



Standard Club and North

# Meeting the maritime challenges of today and tomorrow, together.

Member  
Briefing Pack

May 2022

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## 1. Introduction and Document Purpose

Standard Club proposes merging with North of England Protecting and Indemnity Association (North). This document provides a high-level overview of what Standard Club's Board of Directors consider the key reasons driving their decision to vote in favour of the merger.

Discussions between the two clubs started in the summer of 2021. Following an intensive period of due diligence by a small subset of directors of the Boards of both clubs, their senior management teams and their respective professional advisers (encompassing financial, tax, actuarial and legal), the Boards of both clubs approved the proposed merger on 11 March 2022. This decision was later communicated to the membership. The clubs then entered into a framework agreement, setting out the various conditions that must be satisfied for the proposed merger to complete. This includes obtaining the approval of the members of each club and regulatory and merger control approvals. Standard Club and North's businesses have a strong strategic fit, and your directors believe the merger will create one of the largest specialist mutual marine insurance companies. NorthStandard will have greater financial and operational resilience, offering true global reach and diversified products, creating unparalleled career opportunities for our staff and providing a powerful industry voice for shipowners. If the proposed merger proceeds, the new club will be a mutual marine insurance company committed to the highest levels of member service. We are confident that Standard Club's guiding principles of mutuality, encompassing





service, security and strength are consistent with the North’s values and will continue to apply to NorthStandard.

The merger of two strong clubs, successful in their own right, will not be without challenges. However, if approved, we are committed to ensuring that the great service and support you continue to enjoy today will be maintained during the coming months and upon completion, including the incredible benefits derived from being part of the International Group of P&I clubs (IG). This document provides an overview of the proposal, and your directors recommend the proposed merger to you.

The Board of Directors asks members to vote on the proposed merger at a Special General Meeting of Standard Bermuda (as defined in the terminology table at the end of the pack), which takes place on Friday 27 May 2022 at 11:30am (CET) at Hotel Eden, Via Ludovisi 49, 00187 Rome, Italy. The meeting will also allow members to vote on changes to bye-laws of Standard Bermuda to implement the proposed merger. In addition to the Special General Meeting of Standard Bermuda, there will be the following meetings on the same day at the same venue: (a) a general meeting of Standard UK to vote on changes to its articles of association; and (b) class meetings of each of the insurance subsidiaries of Standard Bermuda to vote on changes to the rules for the 2023/24 policy year to implement the proposed merger. If you cannot attend the meetings, you can appoint a proxy to vote on your behalf. By completing and returning a voting proxy form available here [www.standard-club.com/about/standard-club-and-north/circulars](http://www.standard-club.com/about/standard-club-and-north/circulars), you can ensure your vote is counted. Please refer to Section 9 for further information.

## Key dates

The table below summarises the key milestones and timings for the implementation of the merger:	
<b>27 May 2022</b>	<ul style="list-style-type: none"> <li>Member Special General meeting to vote on the proposed merger.</li> </ul>
<b>Autumn 2022</b>	<ul style="list-style-type: none"> <li>Anticipated date for all financial, regulatory and merger control approvals to be received.</li> <li>Operating model design and planning for 20 February 2023 renewal.</li> </ul>
<b>20 February 2023 (“Day One”)</b>	<ul style="list-style-type: none"> <li>Formal corporate merger of the two clubs is completed, and the first policy year of combined clubs begins with a new corporate structure and brand identity in place.</li> </ul>



## 2. Chairman's Statement

### Cesare d'Amico



As we announced on 14 March, Standard Club and North Boards are proposing a merger of the two clubs to create a club at the forefront of global marine insurance, acting as a powerful industry voice and upholding the values and benefits of the IG system. As a third-generation member of Standard Club, I am particularly pleased to support this merger of two clubs which share a common philosophy.

The Standard Club Board has for many years thought that consolidation in the industry would become important in the future of P&I. Last year, the Board entrusted me and a working group of the Board to identify the right partner for us. Our work, which has involved a number of meetings online and face to face with shipowner Board directors of North, has assured us that this merger will bring together two clubs of good financial standing and similar member-centric service related cultures.

This merger will also enable us to harness 300 years of shared P&I heritage to better navigate the continuing changes affecting the maritime sector and anticipate challenges ahead, so as to deliver tangible benefits for members and shipowners around the world.

Both Standard Club and North have a longstanding commitment to service excellence and to the provision of leading, cost-effective marine insurance services, and that commitment has been a key focus in our work to date in exploring this merger. Our service commitment will be carried forward into the merged club, and the combining of skills and best practice from both clubs will positively benefit service provision to members and also to those within the maritime industry who rely upon the professional support and

service which the clubs provide.

The combined club, NorthStandard, will insure a wide range of members, large and small, from all sectors of the shipping business, will operate with a wide geographical reach, and be overseen by a Board reflecting the combined membership. I am honoured that it is proposed, subject to regulatory approval, that I will chair the Board of the new combined club.

The merger proposal was overwhelmingly supported by the Boards of both clubs at meetings in March, and we are now seeking approval from the mutual membership of Standard Club, as are North from their membership, at general meetings on Friday 27 May 2022 (full details are available in this pack). Subject to member approvals and all necessary regulatory approvals, NorthStandard is expected to be fully operational from the February 2023 renewal.

This document sets out the background to the merger, the expected member benefits, an overview of the combined club, and what you need to do next to register your vote approving or declining the proposed merger.

I strongly believe, as do my fellow Standard Club directors, that we have an opportunity to create one of the world's leading P&I clubs with unrivalled claims expertise delivering a broader range of services, faster innovation and even stronger financial resilience, and which will be a compelling advocate for shipowners.

This is an exciting time in our 138 year history as we look to develop a combined club which we hope and expect will be the P&I club of choice for members and shipowners, as well as for our talented staff, and I recommend this proposal to you.

This merger will also enable us to harness 300 years of shared P&I heritage to better navigate the continuing changes affecting the maritime sector and anticipate challenges ahead, so as to deliver tangible benefits for members and shipowners around the world.

# CEO Statement Jeremy Grose



For a number of years, Standard Club has publicly stated its openness to club consolidation, as we have believed that, in the right circumstances and between the right partners, it is in the long-term interests of shipowners. We believe that a larger, stronger club will foster a more competitive P&I market and will ensure a more resilient delivery of protection and service to members.

We are all aware that the maritime industry and the P&I sector are wrestling with a range of challenges and pressures driving the need to adapt for the long term. This has been emphasised in recent years by the record level of IG pool claims which have driven premium increases to address underwriting deficits. Factor in the challenges of regulation, pressure for greater financial resilience, digitalisation, sustainability, geopolitical instability and the fuel transition, and it is evident that the way ahead will not be an easy one.

Knowing that these challenges will intensify, Paul Jennings, the Chief Executive at North, and I, with the support of our respective Boards, have been exploring since last summer the potential benefits and opportunities that a merger between our two clubs would bring.

While we both have a huge level of confidence and pride in the clubs we lead, we believe we now have an opportunity to create together a market-leading P&I club. This will offer unrivalled claims expertise underpinning a more extensive, more diversified choice of products and services, faster innovation, and even stronger financial resilience for the benefit of our members.

And, probably most importantly, have a combined pool of talent to maintain and strengthen the focus on service excellence for which both clubs are renowned.

Since the proposed merger was first announced in mid-March, I have met with a wide selection of Standard Club members to discuss the benefits of the merger and to understand any concerns they may have. The feedback I have received in these conversations has been overwhelmingly positive. Members have reacted favourably to the promise of greater financial and operational resilience, offering greater premium stability and predictability. Many members have recognised and welcomed the enhanced competition which our new club would bring to the market. Rightly too, many members have reflected on the significant task ahead in bringing our two clubs together, and have been at pains to emphasise their appreciation of the 'Standard Club' team. They have also sought reassurance that despite being a larger club we will continue to personalise the support we give our members, no matter how large or small their entry with the club. I can assure members that these are factors which I have at the forefront of my mind and will ensure remain unchanged.

