

The Companies Act 2006

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PRIVATE COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

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## Articles

OF

## **The Standard Club UK Ltd**

Adopted on 12 October 2012

and as amended by a special resolution on 15 October 2014, 20 November 2018, 19

November 2019, 18 August 2020 and 18 August 2021

Name changed by special resolution on 11 May 2018

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(Incorporated on 8 February 1883  
as The Standard Ship-Owners' Mutual Freight,  
Dead Freight, Demurrage and Defence Association Limited)  
(Company No. 17864)



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PART 1  
INTERPRETATION, LIMITATION OF LIABILITY AND OBJECTS

**Defined terms**

1. In the articles, unless the context requires otherwise:

"agree, agreed or agreement" means agree, agreed or agreement in writing;

"articles" means the company's articles of association;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"board" means the board of directors of the company;

"chairman" is the chairman of the board and has the meaning given in article 14;

"chairman of the meeting" has the meaning given in article 38;

"class" means any class of insurance at any time existing or operating within the company;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

"the company" means The Standard Club UK Ltd, company number 17864;

"committee member" means any person duly appointed to a class committee under article 50;

"deputy chairman" means only the officers of the company having such title;

"director" means a director of the company, and includes any person occupying the position of director, by whatever name called and "the directors" means all persons occupying the position of director;

"document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

"group undertaking" has the meaning given section 1161 of the Companies Act 2006;

"insurance" means insurance or reinsurance against the risks specified in the rules of any class;

the "managers" means such entities and/or such persons as the company appoints as its managers from time to time;

"member" means any person who is a member of any class within the company or a director and entered in the register of members and "members" means all such persons;

"member corporation" means a corporation which is a member;

"member representative" means any person appointed to act on behalf of a member, as defined in these articles;

"month" means a calendar month;

"non-executive director" means a director appointed in accordance with article 20 excluding article 20(5);

"notice" means written notice (whether by post, courier, telex, fax, electronic mail, publication on a website or any other means of a permanent nature) unless otherwise specifically stated;

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;

"owner" includes an owner, owners in partnership, owners holding separate shares in severalty, a part owner, and a trustee, mortgagee, charterer, operator or manager, builder, insurer or reinsurer who enters a ship in the company;

"participate":

- (i) in relation to a directors' meeting, is to be construed in accordance with article 12;
- and

(ii) in relation to a members' meeting or a class meeting, is to be construed in accordance with article 36,  
and "participating", "participates" and any other cognate expressions are to be construed accordingly;  
"policy year" means a year starting at noon on 20 February and ending at noon on 20 February the following calendar year;  
"president" means only the officer of the company having such title;  
"proxy notice" has the meaning given in article 44;  
"register of members" means the register of members of the company as required to be kept and maintained under section 113 of the Companies Act 2006;  
"reserve fund" means any reserve fund that the directors may establish;  
the "rules" this will mean the rules in force setting out the conduct of the whole or any part of the business of any class of the company. If any class shall have more than one set of rules in force at the same time, any reference to the rules shall, in relation to a member, be deemed to be a reference to the relevant set or sets of rules of that class applicable to that member. For class 1 (Protection & Indemnity Class), this will mean the Standard P&I Rules unless the reference is to the Standard Offshore P&I Rules;  
the "seal" means the common seal of the company;  
"secretary" means the person, if any, appointed to perform the duties of the secretary of the company under article 27;  
"ship" means any ship, boat, hydrofoil, hovercraft or any other description of vessel, whether completed or under construction, (including a lighter, barge or similar vessel howsoever propelled but excluding a fixed platform or a fixed rig) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part of such ship, boat, hydrofoil, hovercraft or other description of vessel or any part thereof or any proportion of the tonnage thereof or any share therein;  
"special resolution" has the meaning given in section 283 of the Companies Act 2006;  
"Standard Bermuda" means The Standard Club Ltd, a company incorporated under The Standard Steamship Owners Protection and Indemnity Association (Bermuda) Company Act 1969, company number 1837;  
"subsidiary" has the meaning given in section 1159 of the Companies Act 2006;  
"vice-president" means only the officers of the company having such title;  
"writing" and "written" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise; and  
"year" means calendar year unless specifically stated.

References to a "signature" or to anything being "signed" or "executed" include (i) any means by which any person indicates their agreement or acceptance of the matter in question; and (ii) without prejudice to the foregoing, electronic signature.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006.

