



TO ALL MEMBERS

2 December 2009

Dear Sirs

AMENDMENTS TO THE P&I, OFFSHORE AND DEFENCE RULES

This letter and the attachments set out proposed amendments to the P&I, Offshore and Defence Rules, and details of the necessary meetings of members to effect these proposed alterations.

In Appendix A to this letter you will find a notice of a general meeting of the members of the P&I Class (Class 1) of the Association. This has been called to submit to members amendments to the P&I Rules and the Offshore P&I Rules of the Association. You will find in Appendices B and C details of the proposed amendments together with explanatory notes.

In Appendix D you will find a notice of a general meeting of the members of the Defence Class (Class 2) of the Association. This has been called to adopt amendments to the Defence Rules of the Association. You will find in Appendix E details of the proposed amendments.

A proxy form for each of the meetings is enclosed for those who are unable to attend. It is important that the proxy forms should be completed correctly and your attention is drawn to the notes at the bottom of the proxy forms. A proxy need not be a member but you are reminded that, to be valid, the forms, duly completed, must reach the secretary of the Association at the Association's registered office as set out in the proxy form, not less than 12 hours before the time of the meeting. Completion and return of the proxy forms will not prevent you from attending and voting in person if you so wish.

Yours faithfully

Alistair Groom
Chief Executive
Charles Taylor & Co Limited

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APPENDIX A

THE STANDARD STEAMSHIP OWNERS' PROTECTION AND INDEMNITY ASSOCIATION (EUROPE) LIMITED

NOTICE IS HEREBY GIVEN THAT a general meeting of the members of the P & I Class (Class 1) of the above-named Association will be held at the Four Seasons Hotel, George V, 31, Avenue George V, 75008 Paris, France on Tuesday, 26 January 2010 at 9.00 am for the purpose of considering and, if thought fit, passing the following resolutions:

RESOLUTION

THAT, with effect from noon UTC on 20 February 2010, the Rules of the Protection and Indemnity Class of the Association be amended as set out in Appendix B to the letter to the members of the Association dated 2 December 2009.

THAT, with effect from noon UTC on 20 February 2010, the Offshore P&I rules of the Protection and Indemnity Class of the Association be amended as set out in Appendix C to the letter to the members of the Association dated 2 December 2009.

Dated 2 December 2009

By Order of the Board

Charles Taylor & Co Limited
Secretary

Registered Office:
International House
1 St Katharine's Way
London
E1W 1UT

Notes:

1. A member of the Association or a member of the P & I Class entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member.
2. Copies of the Rules and the Offshore Rules of the P&I Class of the Association are available at the registered office of the company during normal office hours and at the meeting.



APPENDIX B

P&I CLASS RULES AMENDMENTS TO THE RULES

1. Damage to other ships (other than by collision) and property (other than by pollution) (Extract 1)

This amendment clarifies that damage to property on other ships (caused other than by collision) and damage to property (other than by pollution) includes damage to cargo.

2. Pollution (Extract 2)

This amendment clarifies that pollution liabilities arising out of an incident are covered rather than those which are caused by such an incident.

3. Interference by lawful authorities (Extract 3)

This change replaces the need to seek the board's prior approval in respect of these costs with the managers' prior agreement or the board's retrospective approval.

4. Radioactive contamination (Extract 4)

This change ensures that the radioactive contamination exclusion clause matches the Pooling Agreement.

5. Reimbursement priority (Extract 5)

This new clause inserts a regime for priority of reimbursement between members for aggregate claims greater than the limits of cover. The clause also allows the managers to defer reimbursement of such claims to enable any appropriate claims division to be calculated.

6. Crew claims (Extract 6)

This change corrects a typographical error.

7. Powers of the managers relating to the handling of claims (Extract 7)

This amendment clarifies the managers' right to direct a member to use a particular expert or lawyer.

8. Charterer named as joint entrant or co-assured (Extract 8)

This amendment moves the definition of affiliated or associated charterer to the Definitions section.



9. Waiver of subrogation (Extract 9)

This amendment moves the waiver of subrogation provision to the Scope of recovery section.

10. Classification and condition of ships (Extract 10)

This amendment clarifies that a ship may be classed by a classification society approved by the managers.

11. Supplementary calls (Extract 11)

This amendment replaces references to supplementary premiums with supplementary calls and clarifies that the club may levy more than one such supplementary call in the event that outgoings exceed premium in a closed policy year.