Members have reacted favourably to the promise of greater financial and operational resilience, offering greater premium stability and predictability.

In our discussions with North, we've spoken in some depth about what a 'merger of equal clubs' really means. This is a description that doesn't just relate to premium income and tonnage figures. Most importantly, this is more about a merger of two like-minded clubs with compatible cultures and future ambitions and strategies built around an unwavering commitment to mutuality. Both clubs have similar levels of financial strength, a strong history and a sense of purpose which mean that neither 'needs' to merge, but both are doing so out of a desire to build a better future together.

I hope that once you have read and considered this document you will agree with us and support the proposal.

I would like to take this opportunity to thank you for your continued membership and to reassure you that the high levels of service and support we provide to you will remain our priority.

# 3. Standard Club and North

## Standard Club

Standard Club is a mutual insurance association and member of the IG, owned by our shipowner members and controlled by a Board of directors drawn from the membership. The club offers a combination of mutual and fixed-premium covers tailored to suit shipowners, operators, and charterers. It has been insuring them for their liabilities to third parties since 1884.

Standard Club insures bluewater vessels, coastal & inland operators, and specialist offshore vessels. The club also offers other services such as War Risks and Strike & Delay, a primary business interruption cover that protects a shipowner or charterer when their vessel is held up by strikes, port closures, collisions, breakdowns and other unexpected delays.

We pride ourselves on quality of service to members, having a personal approach, and setting great store in responsiveness and support, especially in times of crisis. Claims are managed

from one of six international offices, and our extensive correspondent network expands our global reach to provide support wherever and whenever needed. Standard Club's financial strength and stability has resulted in an S&P A rating and no unbudgeted supplementary calls for over 25 years.

Key facts (as of 20 February 2021):

- Premium income: US\$293M
- Free Reserves: US\$360M
- S&P Rating: A
- Financial year combined ratio: 121%

Unaudited 20 February 2022 Combined Ratio: <106%

Financial information relating to Standard Club and, if the merger proceeds, of the combined club, is included in Section 6.

Please refer to the Standard Club's current organisational structure [www.standard-club.com/about/standard-club-and-north/organisational-structure/](http://www.standard-club.com/about/standard-club-and-north/organisational-structure/)

## North

North is a leading global marine insurer with over 160 years of history in the P&I industry. Its purpose today remains as it was at North's inception in 1860: to enable its members to trade with confidence.

Founded and headquartered in Newcastle, North's reach stretches around the world with regional offices in Greece, China (Shanghai and Hong Kong), Japan, Australasia, Singapore, Ireland, and the USA, with 370 employees. North's product range includes P&I, War Risks, FD&D, and H&M across a wide range of customer segments, and through its Sunderland Marine brand, it also provides cover for fishing vessels, small craft, aquaculture risks and owners' fixed premium.

With over 250 million GT of owned and chartered tonnage, North is a leading member of IG. As a member of the IG, North protects and promotes the interests of the international shipping industry.

Key facts (as of 20 February 2021):

- Premium income: US\$406M
- Free Reserves: US\$450M
- S&P Rating: A
- Financial year combined ratio: 113.7%

Unaudited 20 February 2022 Combined Ratio: <108%

Financial information relating to North and, if the merger proceeds, the combined club, is included later in this document.

Please refer to North's current organisational structure [www.standard-club.com/about/standard-club-and-north/organisational-structure/](http://www.standard-club.com/about/standard-club-and-north/organisational-structure/)

## 4. The Merger Rationale Explained

### Our proposal

The proposed merger of Standard Club and North will create a global marine insurer which is one of the largest providers of mutual cover in the maritime industries.



With over 300 years of shared P&I heritage, NorthStandard, the combined mutual insurer, will provide cover for vessels equivalent to 400M GT and be at the forefront of global marine insurance, acting as a powerful industry voice and upholding the values of the IG system through an unwavering commitment to mutuality.

NorthStandard will have the widest claims expertise to underpin a more extensive,

more diversified product range delivering a broader portfolio of services, faster innovation, even stronger financial resilience and be a compelling advocate for shipowners. The potential of an even deeper pool of talent will maintain and strengthen the focus on service excellence and close member relationships for which both clubs are renowned.

Please refer to Section 7 in this document for additional detail on how the merger will be implemented.

## Why Now?

Change has brought volatility to all maritime industries – increasing costs and creating uncertainty. Change has also brought potential - new thinking, new technology and new ways to solve old problems. But to really benefit from change, we need to embrace it. That's why the Boards of Standard Club and North have been exploring the potential of combining. Together, we have the potential to achieve so much more for members and shipowners around the world, uniting as one to be at the forefront of global marine insurance, acting as a powerful industry voice and upholding the values of the IG.



### Drivers for change



#### **P&I is changing**

Larger, more complex claims are challenging performance across the entire sector, pushing up combined ratios and putting capital under pressure. Scale is becoming increasingly important to maintain mutuality and develop the broader commercial offerings needed.



#### **The climate is changing**

We've all witnessed an increase in the number and severity of natural disasters, and members of all clubs are looking for support in their decarbonisation journey to net zero by 2050, if not sooner.



#### **Tech is changing**

Better use of data and automation could revolutionise the P&I market, but the balance between the significant, long-term investment needed to modernise while still meeting shorter-term needs and means is difficult.



#### **Regulation is changing**

Global regulation continues to evolve, and more time and costs continue to be required to ensure compliance.



#### **Recruitment is changing**

Covid has changed recruitment. Travel restrictions, the shift to hybrid working and staff re-evaluating their personal priorities have made it harder to recruit the experts that the industry needs now and in the future.



# Combining for the future – why Standard Club and North?

Based on our extensive work over recent months, we firmly believe that combining with North will accelerate our strategy and generate member and people benefits in a way that we could not achieve unilaterally or with an alternative partner. We project our long-term financial and capital position to improve over the next five years and expect Standard & Poor's ("S&P"), the global rating agency, to view the merger proposal favourably. We also propose fair and equal representation on 20 February 2023 "Day One" at a combined group Board level, where members will continue to lead their club. The senior management teams will plan wider integration that will be delivered over a longer timeframe.

## More specifically, combining Standard Club and North offers:

- **A compelling vision:** The combination offers excellent potential for members, harnessing over 300 years of maritime heritage to create a global marine insurer for the future based on four supporting pillars: service and innovation, financial and operational resilience, global reach and influence, and talent and succession.
- **Strong strategic fit:** Our service-led growth and diversification strategies are broadly aligned and will continue to build a profitable diversified portfolio which can offset the volatility of the mutual P&I and subsidise members' premiums over time. Our strengths geographically and by line of business are fundamentally complementary, and we believe we can speed up our development together.
- **Scale:** A combined club is expected to create one of the largest IG clubs by poolable tonnage and premium and is likely to be

seen by the market as the 'default' club of choice for shipowners that value service.

- **Diversification:** Such a merger provides additional distinct product diversification opportunities and associated benefits across a wider geographical presence.
- **Capitalisation:** Both clubs are A rated by S&P with 'AAA' capital strength as measured by S&P's capital model. The scale of the combined group will allow better diversification of risk and reduce the impact of the volatility of the Pool, strengthening the group's capital position.
- **Cultural fit:** Our clubs have a similar mindset, strong service ethos, and a deep-rooted commitment to mutuality. Both clubs benefit from professional and dedicated in-house management teams, and there are no direct equity, financial or other incentives for the management associated with this merger.
- **People benefits:** There will be long-term benefits for people within both clubs whilst actively seeking to preserve the heritage and culture of two such longstanding and member-focused clubs.
- **Good timing:** The market faces a range of issues and challenges that generate increased cost and uncertainty. By acting now, Standard Club and North can be in more control of future developments. Given the pressures facing the P&I club sector, consolidation is hugely logical and may be an inevitability for others.

