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Interpretation

1. In these Rules unless the context otherwise requires, the following words or expressions shall have the following meanings:

"the Articles"	means the Articles of Association of the Association as originally adopted and as amended from time to time.
"the Association"	means Hellenic Hull Mutual Association (HMA) Limited
"the Board"	means the Directors for the time being of the Association or as the context may require the Directors present at a duly convened meeting of the Board at which a quorum is present.
"clear days"	means in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is to be given or on which it is to take effect.
"Contributions"	includes advance calls, supplementary calls and other calls or premiums or other sums which may be due from a Member to the Association.
An "Entered Ship"	means a Ship which has been entered for insurance by the Association.
The "Entered Tonnage"	means the Tonnage of any Entered Ship specified as such in the certificate of entry for such Ship.
"Fleet Entry"	means the entry of more than one Ship by one or more Members on the basis that those Ships will be treated together as a fleet for underwriting purposes.
"GMT"	means Greenwich Mean Time.
"Insurance"	insurance or reinsurance against the risks specified in these Rules.
"Insured Value"	means the value of an Entered Ship agreed to be insured by the Association and specified as such in the certificate of entry for such Ship.
"I.T.C. - Hulls"	means subject to Rule 35 (iii) The Institute Time Clauses Hulls 1/10/83. <i>A copy of I.T.C.-Hulls as in force at 1/2/1994 is set out in the Schedule hereto.</i>
"the Managers"	Hellenic Hull Management (HMA) Limited a company incorporated in Cyprus or other, the managers for the time being of the Association duly appointed by the Board or if for any reason there are no managers then the Board itself.
a "Member"	means a member of the Association as more particularly defined in Article 3 of the Articles.
"month"	means a calendar month.
"the Rules"	these Rules as originally framed and as amended from time to time which shall be deemed to incorporate I.T.C.- Hulls.
a "Ship"	any ship, boat, hovercraft or other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) 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 or any proportion of the tonnage thereof or any share therein.
"Year of Account"	means a year from 00:00 GMT 1st January to 24:00 GMT on the following 31 st December.

Writing shall include printing, typewriting, lithography, facsimile and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include individuals, partnerships, corporations and associations.

Insurance, Governing Law, Headings, Delegation

2. (i) These Rules which are subject to its Memorandum of Association and the Articles, contain the terms on which the Association insures its Members. Each Member by entering a Ship with the Association agrees to be bound by these Rules.
- (ii) These Rules and the contract of Insurance between a Member and the Association contained in these Rules shall be governed by and construed in accordance with English Law and subject to Rule 32 below, the English Courts shall have sole jurisdiction.
- (iii) In the event of any conflict between the English text of these Rules and any translation into another language the English text shall prevail.
- (iv) The headings in these Rules are for information only and are not to be taken into account in the interpretation or construction of these Rules.
- (v) Whenever any power, duty or discretion is stated in these Rules to be vested in the Board such power, duty or discretion shall be exercisable by the Board unless the same shall have been lawfully delegated to any committee of the Board or to the Managers in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.
- (vi) Whenever any power, duty or discretion is conferred or imposed upon the Managers by virtue of these Rules, or is delegated to them under paragraph (v) of this Rule, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in these Rules be exercised by the Managers or by any authorised employee, agent or subdelegate of Managers.

Proposal Form / Warranty

3. (i) For the purposes of entering a Ship in the Association each prospective Member shall complete sign and deliver to the Association a proposal in the form approved by the Managers. A proposal may be made by more than one person as the owners of a Ship.
- (ii) Each prospective Member shall provide to the Managers all particulars and information as the Managers may require.
- (iii) All particulars and information given in the course of applying for the entry of a Ship in the Association shall, if the entry of the relevant Ship is accepted, be deemed to form the part of the contract of Insurance between the Member and the Association. It shall be a condition precedent of such contract of insurance that all material information has been provided and that all such information is so far as he knew or could with reasonable care ascertain, true and complete, and will remain so throughout the period of Insurance.
- (iv) The provisions of this Rule apply throughout the period of entry of the Ship in the Association and the Member is obliged to disclose any change or changes in any material particulars relating to such entry, such as, but not limited to, and without prejudice to the provisions of any other Rule, change of management, the Entered Ship's flag, nationality of crew, tonnage, trading area and nature of trade.
- (v) Failure to comply with any obligation contained in this Rule will (unless the Board in its absolute discretion shall agree otherwise) deprive the Member and any other person otherwise entitled to claim for recovery under these Rules, of any right to recovery.

