



# Circular

TO ALL MEMBERS

20 January 2009

Dear Sirs

## **2009/2010 POLICY YEAR RENEWAL EXTRAORDINARY GENERAL MEETING OF MEMBERS**

### **1. Advance contribution rates**

We are pleased to advise that the association's rates of advance contribution will remain as expiry with effect from 20 February 2009. The 2009/10 rates will be:

British ships, eligible for government reinsurance:	Rule 2 - 0.00510%
	Rule 3 - 0.00255%
Flagged-out ships, not eligible for government reinsurance:	Rule 2 - 0.00570%
	Rule 3 - 0.00285%

The advance contribution will be payable in full.

A 50% reduction will be granted for ships trading exclusively in one of the following areas:-

- (a) Europe (not south of Gibraltar and excluding Mediterranean and Black Sea);
- (b) USA and Canada (excluding Panama Canal transits)
- (c) Australasia.

Extensions to trading outside any of these areas will be covered on the basis of a minimum period of 3 months.

.../...

#### **The Standard Steamship Owners' Mutual War Risks Association Limited**

Registered in England No. 127257 Registered Office: International House, 1 St. Katharine's Way, London E1W 1UT  
Authorised and regulated by the Financial Services Authority  
Website [www.standard-club.com](http://www.standard-club.com)

#### **The Managers: Charles Taylor & Co. Limited**

International House, 1 St. Katharine's Way, London E1W 1UT  
Telephone: +44 (0)20 7488 3494 Fax: +44 (0)20 7481 9545 E-mail: [p&i.london@ctcplc.com](mailto:p&i.london@ctcplc.com)  
Registered in England No. 2561548  
Charles Taylor & Co. Limited is an appointed representative of Charles Taylor Consulting plc,  
which is authorised and regulated by the Financial Services Authority



## 2. Additional Premium Areas

Subject to any unforeseen developments in the meantime, in accordance with the circular dated 19 January 2009, the additional premium areas with effect from noon 20 February 2009 will be:

<b>1.</b>	<b>Africa</b>
a.	Djibouti
b.	Ivory Coast
c.	Nigeria including Terminals
d.	Somalia, including waters out to 250 nautical miles from the eastern Somalia coast south of latitude 10°N.
e.	Indian Ocean, beyond the eastern Somalia and Gulf of Aden areas out to 600 nautical miles from the coast of eastern Africa south of latitude 15°N and north of latitude 10°S, but excluding the coastal waters of Kenya and Tanzania up to 12 nautical miles offshore. The north-eastern point of the Indian Ocean area is measured from Ras Asir (11°50'N, 051°16.9'E).
<b>2.</b>	<b>Asia</b>
a.	Thailand, southern Gulf coast of, between and including Songkhla and Narathiwat
b.	Sri Lanka
<b>3.</b>	<b>Indonesia/Malaysia</b>
a.	Ambon (Seram)
b.	Balikpapan (South East Borneo)
c.	Borneo, north east coast of, between and including Kudat and Tarakan
d.	Jakarta
e.	Sumatera (Sumatra), but only the North Eastern coast between 5°40'N and 0°48'N
f.	Poso (Sulawesi)
<b>4.</b>	<b>Middle East</b>
a.	Saudi Arabia
b.	Iraq
c.	Israel
d.	Lebanon
e.	Yemen
f.	Gulf of Aden Transit: The area enclosed by the Bab-el-Mandeb Strait, latitude 15°N, longitude 57°E and latitude 10°N.
<b>5.</b>	<b>Philippines</b>
a.	Mindanao, southern coast of, between and including Polloc Harbour and Mati
b.	Sulu Archipelago including Jolo (see page 3)
<b>6.</b>	<b>Europe</b>
a.	Georgia

The ports, places, countries, zones and areas listed shall include all harbours, offshore installations and terminals unless otherwise stated.



## **Sulu Archipelago**

From Tanjung Bidadari (5°49'.6N, 118°21'.0E) along the east coast of Sabah to Tanjung Bagahak Light (4°56'.5N, 118°38'.3E); thence south-eastwards to Pulau Matakang Light (4°34'.6N, 118°57'.0E); thence southwards to position 3°32'.0N, 118°57'.0E; thence north-eastwards to position 5°50'.0N, 122°31'.0E; thence northwards to position 7°06'.6N, 122°31'.0E; thence westwards to Batorampon Point Light (7°06'.6N, 121°53'.8E); thence west-south-westwards to Tanjung Bidadari.

### **3. Insured values and sums insured**

The maximum amount for which any one ship or the interests therein may be insured under rules 2 and 3 will be as expiry, namely £390m or US\$630m or C\$780m or €510m. Please remember that you must advise us of any changes in marine insured values.