# Considerations around the proposal and the mitigations in place

The successful merger of two clubs is not without the normal type of risks associated with a merger. However, we consider the benefits to materially outweigh the risks, and your directors recommend the proposed merger to you. Whilst the Board of directors will continue to ensure that the merger remains in the best interests of members, key considerations and potential mitigations are identified in the table below:

Considerations	Mitigation(s)
Risks to the proposed merger.	Bringing two equally strong organisations together could present distinct challenges. We have carefully considered and weighed up the risks and ensured that appropriate mitigation strategies are in place. Where appropriate, we have taken independent expert advice to support us in formulating the merger proposal.
Risks to the proposed merger timescales.	Both clubs have experience in running mergers and other change projects. For North, this includes the Sunderland Marine merger into North and subsequent integration, setting up Brexit-related subsidiaries and delivering Part VII transfers. Standard Club's experience includes their own Brexit arrangements, Strike Club integration and more recently, transitioning their management arrangements to an in-house model away from Charles Taylor.  Our collaborative approach to the merger has been effective, with senior management teams fully aligned. The use of professional advisers where necessary with specialist skillsets and practical experience of mergers and integrations has also been arranged. Specialist project management expertise and supporting resources have also been engaged.
Due diligence discovery.	Our due diligence procedures have covered legal, financial, taxation and operational matters. These investigations have provided assurance that nothing materially relevant would alter the recommendation to pursue a merger between North and Standard Club.
Retaining our people and/or disengagement.	Notwithstanding that we have a clear vision and case for this merger proposal that shows an exciting future for our people, there will inevitably be a degree of personal uncertainty for some critical roles associated with completing the transactional work or retaining our membership. We are proactively engaging with staff to minimise the risk of people leaving during this time.

Considerations	Mitigation(s)
Managing internal and external responses and reactions to the proposed merger.	We have comprehensive Communication and Engagement Plans ("C&E Plans") in place for our internal and external stakeholders. These plans are carefully coordinated between both clubs.  Internally our proactive and C&E Plans will ensure clarity around progress being made against the timescales, outcomes and plans. We will keep our people as fully informed as possible.  Externally, our C&E Plans will ensure that our key stakeholders – members, brokers, reinsurers and regulators are fully informed of relevant developments through all the communication channels open to us. Both clubs also have a programme in place to visit members and brokers to ensure that as many stakeholders' views as possible are heard.  In addition, we also have formal media monitoring arrangements in place to track market reactions in the media.
Some members may choose not to support the combined club or who currently belong to both and see a need to move some vessels to another holding club.	Both clubs will continue to communicate the expected benefits from the merger openly and transparently throughout the process and deal with any member or stakeholder questions or concerns. NorthStandard will be dedicated to member service and meeting members' interests in the short, medium and long term.  It may be inevitable that some members choose not to enter their vessels with NorthStandard due to their own risk management preferences. We have factored this scenario into our financial and operational plans.
IG considerations.	We are liaising closely with the IG and promote our firm belief that, if supported by our collective membership, the wishes of shipowners must be respected and reflected in continuing joint participation on the same basis as we enjoy individually today.

# 5. Why is the proposed merger compelling for Members?

NorthStandard, as one of the world’s leading P&I clubs, will deliver a compelling service proposition for members and clients and all those who rely upon us to provide first-class service. The outstanding claims expertise, tried and tested on the largest and most complex claims, will complement a broad portfolio of products and services. Combined with faster innovation, NorthStandard will meet evolving market requirements more effectively and offer incisive guidance to navigate the continuing change affecting the global maritime sector and better anticipate future trends and challenges.

Our combined operational scale and even stronger financial resilience is intended to smooth the volatility of year-on-year market fluctuations and deliver predictability and stability over future years in our operational, financial and technical results. Additionally, the minimum expected savings from eliminating duplicate costs in the new club are anticipated to be worth 3% on the combined ratio. Furthermore, the forecast savings on reinsurance premiums arising from NorthStandard’s increased purchasing power and the ability to take higher retention levels are expected to be worth at least an additional 1% on the combined ratio. Reductions in operational expense ratios would help ensure more sustainable premiums over the long term without diluting our service-led approach.

Establishing NorthStandard is likely to stimulate even greater competition across the P&I sector. Meaningful competition at this scale and prioritising the needs of shipowners in these turbulent times will drive pricing and operational efficiencies, enhance service delivery and innovation, and offer even greater choice through increased product development and diversification.

The Board of directors recommend that members vote in favour of the merger and the resolutions proposed at the Special General Meeting of Standard Bermuda for the following reasons:



<b>Exceptional Service &amp; Innovation</b>	A combined club will offer a broader and deeper claims experience, unrivalled in the IG, with more accessible services. The greater pool of market-leading knowledge and insight delivered across all key markets will support the changing needs of members.
	<p>Bringing all this expertise together would accelerate NorthStandard’s appetite and ability to innovate, creating new ideas and providing more diverse data sources and a more extensive membership base to improve the viability of new products and services.</p> <p>These deeper insights, tailored solutions and investment in technology could help the new combined club navigate disruptive change and anticipate future market challenges to improve service levels in the most cost-effective ways.</p>
<b>Global Reach and Influence</b>	NorthStandard would deliver a global ecosystem of marine insurance solutions relevant to the widest range of shipowners, including P&I, FD&D, Hull, War, Offshore, Strike & Delay and more.
	It would be a powerful global voice, acting for shipowners and their best interests, with a broader local footprint.
<b>Financial and Operational Resilience</b>	Creating a stronger balance sheet will result in a highly secured club, well-positioned to thrive in all conditions. Backed by a strong capital buffer over regulatory requirements, the combined club’s capital strength is expected to be S&P ‘AAA’ rated, with free reserves large enough to allow for significant reinvestment into the value proposition.
	Some increases in operational efficiency, achieved by reducing deduplication and driving economies of scale, would also be available, notwithstanding that this is not the primary goal. The expected savings from eliminating duplicate costs over the medium term are anticipated to be the equivalent of at least 3% of the combined ratio. The forecast savings on reinsurance premiums arising from NorthStandard’s increased purchasing power and the ability to take higher retention levels are expected to be at least a further 1% on the combined ratio. Reductions in the expense ratios would help ensure more sustainable premiums without diluting our service-led approach.
<b>People Talent and Succession</b>	NorthStandard would also be the P&I mutual of choice for our people – offering more choice, more opportunities and more flexibility whilst retaining the long-established close family ethos and culture.
	This would make it easier to attract, develop and keep the people that are the foundation of the service-led approach, consistently valued and sought by members.

# 6. Introducing NorthStandard

## What is our vision for the combined club?

Our vision for NorthStandard is “To harness over 300 years of maritime heritage to create a global marine insurer for the future.”

This vision is based upon four pillars that derive from the benefits that we see for our members and people, and an unwavering commitment to mutuality.

## 4 supporting pillars

### 01 Exceptional Service & Innovation

Providing unequalled trading confidence to members and partners.

### 02 Global Reach & Influence

Relevant to the widest range of shipowners and a powerful global voice.

### 03 Financial & Operational resilience

Meeting market changes and challenges.

### 04 Talent & Succession

Giving unparalleled people and career opportunities.



# Summary principles for the combined club

## In developing a member led club we will be guided by the following core principles:

**Exceptional service** – The future operating model will focus on delivering a best-in-class service-driven value proposition for its members. Member focus will be foremost within the proposed governance and culture of NorthStandard.

**A merger of equals** – Both clubs will have fair and equal representation to maintain a culture recognisable to members and people from both clubs. This approach will act as the foundation for the future club, its brand positioning and its operating model to preserve the heritage of both.

**Heritage and identity** – Different stakeholders will value different aspects of our respective histories and cultures. Being service and member-led is itself of primary importance to both members and our people. The difference in cultures and our ability to take them forward in a combined culture preserving the best of both clubs is important, as is the balance within our governance and management teams from where cultural leadership must come. Location and brand are also important for many, given our long histories in some locations, such as Newcastle and London, and our respective names.