### **Liability of members**

2. The liability of each member is limited to £10, being the amount that each member undertakes to contribute to the assets of the company in the event of it being wound up while they are a member or within one year after they cease to be a member for:

- (a) payment of the company's debts and liabilities contracted before they cease to be a member,
- (b) payment of the costs, charges and expenses of winding up, and
- (c) adjustment of the rights of the contributories among themselves.

### **Objects**

**3. (1) The company's objects are:**

- (a) as its principal object, to engage in or carry on, on the mutual principle, insurance or reinsurance business of all kinds and guarantee and indemnity business of all kinds,
- (b) to engage in or carry on insurance and reinsurance business of all kinds with any persons and to transact such business on terms and conditions which may exclude membership in the company or which may limit or restrict the membership rights of that person, in either case, in such manner and to such extent as may be determined from time to time by the company and
- (c) to carry on the business of a general commercial company.

## **PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES**

### **Directors' general authority**

**4.** Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company. Subject to the provisions of these articles the business of the company shall be conducted in accordance with the rules of each of the respective classes.

### **Members' reserve power**

- 5. (1)** The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- (2)** No such special resolution invalidates anything which the directors have done before the passing of the resolution.

### **Directors may delegate**

**6. (1)** Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- (a) to the managers of the company,
- (b) to such person or committee,
- (c) by such means (including by power of attorney),
- (d) to such an extent,
- (e) in relation to such matters or territories, and
- (f) on such terms and conditions,

as they think fit.

**(2)** If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

(4) In no circumstances shall the managers (or, in the case that any of the managers is a company, any director, officer or employee of such managers, of such managers' agents or of such managers' group undertakings) become or be deemed to have become directors of the company by reason of such delegation.

#### **Directors may not delegate**

7. Subject to the articles, the directors may not delegate any of the powers or duties which:
- (a) are required by law to be exercised by the directors personally, or
  - (b) relate to general meetings, or
  - (c) are expressed in the Companies Act 2006 as being required to be done by resolution of the company, or
  - (d) are subject to article 21(b) (director appointments) or article 24 (remuneration of directors), or
  - (e) (without prejudice to article 8(2)) relate to meetings of the directors or committees of the directors or the proceedings thereat, or
  - (f) relate to the appointment of the secretary, or
  - (g) relate to the seal, reserves, financial statements or any decision to approve the issuance of notices of general meetings, or
  - (h) relate to the borrowing of money, or mortgage or charge on the company's undertaking or property, or
  - (i) relate to the issue of debentures or other securities.

#### **Committees**

8. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The composition of the committees to which the directors delegate their duties may only be made up from the directors, Standard Bermuda directors, Standard Bermuda's subsidiaries' directors, the managers (or, in the case that any of the managers is a company, any director, officer or employee of such managers, of such managers' agents or of such managers' group undertakings) and member representatives.
- (3) Subject to article 8(1), the directors may make rules or procedures for all or any committees, which may be in addition to rules derived from the articles if they are not consistent with them.

### **DECISION-MAKING BY DIRECTORS**

#### **Directors to take decisions collectively**

9. The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting duly convened under article 11 or a decision taken in accordance with article 10.

#### **Unanimous decisions**



- 10.** (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other that they share a common view on a matter.
- (2) Such a decision may only take the form of:
- (a) a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing, or
  - (b) approval by email, where the director replies to an email incorporating the wording of a written resolution, or
  - (c) approval through any web-based medium, where the director replies through the web-based medium incorporating the wording of a written resolution.
- Each eligible director does not need to indicate his view on a matter in the same manner and the decision is deemed to have been taken when all eligible directors have indicated their common view in accordance with this article.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting, and for clarity, this excludes conflicted directors.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **Calling a directors' meeting**

- 11.** (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any directors' meeting must indicate:
- (a) its proposed date and time,
  - (b) where it is to take place, and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Any notices sent by email or any other electronic means are deemed to be received immediately.

### **Participation in directors' meetings**

- 12.** (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other. Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place at the company's registered office (and it shall be deemed to held at the company's registered office in the absence of any such decision) or otherwise wherever any of them is.

### **Quorum for directors' meetings**

13. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed is two, at least one of which must be a non-executive director.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the members to appoint further directors.