### **4. Protection and Indemnity cover**

The limit of liability for claims under rule 2 part D will be as expiry, namely £325m or US\$500m or C\$650m or €425m each ship any one accident or series of accidents arising out of any one event. Those limits are inclusive of any claims for sue and labour. If you consider that this limit provides insufficient cover, additional cover is available from your P&I club.

### **5. Alteration to the rules of the association**

In appendix A to this circular you will find the Notice of an Extraordinary General Meeting on 6 February 2009 which has been called to submit to members alterations to the rules, Memorandum and Articles of Association and a resolution on conflicts of interest, all of which have been approved by the board.

The proposed alterations to the rules are set out in appendix B.

The purpose of the alterations to rules 2.B.1.6 and 3.1.6 is to include barratry within the cover to members since increasingly this peril is now being excluded by underwriters from the terms of hull and machinery policies of insurance. The alterations to rule 4.B.1 and Appendix D.5.2 are made as a consequence and in order to reflect the violent theft, piracy and barratry exclusions now being incorporated in such hull and machinery policies.

The alteration being made to Appendix D.12 is simply to reflect the change in the numbering of the rules of The Standard Steamship Owners' Protection and Indemnity Association (Bermuda) Limited with effect from 20 February 2009. This alteration has no effect on the extent of members' cover for P&I liabilities, costs and expenses arising out of risks insured by the association.

### **6. Amendments to the association's Memorandum and Articles of Association**

In appendix C to this circular explanation is provided of the proposed amendments to the association's Memorandum and Articles of Association to be put to members for approval at the Extraordinary General Meeting on 6 February 2009.



## 7. Conflicts of interest of directors

In appendix D to this circular explanation is provided to the background for the resolution being put to members for approval at the Extraordinary General Meeting on 6 February 2009.

## 8. Proxy form

Enclosed with this circular is a form of proxy for those who are unable to attend the Extraordinary General Meeting on 6 February 2009. You are reminded that a proxy must be a member or a duly authorised corporate representative of a member of the association, and that, to be valid, the form must reach the secretary of the association at the association's registered office, International House, 1 St. Katharine's Way, London E1W 1UT, not less than 12 hours before the time of the meeting. Completion and return of the form will not prevent you from attending and voting in person should you so wish.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alistair Groom'.

Alistair Groom  
Chief Executive  
Charles Taylor & Co Limited

Direct Line: +44 (0)20 7522 7422  
E-mail: alistair.groom@ctcplc.com



## APPENDIX A

### THE STANDARD STEAMSHIP OWNERS' MUTUAL WAR RISKS ASSOCIATION LIMITED

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the members of the above-named association will be held at 11.00am on 6 February 2009 at International House, 1 St. Katharine's Way, London E1W 1UT for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions to come into force as from noon GMT on 20 February 2009:

1. THAT the proposed alterations to the rules of the association, as set out in appendix B to the circular to the members dated 20 January 2009, be adopted;
2. THAT the proposed amendments to the Memorandum and Articles of Association, as set out in appendix C to the circular to the members dated 20 January 2009, be adopted;
3. THAT in accordance with paragraph 47(3) of Part 3 of Schedule 4 to the Companies Act 2006 (Commencement No.5, Transitional Provisions and Savings) Order 2007, the directors are hereby given authority to authorise a matter giving rise to an actual or potential conflict for the purposes of section 175 of the Companies Act 2006.

Dated 20 January 2009

By order of the board

Charles Taylor & Co. Limited  
secretary

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

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member, or a duly authorised corporate representative of a member of the association.



## APPENDIX B

### THE PROPOSED ALTERATIONS TO THE RULES OF THE ASSOCIATION

1. Alter rule 2.B.1.6 to read:

piracy, barratry or violent theft by persons coming from outside the entered ship;

2. Alter rule 3.1.6 to read:

piracy, barratry or violent theft by persons coming from outside the entered ship;

3. Alter rule 4.B.1 to read:

The association shall not be liable for any losses, liabilities, costs or expenses covered by the Standard Form of English Marine Policy with the Institute Time Clauses - Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) attached and with the War Exclusion Clause, the Strikes Exclusion Clause, the Malicious Acts Exclusion Clause and the Violent Theft, Piracy and Barratry Exclusion Clause inserted therein or which would have been covered thereby if the entered ship had been insured under such a policy. A loss shall be deemed to be so insured notwithstanding that it is excluded in whole or in part by any deductible or franchise specified in such a policy.

4. Alter Appendix D.5.2 to read:

PROVIDED ALWAYS that:

The association's liability under paragraph D.5 shall only be for such collision liability as falls within one or more of the following heads, namely:

D.5.2.1 It would have been recoverable under the Institute Time Clauses - Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) had the ship been insured on such terms, but for the War Exclusion Clause, the Strikes Exclusion Clause, the Malicious Acts Exclusion Clause and the Violent Theft, Piracy and Barratry Exclusion Clause inserted therein or, as the case may be, the Institute Time Clauses - Freight (edition of 1.8.89 or any subsequent edition or amendment thereof current at the date of the casualty) had the ship been insured on such terms, but for the War Exclusion Clause, the Strikes Exclusions Clause or the Malicious Acts Exclusion Clause inserted therein.