12. Laid up returns (Extract 12)

This change delegates the assessment of late claims for laid up returns from the board to the managers.

13. Payment (Extract 13)

This amendment clarifies the timing of the recovery of premiums or other sums due to the club.

14. Definitions (Extract 14)

These amendments delete an otiose definition of “supernumerary” and clarify the definitions of “hull policies” and “insured party”. References to “contribution” as a defined term in the rules are to be replaced by the use of “premium” and logical amendments are made throughout the rules.

EXTRACTS

Extract 1 Damage to other ships (other than by collision) and property (other than by pollution)

Rules 3.6.3 (2), 3.7 and 3.9 – Replace references to “*any property therein*” with:

“*any cargo or other property therein*”.

Rule 6.11 – Replace references to “*property*” with:

“*cargo or other property*”.



Extract 2 Pollution

Rule 3.8.1 – Replace the existing wording with:

“Liabilities arising out of the discharge or escape from the ship of any substance.”

Extract 3 Interference by lawful authorities

Rule 3.18 - Substitute the existing wording with:

“Costs and expenses incurred in protecting a member’s interests in cases of interference by any lawful authority of any country, but only to the extent that those costs and expenses have been incurred with the prior agreement of the managers, or to the extent that the board determines”.

Extract 4 Radioactive contamination

Rule 4.4 – Replace *“incurred as a result of:”* with:

“directly or indirectly caused by or arising from:”

Extract 5 Reimbursement priority

Rule 6.2 – Renumber rule 6.2 as 6.2.1 and insert new rules 6.2.2 and 6.2.3 as follows:

“6.2.2 If the claims of all insured parties in respect of liabilities insured by the club exceed or may exceed in the aggregate any limit of cover set out in the rules or in the certificate of entry:

- (1) the member shall be entitled to recover in respect of such claims in priority to the claims of any other insured parties and any joint entrants shall be entitled to recover in respect of such claims in priority to the claims of any co-assureds;*
- (2) where the aggregate of the claims of the member exceeds or may exceed the said limit, the member shall be entitled to recover in respect of such claims to the exclusion of any claims of any other insured parties;*
- (3) where the aggregate of the claims of any joint entrants exceeds or may exceed the said limit or any part thereof remaining after application of rule 6.2.2 (1), any joint entrant shall be entitled to recover in respect of such claims*
 - a) to the exclusion of any claims of any co-assureds; and*
 - b) only such proportion of the remaining part of the limit as the claim of that joint entrant bears to the total of all claims of all joint entrants;*

.. /...



(4) *where the aggregate of the claims of any co-assureds exceeds or may exceed the said limit or any part thereof remaining after the application of rules 6.2.2(1) and (3), any co-assured shall be entitled to recover in respect of such claims only such proportion of the remaining part of the limit as the claim of that co-assured bears to the total of all claims of all co-assureds.*

6.2.3 *If in the opinion of the managers the claims of all insured parties in the aggregate exceed or may exceed any limit set out in the rules or in the certificate of entry, the managers may defer payment of a claim or any part thereof.”*

Extract 6 Crew Claims

Rule 6.16.1 and 6.16.2 – Replace “dependent” with “dependant”.

Extract 7 Powers of the managers relating to the handling of claims

Rule 8.1 – Insert “or lawyer” after “expert” on the last line.

Extract 8 Charterer named as joint entrant or co-assured

Rule 13.13(1) – Delete the entire sub-paragraph and replace with :

“(1) an affiliated or associated charterer”

Rule 26 – insert a new definition of “Affiliated or associated charterer” as follows:

“Affiliated or associated charterer: *where both the member or a joint entrant and the charterer are under common ownership or the member or a joint entrant or the charterer respectively either owns at least 50% of the shares in and voting rights of the others or owns a minority of the shares in the others and can procure that it is managed and operated in accordance with its wishes.”*

Extract 9 Waiver of subrogation

Rule 13.14 – Renumber as new rule 6.21

Extract 10 Classification and condition of ships

Rule 15.1(1) – Replace the existing wording with:

“the ship must be and remain fully classed with a classification society approved by the managers.”

../...



Extract 11 Supplementary premium

Rule 18.7 – Replace “*supplementary premiums*” with “*supplementary calls*”.

