



STEAMSHIP MUTUAL

To the Members

September 2005

Dear Sirs,

NOTICE IS HEREBY GIVEN that a Special General Meeting of The Steamship Mutual Underwriting Association (Bermuda) Limited will be held at the Registered office of the Company, Clarendon House, 2 Church Street, Hamilton HM-11, Bermuda at 11:00 hours on Tuesday, 4th October 2005, to consider and if thought fit to pass the following resolution as a Special Resolution:

RESOLUTION

That with effect from 20th October 2005, the amendments to the Bye-laws of the Company annexed hereto, be adopted.

The Managers in conjunction with the Club's Bermudian counsel, Conyers Dill and Pearman, have undertaken a review of the Bye-laws of the Club, but with two particular areas of focus.

The allocation of voting rights to Members has been reviewed in order to devise voting rights which acknowledge the range and diversity of the Club's business and the differing obligations of Members to contribute to the funds of the Club. The Club's Board has endorsed proposed changes whereby Members will in future be granted voting rights calculated in accordance with each Member's proportion of callable tonnage entered in the Club and excluding the rights of Members (including Insurers reinsured by the Club) to vote in respect of vessels entered in the Club on a fixed premium basis. It is further proposed that reinsured Members with vessels entered on a callable basis shall be entitled to one vote only.

The review has also focused on the requirements in the Club's Bye-laws regarding notices for the calling of general meetings and the appointment of proxies to attend and vote. Such requirements have in some cases made it difficult for Rules changes sanctioned by the Club's Board at its January Board meeting to be approved by the Members of the Club in general meeting prior to intended introduction on 20th February next following. Specific amendments are now proposed to the Bye-laws to codify the procedure by which Rules changes may be made and to streamline the procedure for calling meetings by permitting notices and appointments of proxy to be transmitted electronically.

In addition to the foregoing, a general review of the Bye-laws has been carried out and changes introduced to bring the Bye-laws into conformity with the Rules of the Club and with current legislation and practice. The text of the proposed changes approved by the Board is set out in full and attached, accompanied by a brief commentary in relation to areas of drafting in which any material change has been made.

By Order of the Board of
The Steamship Mutual Underwriting Association (Bermuda) Limited

J.M. Macdonald
Secretary

16th September 2005

B.435

**PROPOSED CHANGES TO THE BYE-LAWS
OF THE STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (BERMUDA) LIMITED**

Bye-law 1

Definitions have been put into alphabetical order. New definitions of the terms "clear days", "Tonnage" and "War Risks Class" appearing in the Bye-laws have been inserted. The definition of "Classes" has been amended to clarify that these are classes of insurance.

1 (2)
In the interests of clarity, the Bye-laws now provide that words and expressions defined in the Rules of the Club shall have the same meaning in the Bye-laws unless expressly stated otherwise.

1 (3)
This confirms the position, implicit from the wording of Rule 1 of the Club Rules, that in the event of any inconsistency between the Rules of the Club and the Bye-laws, the provisions of the Bye-laws shall prevail.

2 (7)
A textual change introduced to bring this Bye-law into conformity with the current provisions of Club Rule 6vi.

4 (1) (ii),(iv),(v) and 4 (2)
Textual changes introduced to bring these Bye-laws into conformity with current provisions of the Club Rules (see respectively Rules 35iv, 35v and 35v proviso a).

5
An amendment to make clear that the Board may determine the classes of insurance the Company may write.

6
The provisions for discontinuing or winding up any insurance class have been amended in the interests of fairness to confer on the Members of the relevant class the right to decide by resolution upon this course of action at a separate class meeting. The provisions are also consistent with those in Bye-law 9 for amending the Rules of any insurance class.

9
A new provision to clarify that the Rules of any insurance class may be added to or altered by a resolution of the Company passed at a general meeting, which is in addition to the existing provision which permits the Rules to be altered or amended by a resolution passed at a separate meeting of the Members of an insurance class.

11
Amendments to bring the Bye-laws into conformity with the provisions of Rule 10 of the Club Rules regarding contributions of Members to the Club and the purposes for which these shall be applied.

19
The provision stating that at least 14 business days' notice in writing to each Member shall be given of a special general meeting, has been deleted.

20 (1) and (2)
The provisions governing the notice of meetings have been codified. At least five clear days notice is now required to be given of an annual general meeting or a special general meeting. The previous requirement was 14 clear days' notice.

20 (4)
Notices may now be sent by electronic mail.

20 (5) This replicates the provisions of the former Bye-law 89.

20 (7) A notice contained in an electronic communication shall be deemed to be given at the expiration of 24 hours after the time it was sent. Notices sent by mail or courier shall be deemed to have been given on the fifth day following despatch.

20 (8) A new provision whereby the Member may be asked to supply an alternative acceptable address for delivery of notices by the Company in the event of problems with regard to the existing address for service.

26 A minimum of five clear days' notice (the previous requirement was seven) is now required to specify the place and time of an adjourned general meeting.

32 This clarifies that in the event of an equality of votes at a general meeting of the Company, the resolution shall fail and the chairman of the meeting shall not be entitled to a further casting vote. A similar provision exists in Bye-law 61(3) with regard to proceedings of the Board of Directors.

33 (1) New voting provisions have been introduced. In summary, only members who have entered tonnage on a callable basis shall be entitled to vote. Callable members whose total entered tonnage is up to and including 10,000 GT shall have one vote; callable members whose ships' total entered tonnage exceeds 10,000 GT, may have one vote for each ship whose entered tonnage is in excess of 10,000 GT and in the case of ships whose individual tonnage does not exceed 10,000 GT, one vote for each complete unit of 10,000 GT entered, subject always to a maximum of five votes per member.

Members, including insurers reinsured by the Club, shall not be entitled to voting rights in respect of vessels entered in the Club on a fixed premium basis, and members who are entered as insurers reinsured by the Club on a callable basis shall be entitled to one vote only.

33 (2) A definition of callable member has been inserted, namely one who is liable under the Rules to pay additional premium and/or overspill calls to the Club.

39 Appointments of proxy may now be in any common form, or such form as the Board may determine from time to time, and may also be contained in an electronic communication.

40 No time limits are now specified for receipt of an appointment of a proxy by the Company. The only requirement is that the appointment of a proxy should comply with any requirements stipulated by the Company in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting.

41 A new provision to the effect that the decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

46 (1) An amendment to clarify that more than three persons who satisfy the criteria set out in paragraphs (i) and (ii) shall be eligible to be appointed or elected as a director, whether or not they are ordinarily resident in Bermuda.