Acceptance

4. (i) The Managers shall have an absolute discretion as to whether or not a proposal is accepted and to agree any special terms of entry. Any proposal may be refused without any reason for such refusal being given whether or not the proposer is already a Member.
- (ii) Before any proposal for entry is accepted by the Managers they shall agree in writing the terms and conditions that will apply to the entry if the application is accepted, including (without prejudice to the generality of the foregoing) the Contributions to be paid to the Association in accordance with Rule 9(ii) below, the commencement of cover, any

- modifications to the standard terms of entry or the standard risks against which the Member is insured in respect of that Ship, the Insured Value and the Entered Tonnage.
- (iii) Upon acceptance of a proposal, the Member will be notified and sent a Certificate of Entry as soon as reasonably practical.
 - (iv) The Certificate of Entry will inter alia state the names of the Members on whose behalf such Ship has been entered and their interests in such Ship, the time and date of the commencement of insurance, the Insured Value and the Entered Tonnage of the Ship, and any modifications to the standard terms of entry or the standard risks against which the Member is insured in respect of that Ship. If such is the case the Certificate of Entry will specify that the Ship has been entered as a Fleet Entry.

Standard Terms of Entry / Special Entries / Reinsurance

- 5. (i) The standard terms of entry upon which Ships will be accepted by the Association are those set out in the Rules.
- (ii) The standard risks against which a Member is insured by the Association are those set out in the I.T.C. - Hulls which shall be deemed to be incorporated herein in their entirety (subject to Rules 35 (ii) and (iii)).
- (iii) Both in respect of new or existing Insurance the Managers shall have power in their absolute discretion to agree with a Member to vary the standard terms of entry or the standard risks in respect of which the Member is insured and may accept entries on special terms as to Contributions.
- (iv) Members shall be entitled to recover from the Association losses, liabilities, costs and expenses in respect of Entered Ships in the amount and on the terms provided by these Rules. Notwithstanding the foregoing when a Member is entitled to limit his liability the liability of the Association shall not exceed the amount of such limitation and provided that if the insured Value is less than the full insured value of the Ship, the Member shall only be entitled to recover such proportion as the Insured Value bears to the full insured value.
- (v) The Managers may accept insurances or reinsurances from other insurers.

Assignment / Mortgages

- 6. (i) No insurance given by the Association and no interest under these Rules or under any contract between the Association and any Member may be assigned without the written consent of the Managers who shall have the right in their absolute discretion to give or refuse such consent without stating any reason or to give such consent upon any terms or conditions as they may think fit. Any purported assignment made without such consent or without there being due compliance with any such terms and conditions as the Managers may impose shall, unless the Managers in their absolute discretion otherwise determine, be void and of no effect.
- (ii) Whether or not it shall be an express condition of any of their consent to any assignment, the Managers shall be entitled in settling any claim presented by the assignee, to deduct or retain such amount as they may then estimate in their absolute discretion to be sufficient, to discharge any liabilities of the assignor to the Association whether existing at the time of the assignment or having accrued or being likely to accrue thereafter.
- (iii) A Member will forthwith notify the Association of any mortgage on an Entered Ship.
- (iv) At the request of a mortgagee and with the consent of the Member the Managers may in their discretion and subject to the provisions relating to assignment set out above agree:-
 - a. to pay to the mortgagee or to its order any recovery the Member, is entitled to receive from the Association in respect of any liability, losses, costs or expenses incurred by the Member on receipt of notice from the mortgagee that the Member is in default under the mortgage.
 - b. to give the mortgagee 14 days' notice of the Association's intention to cancel the Insurance of the Member by reason of his failure to pay when due any Contribution.

Period of Insurance

7. The Insurance afforded by the Association in respect of any Ship shall commence from the time and date indicated on the certificate of entry and shall continue (subject to the cover being terminated in accordance with these Rules) until the anniversary of such date (12 months) unless it shall be agreed by the Managers before any proposal for entry is accepted or subsequently that the Ship shall be insured for periods other than 12 months.

Several Owners

8. (i) If any certificate of entry shall specify more than one person as the owner of an Entered Ship (hereinafter called "Joint Members") they shall be jointly and severally liable to pay all Contributions due to the Association in respect of such entry and the receipt by any Joint Member of any payment by the Association shall be deemed to be the receipt by all Joint Members jointly and shall operate as a complete discharge of the Association for such payment.
- (ii) If a Joint Member has failed to disclose any material information to the Managers then such failure shall be deemed to have been the failure of all Joint Members and any breach of these Rules by a Joint Member or other conduct by a Joint Member entitling the Association to decline to make any payment or to exercise any right shall be deemed to be a breach by or conduct by all the Joint Members.
- (iii) Each Joint Member shall be deemed to be aware of any communication from the Association to any Joint Member and any communication from a Joint Member to the Association shall be deemed to have been made with the approval and authority of each Joint Member.

