	
c (i)	Nothing in this rule, or any action taken by the Club hereunder shall relieve the Member of its obligations with regard to the classification of the ship and/or the statutory requirements applicable to that ship or the Member howsoever arising or to the maintenance and/or condition of the ship generally.	
(ii)	<b>Nor shall the Club or the Managers be under any liability whatsoever or howsoever arising in respect of any recommendations or advice given by any surveyor or other person nominated or appointed by the Managers under Rule 26 ii.</b>	
47	Dispute Resolution, Adjudication	
i a	In the event of any difference or dispute whatsoever, between or affecting a Member and the Club and concerning the insurance afforded by the Club under these rules or any amounts due from the Club to the Member or the Member to the Club, such difference or dispute shall in the first instance be referred to adjudication by the Directors. That adjudication shall be on the basis of documents and written submissions alone and conducted in accordance with such procedures as the Managers decide from time to time in their absolute discretion. <del>[Notwithstanding the terms of this Rule 47 i, the Managers shall be entitled to refer any difference or dispute to arbitration in accordance with sub paragraph ii below without prior adjudication by the Directors.]</del>	
b	Notwithstanding the terms of this Rule 47 i, <b>where it appears to the Managers that any difference or dispute between or affecting a Member and the Club has arisen, the Managers, on behalf of the Club, shall be entitled to commence either:</b> <b>(i) proceedings before the High Court of Justice in London; or</b> <b>(ii) arbitration in London,</b> <b>in respect of such difference or dispute in accordance with sub-paragraph ii below, without prior adjudication by the Directors.</b>	<i>An amendment has been introduced to give the Managers, acting on behalf of the Club, the right to elect that disputes between a Member and the Club shall be determined by the High Court in London as opposed to London arbitration, and if necessary, without prior adjudication by the Directors.</i>  <i>In addition a qualification has been introduced that only Queen's Counsel currently in practice at the commercial bar in London shall be eligible to be appointed as arbitrators.</i>
ii	If the Member <del>[does not accept]</del> <b>wishes to challenge</b> the decision of the Directors <b>upon adjudication under 47 i a above</b> <del>[or if the Managers, in their absolute discretion, so decide], then</del>	
a	the dispute or difference shall <del>[be referred to the arbitration of three arbitrators, one to be appointed by each of the parties and the third by the two arbitrators so chosen, in</del>	

b	<p><del>London. The submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act 1996 and the schedules thereto or any statutory modifications or re-enactment thereof.]</del> be referred to arbitration in London, unless the Managers (on behalf of the Club), in their absolute discretion, elect that the difference or dispute shall be determined by the High Court of Justice.</p> <p>Not later than 90 days after the Managers have advised the Member in writing of the Directors' decision upon adjudication, the Member, in order to challenge that decision, must give written notice to the Managers stating that the Member does not agree with the Directors' decision and requiring the Managers to make their election under Rule 47 ii a. In default of such written notice the Directors' adjudication under 47 i a above shall be final. Within 30 days' of receipt of the Member's notice the Managers shall give written notice to the Member stating that the difference or dispute shall be determined either by the High Court of Justice in London or shall proceed by way of London arbitration.</p>	
iii	<p>In the case of arbitration proceedings commenced in accordance with Rule 47 i b (ii) and 47 ii , unless the Managers otherwise agree in writing to the appointment of a sole arbitrator, the arbitration tribunal shall consist of three arbitrators, one to be appointed by each of the parties and the third by the two arbitrators so chosen. The arbitrators shall be Queen's Counsel currently in practice at the Commercial bar in London.</p> <p>Any submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act 1996 and the schedules thereto or any statutory modifications or re-enactment thereof.</p>	
iv	<p>No Member shall be entitled to maintain any action, suit or other legal proceedings against the Club upon any such difference or dispute unless and until:</p>	
a	<p>the same has been adjudicated by the Directors or, having been put before them for special consideration at a meeting of the Board, a period of four months has elapsed from that date without publication of their adjudication; and</p>	
b	<p>if such <del>[decision]</del> <b>adjudication</b> is not accepted by the Member <b>by notice given in accordance with Rule 47 ii b</b> or such period has elapsed, unless and until <b>either:</b></p> <p><b>(i)</b> <b>the difference or dispute shall have been referred to London arbitration in the manner provided in this Rule, and the award has been published; <del>shall have been published and then only to enforce the terms of that award; or</del></b></p> <p><b>(ii)</b> <b>the Managers have elected for proceedings before the High Court of Justice in London, and judgment has</b></p>	

	<p><b>been given;</b>  <del>[and then only to enforce the terms of that award.]</del></p> <p><b>Provided that, and subject always to the conditions set out in sub-paragraphs b (i) and (ii) above, the Member shall in any event only be entitled to enforce the terms of that award or judgment.</b></p> <p>And the sole obligation of the Club to the Member under these Rules or otherwise howsoever in respect of any disputed claim made by the Member shall be to honour the terms of <del>[such an award]</del> <b>either, a judgment of the High Court of Justice in London, or a London arbitration award, obtained in accordance with the provisions of this Rule.</b></p>	
v	In the adjudication of each difference or dispute the Directors shall have the power but not a duty to request further information or documents from the Member which request shall be complied with not later than two months from the date of receipt of that request by the Member. Where such a request is made, the period in Rule 47 iv a shall run from the expiry of the Member's period for compliance.	
vi	In any event no request for adjudication by the Member shall be made to the Directors in respect of any difference or dispute between, or matter affecting, the Member and the Club more than two years from the date when that dispute, difference or matter arose unless, prior to the expiry of this limitation period, the Managers have agreed in writing to extend the same.	
vii	Nothing in this Rule 47 including paragraph i, or in any other Rule or otherwise shall preclude the Club from taking any legal action of whatsoever nature in any jurisdiction at its absolute discretion in order to pursue or enforce any of its rights whatsoever and howsoever arising including but not limited to:	
a	Recovering sums it considers to be due from the Member to the Club;	
b	Obtaining security for such sums; and/or	
c	Enforcement of its rights of lien whether arising by law or under these rules.	
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.	
	<i>Provided always that:</i> 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.	
	<b>Clauses recommended by the Association</b>	
Canadian Trade Clause	In all bills of lading <b>to and/or</b> from Canadian ports the following clause should be used:	
	"The terms, provisions and conditions of the <del>Canadian</del>	<i>Amendment to reflect current</i>

<p>Paramount</p>	<p><del>Water Carriage of Goods Act, 1993 and of the rules comprising the schedules thereto</del> <b>Rules (“Hague-Visby Rules”)</b> as set out in <b>Schedule 3 to Chapter 6 Part 5 – “Liability for Carriage of Goods by Water” of the Marine Liability Act, 2001 as amended</b>, are [<del>so far as applicable</del>], to govern the contract contained in this Bill of Lading and the shipowners are to be entitled to the benefit of all privileges, rights and immunities contained <b>in the provisions of Schedule 3 to the above Act</b> as if the same were herein specifically set out. If anything herein contained be inconsistent with the said provisions, it shall to the extent of such inconsistency and no further be null and void. The carrier shall be under no responsibility whatsoever for loss of or damage to the goods howsoever and wheresoever occurring when such loss or damage arises prior to the loading and/or subsequent to the discharge from the carrier’s ship.”</p>	<p><i>Canadian legislation. In 2001 the Canadian Marine Liability Act was enacted replacing, amongst other statutes, the Canadian Carriage of Goods by Water Act 1993. The new legislation adopts the Hague Visby Rules as set out in Schedule 3 to the Act.</i></p>
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