61 (3)

See amendment to Bye-law 32.

63 (1)

An amendment to clarify that notice of any special or annual general meeting convened to remove a director must be served on such director not less than 14 clear days before the meeting.

76

The name of the Managers of the Company has been corrected and a provision inserted to the effect that the Board may appoint Managers of the Company.

85

A new provision whereby the Board may appoint an auditor where the office becomes vacant, without the necessity of convening a special general meeting.

88 (1)

A provision clarifying that Bye-law 20 governs the giving of notices by the Company to any Member.

88 (2)

An amendment to provide that the Company may now forward documents to Members by electronic mail or by publishing such documents on a website.

93

The wording of the indemnity has been expanded to include the Managers of the Company and every duly appointed representative thereof, and any liquidator or trustees acting in relation to the Company, their heirs, executors or administrators. In addition each Member agrees to waive any claim or right of action it might have against such persons arising out of their acts or failure to act. The indemnity provisions do not however apply in relation to any acts of fraud, dishonesty or wilful misconduct.

95

This Bye-law has been amended to provide that the Rules of the Club shall be the first point of reference for determining the dispute resolution provisions which are applied between the Club and the Members. This is to avoid any inconsistency between the provisions of the Bye-laws and the Rules, particularly in view of the fact that the Rules may be updated more frequently.

B Y E - L A W S
of

**THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (BERMUDA) LIMITED**

INTERPRETATION

1. (1) In these Bye-Laws the following expressions shall where the context so admits have the following respective meanings:

the "Act" means "The Steamship Mutual Underwriting Association (Bermuda) Company Act, 1974" and any amendments thereto;

"Auditor" includes any individual or partnership;

"Board" means the Board of Directors of the Company;

"Chairman" means the Chairman of the Board;

the "Classes" means the P and I Class, the Defence Class, the Strike Class, the War Risks Class and any other Class of insurance which may at any time exist within the Company;

"clear days" means in relation to the period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

the "Company" means The Steamship Mutual Underwriting Association (Bermuda) Limited; the "Companies Act" means the Companies Act, 1981 (as may from time to time be amended);

the "Defence Class" means The Freight, Demurrage and Defence Class of the Company (Class II);

the "Directors" mean the Members of the Board for the time being;

"insurance or insured" means insurance or insured against the risk specified in the Rules of the respective Classes;

"liabilities" includes duties and obligations of every description;

the "Managers" mean the Managers for the time being of the Company;

"Members" in relation to the Company means at any stated time all the persons who are then Members of any Class within the Company or a Director in accordance with Bye-Law 3;

"month" means calendar month;

"notice" means written notice unless otherwise specifically stated;

"Owner" means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagees, trustee, charterer, operator, manager or builder of a Ship;

the "P and I Class" means The Protection and Indemnity Class of the Company (Class I);

“President”, “Vice President” and “Treasurer” mean, respectively, only the officers of the Company having such titles;

“Registrar” means the Registrar of Companies;

“Register of Members” means the Register of Members of the Company for the time being maintained by the Company;

“Reserve Fund” means a sum of Two Hundred and Forty Thousand United States Dollars as required by Section 15 (1) of the Act;

the “Rules” mean the Rules from time to time in force governing the conduct of the whole or any part of the business of the Company;

the “Seal” means the Common Seal of the Company;

“Secretary” means the person appointed to perform the duties of the Secretary of the Company and shall (subject to the provisions of the Act) include an assistant or deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary;

“Ship” means a ship or boat or hydrofoil or hovercraft or any other description of vessel or structure used in navigation or for the carriage or storage of goods or for the carriage of passengers, or any part thereof or any portion of the tonnage or insured value thereof or any share therein, including any Ship as herein defined under construction;

“statutory declaration” means a declaration filed with the Registrar;

the “Strike Class” means the Strike Risks Class of the Company (Class III);

“subsidiary” means a subsidiary as defined in the Companies Act;

“Tonnage” means the gross tonnage of a Ship as certified or stated in the certificate of registry, or other official document relating to the registration of each Ship, or if more than one tonnage is shown, the higher, and “ton” refers to the unit of such tonnage;

“War Risks Class” means the War Risk Class of the Company (Class IV);

“year” means calendar year unless otherwise specifically stated.

(2) In these Bye-Laws, where not inconsistent with the context:

“may” shall be construed as permissive;

“shall” shall be construed as imperative;

words importing only the singular number shall also include the plural number and vice versa;

words importing only the masculine gender shall also include the feminine and neuter genders;

words importing persons shall also include companies or associations or bodies of persons whether corporate or unincorporated;

“in writing” and “written” shall also include facsimile, printing, lithography, photography and other modes of representing or reproducing works in visible form;

“these Islands” mean the Islands of Bermuda;

words and expressions defined in the Rules shall have the same meaning in the Bye-laws unless expressly stated otherwise.

(3) In the event of any inconsistency between the Rules and these Bye-Laws, the provisions of these Bye-laws shall prevail.

MEMBERSHIP

2. The Company shall consist of an unlimited number of ~~members~~Members.

3. (1) Every ~~owner~~Owner who has a ~~ship~~Ship entered for insurance in the Company and whose name is entered in the Register of Members shall, subject to the proviso to ~~Paragraph 2~~paragraph (3) of this Bye-Law, be a ~~member~~Member of the Company.

(2) Every Director of the Company whilst holding that office shall be a ~~member~~Member of the Company and his name shall be entered in the Register of Members and the Register of Director and Officers.

(3) Subject to the proviso to this ~~Paragraph~~paragraph, any ~~owner~~Owner who desires to enter a ~~ship~~Ship for insurance in the Company shall, if he is not already a ~~member~~Member of the Company, be deemed in applying for such entry to have agreed that if such entry is accepted he will thereupon become and be a ~~member~~Member of the Company in accordance with these Bye-Laws: PROVIDED that the Company may permit any ~~owner~~Owner to enter a ~~ship~~Ship for insurance in the Company without requiring such ~~owner~~Owner to be or become a ~~member~~Member of the Company but only upon the condition that all the provisions of the relevant Rules as to the terms upon which such entry is permitted shall be observed and shall be binding upon such ~~owner~~Owner.

(4) ~~Every~~Every person who is a Member of the Steamship Mutual Underwriting Association (Europe) Limited, in accordance with Article 9, paragraph (4) of the Articles of Constitution of the Steamship Mutual Underwriting Association (Europe) Limited dated 21st February 1994 or any subsequent amendment thereof, shall be a Member of the Company and shall be entered in the Register of Members.