Rule 20.5 (2) – Replace the sub-paragraph with:

“levying one or more supplementary calls in respect of any open policy year”

Extract 12 Laid up returns

Rule 18.9 – Substitute the existing wording with:

“If a member does not notify and submit his claim for reimbursement to the managers in writing within three months under rule 16.5, or within three months of the end of the policy year under rule 18.8, no allowance or return shall be made unless the managers otherwise determine.”

Extract 13 Payment

Rule 20.1 – Replace the first sentence with:

“Any premium or other sums due shall be designated in such currency, and be payable in such manner and at such time, as the managers may specify.”

Extract 14 Definitions

Rule 26:

Delete the definition of “*Supernumerary*”.

Amend the following definitions to read:

“Hull policies: the policies covering the hull and machinery of a ship, including excess liability policies.”

“Insured party: the member, any joint entrant and any co-assured in respect of an entry.”

Delete the extant definition of “*Contribution*” and replace it with the following definition of “*Premium*”:

“Premium: includes estimated total premium, supplementary calls, overspill calls and any other premium which may be due from a member.”

Rules 11.3, 13.15, 13.19, 13.20, 17.5, 17.6, 17.8, 18.2, 26 (in respect of definition of Group rating agreement) and throughout 19 and 20 – make logical amendments from “*Contribution*” to “*Premium*”.

.. / ...



Rule 20.4 –Replace the existing rule with:

“If the premium obtained exceeds the liabilities and other outgoings falling upon the club for that year, the board may either carry the surplus to reserves or return it in whole or in part to the persons who paid such premium in proportion to the aggregate premium paid by them in such policy year.”



APPENDIX C

STANDARD OFFSHORE P&I CLASS RULES AMENDMENTS TO THE RULES

1. Collision (Extract 1)

This amendment deletes a superfluous provision.

2. Pollution fines (Extract 2)

This amendment clarifies that pollution fines following an accidental discharge or escape of pollutants are covered.

3. Fines (Extract 3)

This change makes all non-pollution fines subject to the board's discretion.

4. Radioactive contamination (Extract 4)

This change ensures that the radioactive contamination exclusion clause matches the prevailing market wording.

EXTRACTS

Extract 1 Collision

Rule 3.4 – Delete the entire rule 3.4.3 and renumber rule 3.4.4 as 3.4.3

Extract 2 Pollution fines

Rules 3.6.1, 3.6.3 and 3.6.4 – delete references to “including fines” and insert new rule 3.6.5 as follows:

“Fines imposed on the member or upon any other person whom he reasonably reimburses or is legally liable to indemnify in respect of the accidental discharge or escape of any substance arising from risks covered under rules 3.6.1, 3.6.3 and 3.6.4

Exclusion to rule 3.6.5

Unless the board otherwise determines, there shall be no recovery in respect of a fine imposed for or arising out of:

(1) any personal act or default on the part of the member or his managers

.. / ...



(2) *wilful misconduct on the part of any person unless the member has been compelled by law to pay the fine.*"

Rule 3.6 exclusion (3) – insert *"including fines"* after *"liabilities"*.

Extract 3 Fines

Rule 3.9 – substitute the existing wording with:

"Fines, other than fines arising from risks covered under rule 3.6, imposed on the member or upon any other person whom he reasonably reimburses or is legally liable to indemnify, but:

- 1) *only insofar as the board considers the fine to be within the scope of club cover; and*
- 2) *only to the extent that the member has satisfied the board that he took all such steps as appear to the board to be reasonable to avoid the event giving rise to the fine; and*
- 3) *any amounts claimed in respect of such fine are recoverable only to the extent that the board may determine."*

Extract 4 Radioactive contamination

Rule 4.5 – Replace *"incurred as a result of"* with:

"directly or indirectly caused by or arising from."



APPENDIX D

THE STANDARD STEAMSHIP OWNERS' PROTECTION AND INDEMNITY ASSOCIATION (EUROPE) LIMITED

NOTICE IS HEREBY GIVEN THAT a general meeting of the members of the Defence Class (Class 2) of the above-named Association will be held at the Four Seasons Hotel, George V, 31, Avenue George V, 75008 Paris, France on Tuesday 26 January 2010 at 9.05 am for the purpose of considering and, if thought fit, passing the following Resolution:

RESOLUTION

THAT, with effect from noon UTC on 20 February 2010, the Rules of the Defence Class of the Association be amended as set out in Appendix E to the letter to the members of the Association dated 2 December 2009

Dated 2 December 2009

By Order of the Board

Charles Taylor & Co Limited
Secretary

Registered Office:
International House
1 St Katharine's Way
London
E1W 1UT

Notes:

1. A member of the Association or a member of the Defence Class entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member.
2. Copies of the Rules of the Defence Class of the Association are available at the Registered Office of the Company during normal office hours and at the meeting.