**Long-term success over short-term savings** – This is a question of balancing a realistic business plan with the benefits of scale and diversification and maintaining a service and member-led club – which requires people and investment. Across our business plans, the operating model proposals and the integration timetable, we have sought to achieve the optimum balance to deliver short-term savings and long-term efficiencies.



## Culture

Standard Club and North are similar in many ways, and it is for this reason that they share more members than any other two clubs. It's also why we have taken discussions on the merger to this point. The combined club will be firmly rooted in and reflect the culture and heritage of both its parent clubs. Management on both sides is committed to a robust and healthy culture that will support success for generations to come.

The culture of NorthStandard will seek to build on the best cultural elements and heritage from both North and Standard Club, and this will be addressed through our detailed integration plans. The new culture of NorthStandard will protect the heritage and long histories of both clubs, prioritise members' interests, service and mutuality, be caring and collegiate, and look to achieve our goals through looking after our people.

## Our People

We believe NorthStandard would also be the P&I mutual of choice for our people – offering more career choices, more opportunities and more flexibility whilst retaining the long-established close family ethos and culture. This would make it easier to attract, develop and keep the people who are the foundation of the service-led approach, consistently valued and sought by members.

## Operating model summary and integration planning

If the merger is approved, the integration of the two clubs will be carefully planned and implemented. There will be no significant changes in the short term, but a new structure, combining beneficial aspects of both clubs, will be put in place over the period of the full integration. Initially, both clubs will continue to operate separately, albeit working together as one unit in time for the February 2023 renewal. Full integration with all governance, operational structures and functional capabilities with aligned technology could take a further 12-24 months.

The merged club will be UK headquartered (and regulated) with offices in Newcastle and London. Both CEOs will sit on the NorthStandard Executive Leadership Team, with Paul Jennings remaining the CEO of North and Jeremy Grose remaining the CEO of Standard Club, and together they will manage NorthStandard. Supporting them in transitioning to a fully integrated club will be an interim Executive Leadership Team that will hold several regulatory roles at NorthStandard. The role of this team will be to discharge their regulated Senior Management Functions (SMF) from Day One. This transitional team has an equal representation of people from North and Standard Club, reflecting that this is a “merger of equals”.

## NorthStandard and the International Group

Both clubs have a history of being actively supportive of the IG and engaging in its activities, which supports our view that we can continue to provide a strong voice for shipowners within the IG. We, along with North, are in active discussions with the IG regarding the implementation of the merger, the first of its kind between two IG members, and we anticipate agreeing over the coming months on the relevant amendments needed to the IG documents to facilitate the merger.

## Supplementary Calls

To the extent there were to be any supplementary calls in the future, mutual members of both clubs will remain liable for supplementary calls in respect of policy years ending on or before Day One on the same basis as they are currently. For policy years commencing on or after such date, members of both clubs will be liable for supplementary calls in respect of the combined classes of NorthStandard in which they are entered. Each of the combined classes of the combined club will operate as a single class of the combined club.



# Financial Overview

## Combined ratios

Both North and Standard Club, like many other clubs within the IG, have recorded combined ratios well over 100% in the last two financial years as the level of our own and other clubs' large and pool claims have risen above the historical average.

North and Standard Clubs' existing business plans are to return to a breakeven position, with rate rises implemented for both clubs at the February 2021 and 2022 renewals. These rate increases have already shown some success, with combined ratios for the financial year to February 2022 expected to be under 108% for North and under 106% for Standard Club, which are likely to be better than the IG average. The combined ratios for both clubs for the financial year to February 2023 are expected to be close to 100% (a breakeven underwriting result), with the long-term aim to maintain a combined ratio for the merged club at or around 100%.

Combined ratio	2018	2019	2020	2021	2022	2023**
North	104%	105%	126%	114%	<108%	~103%
Standard Club	98%	100%	131%	121%	<106%	~101%
IG average	104%	109%	117%	118%	n/a	n/a

## Historic financial results

North, \$m	2019	2020	2021	2022*
Gross premium **	319	320	376	394
Net premium	258	254	296	312
Poolable tonnage	142	147	160	160
Share of IG tonnage	11.8%	11.9%	12.5%	12.1%
Poolable premium	197	195	203	214
Share of IG premium	10.2%	10.0%	10.4%	10.7%
Combined ratio	105%	126%	114%	< 108%
Free reserves	463	444	450	tbc
Outstanding claims	622	628	668	tbc

Standard Club, \$m	2019	2020	2021	2022*
Gross premium **	289	288	293	294
Net premium	225	213	228	229
Poolable tonnage	119	117	116	106
Share of IG tonnage	9.9%	9.5%	9.1%	8.0%
Poolable premium	174	174	166	167
Share of IG premium	9.0%	8.9%	8.5%	8.3%
Combined ratio	100%	131%	121%	< 106%
Free reserves	435	394	360	tbc
Outstanding claims	536	564	586	tbc

\* draft figures for the financial year to February 2022 \*\* premium figures shown net of brokerage

North is between 20% and 30% larger than Standard Club when measured in terms of free reserves, premium, tonnage or outstanding claims, a position which has remained relatively stable in recent years. In common with the rest of the IG, the increased level of large claims has increased the levels of outstanding claims on the balance sheets of both clubs, with combined ratios of over 100%, reducing levels of free reserves. Both clubs are well diversified, with 35-40% of premium coming from non-poolable / fixed premium business.

## Reserve strength

Although North is larger in absolute terms, the two clubs are almost identical in relative terms. If measured in terms of free reserves per ton, per premium or per level of outstanding claims, the ratios of both clubs are very similar.

Reserve ratios (Feb 2021)	North	Standard
Per poolable ton	2.8	3.1
Per poolable premium	2.2	2.2
Per gross premium	1.2	1.2
Per net premium	1.5	1.6
Per o/s claims	0.7	0.6

Both clubs are rated 'A' by S&P and have reserves above S&P's 'AAA' capital strength requirement. Both clubs also hold comfortable margins over their regulatory capital requirements; however, due to their different company structures and the different regulatory regimes they operate under (North UK regulated by the PRA following Solvency 2 regulations, Standard Bermuda regulated by the BMA under Bermudian regulatory requirements) meaningful comparison of their regulatory requirements and solvency margins is not possible.

## Future projections

NorthStandard will continue to target 100% combined ratios, and the merger will assist this goal through the delivery of long-term cost savings from eliminating duplicate costs, anticipated to be the equivalent of at least 3% on the combined ratio. The forecast savings on reinsurance premiums arising from the combined club's increased purchasing power and the ability to take higher retention levels are expected to be at least a further 1% on the combined ratio.

In addition, tonnage growth projections on a merged basis are expected to exceed the projections from North and Standard Club's pre-merger business plans, reducing pressure on the combined ratio. It is also expected that the scale of the merged club will reduce volatility around large (and pool claims), allowing more consistent underwriting results over time.







# 7. How the merger will be implemented and how the combined club will differ from your current club

## Standard Club existing structure

Standard Club currently shares its global insurance underwriting activity across three legal entities:

- Standard UK, a non-life insurance company incorporated in England and Wales.
- Standard Ireland, a non-life insurance company incorporated in Ireland.
- Standard Asia, a non-life insurance company incorporated in Singapore.

Standard UK, Standard Ireland and Standard Asia are subsidiaries of Standard Bermuda, an insurance holding company incorporated in Bermuda, which acts as the parent company of Standard Club.

