

TO ALL OWNERS AND MEMBERS

22 May 2014

Dear Sirs

FINANCIAL POSITION AND OPEN POLICY YEARS

The board of the club met on Friday 16 May 2014 and reviewed the club's financial position.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 20 FEBRUARY 2014

The Report and Financial Statements were approved by the board and will be published on the club's website and a *Review of the Year* will be sent to owners and members shortly. These show that the Standard Club's free reserves have increased slightly to a new record level of \$369m.

P&I CLASS

2011/12 policy year

The year was closed.

2012/13 policy year

Claims in this policy year have improved from the original forecast with a reduction in both retained losses and contributions to the Pool. This year now has a surplus, after investment income, and no further premiums are expected to be necessary.

2013/14 policy year

Retained claims on this policy year, both own claims and share of the Pool, are developing ahead of expectations with a deficit being forecast after investment income. Despite this no further premiums are expected to be necessary apart from the final instalment of the estimated total premium, which is due on 1 November 2014.

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The Standard Club Asia Ltd

www.standard-club.com

Incorporated in Singapore No. 199703224R. Authorised and regulated by the Monetary Authority of Singapore

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2014/15 policy year

The estimated total premium has been debited with the final instalment due on 1 November 2015.

Release calls

The release call percentages for the three open policy years are 3%, 4% and 8% of estimated total premium for the 2012/13, 2013/14 and 2014/15 years respectively. An explanation of the methodology behind these percentages can be found on the club's website.

DEFENCE CLASS**2011/12 policy year**

The year was closed.

2012/13 and 2013/14 policy years

Claims in these policy years have developed significantly better than forecast with both years now recording an underwriting surplus. As a result no further premiums are expected to be necessary.

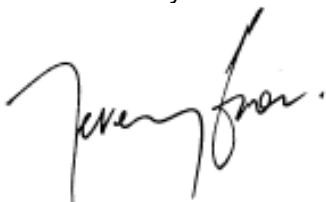
2014/15 policy year

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

Release calls

The release call percentages for the three open policy years are the same as for the P&I Class.

Yours faithfully



Jeremy Grose
Chairman
Charles Taylor Mutual Management (Asia) Pte Limited