Contribution and Calls

9. (i) Subject to any agreement to the contrary made between the Member and the Managers pursuant to Rule 5(iii) Members will in respect of the Year of Account current at the time the Ship is first entered with the Association and in respect of each subsequent Year of Account current at the time any entry of the Ship is renewed contribute by way of calls to the funds required to meet:-
- a. the claims, expenses, reinsurance premiums, unpaid Contributions, and other outgoings and expenses (whether incurred accrued or anticipated) which in the opinion of the Managers fall upon the Association in respect of that Year of Account;
 - b. such of the general expenses of the Association as the Managers in their absolute discretion think fit to charge against the insurance business of the Association in respect of that Year of Account;
 - c. transfers to reserves established in accordance with Rule 10 below; and
 - d. the requirements of any governmental legislation or regulation with respect to the establishment and/or maintenance of solvency margins, guarantee funds or the like.
- The Board and the Managers shall have an absolute discretion in the calculation of Contributions and their decision shall be conclusive and binding on all Members.
- (ii) Before any application for entry of a Ship for Insurance in the Association is accepted by the Managers, the prospective Member and the Managers shall agree the amount of the advance call payable by the Member in respect of that Ship for the Year of Account current at the date of the acceptance.
- (iii) In respect of any Year of Account the Board may from time to time make a supplementary call or calls of such amount(s) and on such terms as they consider necessary or desirable. Such supplementary call or calls shall be calculated by reference to such percentage of the advance call as the Board may in its discretion decide and may be made during the Year of Account or subsequently until that Year of Account is closed.
- (iv) (a) The Board may decide that any Year of Account shall be closed at such time as it may deem expedient.

- (b) If the Contributions obtained in respect of such Year of Account shall exceed the costs, expenses and other outgoings falling upon the Association for that Year of Account, the Board may either carry that surplus to such reserve or reserves as the Board may think proper or may return it in whole or in part to the persons who made such contributions in proportion to the aggregate contributions made by them in respect of such Year of Account.
- (c) If at any time or times after a Year of Account has been closed it shall appear to the Board that the costs, expenses and outgoings arising in respect of that Year of Account exceed or are likely to exceed the totality of the calls and other receipts in respect of such Year of Account (and of all transfers from reserves and provisions made for the credit of or in respect of such Year of Account) then the Board may decide to provide for such deficiency in any one or more of the following ways:-
 - (aa) by transferring funds from the reserves of the Association (including reserves standing to the credit of any different closed Year of Account).
 - (bb) by making an advance or supplementary call in respect of an open Year of Account with the intention of applying a part thereof to meet any such deficiency.

Reserves

- 10. (a) The Board may establish and maintain such reserve funds or other accounts as it thinks fit.
- (b) The Board may apply the sums standing to the credit of any reserve for any of the purposes for which the reserve was maintained even though the reserve was created in respect of a different Year of Account or Years of Account from that from which the funds originated. The Board may also apply the sums standing to the credit of any reserve for any other or different purposes whenever the Board considers this to be in the interests of the Association or its Members. The Board may also at any time transfer sums from one reserve to another.
- (c) The funds required to establish such reserves or accounts may be raised in any manner which the Board thinks fit including the following:-
 - i. the Board, when fixing the amount of any advance or supplementary call, may decide that any specified amount or proportion of such call shall be transferred to and applied for the purposes of any reserve or account;
 - ii. the Board may on the closing of a Year of Account resolve that any specified amount standing to the credit of that Year of Account shall be transferred to and applied for the purposes of any such reserves or account;
 - iii. the Board may in reviewing the funds available for the payment of costs, expenses and other outgoings arising in respect of all closed Years of Account resolve that any specified amount standing to the credit of the closed Years of Account shall be transferred to and applied for the purposes of such reserves or account.
- (d) The funds of the Association may be invested by the Managers on behalf of the Association in such investments and on such terms as the Managers think fit. The funds standing to the credit of any Year of Account or reserve may in the discretion of the Managers be pooled with other funds of the Association and invested as one fund. Investment income shall be allocated to such Years of Account or reserves as the Managers think fit.