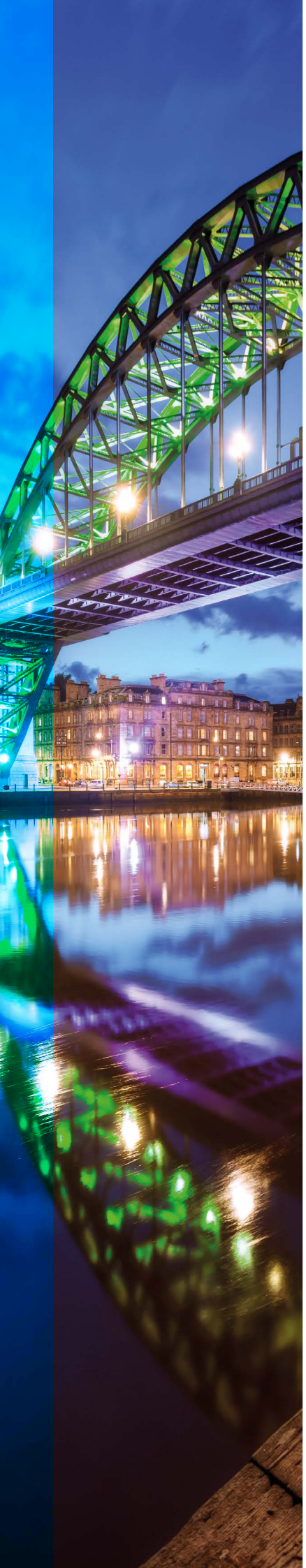
Standard Club operates five classes of insurance business: P&I, FD&D, War Risks, Coastal & Inland and Strike & Delay. Standard Asia also separately operates a Singapore Mutual War Risks class.

Policyholders of Standard UK, Standard Ireland and Standard Asia have a contract of insurance with the relevant insuring entity as well as corporate membership rights in Standard Bermuda and (where their insuring entity is Standard UK), Standard UK. Policyholders of Standard Asia's Singapore Mutual War Risks class do not have corporate membership rights in Standard Bermuda.

Standard Club is a single corporate group which has a group captive reinsurance company incorporated in Bermuda, Standard Re. Standard Re provides quota share reinsurance to Standard UK, Standard Ireland and Standard Asia.

For entity details see page 54





## North existing structure

North currently operates its insurance business on the basis of a ‘one club, two company’ structure, with global insurance underwriting activity shared across two legal entities:

- North UK, a non-life insurance company incorporated in England and Wales; and
- North EU, a non-life insurance company incorporated in Ireland, together the North Group.

The club operates three classes of mutual business: P&I, FD&D and War Risks. It also operates several non-mutual business lines. North UK underwrites the club’s Non-EEA insurance business, and North EU underwrites its EEA insurance business. North EU is a wholly owned subsidiary of North UK, and EEA members of the club’s P&I, FD&D and War Risks classes, therefore, have insurance contracts with North EU in respect of their entered vessels and corporate membership rights in North UK. Non-EEA members of the club’s P&I, FD&D and War Risks classes have contracts of insurance with North UK in respect of their entered vessels, as well as corporate membership rights in North UK.

Discretionary claims arising under the rules of the P&I, FD&D and War Risks classes are determined by the club’s Members Board, which is a committee of member representatives established to provide a forum for mutual members to play an enhanced role in the governance of the club outside of General Meetings and to promote a mutual ethos within its governance structure.

The club also has a parallel mutual reinsurance structure in place with North Re, a multi-owner captive reinsurance company incorporated in Bermuda. North Re provides reinsurance to North UK, and North EU for P&I and FD&D risks through a quota share reinsurance contract.

Under the parallel mutual reinsurance structure, North Re is not part of the club’s group of companies, and there is no relationship of legal ownership or control between any of the legal entities in the club and North Re. Instead, North Group entities and North Re are subject to the common ownership of the members of the club’s P&I and FD&D classes. This is achieved by those members being granted corporate membership rights in both North UK (as described above) and North Re for the term of their insurance policies.

## Corporate structure – NorthStandard

It is proposed that the combined club will adopt a parallel structure like North has today, with North UK (to be renamed) becoming the parent company of the combined insurance group and North Re (to be renamed) becoming the holding company for the combined reinsurance group.

The completion of the proposed merger is conditional on a number of items, including (i) regulatory change in control approval being obtained from the UK PRA/FCA, the Bermuda Monetary Authority, the Central Bank of Ireland and the Monetary Authority of Singapore, (ii) relevant merger control approvals being obtained, (iii) the passing of the relevant member approvals by each club; and (iv) agreement with the IG on the clubs’ continued participation in the IG Agreement and the IG Pooling Agreement.

The proposed group structure of the combined club from Day One is shown here [www.standard-club.com/about/standard-club-and-north/organisational-structure/](http://www.standard-club.com/about/standard-club-and-north/organisational-structure/), which also includes a summary of the key corporate steps that are proposed to take effect on 20 February 2023 if the proposed merger is approved and the relevant conditions satisfied.

## Merged insurance group

In summary, the merged group of insurance companies will be formed by relevant entities in the North and Standard Club taking the necessary corporate actions to achieve the following key outcomes:

- North UK changing its registered company name to North Standard UK
- NorthStandard UK becoming the sole member of Standard Bermuda and the ultimate parent company of the merged insurance group
- Existing corporate members of Standard Bermuda ceasing to be corporate members of that entity and becoming corporate members of NorthStandard UK in common with the existing corporate members of North UK
- Changing the composition of the NorthStandard UK Board of Directors to include appropriate representation for each club commensurate with a 'merger of equals' as further detailed in the Board of Directors section below
- Establishing Coastal & Inland and Strike & Delay classes within NorthStandard UK and class

committees to enable continuity of the existing arrangements in place for those classes within the Standard Club

- Expanding the role of the Members Board to include the power to determine discretionary claims arising under the P&I, FD&D War Risks, Coastal & Inland and Strike & Delay class rules of all entities within the merged club and enlarging the membership of the Members Board to include all existing shipowner directors on the Standard Bermuda Board of Directors
- The cessation of minority membership interests in Standard UK and minority shareholdings in Standard Asia with the effect that both entities become wholly-owned subsidiaries of Standard Bermuda

The corporate structure resulting from these actions will create a merged club with global insurance underwriting activity shared across five insurance entities NorthStandard UK (formerly North UK), North EU, Standard UK, Standard Ireland and Standard Asia.

The merged club will have five separate classes of mutual business (P&I, FD&D, War Risks, Coastal & Inland and Strike & Delay) and several non-mutual business lines. Mutual policyholders of the merged club will have contracts of insurance with one of the five insurance entities in respect of their entered vessels, as well as corporate membership rights in NorthStandard UK.

Consistent with a 'one club' mutual ethos and existing arrangements in place for the North Group, the constitutional documents and class rules of the five insurance entities will be amended to provide that any insurance entity within the merged club can levy an additional call on all members of a class and not just their own policyholders. This will ensure that one of the main benefits of the merger, being the sharing of risk amongst a greater number of members, is realised.

## Merged parallel reinsurance group

In summary, the merged parallel group of reinsurance companies will be formed by North Re and relevant entities in Standard Club, taking the necessary corporate actions to achieve the following key outcomes:

- North Re changing its registered company name to NorthStandard Re
- NorthStandard Re becoming the sole shareholder of Standard Re through the transfer of the entire issued share capital in that entity by Standard Bermuda to NorthStandard Re, resulting in NorthStandard Re becoming the ultimate parent company of the merged reinsurance group
- Changing the composition of the NorthStandard Re Board of Directors to include appropriate representation for each club commensurate with a 'merger of equals'

A separate meeting of the members of NorthStandard Re will be held to approve these changes.

# Members Board

In light of UK regulatory restrictions on the size of regulated Boards, historically, North has maintained a Members Board. Its biannual meetings have provided members with the opportunity to consult with the directors on a wide range of topics and to engage directly in the governance of North. In addition, the Members Board has had the ability to determine discretionary matters that have arisen in relation to members' claims under the North rules in much the same way as the Board of Standard Bermuda currently considers such matters.

The updated rules for insurance business written by Standard Club insurance entities as part of the combined club will introduce the concept of the Members Board, enabling the continuation of shipowner representation in the governance of the combined club going forward, noting that Standard Bermuda will become an intermediate holding company and its Board reduced in size accordingly.



