

CIRCULAR

SETTING THE STANDARD FOR SERVICE AND SECURITY

TO ALL MEMBERS

26 May 2010

Dear Sirs

FINANCIAL POSITION AND OPEN POLICY YEARS

The board of the club met on Friday 14 May 2009 and reviewed the club's financial position.

ACCOUNTS FOR THE YEAR ENDED 20 FEBRUARY 2010

The Report and Accounts were approved by the board and will be published and sent to members shortly, and will also be available on the club's website. These show that the free reserves have increased by 38% to \$243m, a record level. This was largely due to a good investment result with a return of 18%, together with a marginally positive underwriting result.

P&I CLASS

2007/08 policy year

The year was closed.

2008/09 policy year

The year has performed broadly in line with expectations and no further premiums are expected to be necessary.

2009/10 policy year

Claims on this policy year are developing within expectations, although the cost of large claims was higher than usual. Apart from the final instalment of the estimated total premium which is due on 1 November 2010, no further premiums are expected to be necessary.

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The Standard Steamship Owners' Protection and Indemnity Association (Bermuda) Limited

www.standard-club.com

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2010/11 policy year

The estimated total premium has been debited with the final instalment due on 1 November 2011.

DEFENCE CLASS

2007/08 policy year

The year was closed.

2008/09 and 2009/10 policy years

These years are notable for a high level of claims as a result of the difficult trading conditions experienced by many members. Nevertheless no further premiums are expected to be necessary.

2010/11 policy year

The estimated total premium has been debited. No further premiums are expected to be necessary.

Release calls – P&I and Defence

Release call percentages have been reduced. The percentages for the three open years are 5%, 10% and 15% for the 2008/9, 2009/10 and 2010/11 years respectively. The Defence Class release call remains at 10% for each year.

Yours faithfully

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