### **Chairing of directors' meetings**

14. (1) The directors may appoint any director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) At a directors' meeting, the chairman shall be, in order of priority of those attending:
- (a) the chairman of the board,
  - (b) the president,
  - (c) a deputy chairman, as nominated by the directors,
  - (d) a vice-president, as nominated by the directors, or
  - (e) any other person so appointed by those present at the meeting.
- (5) If the chairman or, failing that, any other person appointed to chair the meeting, is not participating in a directors' meeting within ten minutes of the time at which it was due to start, the participating directors must appoint one of themselves to chair it.

### **Casting vote**

15. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Conflicts of interest**

16. (1) Any conflicts of interest under Section 175 of the Companies Act 2006 may be authorised by the directors in accordance with that section.
- (2) Any director of the company is authorised for the purposes of Section 175 of the Companies Act 2006 to:
- (a) hold office as a director of Standard Bermuda or any other subsidiary of Standard Bermuda, and/or
  - (b) hold any office or any employment with any member of Standard Bermuda or any other subsidiary of a member of Standard Bermuda or its subsidiaries, and/or
  - (c) hold office or any employment with any of the managers that is a company, or any of the managers of Standard Bermuda or any of its subsidiaries that is a company, and/or

(d) be a member of Standard Bermuda, or any other subsidiary of Standard Bermuda, and/or

(e) hold office or any employment with a professional advisor to the company.

(3) Where a director is conflicted under section 175 of the Companies Act 2006, he will not be entitled to participate in the decision-making process of the proposed matter either at a meeting of the directors or by unanimous decision passed in accordance with article 10.

(4) A director must declare an interest in a proposed transaction or arrangement in accordance with Section 177 of the of the Companies Act 2006.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) If a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **Records of decisions to be kept**

17. The directors must ensure that the company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

#### **Directors' discretion to agree procedure**

18. Subject to the articles, the directors may agree any procedure they think fit for the taking of decisions and how such procedure is recorded or communicated to directors.

### **APPOINTMENT OF DIRECTORS**

#### **Number**

19. The number of directors shall not be less than two or more than thirty-two. The company may by ordinary resolution increase or reduce the minimum or maximum number of directors.

#### **Qualifications**

20. (1) Any person shall be eligible to be appointed as a director of the company, where they are:

(a) an owner of a ship entered in the company, or

(b) a director of or employed in any substantially full-time executive capacity by a corporation which is any of the following:

(i) a member corporation,

(ii) the holding company of a member corporation,

(iii) a subsidiary of a member corporation,

- (iv) associated with a member corporation, or
- (c) a director of Standard Bermuda or any subsidiary of Standard Bermuda.
- (2) Notwithstanding article 20(1), a person recommended for appointment as a director by a seventy-five percent majority of the directors shall be eligible to be a director.
- (3) The number of directors appointed under article 20(2) shall not exceed one-half of the total number of directors.
- (4) The chairman cannot be elected under article 20(2).
- (5) Any of the managers (or, in the case that any of the managers is a company, any director, officer or employee of such managers, of such managers' agents or of such managers' group undertakings) is entitled to be appointed as a director under article 20(1)(c) or article 20(2) but is not entitled to remuneration under article 24(2) or article 24(3), as applicable, and cannot vote on any matter which concerns his or its terms of engagement, performance or remuneration.

### **Methods of appointing directors**

**21.** Any person who qualifies for appointment as a director under article 20, and is permitted by law to do so, may be appointed to be a director:

- (a) by ordinary resolution of the members, or
- (b) by a decision of the directors valid until the next annual general meeting.

### **Retirement of directors by rotation**

**22. (1)** At every annual general meeting, any directors:

- (a) who have been appointed by the directors since the last annual general meeting, or
- (b) who were not appointed or reappointed at one of the preceding two annual general meetings, or
- (c) who represent one-third of the directors, or if their number is not divisible by three, the nearest number to three, who have been in office for the longest period,

must retire from office and may offer themselves for reappointment by the members.

(2) The company may by ordinary resolution increase or reduce the number of directors required to retire by rotation and/or determine in what order of rotation such increased or reduced number of directors shall be required to retire pursuant to article 22(1).

### **Termination of director's appointment**

**23. (1)** A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that the person has become physically or mentally incapable of acting as a director and may remain so for more than three months, or
- (e) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

(2) Any director who fails to be reappointed by the members under article 22 ceases to be a director from the close of the meeting.

(3) To the extent any director remains in office at such time, any director who ceases to be eligible to be a director under article 20(1)(a) to (c) must retire at the company's next annual general meeting.