# Board of Directors

The Board of the parent company of the combined club from Day One will consist of similar numbers of existing directors from each club, consistent with the principle of a ‘merger of equals’. The precise composition is subject to necessary approvals in due course, but the current proposal is 16 directors on the statutory Board from Day One as follows:

Position	Name	Pre-merger affiliation	Summary Biography
<b>Non-Executive Directors</b> <b>(Shipowner member representatives)</b>	Cesare d’Amico (Chair)	Standard Club	Cesare is the Principal, along with his cousin Paolo, of d’Amico Società di Navigazione, Italy, holding company of the shipping group managing the dry bulk and container ships and the publicly listed but family-controlled product tankers segment. Cesare joined the Standard Club board as a Non-Executive Director in 2004 and became Chair of the board in 2017. He also chairs the club’s Nomination & Governance Committee and is a member of the club’s Audit & Risk Committee and Remuneration Committee, as well as Standard Asia and Standard Ireland.
	Ioanna Procopiou (Deputy-Chair)	North	Representing Sea Traders SA, Greece, Ioanna joined the North UK Board as a Non-Executive Director in 2018 and became Vice-Chair of the Board in September 2020. She is also a member of North’s Group Audit Committee and Group Nominations & Remuneration Committee.
	Nicolas Hadjioannou (Deputy-Chair)	Standard Club	Nicolas is the CEO of Cymona Maritime Holdings Inc. and Cymona Shipping Management S.A.M., the founder of Alassia Newships Management and a shipping investor. Nicolas joined the Standard Club board as a Non-Executive Director in 2014. He also chairs the club’s Remuneration Committee and is a member of the club’s Nomination & Governance Committee.
	James Tyrrell	North	James is a Director of Arklow Shipping, Ireland. He was appointed as a Non-Executive Director of North UK in 2017 and became Chair of the Board in 2021. James has a PhD in Financial Econometrics and Chairs the North Group Investment Committee. He is also a Non-Executive Director of North EU.
	Erik Johnsen	Standard Club	Erik is President of Shipinvest Corporation and Director of Seaocean Carriers Pte, Ltd. Erik joined the Standard Club board as a Non-Executive Director in 2003. He chairs the club’s Audit & Risk Committee and is a member of the club’s Nomination & Governance and Remuneration Committees, as well as Standard UK.
	Johann-Philipp Reith	North	Philipp is Managing Director of Orion Bulkera based in Hamburg, Germany. He became a Non-Executive Director of North UK in 2017 and was appointed Vice-Chair in May 2021. He is also a member of North’s Group Risk Committee and Group Nominations & Remuneration Committee.
	Ricardo Menendez	Standard Club	Based in Punta del Este, Uruguay, Ricardo is the Principal and co-CEO of Interocean Transportation Inc (fleet of bulk carriers) and Naviera del Sud (container vessels). Ricardo joined the Standard Club board as a Non-Executive Director in 1990. He was Chair of the Board from 2004 to 2014. Ricardo is a member of the club’s Nomination & Governance Committee, as well as Standard UK and Standard Asia.

Position	Name	Pre-merger affiliation	Summary Biography
<b>Non-Executive Directors</b> <b>(Shipowner member representatives)</b>	Pratap Shirke	North	Pratap represents ASP Ship Management and has been a director of North UK since 1997. He was Chair of the Board from 2012 to 2021. During his time as Chair and as a director, he has been a member of and participated at, many Board committees. He is currently Chair of North’s Group Nominations & Remuneration Committee and a Non-Executive Director and Chair of the Board of North EU.
	Takis Vellis	Standard Club	Takis has worked in shipping since 2005, previously having worked at SNP Brokers and pool/chartering companies before joining Pleiades, his family’s business, where he worked and gained experience in crewing, accounting, insurance, chartering, SNP / newbuilding projects, financing and hedging strategies. Takis joined the Standard Club board as a Non-Executive Director in 2020.
	Nicholas Fell	North	Nick has been a Non-Executive Director of North UK since 2015 and is General Counsel & Executive Vice President of BW Group and is based in Singapore.
<b>Non-Executive Directors</b> <b>(Insurance, risk and audit experts)</b>	Nicholas Taylor	North	Nick is Chair of North’s Group Risk Committee and was appointed as a Non-Executive Director in 2017. Nick was previously the Global Head of the P&I Practice for Marsh Ltd. He has also undertaken consultancy work for clients in the marine insurance sector.
	Alistair Groom	Standard Club	Alistair is a Non-Executive Director of the Standard Club and the former CEO of Charles Taylor & Co. Limited, the club’s former managers. He is also a Non-Executive Director of International Transport Intermediaries Club Ltd and has had other Non-Executive positions in the maritime sector.
	Michael Thompson	North	Mick is a former officer Senior Partner of KPMG LLP’s Newcastle office and joined the North UK Board in September 2020. He is a member of North’s Group Audit and Risk Committees and a Non-Executive Director and Audit and Risk Committee member of North EU. He holds several other Non-Executive positions, including as a member of the Board and Audit Committee Chair of Newcastle Building Society.
	TBC - New appointment		
<b>Executive Directors</b>	Paul Jennings	North	Paul is Chief Executive of North, responsible for all aspects of the Group’s activities. Paul has been involved in the marine insurance industry for over 30 years, and he is an Executive Director of North UK and North EU. Paul was appointed as Chairman of the International Group of P&I Clubs (IG) in November 2018.
	Jeremy Grose	Standard Club	Jeremy has been Chief Executive of The Standard P&I Club since 2014. He started his career with the P&I club in 1991. His time with the club has involved roles in claims, underwriting and business development, including a period of deployment for the club working in Athens. Jeremy is an Executive Director of the Standard Club.

## Member Rights

The table you can find here [www.standard-club.com/about/standard-club-and-north/member-rights/](http://www.standard-club.com/about/standard-club-and-north/member-rights/) sets out the main changes to your current rights should the merger proceed. Except as stated otherwise, these positions apply equally to mutual members and fixed premium members. As you will see from the table, your current rights and your rights following the merger are broadly equivalent save that (i) there will be a cap of 30 votes for each mutual member on a poll and (ii) fixed premium members will not receive voting rights. With respect to your policyholder rights under the relevant rules, as mentioned above, these will be largely unchanged for the 2023/24 policy year.



## Constitutional changes and corporate member rights

Changes are being proposed to the constitutions of the various companies within Standard Club and North in order to give effect to the change in corporate structure and the proposed operating model for the combined club's insurance arrangements with effect from Day One.

In particular, there will be special general meetings of the members of Standard Bermuda and Standard UK on 27 May 2022 to approve these changes. Further details can be found below.

As noted above, Standard Bermuda is proposed on completion to become a subsidiary of NorthStandard UK (with NorthStandard UK being its sole corporate member) and convert to become a company limited by shares rather than limited by guarantee. It is proposed to adopt entirely new bye-laws appropriate for a wholly-owned subsidiary company limited by shares.

Changes are also proposed to Standard UK's articles of association with effect from completion:

- To reflect Standard Bermuda as its sole corporate member.
- To align the position with the class-wide calling provisions applicable to the combined club as a whole and the applicable provisions within the articles of association of NorthStandard UK.
- To simplify the provisions relating to the alteration of rules by the inclusion of a general power of the directors to do so and to align with the position in the articles of association of NorthStandard UK.
- To remove provisions relating to class committees of Standard UK, as class committees will be constituted at the parent company (NorthStandard UK) level of the combined club rather than at subsidiary level, and changes are proposed to NorthStandard UK's articles of association to allow for their continuation at parent level.

# Class Rules

As noted above, changes are proposed to the rules of each class of Standard Club for 2023/24 (other than the Singapore War Risks Mutual rules) in connection with the proposed merger. Such amendments are expected to take effect from noon Greenwich Mean Time on Day One.

The changes to the rules provide for the following:

## 1. Corporate membership in NorthStandard UK and NorthStandard Re

To reflect the fact that members will become corporate members of NorthStandard UK and NorthStandard Re and, in particular, will be subject to the provisions of the articles of association of NorthStandard UK.