(5) Every person who is a Member of the Steamship Mutual Underwriting Association Limited of London in accordance with Article 3 of the Articles of Association thereof dated 10th January 1963 or any subsequent amendment thereof shall be a Member of the Company and shall be entered in the Register of Members.

(6) Membership shall not be transferable or transmissible.

(7) The ~~Directors~~Board or, as delegated to them by the Board, the Managers shall be at liberty to refuse any application for entry of a ~~ship~~Ship for insurance in the Company from any ~~owner~~Owner without stating reasons whether or not that Owner is or has been a Member.

(8) Where a ~~ship~~Ship is entered for insurance in the Company by more than one ~~owner~~Owner all such ~~owners~~Owners of such ~~ships~~Ships shall be deemed to be joint ~~members~~Members. Joint ~~members~~Members shall for the purposes of contribution be treated as one ~~member~~Member, but shall be jointly and severally liable in respect thereof.

CESSER OF MEMBERSHIP

4. (1) A ~~member~~Member shall ipso facto cease to be a ~~member~~Member:

- (i) If, being a ~~member~~Member in his capacity as a Director and not otherwise, he shall cease to be a Director;
- (ii) If, being an individual, he ~~shall die~~dies or a receiving order shall be made against him, he becomes bankrupt or he ~~shall make~~makes any arrangement or composition with his creditors generally;
- (iii) If, being an individual, he becomes incapable by reason of mental disorder of managing and administering his property and affairs;
- (iv) If, being a corporation, it be wound up or dissolved, it has a receiver or manager appointed over any of its assets or seeks protection from its creditors, it has filed for reorganization or rehabilitation pursuant to any applicable laws, or if a creditor takes uncontested possession of any of its assets pursuant to any security interest therein;
- (v) If he suffers any equivalent or analogous event in any jurisdiction to those events referred to in the preceding sub-paragraphs (ii), (iii) or (iv);
- ~~(vi)~~ If, not being a ~~member~~Member in his capacity as a Director, he shall cease to have any ~~ship~~ entered for insurance in the Company;
- (2) A ~~member~~Member who ceases to be a ~~member~~Member and his estate, personal representatives, trustees in bankruptcy, receiver or other person authorised to act on behalf of a ~~member~~Member who becomes incapable by reason of mental disorder of managing his property and affairs or liquidator as the case may require shall, notwithstanding such ceasing, be and remain liable to pay to the Company all moneys ~~which under these Bye-Laws or the Rules such member would, had he not ceased to be a member, have been liable to pay to the Company in respect of the period down to and including the 20th February next after the date of such cessation to the Company in accordance with the Rules.~~

CLASSES

- 5. The Company shall have the following Classes initially and such other Classes as the Board may determine from time to time:
 - (1) The P. and I. Class;
 - (2) The Defence Class;
 - (3) The Strike Class;
 - (4) The War Risks Class.

The Rules of each Class shall initially be determined by the ~~Directors prior to the date at which the Directors determine that such Class shall operate~~Board and such Rules shall remain in force subject to any alterations therein or additions thereto made as hereinafter provided.

- 6. Any Class may be discontinued or wound up in such manner and upon such terms as may be directed ~~by Resolution at Special General Meeting~~at ~~Special General Meeting~~by a resolution passed at a separate meeting of the Members of such Class or by a resolution passed at a general meeting of the Company.
- 7. The business of each Class shall, subject to these Bye-Laws be conducted according to the Rules of such Class.

SEPARATE MEETINGS OF MEMBERS OF CLASSES

8. The ~~Directors~~Board may at any time convene a ~~Separate Meeting~~separate meeting of the ~~members~~Members of any Class. A ~~Separate Meeting~~separate meeting of any Class shall also be convened on the requisition in writing of not less than twenty-five ~~members~~Members of such Class. To every ~~Separate Meeting~~separate meeting all the provisions for these Bye-Laws relating to ~~General Meetings~~general meetings of the Company shall, mutatis mutandis, apply except that ~~not more than seven clear days' notice of any such meeting shall be required, and so that if at any adjourned meeting a quorum is not present those members~~Members of the Class who are present in person or by proxy shall be a quorum.
 9. The Rules of any Class may be altered or added to either by Resolutiona resolution passed at a ~~Separate Meeting~~separate meeting of the ~~members~~Members of such Class or by a resolution passed at a general meeting of the Company PROVIDED in each case that no such alteration shall be effective unless and until the same shall be sanctioned by the ~~Directors~~Board.
 10. A separate account shall be kept for each Class to which shall be debited all payments necessarily or properly made by or on behalf of the Company in connection with that Class, including all payments of claims, expenses and other outgoings. There shall also be debited to the separate account of each Class such ~~proportion~~proportion of the Generalgeneral expenses of the Company as the Directors may determine.
 11. There shall be provided by way of contributions to be made by the ~~members~~Members insured in any Class levied from time to time in accordance with the Rules of such Class the funds required:
 - (1) ~~for meeting to meet all such claims, liabilities, costs, expenses and other outgoings (whether incurred, accrued or anticipated) of the Class, and~~as the Board determines necessary and properly fall on the Company;
 - (2) ~~to be carried to~~to establish, maintain or accumulate such reserve or reserves as the ~~Directors~~Board may deem necessary, ~~and to such provision or provisions or prudent;~~
 - (3) ~~without prejudice to the foregoing provisions of this Bye-law, to accumulate such amounts as may be necessary to establish and maintain any solvency margin, guarantee fund or other fund as may be required by the Company by any government or regulatory authority or by any legislation or regulation.~~
- Every ~~member~~Member shall pay to the Company all contributions which shall be duly levied upon him as aforesaid. Such contributions to the funds of the Company shall be levied upon and paid by the Members as mutual premium, additional premium and overspill calls in accordance with the Rules.
12. All policies of insurance underwritten on behalf of any Class shall be underwritten in the name of the Company but no person shall, in respect of insurance in any Class, be liable to pay or entitled to receive any money in respect of insurance in any other Class.
 13. Every engagement or liability of a ~~member~~Member in respect of any insurance 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~~Member to the Company, and not to any other ~~member~~Member or other person and all moneys payable thereunder shall be paid to the Company.
 14. All claims in respect of insurance shall be made and enforced against the Company only, and not against any ~~member~~Member, and ~~members~~Members only shall be entitled to make and enforce such claims on the Company. The Company shall not be liable to any ~~member~~Member or other person for the amount of any loss, claim or demand, except to the extent of the funds which the Company is able to recover from the ~~members~~Members or other persons liable for the same and which are applicable to that purpose.