#### **Directors' remuneration**

24. (1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled, in aggregate, to such remuneration not exceeding such annual amount as the company shall determine by ordinary resolution at a general meeting:

(a) for their services to the company as directors, and

(b) for any other service which they undertake for the company,

and such remuneration shall be divided amongst the directors in such manner as the directors shall from time to time think fit.

(3) In addition to the remuneration referred to in bye-law 24(2), if by arrangement with the other directors any director shall undertake any special services, the directors may decide that such director should be paid special remuneration in addition to his remuneration having regard to the time spent and expertise contributed in respect of such special services.

(4) Subject to the articles, a director's remuneration may:

(a) take any form as the directors shall from time to time think fit, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(5) Unless the directors decide otherwise, the directors' remuneration referred to in article 24(2) shall accrue day-to-day.

(6) Unless the directors decide otherwise, the directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

(7) A director appointed under article 20(5) shall not receive any remuneration for acting as a director.

#### **Directors' expenses**

25. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

(a) meetings of directors or committees of directors, or

(b) general meetings, or

(c) separate meetings of the holders of debentures of the company, or

(d) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

### **PART 3 OFFICERS**

#### **Officers who must be directors**

26. (1) The directors may appoint any director to be:

(a) the chairman, or

(b) a deputy chairman (one or more), or

(c) the president, or

(d) a vice-president (one or more)  
for such period, for such remuneration and upon such conditions as they think fit; and any person so appointed may be removed by them.  
(2) Any person appointed under this article shall be an officer of the company.

**Secretary**

**27.** The directors may appoint a secretary to the company for such period, for such remuneration and upon such conditions as they think fit; and any secretary so appointed may be removed by them. Any secretary appointed under these articles shall be an officer of the company.

## **PART 4 MANAGERS**

### **Attendance at meetings**

**28.** The managers shall be entitled to attend all meetings of the directors and of committees of the directors and all general meetings of the company and all separate general meetings of the members of any class and any class committees.

### **General powers and duties**

**29.** The powers, duties and discretions of the managers are:

- (a) those delegated to the managers by the directors pursuant to these articles, and
- (b) those vested in, conferred upon or imposed upon the managers by these articles, by the rules or by any agreement with the managers.

### **Delegation**

**30.** Whenever any power, duty or discretion is delegated to the managers pursuant to these articles or is conferred or imposed upon the managers by the rules or any agreement with the managers, the same may, subject to any terms, conditions or restrictions imposed on the managers in relation thereto, be exercised by any of the managers or in respect of any of the managers that is a company:

- (a) any director of such managers,
- (b) any employee of such managers,
- (c) a group undertaking of such managers, an agent appointed by such managers or any other person or entity appointed by the managers in accordance with such agreement and any director or employee of such group undertaking, agent or entity.

### **Remuneration**

**31.** The directors shall determine the remuneration of the managers for their services to the company.

## **PART 5 MEMBERS BECOMING AND CEASING TO BE A MEMBER**

### **Qualification for membership**

**32.** (1) Every director of the company shall be a member.

(2) Standard Bermuda shall be a member.

(3) Each person whose entry for insurance by the company has been accepted under the rules shall, unless the managers otherwise decide, become a member from the time the insurance commences.

(4) A person applying for entry shall, if he is not already a member of the company, be deemed in applying for such entry to have agreed that if such entry is accepted he will become a member.

- (5) Any other person who is insured by the company, shall, if the managers so decide, become a member from the time that the insurance commences.
- (6) Whenever the managers accept an entry by way of reinsurance, the insurer reinsured by the club and, or any person insured by such an insurer may, if the managers agree, become a member.
- (7) Where a person's entry has been accepted or insurance is provided on terms that he shall not become a member, it shall be upon the condition that all the provisions of the relevant rules or terms upon which such entry or insurance is accepted shall be observed and shall be binding upon such person.

### **Ceasing to be a member**

33. (1) A member shall cease to be a member:
- (a) when he is only a member in his capacity as a director and he ceases to be a director, or
  - (b) if, not being a member in his capacity as a director, he shall cease to have any ship entered for insurance in the company or any such insurance is cancelled, or
  - (c) when being an individual, he dies, becomes of unsound mind, or bankrupt or makes any arrangement with his creditors generally, or
  - (d) when being a company, a resolution is passed for its voluntary winding-up or an order is made for its compulsory winding-up or it is dissolved or seeks protection from its creditors under any applicable bankruptcy or insolvency laws or any similar event occurs in any applicable jurisdiction.
- (2) A member who ceases to be a member and his estate, personal representatives, trustees in bankruptcy, receiver, liquidator or other person authorised to act on behalf of a member, who becomes incapable by reason of mental disorder of managing his property and affairs, shall remain liable to pay to the company all monies they would be liable to pay under the articles or the rules to the period to and including the next 20 February, after the date of such cessation.