5. Alter Appendix D.12 to read:

Any other loss, liability, cost or expense other than those set out in paragraphs D.1 to D.10 which would have been recoverable under the rules of The Standard Steamship Owners' Protection and Indemnity Association (Bermuda) Limited had the entered ship been entered therein, but for rule 4.3 of the rules of that association.



## APPENDIX C

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE STANDARD STEAMSHIP OWNERS' MUTUAL WAR RISKS ASSOCIATION LIMITED.**

The Companies Act 2006, which entered into force in October 2008, makes significant changes in respect of company law procedures. As a result, a number of amendments are proposed to the company's Memorandum and Articles of Association. The amendments will take advantage of the new provisions and prevent conflict arising between the Act and the Articles of Association.

The proposed amendments are as follows:

- All meetings other than the Annual General Meeting will be referred to as General Meetings.
- All meetings will only require 14 days notice.
- Short notice meetings will only require the approval of a 90% majority.
- The Articles will reflect the Act's provisions relating to director indemnities.

(There is no actual change required to the wording of the indemnity clause. References in the definitions in the current Articles to 'Companies Acts', the 'Act' or the 'Statutes' will now include reference to the Companies Act 2006 which makes changes in respect of director indemnities. While the present clause is broad enough to provide a director with the right to an indemnity, specific recourse must be made to the relevant sections of the new Act to establish in what circumstances an indemnity may lawfully be given.)

- The Articles will reflect the fact that the Company as a private company now has the option (but not the obligation) to appoint a company secretary.
- The Articles will reflect the new provisions relating to ordinary and special written resolutions.

(Written resolutions will no longer require the signature by or on behalf of all the members of the company which was the case under the Companies Act 1985. Under the new Act a written ordinary resolution will be passed by the signature of a simple majority of those members eligible to vote and a written special resolution by the signature of a 75% majority of those members eligible to vote.)

- The Articles will reflect the new provisions relating to voting by proxy.

(Previously, a proxy could only vote on a poll. Under the new Act a proxy can vote on a poll or on a show of hands of those present at the meeting, i.e. the proxy can now also vote at a meeting on a show of hands.)



## APPENDIX D

### CONFLICTS OF INTEREST OF DIRECTORS

Under current company practice, when a material conflict arises, the director concerned will take steps to mitigate the conflict by, for example, absenting himself from board discussions or in an extreme case standing down from the board.

However, from 1 October 2008 a director of a UK company will have a statutory duty under section 175 of the 2006 Act to avoid a situation arising in which he has, or can have, a conflict of interest with the company's interests. A conflict must be authorised in advance by the board in order to avoid a director being in breach of duty.

The change in the law will require directors to operate more formal procedures regarding conflicts of interest, although provided a potential conflict has been authorised, the change should not result in a director behaving any differently than he would have prior to 1 October.

For private companies incorporated before 1 October 2008 (such as The Standard War Risks Association) such authorisation can be given by the board, provided shareholders have resolved that authorisation may be given in accordance with the provisions of section 175(5)(a) of the 2006 Act.

To deal with this requirement, the following ordinary resolution is proposed:

*"That in accordance with paragraph 47(3) of Part 3 of Schedule 4 to the Companies Act 2006 (Commencement No.5, Transitional Provisions and Savings) Order 2007, the directors are hereby given authority to authorise a matter giving rise to an actual or potential conflict for the purposes of section 175 of the Companies Act 2006."*





**THE STANDARD STEAMSHIP OWNERS'  
MUTUAL WAR RISKS ASSOCIATION LIMITED**

**Form of Proxy**

Please insert full name(s) and address  * see Note (1) below	I/We..... (BLOCK LETTERS)  of .....  Being a member of the above-named association  HEREBY APPOINT * <i>the chairman of the meeting or</i>  .....  as my/our proxy to vote for me/use and on my/our behalf at the Extraordinary General Meeting of the association to be held on 6 February 2009 and at every adjournment thereof.
--	--

		<b>FOR</b>	<b>AGAINST</b>
1.	The resolution to alter the rules of the association.		
2.	The resolution to amend the company's Memorandum and Articles of Association.		
3.	The resolution in relation to conflicts of interest of directors.		

Dated this.....day of.....2009

Signed.....

**Notes:**

- (1) If any other proxy be preferred, strike out the words in italics, add the name of the proxy desired and initial alteration. A proxy must be a member or a duly authorised corporate representative of a member of the association.
- (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) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
- (4) To be valid this form must be completed, signed and deposited at the Registered Office of the association, International House, 1 St. Katharine's Way, London, E1W 1UT, not less than 12 hours before the time appointed for holding the meeting.