Release Call

- 11. Upon a Member ceasing to be insured in respect of any Entered Ship for any reason whatsoever (including for the avoidance of doubt termination pursuant to Rule 13 or 27) he shall thereupon pay to the Association a release call being such a sum as in the opinion of the Managers constitutes a reasonable estimate of the calls for which the Member would have been liable if he had continued to be insured in respect of that Ship together with such additional sum being a margin for contingencies as the Managers in their absolute discretion may consider reasonable. Upon payment of such release call all the obligations of the Member to the Association in respect of calls in respect of that Ship shall end. Alternatively,

the Member may continue with his obligation to pay supplementary calls as if he had remained insured in respect of that Ship as and when they are made by the Board but may only do so on production of security acceptable to the Board which, as to amount, duration and terms, will secure the Member's obligation to pay.

Set Off

12. No claim of any kind whatsoever by a Member against the Association shall constitute a set off against any Contribution due from the Member to the Association (including for the avoidance of doubt, any sum due pursuant to Rule 11 above) or shall entitle the Member to withhold or delay payment of any such sum. The Association shall be entitled to set off any amount due from a Member against any amount due from the Association to the Member.

Termination of Cover

13. The Managers may in their absolute discretion terminate the insurance of any Entered Ship or Ships by giving the Member not less than 30 clear days notice in writing. The Managers shall be under no obligation to state the grounds for termination.

Payment of Calls

14. (a) Any amounts due in respect of any Contributions shall be paid by the Member to the Association in such instalments and on such dates as the Managers may specify provided that at least 7 clear days notice shall be given of the due date of any payment. If required by the Managers, Members will provide post-dated cheques for instalments not immediately due. Any amounts due from the Member to the Association may be recovered by action commenced in the name of the Association, and further, any sum owing by any Member to the Association may be deducted from any claims in respect of any Ship entered in the name of the Member in the Association.
- (b) At any time and without any other notice the Board and/or Managers may authorise that interest be charged on Contributions unpaid beyond the payment period allowed in (a) above, and at a rate that they may decide at their discretion.
- (c) Should a Member default in paying any Contribution due from it the other Members liable in respect of the relevant Year of Account shall pay the amount in default in proportion to the aggregate Contributions due from them in respect of that Year of Account. Each Member who is entitled to any payment from the Association shall bear and contribute the proportion thereof due in respect of all Ships entered by him including the Ship in respect of which the payment is due.

Reinsurance

15. The Managers may reinsure or cede on behalf of the Association the whole or any part of the risks of the Association with such reinsurers and on such terms as the Managers think fit.

Classification, Manning and Certificates

16. (i) Unless otherwise agreed in writing prior to entry between the Member and the Association the insurance of every Entered Ship is subject to the following conditions:-
- (a) the Ship must be classed with a Classification Society approved by the Managers, and so continue throughout the period of entry in the Association;

- (b) the Member must promptly call to the attention of the Classification Society any condition or incident which might give rise to a recommendation by the Society or otherwise interest the Society;
- (c) any rules recommendations or requirements of the Classification Society must be complied with within the time limits laid down by the Society;
- (d) the Ship shall be manned and her crew qualified in accordance with the regulations of the State of her port of registry; in the absence of regulations she shall be manned and her crew qualified in accordance with the regulations of the Republic of Cyprus;
- (e) the Ship shall carry currently valid certificates relating to loadlines, lifesaving appliances, radio and safe manning in addition to any other relevant statutory and classification certificates;
- (f) the Member must use its best endeavours to comply with good ship management practice for safe ship operation.

Unless and to the extent that the Board otherwise decides in its absolute discretion, no Member shall be entitled to make any recovery from the Association in respect of a matter occurring during a period when the Member is not fulfilling or has not fulfilled any of the conditions referred to above.

- (ii) The Managers are hereby authorised by the Member to inspect any information relating to an Entered Ship held by any Classification Society with which the Entered Ship is or has been classed and hereby authorises such Classification Society or Societies to make all such information available to the Managers upon their request.

Discretion

17. The Board and/or Managers may in addition to the cover provided in these Rules provide cover to a Member to the extent and on such terms as they in their absolute discretion may determine in respect of such matters as may in the opinion of the Board and/or Managers fall within the spirit or scope of the cover intended to be provided by the Association.

Other Insurance

18. Unless the Managers in their absolute discretion decide to the contrary, the Association shall not be liable for any liabilities, losses, costs or expenses recoverable by the Member under any other insurance or which would have been recoverable apart from any term or condition in such other insurance excluding or limiting liability on the grounds of double insurance or the like and the fact that the Ship had been entered in the Association with the cover afforded by these Rules.