### **No transfer of membership**

34. Membership shall not be transferable or transmissible.

## **ORGANISATION OF GENERAL MEETINGS**

### **Annual general meeting**

35. An annual general meeting of the company shall be held at least once in every year at a time and (without prejudice to articles 36(3) and 36(8)) place to be fixed by the directors provided that not more than fifteen months shall elapse between the date of one annual general meeting and the next.

### **Attendance and speaking at general meetings**

36. (1) The members entitled to receive notice of and to attend and vote at such meetings are only those who are entered in the register of members of the company at least sixty days prior to the date of the general meeting in question.



- (2) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (3) Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- (4) A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (5) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (6) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (7) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- (8) If a meeting is held solely through telephonic, electronic or other virtual and/or audio-visual means, such meeting shall be deemed to be held at the company's registered office.

#### **Quorum for general meetings**

37. (1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- (2) Save as otherwise provided in these articles and without prejudice to article 42(3), the quorum is two members present in person, or represented by a corporate representative or proxy unless the company only has a sole member, in which case it shall be one member present in person, or represented by a corporate representative or by proxy.

#### **Chairing general meetings**

38. (1) If the directors have appointed a chairman, a president, deputy chairmen or vice-presidents of the board, the chairman of a general meeting shall be in order of priority of those attending, the chairman, the president, a deputy chairman and then a vice-president, and then any person elected by those present at the meeting if willing to do so.
- (2) If the directors have not appointed a chairman or deputy chairmen, or if the chairman or deputy chairmen are unwilling to chair the meeting or are not present within ten minutes of the time at which a meeting was due to start:
- (a) the directors present, or
  - (b) (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

#### **Attendance and speaking by directors and non-members**

39. (1) Directors may attend and speak at general meetings, whether or not they are entered on the register of members.
- (2) The chairman of the meeting may permit other persons who are not registered on the register of members of the company to attend and speak at a general meeting.

### **Adjournment**

40. (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must:
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) The company must give at least five clear days' notice of (that is, excluding the day of the adjourned meeting and the day on which the notice is given) of any adjourned meeting:
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **Voting: general**

41. (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- (2) Subject to any special rights or restrictions as to voting attached by, or in accordance with these articles, every member who is present in person or by proxy or, in the case of a corporation by its duly authorised representative, shall have one vote on a show of hands.
- (3) In the event of an equal number of votes, the chairman of the meeting shall be entitled to a further or casting vote.
- (4) (a) Subject to sub-paragraph (b), a written resolution of members passed in accordance with Chapter 2 of Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the company.
- (b) The following may not be passed as a written resolution and may only be passed at a general meeting:

- (i) a resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his period of office, and
  - (ii) a resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his period of office.
- (5) On a written resolution, Standard Bermuda shall have such number of votes as shall equal the aggregate of three times the total number of votes of members (excluding Standard Bermuda) on the day falling sixty days before the date of the relevant general meeting.

### **Errors and disputes**

42. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting whose decision is final.

### **Poll votes**

43. (1) A poll on a resolution may be demanded:
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a 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.
- (2) A poll may be demanded by:
- (a) the chairman of the meeting
  - (b) the directors
  - (c) Standard Bermuda
  - (d) two or more persons having the right to vote on the resolution, or
  - (e) 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.
- (3) A demand for a poll may be withdrawn by the person or persons who demanded it if:
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- (5) On a poll, Standard Bermuda shall have such number of votes as shall equal the aggregate of three times the total number of votes of members (excluding Standard Bermuda) on the day falling sixty days before the date of the relevant general meeting.
- (6) Subject to Article 43(5) and any special rights or restrictions as to voting attached by or in accordance with these articles, the members (excluding Standard Bermuda) on a poll shall have the following voting rights:
- (a) a member in accordance with article 32(1) shall have one vote,
  - (b) a member in accordance with article 32(3) shall have:
    - (i) one vote for each ship entered in classes 1, 2, 3 and/or 4 in respect of which his application has been accepted and which remains entered whose tonnage is 1,500 gross tons or more, and
    - (ii) one vote in total for all the other ships entered in classes 1, 2, 3 and/or 4 in respect of which his application has been accepted and which remain entered whose tonnage is less than 1,500 gross tons each, and

- (iii) one vote in total for all ships entered in class 5,
  - (c) a member whose application has been accepted in accordance with article 32(5) shall have one vote, and
  - (d) a member, if accepted as a member by the managers in accordance with article 32(6), shall have one vote for all reinsurances so accepted.
- (7) On a poll, votes may be given either personally or, in the case of a corporation, by its duly authorised representative, or by proxy.