APPENDIX E

DEFENCE CLASS RULES AMENDMENTS TO THE RULES

The amendments to the P&I Class rules set out in Appendix B and listed below shall also apply to the Defence Class rules:

- 4. Radioactive contamination**
- 5. Reimbursement priority**
- 7. Powers of the managers relating to the handling of claims**
- 8. Charterer named as joint entrant or co-assured**
- 10. Classification and condition of ships**
- 11. Supplementary calls**
- 12. Laid up returns**
- 13. Payment**
- 14. Definitions**



**THE STANDARD STEAMSHIP OWNERS' PROTECTION AND INDEMNITY
ASSOCIATION (EUROPE) LIMITED – P&I CLASS**

Form of Proxy

The undersigned, a member of The Standard Steamship Owners' Protection and Indemnity Association (Europe) Limited, hereby appoints the chairman of the meeting or _____ to be the undersigned's proxy in the order named to vote on behalf of the undersigned at the general meeting of the members of the said company to be held on 26 January 2010, and every adjournment thereof.

FOR	AGAINST	
		The resolution to amend the Protection and Indemnity Class Rules of the Association.
		The resolution to amend the Protection and Indemnity Class Offshore Rules of the Association

AS WITNESS the hand of the undersigned this _____ day of _____ 20 __

FOR (NAME OF MEMBER IN CAPITALS) _____

By _____

(Office) _____

Notes:-

- (1) If you wish any person other than the chairman to act as your proxy, please insert the name of your proxy in the space provided. If no name is inserted you will be deemed to have appointed the chairman of the meeting. A proxy need not be a member.
- (2) Please indicate with an X in the appropriate space how you wish your vote to be cast in respect of the resolutions. On receipt of this form duly signed but without any specific direction how you wish your vote to be cast, the proxy will vote in favour of the resolutions.
- (3) In the case of a corporation this form should either be under its seal or be signed by an authorised officer of the corporation, who should state in the line below his office (eg, company secretary, director).
- (4) To be valid at the general meeting referred to, this form must be completed, signed and deposited with the secretary of the Association at the registered office not less than 12 hours before the time of the meeting. The registered office of the Association is International House, 1 St Katharine's Way, London E1W 1UT, and as from 11 January 2010 the registered office of the Association will be Standard House, 12-13 Essex Street, London WC2R 3AA. Completion and return of this form will not prevent you from attending and voting in person if you so wish.



**THE STANDARD STEAMSHIP OWNERS' PROTECTION AND INDEMNITY
ASSOCIATION (EUROPE) LIMITED – DEFENCE CLASS**

Form of Proxy

The undersigned, a member of The Standard Steamship Owners' Protection and Indemnity Association (Europe) Limited, hereby appoints the chairman of the meeting or _____ to be the undersigned's proxy in the order named to vote on behalf of the undersigned at the general meeting of the members of the said company to be held on 26 January 2010, and every adjournment thereof.

FOR	AGAINST	
		The resolution to amend the Defence Class Rules of the Association

AS WITNESS the hand of the undersigned this _____ day of _____ 20 __

FOR (NAME OF MEMBER IN CAPITALS) _____

By _____

(Office) _____

Notes:-

- (1) If you wish any person other than the chairman to act as your proxy, please insert the name of your proxy in the space provided. If no name is inserted you will be deemed to have appointed the chairman of the meeting. A proxy need not be a member.
- (2) Please indicate with an X in the appropriate space how you wish your vote to be cast in respect of the resolution. On receipt of this form duly signed but without any specific direction how you wish your vote to be cast, the proxy will vote in favour of the resolution.
- (3) In the case of a corporation this form should either be under its seal or be signed by an authorised officer of the corporation, who should state in the line below his office (eg, company secretary, director).
- (4) To be valid at the general meeting referred to, this form must be completed, signed and deposited with the secretary of the Association at the registered office not less than 12 hours before the time of the meeting. The registered office of the Association is International House, 1 St Katharine's Way, London E1W 1UT, and as from 11 January 2010 the registered office of the Association will be Standard House, 12-13 Essex Street, London WC2R 3AA. Completion and return of this form will not prevent you from attending and voting in person if you so wish.