## 2. Joint and several enforcement

NorthStandard UK and its Irish insurance subsidiary, North EU, currently have the right to act jointly and severally to enforce their rules. This principle is to be expanded to all of the underwriting entities in the combined club so that the clubs can act as one club, for example, with regard to the levying of supplementary calls.

## 3. Contributions

Consistent with the intention to operate the classes as single classes across the combined club, amendments to the reference point for contributions to the class rather than the individual club insurance subsidiary. This, therefore, clarifies that calls and supplementary calls can be determined by reference to the requirements of the class as a whole.

## 4. Members Board and Class Committees

To introduce the concepts of the Members Board and the group-wide Class Committees, both of which will be constituted pursuant to the articles of association of NorthStandard UK. The Members Board provides members of the combined club with a forum to play a role in the governance of the combined club, and, in particular, it has powers to determine discretionary matters that arise in relation to members' claims under the rules. Class meetings of the insurance subsidiaries of Standard Bermuda will take place on 27 May 2022 to adopt amendments to the rules of each class for the 2023/24 policy year. Further details can be found below.



# 8. Timescales & Transaction process

The table below summarises the key milestones and timings for the implementation of the merger:

<b>27 May 2022</b>	<ul style="list-style-type: none"><li>• North EGM and Standard Club member general meetings to vote on the merger proposal. Details of Standard Club general meetings are available in Section 9 of this document.</li></ul>
<b>Autumn 2022</b>	<ul style="list-style-type: none"><li>• Anticipated date for all financial regulatory and merger control approvals to be received.</li><li>• Operating model design and planning for Day One.</li></ul>
<b>20 February 2023 / Day One</b>	<ul style="list-style-type: none"><li>• Formal corporate merger of the two clubs is completed, and the first policy year of combined clubs begins with a new corporate structure and brand in place.</li><li>• Commence detailed Target Operating Model design and planning.</li></ul>



# 9. What do Members need to do?

Members are invited to vote on the proposed merger. This can be done in two ways.

## 1 Vote at the general meeting:

A special general meeting of members of Standard Bermuda is taking place on Friday 27 May 2022 at 11:30 am (CET) at Hotel Eden, Via Ludovisi 49, 00187 Rome, Italy. The meeting is to allow members to vote on the proposed merger. If the members approve the proposed merger, the meeting will continue, and the members will be asked to approve the adoption of the amended bye-laws in connection with the proposed merger. The proposed merger and changes to the bye-laws require a simple majority of the votes cast by members at the general meeting (whether in person or by proxy) to be in favour for the resolution to be passed.

A general meeting of the members of Standard UK is also taking place on Friday 27 May 2022 immediately following the special general meeting at Hotel Eden, Via Ludovisi 49, 00187 Rome, Italy. The meeting is to allow members to vote on the adoption of the amended articles of association in connection with the proposed merger. The proposed changes to the articles of association require at least 75% of votes cast at the general meeting (whether in person or by proxy) to be in favour for the resolution to be passed.

In addition, class member meetings will be held to approve the amendments to the rules of each class for the 2023/24 policy year in connection with the proposed merger. The proposed changes to each of the rules require a simple majority of the votes cast at the relevant class meeting (whether in person or by proxy) to be in favour for the resolution to be passed.

Voting on resolutions at the meetings is normally decided on a

show of hands, with each member attending in person or by proxy having one vote each. However, in the event that a poll vote is demanded on a resolution, then the weighted voting rights set out in the constitutions of the relevant companies will apply. The process for calling a poll vote for each company is also set out in such constitutions. Copies of the current constitutions are available on request by email to: [membermeetings@standardclub.com](mailto:membermeetings@standardclub.com)

In respect of the general meeting of Standard Bermuda, a poll vote on a resolution can be demanded by any of the following in advance of the general meeting or, at the general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared: the chairman of the meeting; the directors; two or more persons having the right to vote on the resolution; or a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

If you wish to attend the meetings in person, please email: [membermeetings@standardclub.com](mailto:membermeetings@standardclub.com).

Circulars will be sent to the relevant members as set out in the table below. Each Circular will provide details of the meeting, the resolutions, proxy forms and notes to complete the proxy forms. The Circulars will also be available on Standard Club's website, a URL to each Circular is set out below.

## 2 A Proxy Vote:

Proxy forms for each of the meetings are provided within the Circulars [www.standard-club.com/about/standard-club-and-north/circulars/](http://www.standard-club.com/about/standard-club-and-north/circulars/) for those who are unable to attend. A proxy need not be a member. It is important that the relevant form(s) of proxy should be completed and signed correctly. Your attention is drawn to the notes included in each Circular. In order for the proxy to be valid, the forms, duly completed, must be received by the club's secretary not less than 48 hours before the time of the meetings, other than for the class meetings of Standard Asia, where the forms must be received not less than 12 hours before the time of the meetings.



# Details of circulars

Company	Meeting	Resolutions to approve/adopt	Contained within the Circular	URL
The Standard Club Limited	Members general meeting	<ul style="list-style-type: none"> <li>The merger</li> <li>The amended by-laws</li> </ul>	<ul style="list-style-type: none"> <li>Circular</li> <li>Notice of meeting</li> <li>Form of Proxy</li> <li>Notes</li> </ul>	<a href="http://www.standard-club.com/standardbermudacircular-membersvoteandconstitutionalchanges">www.standard-club.com/standardbermudacircular-membersvoteandconstitutionalchanges</a>
The Standard Club UK Ltd	Members general meeting	<ul style="list-style-type: none"> <li>The amended articles of association</li> </ul>	<ul style="list-style-type: none"> <li>Circular</li> <li>Notice of meeting</li> <li>Form of Proxy</li> <li>Notes</li> </ul>	<a href="http://www.standard-club.com/knowledge-news/standard-uk-circular-constitutional-changes-4322/">www.standard-club.com/knowledge-news/standard-uk-circular-constitutional-changes-4322/</a>
The Standard Club UK Ltd	Class member meetings of the following classes: <ul style="list-style-type: none"> <li>P&amp;I class:</li> <li>Defence class</li> <li>Coastal &amp; Inland class</li> <li>War Risks class</li> <li>Strike &amp; Delay class</li> </ul>	<ul style="list-style-type: none"> <li>Amended rules of the following classes</li> <li>P&amp;I class: <ul style="list-style-type: none"> <li>P&amp;I class rules,</li> <li>Offshore P&amp;I class rules</li> <li>Fixed premium P&amp;I class rules</li> </ul> </li> <li>Defence class</li> <li>Coastal and Inland class</li> <li>War Risks class</li> <li>Strike and Delay class</li> </ul>	<ul style="list-style-type: none"> <li>Circular</li> <li>Notices of each class meeting</li> <li>Appendices setting out amendments to the rules</li> <li>Forms of Proxy for each class meeting</li> <li>Notes</li> </ul>	<a href="http://www.standard-club.com/knowledge-news/standard-uk-circular-class-rule-changes-4323/">www.standard-club.com/knowledge-news/standard-uk-circular-class-rule-changes-4323/</a>
The Standard Club Ireland DAC	Class member meetings of the following classes: <ul style="list-style-type: none"> <li>P&amp;I class:</li> <li>Defence class</li> <li>Coastal &amp; Inland class</li> <li>War Risks class</li> <li>Strike &amp; Delay class</li> </ul>	<ul style="list-style-type: none"> <li>Amended rules of the following classes</li> <li>P&amp;I class: <ul style="list-style-type: none"> <li>P&amp;I class rules,</li> <li>Offshore P&amp;I class rules</li> <li>Fixed premium P&amp;I class rules</li> </ul> </li> <li>Defence class</li> <li>Coastal and Inland class</li> <li>War Risks class</li> <li>Strike and Delay class</li> </ul>	<ul style="list-style-type: none"> <li>Circular</li> <li>Notices of each class meeting</li> <li>Appendices setting out amendments to the rules</li> <li>Form of Proxy for each class meeting</li> <li>Notes</li> </ul>	<a href="http://www.standard-club.com/standardirelandcircular-classrulechanges">www.standard-club.com/standardirelandcircular-classrulechanges</a>
The Standard Club Asia Ltd	Class member meetings of the following classes: <ul style="list-style-type: none"> <li>P&amp;I class:</li> <li>Defence class</li> <li>Coastal &amp; Inland class</li> <li>Strike &amp; Delay class</li> </ul>	<ul style="list-style-type: none"> <li>Amended rules of the following classes</li> <li>P&amp;I class: <ul style="list-style-type: none"> <li>P&amp;I class rules,</li> <li>Offshore P&amp;I class rules</li> <li>Fixed premium P&amp;I class rules</li> </ul> </li> <li>Defence class</li> <li>Coastal and Inland class</li> <li>Strike and Delay class</li> </ul>	<ul style="list-style-type: none"> <li>Circular</li> <li>Notices for each class meeting</li> <li>Appendices setting out amendments to the rules</li> <li>Form of Proxy for each class meeting</li> <li>Notes</li> </ul>	<a href="http://www.standard-club.com/standardasiacircular-classrulechanges">www.standard-club.com/standardasiacircular-classrulechanges</a>