#### **Content of proxy notices**

44. (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
- (a) states the name and address of the member appointing the proxy,
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **Delivery of proxy notices**

45. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

#### **Amendments to resolutions**

46. (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48

hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

### **Record of decisions**

47. Minutes of all resolutions and proceedings of each general meeting of the members shall be entered into books provided for the purpose.

## **MEETINGS OF MEMBERS OF CLASSES**

### **Class meetings**

48. (1) Each class of business, as set out in article 49, shall hold an annual class meeting to re-elect the members of the class committee subject to article 50 and to transact any other class business.

(2) The directors may, at any other time, convene a separate general meeting of the members of any class and such separate general meetings shall also be convened on the written request of at least two members of the class in question. If the directors fail to convene a requested general meeting within twenty-one days from the date of the receipt of the request, those persons making the request may convene such a meeting. All the provisions of the Companies Act 2006 apply to such a request as if the request were in respect of a general meeting of the company.

(3) The provisions of the articles relating to general meetings apply to any annual class meetings or separate class meetings, with any necessary modifications, save that: (i) the chairman of any class meeting shall be appointed by the members present at such meeting; (ii) not less than five clear days' notice (that is, excluding the day of the adjourned meeting and the day on which the notice is given) must be given of any meeting of the members of any class. For the avoidance of doubt: (i) any annual class meeting or separate class meeting convened under this article 48 is not a general meeting of the company for the purposes of these Articles or the Companies Act 2006; and (ii) Standard Bermuda shall be entitled to attend and vote at any such annual class meeting or separate class meeting and the provisions of articles 41 and 43 shall apply in respect of the voting at any such annual class meeting or separate class meeting.

## **PART 6 BUSINESS OF CLASSES**

### **Classes of business**

- 49.** (1) The members shall be divided into classes, according to the risks against which they respectively shall be insured by the company.
- (2) The company shall have the following classes:
- (a) class 1, Protection & Indemnity Class
  - (b) class 2, Defence Class
  - (c) class 3, Coastal & Inland Class
  - (d) class 4, War Risks Class
  - (e) class 5, Strike & Delay Class
- (3) Any class may be renamed from time to time by resolution of the directors.
- (4) Any class may be discontinued or wound up by special resolution of the company and any new class may be constituted in such manner and upon such terms as may be determined by the company by ordinary resolution.
- (5) The insurance provided by each class shall, subject to these articles, be provided in accordance with the rules of such class, or upon such other terms as the managers shall determine which shall be binding on the members.
- (6) A member may belong to one or more classes, or be subject to one or more sets of rules, or other terms as the managers shall determine, at the same time.

### **Class committees and membership**

- 50.** (1) Each class of business, may, if the board determines, and for as long as the board shall determine, have a committee which shall oversee, subject to the overall responsibility of the board, the business of that class. Notwithstanding anything in these articles to the contrary the board may appoint a member of the class committee and dismiss any member or members of the class committee. The duties and obligations of the class committee are conferred by these articles and the class committee's terms of reference, as approved by the directors.
- (2) Subject always to the powers of the board under article 50(1), the membership of the class committee shall be determined by the members of that class by ordinary resolution, passed at the annual class meeting in accordance with article 48(1).
- (3) The class committee members shall have the authority to appoint new members to the committee between the annual class meetings.
- (4) At the annual class meeting, any class committee members:
- (a) who have been appointed by the class committee since the last annual class meeting, or
  - (b) who were not appointed or reappointed at one of the preceding two annual class meetings, or
  - (c) who represent one-third of the class committee members who have been in the position for the longest period,
- must retire from the class committee and may offer themselves for reappointment by the members of the class in accordance with article 50(2).

### **Class committee members' remuneration**

- 51.** (1) Class committee members appointed under article 50 are entitled to such remuneration:
- (a) for their services to the company as class committee members, and
  - (b) for any other service which they undertake for the company,
- as the directors shall from time to time think fit.
- (2) Subject to the articles, a class committee member's remuneration may take any form.