15. All payments to or by the Company in respect of any insurance in any Class shall be due to or made by the Company but shall be accounted for or charged to, as the case may be, the account of such Class. In case the Company shall incur any costs or expenses in or for any legal proceedings or arbitration or otherwise in respect of the business of any Class such costs and expenses shall be charged to the account of such Class.

16. The ~~Directors~~Board may, notwithstanding the provisions of these Bye-Laws or of the Rules, accept entries upon such special terms as to contribution (including exemption from the provisions of the next succeeding Bye-Law) and as to the nature and extent of risks covered and otherwise as they may think fit and may accept as such entries reinsurances from other insurers. The ~~Directors~~Board may also reinsure the whole or any portion of the risks of the Company upon such terms as they may think fit.

17. In the event of any ~~member~~Member making default in payment of any contribution due from him for insurance in any Class, the same shall (subject to the provisions of the last preceding Bye-Law) be paid by such of the other ~~members~~Members entered for insurance in such Class as is or may be prescribed by the Rules of such Class rateably in proportion to the contributions last due from them respectively, and payment may be enforced in the name of the Company. Each ~~member~~Member who may for the time being be entitled to receive from any Class any payment in respect of any loss, claim or demand, shall bear and contribute the proportion thereof due in respect of any ~~ship~~Ship or ~~ships~~Ships entered by him in such class, including the ~~ship~~Ship in respect of which the loss, claim or demand arises.

GENERAL MEETINGS

18. The Company shall at least once in each year hold in these Islands or elsewhere a ~~General Meeting~~general meeting as its ~~Annual General Meeting~~annual general meeting in addition to any other meetings in that year. The ~~Annual General Meeting~~annual general meeting shall be held at such time and place as the ~~Directors~~Board shall determine. All ~~General Meetings~~general meetings other than ~~Annual General Meetings~~annual general meetings shall be called ~~Special General Meetings~~special general meetings.

19. The Board ~~or~~ for any two members thereof or the President may convene a ~~Special General Meeting of the members upon at least 14 business days' notice in writing to each member mailed to his address as shown in the Register of Members. Such notice shall state the date, time, place and object to such meeting, which may be held either in these Islands or elsewhere~~special general meeting of the Members.

NOTICE OF GENERAL MEETINGS

20. (1) At least 5 clear days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

(2) At least 5 clear days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

(3) The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

(4) A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Bye-Law, a notice may be sent by letter mail, courier service, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form.

(5) Any notice required to be given to joint Members shall be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient

notice to all such joint Members.
Save as provided by Bye-law 20(7), any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if mailed, at the time when it was mailed, delivered to the courier or to the cable company or transmitted by telex, facsimile, electronic mail, or such other method as the case may be.

(7) Notice sent by facsimile or electronic mail shall be deemed given at the expiration of 24 hours after it was sent. Notice sent by mail or by courier shall be deemed to have been given five days after the date on which it is deposited, with airmail postage prepaid, in the mail or dispatched by such courier as the case may be and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile or other method as the case may be.

~~20. In the case of an Annual General Meeting or of a Special General Meeting 14 clear days' notice at least specifying the place, the day and the hour of meeting, and the general nature of such business (and in the case of an Annual General Meeting specifying the meeting as such) shall be given to the members in writing subject as and in manner hereinafter mentioned and also to the Auditors for the time being of the Company.~~

(8) The Company shall be under no obligation to send a notice or other document to the address shown for any particular Member in the Register of Members if the Board considers that the legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, the territory in which that address is situated are such that it is necessary or expedient not to send the notice or document concerned to such Member at such address and may require a Member with such an address to provide the Company with an alternative acceptable address for delivery of notices by the Company.

21. Subject to the provisions of the Companies Act, it shall be the duty of the ~~Directors~~ Board on the requisition in writing signed by one or more requisitionists and deposited at the registered office of the Company being ~~members~~ Members of the Company holding not less than one tenth of the total voting rights and (unless the Company otherwise resolves) at the expense of the requisitionists, to give to ~~members~~ Members entitled to receive notice of the next ~~Annual General Meeting~~ annual general meeting notice of any resolution which may properly be moved and is intended to be moved at the meeting and to circulate to ~~members~~ Members entitled to have notice of ~~any General Meeting~~ the meeting sent to them any statements of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

22. 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~~ general meeting.

PROCEEDINGS AT GENERAL MEETINGS

23. (1) All business shall be deemed special that is transacted at a ~~Special General Meeting~~ special general meeting. The business that is transacted at an ~~Annual General Meeting~~ annual general meeting shall include the consideration of the Accounts, Balance Sheet and Reports of the ~~Directors~~ Board and Auditors, the appointment of Directors and Auditors, and such other business as may properly come before the meeting.

(2) (i) At each ~~Annual General Meeting~~ annual general meeting one third of the Directors for the time being or, if their number is not divisible by three, then the number nearest to one third, shall retire from office;

(ii) The Directors to retire at every ~~Annual General Meeting~~ annual general meeting shall be those who have been longest in office since their last election, but as

- (iii) between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot; a retiring Director shall be eligible for re-election;

- (iv) No person other than a Director retiring at ~~the~~ a general meeting shall, unless approved by the Directors and duly qualified, be eligible for election to the office of Director at any ~~General Meeting~~ general meeting unless not less than seven days before such meeting there shall have been left at the ~~Registered Office~~ registered office of the Company notice in writing signed by a ~~member~~ Member duly qualified to attend and vote at such meeting, of his intention to propose such person for election, and also a notice in writing, signed by that person, of his willingness to be nominated and if elected to serve as a Director.

24. No business shall be transacted at any ~~General Meeting~~ general meeting unless a quorum is present. Save as in these Bye-Laws otherwise provided, ~~five members~~ Members present in person or by proxy shall be a quorum but so that not less than two individuals shall constitute the quorum.

25. If within half an hour from the time appointed for ~~the~~ a general meeting a quorum is not present, the meeting, if convened on the requisition of or by ~~members~~ Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such time and place as the ~~Directors~~ Board may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the ~~members~~ Members present in person, or by proxy shall be a quorum, but so that not less than two individuals shall constitute the quorum.