Payment First

19. Unless the Managers in their absolute discretion decide to the contrary it is a condition precedent of a Member's right to recover under the insurance afforded by these Rules in respect of any liabilities, losses, costs or expenses that he shall have first discharged or paid the same.

Co-operation

20. A Member shall promptly disclose to and produce to the Managers any document or information in his or his agent's power or possession which may be relevant to any matter relating to the cover under these Rules or any event giving rise to a claim there under. The Managers shall be entitled to make copies of all such documents or information. The Managers shall be entitled to conduct surveys and to interview any officer servant or agent of the Member in connection with any incident giving rise to a claim under these Rules.

Notice of Claims

21. Notice of any incident which could give rise to a claim on the Association must be given to the Association immediately it occurs and Clause 10.1 of I.T.C. - Hulls does not relieve any Member of this obligation. Damage discovered, or claims notified to a Member with no notice of the original incident, must be notified immediately the damage or claims information is known to the Member. Any delay in complying with either of these provisions may result in the Board and/or Managers making a reduction in the Member's claims for reimbursement. There shall be no right of recovery from the Association under these Rules if notice is not given within 12 months of the relevant event.

Conduct of Claims

22. No liability shall be admitted or expenses incurred without the written consent of the Association. The Association may take over and conduct in the name of the Member the prosecution or defence of any claim or action against or by any third party which may result in any loss, damage, expense or liability in respect of which the Member is or may be insured under these Rules.

Appointment of Advisers

23. Pursuant to Rule 22 the Managers may at any time and from time to time appoint on behalf of and at the cost of the Member, lawyers, surveyors and other advisers in connection with such claim or action upon such terms as the Managers think fit. All such persons shall be deemed to have been authorised and obliged by the Member to disclose to the Managers all such documents and information in their possession without prior reference to the Member. Nothing herein shall oblige the Association to follow the advice provided by any such person.

Settlements, etc.

24. The Association may require the Member to settle compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers think fit. If the Member refuses or fails to comply with any such requirement then, without prejudice to any other right or remedy which the Association may have, the Member shall not be entitled to recover from the Association in respect of such claim or proceedings more than he would have recovered had he acted in accordance with the Managers' requirements.

No Security

25. The Association shall be under no obligation to provide security or bail on behalf of a Member. The provision of any such security or bail if the Association decides to provide the same shall be on such terms as the Managers in their absolute discretion think fit and shall not constitute any admission of liability on behalf of the Association.

Settlement of Claims

26. The Board shall meet as often as may be required to discuss and agree the settlement of claims but the Board may authorise the Managers to settle claims without prior reference to the Board. Under no circumstances shall a Member be entitled to interest on his claim against the Association.

Withdrawal

27. Unless the Managers shall otherwise agree in writing a Member may withdraw a Ship only on and with effect from an anniversary of the date of the commencement of insurance. In the event of a Member wishing to withdraw an Entered Ship from the Association he must give the Association not less than 30 clear days notice in writing of his intended withdrawal.

Cessation of Membership and of Insurance

28. (a) A Member shall cease to be a Member and shall cease to be insured by the Association in respect of any and all his Entered Ships upon the happening of any of the following events:-
- (i) if being an individual he dies or is found a lunatic or becomes of unsound mind;
 - (ii) if being a corporation, it becomes insolvent, makes a general assignment for the benefit of its creditors, suspends payment of or is unable to pay its debts as they fall due, or a receiver, administrative receiver or insolvency practitioner or other like official is appointed in respect of all or any material part of the property or assets of the Member or an order is made or effective resolution passed for the liquidation winding up dissolution or administration of the Member;
 - (iii) if being an individual he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (iv) subject to any express agreement to the contrary if any Contribution or instalment thereof is not paid by its due date or if any cheque is dishonoured on first presentation or if the Member fails to provide any post-dated cheques when required.
- (b) A Member shall cease to be a Member and shall cease to be insured by the Association in respect of the relevant Entered Ship upon the happening of any of the following events:-
- (i) if the management of that Entered Ship is legally transferred;
 - (ii) if the ownership of that Entered Ship or any part thereof or any share therein is legally transferred;
 - (iii) if that Entered Ship shall become an actual or constructive total loss or is accepted or arranged as being a constructive or compromised total loss whether under this or any other insurance; provided always that this clause shall not prejudice the rights of a Member, or party to whom the rights of a Member have been transferred, to deferral of termination of membership and cover to the extent set down in the I.T.C. - Hulls in like cases.
 - (iv) if the Member fails to comply with all the statutory requirements of the State of the Ship's flag relating to the construction, adaptation, condition, fitment and equipment of the Entered Ship and/or fails at all times to maintain the validity of such statutory certificates as are issued by or on behalf of the State of the Ship's flag.
- (c) Notwithstanding the termination of Membership these Rules shall continue to apply for the purposes of determination and enforcement of all Contributions due from the former Member, or his estate, to the Association and to all claims of such former Member or his estate in like manner. A Member's estate for the purposes of these Rules shall mean his estate, personal representatives, trustee in bankruptcy, committee, curator bonis, receiver, administrative receiver, liquidator or other like person as the case may be.
- (d) If the cesser of insurance shall have occurred by virtue of Rule 28(a)(iv)(failure to pay sums due) the Association shall not be liable for any claims under these Rules whether the incident giving rise to such claim occurred before or after the cesser of insurance.
- (e) If any cesser of insurance shall have occurred by virtue of any other reason the Association shall remain liable for all claims under these Rules arising by reason of any incident which occurred before the cesser but shall be under no liability whatsoever by reason of any incident which occurred after the cesser provided always that the Board may in their discretion admit either wholly or partly any claim for which the Association is under no liability