(3) Unless the company decides otherwise, the class committee members' remuneration shall accrue day-to-day.

(4) Unless the company decides otherwise, class committee members are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

### **Rules of the classes**

**52.** (1) The rules of each class shall be determined by the directors prior to the date at which the directors determine that such class shall operate and such rules shall remain in force subject to any alterations or additions in the manner hereinafter provided.

(2) Each class may have more than one set of rules in force at the same time.

(3) The rules of a class may be altered or added to (including by the addition of new and/or additional sets of rules for the same class) by ordinary resolution passed at the annual general meeting of the members of such class or at a separate general meeting of the members of such class.

(4) Notwithstanding any other provision of these articles relating to the amendment of the rules, the directors shall have power to make or alter the rules of any class (including with effect from any time during the course of any current or future policy year): (i) if and to the extent that they resolve that the same is in the best interests of the company; or (ii) arising out of or in connection with the implementation of or any change in, or potential or proposed implementation of or any change in, any legislation or regulation, or otherwise. On the company giving notice of the changes to the members of that class, the changes shall be binding on the members of the class with effect from the date specified in such notice.

(5) Notwithstanding anything contained in these articles or in the rules, the directors may from time to time, and at any time whenever they think expedient in the interests of the company, waive unconditionally or on such terms and conditions as the directors think fit, any breach by any member of the obligations, conditions or provisions contained in the rules of any class. Any such waiver shall be without prejudice to the rights and powers of the directors under these articles or under the rules.

### **Accounts of each class**

**53.** (1) A separate account shall be kept for each class.

(2) The funds necessary to meet the amounts needed for the business of each class, including but not limited to the amounts needed for known or expected claims, expenses, reinsurance premiums, other outgoings and solvency requirements, shall be provided by contributions of the members having ships entered in that class in accordance with the class rules.

(3) The class funds may be used for the payment of claims, expenses, reinsurance premiums and other outgoings which, in the opinion of the directors, fall upon that class of the company. The directors shall determine what proportions of the general expenses of the management and company debts and liabilities are to be borne between the different classes, and the separate accounts of the respective classes shall be debited accordingly.

(4) All payments to or by the company in respect of any business of any class shall be due or made by the company but shall be credited or charged to, as the case may be, the separate account for such class.

(5) All insurances underwritten on behalf of any class shall be underwritten in the name of the company but shall relate to one or more of the classes, and no person shall, in respect

of insurance relating to any one class, be liable to pay or entitled to receive any money in respect of the insurance to or from any other class.

(6) If the funds raised by the contributions to a class are more than sufficient to meet the needs of the business of the class, then the whole, or any proportion, of the surplus may be retained and applied for the purposes of that class in such manner and may be carried to one or more reserve funds of that class as the directors may determine; or the directors may order that the whole, or any part, of such surplus be returned or paid to the members or former members of that class in such proportions and in such manner as the directors may determine, provided that no part of these articles shall give members any interest in the funds of the company.

(7) Class funds may be invested in such investments as the directors consider appropriate and such funds may be used for such purposes as the directors determine.

(8) Except in the event of the insolvency of the company, the assets of each class shall be kept separate from those of the other classes and shall be available only for the use of that class benefit of the members of that class.

(9) Upon the insolvency of the company, all assets of all classes shall be pooled and nothing in the articles is intended to create a trust in favour of any party.

### **Supplementary calls**

54. (1) Where a supplementary call is made on one class of business, only the members of that class as determined by the rules are liable to pay such supplementary call.

(2) A supplementary call shall not be levied on a class in order to provide funds for or make good deficiencies in another class.

(3) Where a supplementary call is required for the general expenses of the company or to provide solvency capital for the company generally, the directors may levy a supplementary call on one or more or all of the classes in such amounts in respect of each class as the directors may determine.

### **Reinsurance**

55. (1) The directors may reinsure any or all or any proportion of the risks of the company or of any class on such terms as they may think fit.

(2) Notwithstanding any other provision of these articles or the rules, the directors may effect the reinsurance of the risks of one or more classes by any other class or classes on such terms as the directors determine.

### **Loans and subventions**

56. Notwithstanding any other provision of these articles or the rules, the directors may effect a loan or subvent funds from one class to another on such terms as they consider appropriate.