26. The ~~Chairman~~ chairman of a general meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. Whenever a meeting is adjourned for 14 days or more, ~~seven~~ at least five clear days' notice ~~at the least~~, specifying the place, the day and the hour of the adjourned meeting shall be given as in the case of the original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no ~~member~~ Member shall be entitled to any notice of an adjournment. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

27. The Chairman ~~of the Board~~, if any, shall act as ~~Chairman~~ chairman at all meetings of the ~~members~~ Members and at all meetings of the Board at which he is present. In his absence, the President, if present, shall act as ~~Chairman~~ chairman, and in the absence of both of them, one of the Vice Presidents shall act as ~~Chairman~~ chairman or in their absence some other ~~member of the Board~~ Director, but if at any meeting neither the ~~Chairman of the Board~~ chairman, the President, Vice President or ~~any other member of the Directors~~ Director be present within 15 minutes after the time appointed for holding the same, or if none of them is willing to act as ~~Chairman~~ chairman, the Directors present shall choose one of their number present to be ~~Chairman~~ chairman, or if no ~~members of the Directors~~ be present, or if ~~all the members of the Directors~~ present decline to take the ~~Chair~~ chair, the ~~members~~ Members present shall choose some ~~member~~ Member present to be ~~Chairman~~ chairman of the meeting.

28. At any ~~General Meeting~~ 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~~ chairman or by at least 10 ~~members~~ Members having the right to vote at the meeting or by a ~~member~~ Member or ~~members~~ Members representing not less than one-tenth of the total voting rights of all the ~~members~~ Members having the right to vote at the meeting. Unless a poll is demanded a declaration by the ~~Chairman~~ 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 Company 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.

29. 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 Bye-Law a demand by a person as proxy for a ~~member~~Member shall be the same as a demand by the ~~member~~Member.

30. 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 be pointed out at the meeting or adjourned meeting at which the vote is given, and not in that case unless it shall in the opinion of the ~~Chairman~~Chairman of the meeting be of sufficient magnitude to vitiate the result of the voting.

31. A poll demanded on the election of a ~~Chairman~~Chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded) and place as the ~~Chairman~~Chairman of the meeting shall direct and no notice need be given of a poll not taken immediately. A poll shall be taken in such manner (including the use of ballot or voting papers) as the ~~Chairman~~Chairman of the meeting shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

32. A ~~Resolution~~resolution put to the vote of a ~~Meeting~~meeting shall be carried by the affirmative votes of the majority of votes cast and in the case of an equality of votes, the ~~Resolution~~resolution shall fall and the chairman of the meeting shall not be entitled to a further casting vote.

VOTES OF MEMBERS

33. ~~Subject to the provisions of the Companies Act and these Bye-Laws every member~~

(1) Every Member who is present in person ~~or by proxy~~and entitled to vote pursuant to this Bye-Law shall have one vote on a show of hands and upon a poll, every ~~member~~Member present in person or by proxy shall have one vote in respect of each ship entered by him ~~in the Company but no member shall have more than five votes~~ PROVIDED that in the case of ~~joint members~~and entitled to vote at the meeting shall have the number of votes specified below, and shall be entitled to cast votes under more than one of those paragraphs if qualified to do so, subject always to a maximum of 5 votes per Member:

(i) a Member who is a Member by virtue of Bye-law 3(2), in his capacity as a Member, shall be entitled to one vote;

(ii) a Member in whose name Ship(s) is or are entered for insurance in the Company on terms that such Member is liable to pay calls to the Company, shall be entitled to such number of votes calculated as follows:

(a) whose Ships' total entered Tonnage does not exceed 10,000GT, one vote;

(b) whose Ships' total entered Tonnage exceeds 10,000GT, then:

(1) for each Ship the entered Tonnage of which exceeds 10,000GT, one vote; and

(2) for any Ships the entered Tonnage of which does not exceed 10,000GT, one vote for each complete unit of 10,000GT entered,

but subject always to a maximum of 5 votes per Member.

For the avoidance of doubt, if the Member also has Ship(s) entered for insurance or reinsurance in the Company on terms that the Member is liable to pay a fixed premium to the Company in respect of such Ship(s) then such Ship(s) and their Tonnage shall be disregarded when calculating the number of votes to which such Member is entitled under the foregoing provisions of this paragraph (b).

(c) a Member in whose name Ship(s) is or are entered for insurance or reinsurance in the Company on terms that such Member is liable to pay

a fixed premium to the Company in respect of such Ship(s) shall not have the right to vote in respect of such Ship(s) or their Tonnage.

(d) a Member in whose name Ship(s) is or are entered for reinsurance in the Company on terms that it pays calls to the Company, then such Member, in such capacity, shall not be entitled to vote under (a) and (b) above but shall be entitled to one vote only regardless of the number of Ships (or their respective Tonnage) entered in the Company.

For the avoidance of doubt, in the case of joint Members entitled to vote, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint ~~members~~Members, and for this purpose seniority shall be determined by the order in which the names stand as joint ~~members~~Members in the Register of Members.

(2) For the purposes of this Bye-law, a Member who is liable to pay calls to the Company is a Member who is, or may be, liable under the Rules to pay Additional Premium and/or Overspill Calls.

34. A corporation which is a ~~member~~Member of the Company may by written instrument authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any Separate Meeting of the ~~members~~Members of any Class, 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~~Member of the Company.

35. If any ~~member~~Member shall be incapable by reason of mental disorder of managing and administering his property and affairs he may vote by his receiver or other person authorised to act on his behalf, and such receiver or other person as aforesaid may give his vote either personally or by proxy, provided that such evidence as the ~~Directors~~Board may require of the authority of the person claiming to vote shall have been deposited at the ~~Office~~registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

36. No ~~member~~Member shall, unless the ~~Directors~~Board otherwise ~~determine~~determines, be entitled to vote at any ~~General Meeting~~general meeting, either personally or by proxy, or to exercise any privilege as a ~~member~~Member unless all sums presently due from him to the ~~company~~Company have been paid.

37. On a poll votes may be given either personally or by proxy.

38. 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~~chairman of the meeting, whose decision shall be final and conclusive.

39. ~~The~~A Member may appoint a proxy by (a) an instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised in writing in the form set out in the Schedule to these Bye-Laws, in any common form or such other form as the Board may determine from time to time or (b) such telephonic, electronic or other means as may be approved by the Board from time to time. A proxy need not be a ~~member~~Member.

40. ~~The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorally certified copy or office copy of such power or authority shall be deposited at the Office~~appointment of a proxy must be received by the Company at the registered office of the Company or at such other place or in ~~these islands~~such manner as is specified for the purpose in the notice convening the meeting or in ~~the~~any instrument of proxy ~~issued~~sent out by the Company ~~not less than 48 hours before the time appointed for holding the meeting or adjourned in relation to the meeting at which the person named in the instrument~~appointment proposes to vote, and in default the instrument of proxy

~~shall not be treated as valid~~ an appointment of proxy which is not received in the manner so permitted shall be invalid.