If you have any questions about the meeting process or wish to attend any of the meetings in person, please email [membermeetings@standardclub.com](mailto:membermeetings@standardclub.com).

The target merger date is 20 February 2023. The merger can only take place once all merger conditions are satisfied or waived. Following North and Standard Club member approval, the principal merger condition is regulatory approval the principal merger conditions are (i) financial regulatory approval being confirmed by North’s and Standard Club’s regulators, (ii) relevant merger control approvals being obtained, and (iii) agreement with the IG on

the clubs’ continued participation in the IG Agreement and the IG Pooling Agreement.

If the North or Standard Club members do not vote in favour of the merger, it will not occur. Standard Club’s business will continue to operate in the usual way, and the expected advantages of the proposed merger will not be realised.

Standard Club will inform members of the outcome of the resolutions proposed at the meetings noted above. We will also display this information on our website ([www.standard-club.com](http://www.standard-club.com)).

## Next steps at a glance

- Please read this pack and visit [www.standard-club.com/about/standard-club-and-north/](http://www.standard-club.com/about/standard-club-and-north/) for further information. Your club contact is also available to answer any questions you may have.
- Packs are available in English, Japanese, Korean and Mandarin. If you would like another version, please visit [www.standard-club.com/about/standard-club-and-north/](http://www.standard-club.com/about/standard-club-and-north/) to download.
- We encourage members to vote. Please decide whether you wish to attend the general meeting(s) and/ or any of the class meetings in person or vote by proxy.

# Defined Terms

Entity	Full name
NorthStandard	Term used to described combined club from completion
Standard Club	Term used to refer to all companies within the Standard Club group pre completion
North	Term used to refer to all companies within the North group pre completion
North UK or NorthStandard UK	North of England Protecting and Indemnity Association Limited (to be renamed North Standard Limited at completion)
North Re or NorthStandard Re	The North of England Mutual Insurance Association (Bermuda) Limited (to be renamed North Standard Reinsurance Limited at completion)
North EU	North of England P&I DAC
NEIS	North of England Insurance Services Inc.
North Shanghai	North of England Marine Consultant (Shanghai) Ltd. Co.
NEPIA Trust	NEPIA Trust Company Limited
NGSL	North Group Services Limited
North Hydra	Hydra Insurance Company Limited (North Segregated Cell)
VODG	Van Olst De Graaff & Co B.V.
HMU	Harlock Murray Underwriting Limited
HMU USA	Harlock Murray Underwriting LLC
Standard Bermuda	The Standard Club Limited
Standard Asia	The Standard Club Asia Ltd.
Standard Ireland	The Standard Club Ireland DAC
Standard UK	The Standard Club UK Ltd
Standard Hydra	Hydra Insurance Company Limited (Standard Segregated Cell)
Standard Re	Standard Reinsurance (Bermuda) Limited
SCM (Bermuda)	Standard Club Management (Bermuda) Limited
SCM (Asia)	Standard Club Management (Asia) Pte. Limited
SCM (Americas)	Standard Club Management (Americas), Inc.
SCM (Europe)	Standard Club Management (Europe) Limited
SCM (UK)	Standard Club Management (UK) Limited





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 The Standard P&I Club

 Standard Club

Standard Club is comprised of the entities listed below. To identify your insurer within Standard Club please refer to your policy documents for the relevant policy year or please contact us. To best serve customers, Standard Club uses international correspondents, which may be another entity within Standard Club.

The Standard Club Ltd, incorporated in Bermuda (No. 1837), authorised and regulated by the Bermuda Monetary Authority. Managers: Standard Club Management (Bermuda) Limited, incorporated in Bermuda (No. 56069). Registered addresses: Swan Building, 2nd Floor, 26 Victoria Street, Hamilton HM 12. The Standard Club Asia Ltd, is a company incorporated in Singapore with limited liability (No. 199703224R), authorised and regulated by the Monetary Authority of Singapore. Managers: Standard Club Management (Asia) PTE. Limited, incorporated in Singapore (No. 199703244C). Registered addresses: 140 Cecil Street, #16-03/04 PIL Building, Singapore 069540. The Standard Club Asia Ltd (Hong Kong Branch), registered in Hong Kong (No. F0024636), authorised and regulated by the Hong Kong Insurance Authority (F24636). Managers: Standard Club Management (Asia) PTE. Limited (Hong Kong Branch), registered in Hong Kong (No. F0024645). Registered addresses: Suite A, 29/F 633 Kings Road, Quarry Bay, Hong Kong. The Standard Club Ireland DAC, incorporated in Ireland (No. 631911), authorised and regulated by the Central Bank of Ireland (C182196). Managers: Standard Club Management (Europe) Limited, incorporated in Ireland (No. 630355), authorised and regulated by the Central Bank of Ireland (C184973). Registered addresses: Fitzwilliam Hall, Fitzwilliam Place, Dublin 2. The Standard Club Ireland DAC (UK Branch), registered in the UK (No. BR021960), deemed authorised by the Prudential Regulation Authority, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority (FRN 833593). Managers: Standard Club Management (Europe) Limited (UK Branch), registered in the UK (No. BR021929), deemed authorised and regulated by the Financial Conduct Authority (FRN 848125). Registered addresses: The Minster Building, 21 Mincing Lane, London, EC3R 7AG. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. The Standard Club UK Ltd, incorporated in the UK (No. 00017864), authorised and regulated by the Prudential Regulation Authority & Financial Conduct Authority (FRN 202805). Registered address: The Minster Building, 21 Mincing Lane, London, EC3R 7AG. The Shipowners' Mutual Strike Insurance Association Europe (The Strike Club), incorporated in Luxembourg (No. B50025), authorised and regulated by the Commissariat aux Assurances. Registered address: 74, rue de Merl - BP 2217 L-1022 Luxembourg. The Strike Club UK Branch, registered in the UK (No. BR019357), deemed authorised by the Prudential Regulation Authority, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority (FRN 203102). Managers: Standard Club Management (Europe) Limited (UK Branch), registered in the UK (No. BR021929), deemed authorised and regulated by the Financial Conduct Authority (FRN 848125). Registered addresses: The Minster Building, 21 Mincing Lane, London, EC3R 7AG. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. The following offices provide claims services for Standard Club: Standard Club Management (Americas), Inc., incorporated in the United States (Connecticut) (No. 4050326). Registered address: 180 Maiden Lane, Suite 6A, New York NY10038; Standard Club Management (Europe) Limited (Greek Branch), Law 27/1975 Branch Office, Status Building B, Areos 2A, 166 71 Vouliagmeni, Athens, Greece; and Standard Club Management (Bermuda) Limited (Japan Branch), registered in Japan (No: 0100-03-034516). Registered address: 6th Floor Takebashi Bldg, 2-1-8, Kanda Nishiki-cho, Chiyoda-ku, Tokyo 101-0054 Japan.

April 2022