### **Insurances and contributions**

57. (1) Further to the provisions of these articles or the rules, the directors may accept entries on standard or special terms as to membership, contribution and, within the scope of the rules, as to the nature and extent of risks covered and may accept, as such entries, reinsurances from other insurers.



(2) Every engagement or liability of a member in respect of any insurance shall, for all purposes relating to enforcing such engagement or liability, be deemed to be an engagement or liability by or on the part of such member to the company and not to any other member or other person and all monies payable in respect of such engagement or liability shall be paid to the company.

(3) Notwithstanding that members mutually insure each other against the risks covered by the company, all claims by or from a member or other insurer in respect of insurance or arising out of the business of the company shall be made and enforced against the company only and not against any member.

(4) Except as provided for specifically in the rules or a member's certificate of entry, only a member or other insured party shall be entitled to make and enforce claims in respect of the insurance provided by the company.

## PART 7 ADMINISTRATIVE ARRANGEMENTS

### **Means of communication to be used**

**58.** (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent and for the specified time to be less than 48 hours. Notices sent by email or other electronic means of a permanent nature by the company to a director are deemed to be received immediately.

### **Notices**

**59.** (1) Where notice is served in hard copy form, the company may serve notice to the member:

- (a) at the members' address as recorded by the managers, or
- (b) at any other address that the member has notified the managers of, as being the address for service, or
- (c) at the address of the group principal as defined in the class rules and as being notified as the address for service.

(2) Every legal or personal representative, administrator, administrative receiver, receiver, legal curator, trustee in bankruptcy or liquidator of a member shall be bound by any notice given if sent in accordance with article 59, notwithstanding that the company may have notice of the death, lunacy, bankruptcy, receivership, liquidation, disability or administration of such member.

(3) Every notice and document served personally is deemed served on the day of service; if served by post, fax, email or through a website or web-based medium, it is deemed served on the second day after posting or sending. Proof of posting is sufficient proof of service by

post, while the managers' record of any electronic communication is sufficient proof of service by other means.

(4) The managers may send or supply any notice or document to members by making it available on the club's website or other web-based medium, and it is deemed delivered when the relevant members are notified that it is available on the website.

### **Authentication of documents**

**60.** For the purposes of these articles, a document or proceeding requiring authentication by the company is deemed sufficiently authenticated by the signature of a director or secretary of the company, or the managers (including, in respect of any of the managers that is a company, any director, secretary or other officer of such managers).

### **Company seals**

**61.** (1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is:

- (a) any director of the company,
- (b) the company secretary (if any),
- (c) any of the managers (including in respect of any of the managers that is a company, any director, secretary or other officer of such managers), or
- (d) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

### **No right to inspect accounts and other records**

**62.** Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

## **DIRECTORS', OFFICERS' AND MANAGERS' LIABILITY, INDEMNITY AND INSURANCE**

### **No personal liability**

**63.** None of the directors, officers or managers (including, in respect of any of the managers that is a company, any directors, officers or employees of such managers, of such managers' agents or of such managers' group undertakings) shall incur any personal liability by reason of any loss to the company arising from any default, bankruptcy or insolvency of any banker, agent, clerk or servant or from accident or from any cause beyond their control.

### **Indemnity of directors and officers**

- 64.** (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against:
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
  - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (3) In this article:
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a "relevant director" means any director or former director of the company or an associated company.

### **Indemnity of the managers**

- 65.** (1) The directors shall have the power to agree the terms of any indemnity to be given to the managers by the company.
- (2) For the purposes of this article, "the managers" includes the managers and, in respect of any of the managers that is a company, any and all servants, directors, officers, employees, group undertakings and agents of such managers and any servants, directors, officers and employees of such managers' agents or of such managers' group undertakings, in each case to whom duties of the managers have been entrusted.

### **Insurance**

- 66.** (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director, officer or manager in respect of any relevant loss.
- (2) In this article:
- (a) a "relevant director" means any director or former director of the company or an associated company,
  - (b) a "relevant officer" means any officer or former officer of the company or an associated company,
  - (c) a "relevant manager" means the managers of the company or an associated company and (in respect of any of such managers that is a company) any director, officer or employee of such managers, or any former managers and its directors, officers and employees,
  - (c) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
  - (d) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **PART 8 DISSOLUTION**

### **Winding up**

**67.** In the event of the winding-up of the company, after its liabilities have been satisfied, the remaining assets of the company shall be distributed in a fair and equitable manner amongst the members and in such proportion or amounts as the directors shall recommend prior to such winding up and subject always to the final decision of the liquidator.