41. ~~An instrument of proxy may be in any common form or in such other form as the Directors shall approve. Instruments of proxy need not be witnessed.~~

41. The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

42. ~~The Directors~~Board may at the expense of the Company send, by post or otherwise, to the ~~members~~Members instruments of proxy (with or without stamped envelopes for their return), for use at any ~~General Meeting~~general meeting or at any ~~Separate Meetings~~separate meeting of the ~~members~~Members of any Class, 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 Company, such invitations shall be issued to all (and not to some only) of the ~~members~~Members entitled to be sent a notice of the meeting and to vote thereat by proxy.

43. 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 of the authority under which the instrument of proxy was executed, provided that no ~~intimation~~notice in writing of such death, insanity or revocation shall have been received by the Company at ~~the Office~~its registered office three hours at least before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

ALTERATION OF BYE-LAWS

44. ~~The Directors~~Board may from time to time revoke, alter, amend or add to the Bye-Laws. However, no such revocation, alteration, amendment or addition shall be operative unless or until it is confirmed at a ~~Special General Meeting~~special general meeting or at the next ~~Annual General Meeting~~annual general meeting.

DIRECTORS

45. The number of Directors shall be not less than six nor more than 32 as the ~~members~~Members may from time to time determine.

46. (1) Any person who is ordinarily resident in these Islands and subject to the following provisions of this Bye-law, not more than three persons who are not resident shall be eligible to be appointed or elected as a Director ~~but save as aforesaid only.~~ In addition persons who qualify under the following provisions, whether or not ordinarily resident in these Islands, shall be eligible for appointment or election as Directors of the Company, namely, any person who is or has been;

(i) An ~~owner~~Owner or his agent; or

(ii) A director ~~of~~or a person employed in any executive capacity by a corporation which is or has been any of the following:

(a) a ~~member~~Member;

(b) the holding company of a corporation which is a ~~member~~ (“member ~~corporation~~Member (“Member Corporation”);

(c) a subsidiary of a ~~member corporation~~Member Corporation;

(d) associated with a ~~member corporation~~Member Corporation.

- (2) No Manager and no employee of any Manager shall be eligible to be appointed or elected as a Director.
47. (1) The business of the Company shall be managed by the ~~Directors~~Board who may pay all expenses incurred in promoting and incorporating the Company, and who, in addition to the powers and authorities by these Bye-Laws or the Rules or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in ~~General Meeting~~general meeting, subject nevertheless to the provisions of any statute and of these Bye-Laws and the Rules. Subject to the provisions of these Bye-Laws the business of the Company shall be conducted in accordance with ~~the Rules from time to time amended by the members by resolution of the Class to which such Rules apply and sanctioned by the Directors.~~
- (2) Without prejudice to the generality of the foregoing the ~~Directors~~Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures or other securities.

48. The ~~Directors~~Board shall exercise a general supervision over the affairs of the Company and without limitation of the foregoing they shall be responsible for the correct keeping of the books and for the safekeeping of all moneys and securities of the Company and shall submit their books, accounts and vouchers to the Auditor whenever required so to do and shall furnish such information and explanations to the Auditors as may be necessary for the performance of his duties.

49. The ~~Directors~~Board may delegate any of ~~their~~its powers to ~~Committees~~committees consisting of two or more of the Directors, but every such Committee shall conform to such directions as the ~~Directors~~Board shall impose on it.

POWER TO APPOINT ATTORNEY

50. The Board may from time to time and at any time by power of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly ~~by~~ the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised under the Seal of the Company, execute any deed or instrument under such attorney's personal Seal with the same effect as the affixation of the Seal of the Company.

POWER TO BORROW AND CHARGE PROPERTY

51. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

EXERCISE OF POWER TO DISCONTINUE THE COMPANY

52. The Board may exercise all the powers of the Company to discontinue the Company to a named country or jurisdiction outside Bermuda pursuant to Section 132G of the Act.

53. The ~~Directors~~Board may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules vested in the ~~Directors~~Board as ~~they~~the Board may think fit and such powers, duties or discretions may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as the ~~Directors~~Board may determine and the ~~Directors~~Board may at any

time revoke such delegation; PROVIDED that nothing hereinbefore in this Bye-Law contained shall entitle the ~~Director~~Board to delegate to the Managers any of the powers, duties or discretions of the Directors:

- (1) Which are required by law to be exercised by the Directors personally, or
- (2) Which relate to ~~General Meetings~~general meetings or the proceedings thereat, or
- (3) Which are conferred by Bye-Laws 47 (2), 51 or 53, or
- (4) Which relate to meetings of ~~Director~~the Board or Committees of ~~Director~~the Board or the proceedings thereat, or
- (5) Which relate to the appointment of Managers or the Secretary, or
- (6) Which relate to the Seal, Reserves, Accounts or notices of ~~General Meetings~~general meetings;

And so that:

- (i) The Directors may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid, and
- (ii) Nothing hereinbefore in this Bye-Law contained and no such delegation as aforesaid shall constitute the Managers Directors of the Company.

54. The ~~Director~~Board shall have the power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board of Directors, who shall hold office until the next election of the Directors, and the continuing Directors may act, notwithstanding any vacancy in their number PROVIDED that in the event that the number of continuing Directors has been reduced below the number of six the continuing Directors must immediately appoint a sufficient number of persons to restore the number of continuing Directors to a minimum of six.

55. (1) A Director may hold any other office or place of profit under the Company (other than the office of Auditor or Manager) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may from time to time determine and no Director or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (2) Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in a professional capacity for the Company and such Director or such Director's firm, partner or such company shall be entitled to remuneration for professional services as if such Director were not a Director, provided that nothing herein contained shall authorise a Director or Director's firm, partner or such company to act as Auditor of the Company.
- (3) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Act.
- (4) A Director shall not as a Director vote, nor shall he be counted in the quorum present upon

a motion, in respect of any ~~Contract~~contract, matter or arrangement which he shall make with the Company or in which he is so interested as aforesaid and, if he does so vote his vote shall not be counted.

56. The remuneration of the Directors shall be such sum (if any) as shall from time to time be voted to them by the Company in ~~General Meeting~~general meeting, and any such sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the Directors as they shall resolve or, failing such resolution, equally. The Directors' remuneration shall be deemed to accrue de die in diem.

57. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or of Committees of the Directors or of ~~General Meeting~~general meetings of the Company or in connection with the business of the Company.

58. The quorum necessary for the transaction of the business of the Board shall be two.

59. At any ~~Meeting~~meeting of the ~~Directors~~Board or a Committee of the ~~Directors~~Board, those present in person and entitled to vote at the Meeting shall always consist of a majority of persons who are not residents of the United Kingdom. Failing this, any ~~Resolution~~resolution passed at such Meeting shall be void and have no effect. ~~A Resolution put to the vote of a Meeting shall be carried by the affirmative votes of the majority of votes cast and in the case of an equality of votes, the Resolution shall fail.~~

60. (1) The Secretary on the requisition of any Director shall, and a Director may, at any time summon a meeting of the Directors.

(2) Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally in person or by telephone or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible ~~and non-transitory~~ form at such Director's last known address or any other address given by such Director to the Company for this purpose.

61. (1) Meetings of the Board may be held without notice if all the Directors are present or represented by their Alternates. The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.

(2) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

(3) A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail and the chairman of the meeting shall not be entitled to a further casting vote.

62. A resolution in writing signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-Law only, ~~A Director~~"Director" shall not include an Alternate Director.

63. (1) Subject to any provisions to the contrary contained in the Act or these Bye-Laws the ~~Members~~Members may at any ~~Special or Annual General Meeting~~special or annual general meeting convened and held in accordance with the Bye-Laws remove a Director. The notice of any such meeting shall contain a statement of the intention so to do and be served on such Director not less than 14 clear days before the meeting and at any such meeting such Director shall be entitled to be heard on a motion for his removal. Nothing in the Bye-Law shall have the effect of depriving any person of any compensation or damages which may

be payable to him in respect to the termination of his appointment as a Director of the Company or of any other appointment with the Company.

- (2) A vacancy on the Board created by the removal of a Director under the provisions of this Bye-Law may be filled by election ~~of~~by the ~~members~~Members at the meeting at which such Director is removed and, in the absence of such election, there shall be deemed to be a vacancy which may be filled in accordance with the provisions of Bye-Law 54.

64. At any ~~General Meeting~~general meeting the ~~members~~Members may elect a person or persons to act as Directors in the alternative to any one or more of the Directors of the Company and they shall be known as ~~Alternate~~"Alternate Directors". The ~~members~~Members may at any ~~General Meeting~~general meeting authorise the Board for the time being in office to appoint such Alternate Directors. If the Board shall be so authorised, any Director may at any time appoint any person to be his Alternate Director subject to the approval of the Board.

65. An Alternate Director shall, subject to his giving to the Company an address at which notices may be served upon him, be entitled to receive notices of all meetings and to attend and vote as a Director at any such meeting at which the Director for whom he was appointed is not personally present and generally to perform all the functions of the Director for whom he was appointed in the absence of such Director. An Alternate Director shall have all the rights and powers of the Director for whom he is appointed in the alternative save that he shall not be entitled to vote at any meeting of the Directors except in the absence of such Director.

66. An Alternate Director shall immediately cease to be such if the Director for whom he was appointed ceases for any reason to be a Director. He shall automatically be appointed as an Alternate Director when the Director for whom he was an Alternate immediately prior to the ~~Annual Meeting~~annual meeting retires by rotation and is reappointed as a Director of the ~~Association~~Company. An Alternate Director may be removed at any time by the Board or by the ~~members~~Members. Appointments and removals of Alternate Directors by individual Directors shall be effected by notice left with the Secretary.

67. The office of Director shall be vacated if the Director:

- (1) Is or becomes bankrupt or makes any arrangement or composition with his creditors generally.
- (2) Ceases to be eligible for appointment as a Director.
- (3) Is removed from office pursuant to these Bye-Laws or is prohibited from being a Director by law.
- (4) Resigns his office by notice in writing to the Company.
- (5) Is or becomes of unsound mind or dies.

MINUTES

68. (1) The Directors shall cause minutes to be duly entered in books provided for the purpose:

- (i) Of all elections and appointments of officers;
- (ii) Of the names of the Directors or their Alternates present at each meeting of the Directors and of any Committee of the Directors;
- (iii) Of all orders made by the Directors and Committees of Directors;
- (iv) Of all resolutions and proceedings of each General Meeting of the ~~members~~Members and of each meeting of the Directors or any Committee of the Directors.

- (2) Minutes prepared in accordance with the Companies Act and these Bye-Laws shall be kept by the Secretary at the registered office of the Company.

OFFICERS OTHER THAN DIRECTORS

69. The officers of the Company may consist of a President, one or more Vice presidents, a Secretary and such other officers, including a ~~Chairman~~ Chairman of the Board, as the Directors may from time to time determine.
70. The Directors shall as soon as conveniently may be after each annual election of Directors, choose or elect one of their number to be the President of the Company and one or more of their number to be Vice Presidents of the Company and, if the Board desires to have a ~~Chairman~~ Chairman of the Board, the Directors shall choose or elect such officer from their number. Other officers may be appointed as the Directors may from time to time determine.
71. The Secretary shall be appointed by the Directors and shall hold office during the pleasure of the Directors. The Secretary need not be a Director.
72. A Treasurer may be appointed by the Directors and shall hold office during the pleasure of the Directors. The Treasurer need not be a Director.
73. Other officers, such as Assistant Secretaries and Assistant Treasurers, may be appointed by the Directors and shall hold office during the pleasure of the Directors.
74. The same person may hold the offices of Chairman of the Board, President, Secretary and Treasurer. Any of the Vice Presidents may also hold the offices of Secretary or Treasurer.
75. The Secretary or an Assistant Secretary if there be one shall attend all meetings of the ~~Members~~ Members, of the Board and of Committees of the Directors, keep correct minutes of such meetings and enter the same in proper books provided for the purpose. They shall perform such other duties as are prescribed by the Act or Bye-Laws, or as shall be prescribed by the Directors from time to time.

MANAGERS

76. ~~Messrs.~~ The Managers shall be Steamship Mutual Management (Bermuda) Limited shall be the Managers of the Company or such other person as is appointed by the Board from time to time.
77. The Managers shall be entitled to attend all meetings of the ~~Directors~~ Board and of Committees of the ~~Directors~~ Board (unless otherwise ordered by the ~~Directors~~ Board) and all Annual or Special General Meetings of the Company.
78. In addition and without prejudice to any powers, duties and discretions for the time being delegated to the Managers pursuant to these Bye-Laws, the Managers may exercise and discharge all such powers, duties and discretions as may be conferred or imposed upon the Managers by the Rules.
79. Whenever any power, duty or discretion is delegated to the Managers pursuant to these Bye-Laws or is conferred or imposed upon the Managers by the Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions imposed upon the Managers in relation thereto either pursuant to these Bye-Laws or (as the case may be) by the Rules, be exercised by any one or more of the Managers or by any employee of the Managers.

ACCOUNTS

80. Any moneys for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings to which these Bye-Laws or the Rules are applicable and the Reserve Fund may be invested in such investments as the ~~Directors~~ think Board thinks fit.

81. The ~~Directors~~Board shall cause true accounts to be kept of all transactions of the Company in such manner as to show the assets and liabilities of the Company for the time being and the books of account shall at all times be kept at the ~~Office~~registered office of the Company or at such other place as the ~~Directors~~Board may from time to time determine and shall always be open to the inspection of the Directors.

82. The Board of Directors shall cause the accounts of the Company to be audited once at least in every fiscal year by an independent representative of the Company and such audited accounts shall be laid before the ~~members~~Members at the Annual General Meeting in each year and shall be open to inspection by any ~~member~~Member.

AUDIT

83. Subject to Section 88 of the Companies Act, at the ~~Annual General Meeting~~annual general meeting or at a subsequent ~~Special General Meeting~~special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company. Such Auditor may be a Member but no Director, Officer or employee of the Company shall, during his or her continuance in office, be eligible to act as an Auditor of the Company.

84. The remuneration of the Auditor shall be fixed by the Company in ~~General Meeting~~general meeting or in such manner as the Members may determine.

85. If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the Board shall, ~~as soon as practicable, convene a Special General Meeting to fill the vacancy thereby created~~ fill such vacancy.

86. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

87. (1) Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to Section 88 of the Act, the accounts of the Company shall be audited at least once in every year.

(2) The financial statements provided for by these Bye-Laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in General Meeting.

(3) The generally accepted auditing standards referred to in sub-paragraph (ii) of this Bye-Law may be those of a country or jurisdiction other than Bermuda. If so, the financial statements and the report of the Auditor must disclose this fact and name such country or jurisdiction.

(4) The Auditor shall be entitled to attend any ~~General Meeting~~general meeting of the Company at which any accounts which have been examined or reported on by him are to be laid before the Company and to make any statements or explanations he may desire with respect to the accounts and notice of every such meeting shall be given to the Auditor in the manner prescribed for ~~members~~Members.

88. (1) ~~A notice~~ Notice may be given by the Company to any Member in accordance with Bye-law 20.

(2) Without prejudice to the provisions of these Bye-laws governing the giving of notice to Members, a document may be sent by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of

Members or to such other address given for the purpose. For the purposes of this Bye-Law, a ~~notice~~document may be sent by letter mail, courier service, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible ~~and non-transferable~~ form, or by publishing such document on a website details of which are given to the Member.

~~89. Any notice required to be given to a Member shall, with respect to any entry made jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.~~

~~90. Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile or other method as the case may be.~~

SEAL

~~91-89.~~ The Seal of the Company shall be in such form as the Board may from time to time determine. The Board may adopt one or more duplicate Seals for use outside Bermuda.

~~92-90.~~ The Seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or some other person appointed by the Board for the purpose, provided that any Director, or Officer, may affix the Seal of the Company attested by such Director or Officer's signature only to any authenticated copies of these Bye-Laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director or Officer.

FORM OF PROXY

~~93. The form of proxy in the Schedule which is part of the Bye Laws shall be used, subject to such variations or alterations to meet the circumstances of particular cases as may be necessary and as the Directors approve.~~

INDEMNITY

~~94. Every Director, Alternate Director and other officer of the company, and every Manager or duly appointed representative thereof shall be indemnified by the company against, and it shall be the duty of the Directors out of the funds of the company to pay and to cover all costs, losses, liabilities and expenses which he may incur or for which he may become liable by reason of any contract entered into, office undertaken or act or thing done, or not done by him acting in such capacity, or in any other way in the discharge of his duties provided always that this indemnity shall not extend to any person whose willful misconduct shall have caused the said costs, losses, liabilities or expenses and that any officer undertaken by a Manager or duly appointed representative thereof shall be approved by the Directors.~~

~~91. The Directors, the Secretary and other Officers of the Company, and the Managers and every duly appointed representative thereof, for the time being acting in relation to any of the affairs of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, liabilities, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or~~

trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud, dishonesty or wilful misconduct which may attach to any of the said persons. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer and the Managers and every duly appointed representative thereof, on account of any action taken by such persons, or the failure of such persons to take any action in the performance of his duties with or for the Company, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud, dishonesty or wilful misconduct which may attach to such person.

95-92. No Director, ~~Alternate Director~~ or other ~~officer~~ Officer of the Company or Manager or duly appointed representative thereof shall be liable for the acts, receipts, neglects or defaults of any other Director, ~~Alternate Director or officer~~ Officer or Manager or duly appointed representative thereof, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the ~~Directors~~ Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happened through his own fraud, dishonesty or wilful misconduct.

ARBITRATION

96-93. If and whenever any difference, dispute or question arises between the Company and any ~~member~~ ~~Member~~ or his estate, legal or personal representative or trustee in bankruptcy or liquidator touching any loss or claim and not being a matter which under these Bye-Laws or the Rules of any Class is left to the final determination of the Directors, such difference, dispute or question shall, ~~unless mutually agreed to the contrary, be referred to the decision of an arbitrator to be appointed by the parties in difference, or if they cannot agree upon a sole arbitrator, to the decision of two arbitrators, of whom one shall be appointed by each of the parties in difference, and an umpire to be appointed by the two arbitrators before entering upon the reference, and every award of such arbitrator, or of such arbitrators and umpire, or any two of them, as to the matters in difference to which it extends shall be final, binding and conclusive on the parties in difference and on all parties interested in the matters in difference. The submission thus made shall be subject to the provisions of the Arbitration Act, 1924, and any then subsisting statutory modification thereof be determined in accordance with the dispute resolution provisions as set out in the Rules.~~

WINDING UP

97-94. The liability of ~~members~~ Members on a winding up shall be governed by Section 154 of the Companies Act.

SCHEDULE
FORM OF PROXY

The undersigned a ~~member~~Member of THE STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (BERMUDA) LIMITED hereby appoints

or _____

or _____

to be the undersigned's proxy in the order named to vote in behalf of the undersigned at any General Meeting of the ~~members~~Members of the said Company. This proxy shall remain in effect until the undersigned (a) ceases to be a ~~member~~Member of the Company, or (b) revokes it by notice to the Secretary, or (c) executes and delivers a new proxy to the Secretary.

AS WITNESS the hand of the undersigned this _____ day of _____ 2005

By _____

Office _____

SIGNED BY (name of ~~member~~Member) in the presence of:

Witnesses