- under this Rule whether the incident giving rise to such claim occurred before or after the cesser of insurance.
- (f) Without prejudice to the generality of Rule 33 (Forbearance) no act, omission, course of dealing, forbearance, delay or indulgence of any kind by or on behalf of the Association nor the granting of time, nor the acceptance by the Association (whether express or implied) of liability for, or the recognition of, any claim and whether occurring before or after the cesser of insurance, shall derogate from the effect of Rule 28(a) (cesser of all Insurances) and Rule 28(b) (cesser of Ship's entry) or be treated as a waiver of any of the Association's rights thereunder.

Lay - ups

29. If any Entered Ship shall be laid up returns shall be payable to the Member in accordance with the provisions of I.T.C. - Hulls at such rate or rates as the Managers shall from time to time determine in their absolute discretion.

Nuclear Risks

30. This insurance is subject to the Institute Radioactive Contamination Exclusion Clause 1/10/90 provided that if fire is an insured peril and where the subject-matter insured is within the USA, its islands, onshore territories or possessions and a fire arises directly or indirectly from one or more of the causes detailed in Sub-clauses 1.1 and 1.2 of the Institute Radioactive Contamination Exclusion Clause 1/10/90 any loss or damage arising directly from that fire shall, subject to the provisions of this insurance be covered, EXCLUDING however any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

Disputes

31. Should any dispute or difference arise between a Member and the Association concerning the construction of these Rules or the insurance afforded by the Association under these Rules (other than relating to the recovery of moneys by the Association from a Member) such dispute or difference shall, in the first instance, be referred to and adjudicated by the Board. Should the decision of the Board not be accepted by the Member, the dispute or difference shall be referred to arbitration in London by two arbitrators, (one to be appointed by the Association and the other by such Member), and an Umpire to be appointed by the arbitrators and the submission to arbitration shall be subject to the provisions of the English Arbitration Acts 1950 to 1979 and any statutory modification or re-enactment thereof.
- No Member or any other person claiming under these Rules shall be entitled to maintain any action suit or other legal proceedings against the Association except in accordance with the provisions of this Rule and may only commence proceedings (other than arbitration as above) to enforce an award under an arbitration and then only for such sum as the award may direct the Association to pay. The sole obligation of the Association to a Member or such other person under these Rules or otherwise however in respect of a disputed claim shall be to pay such sum as is directed by such award.

Jurisdiction

32. The Member hereby submits to the jurisdiction of the High Court of Justice of England in respect of any action brought by the Association to recover any sums which the Association may consider to be due to it from a Member. Without prejudice to the foregoing the Association shall be entitled to commence and maintain any action to recover any sums which the Association may consider to be due to it from a Member in any jurisdiction.

Forbearance

33. No act omission forbearance or conduct of the Association of any kind whatsoever and whensoever occurring and whether relating to the same or a different matter shall be treated as evidence of waiver of or impair any rights of the Association under these Rules. No single or partial exercise of any such rights by the Association shall preclude any further exercise thereof or the exercise of an other right.

Condition Surveys

34. (a) Unless otherwise agreed by the Managers all Ships shall undergo a pre-entry condition survey by a surveyor approved by the Association at the Member's expense such survey to take place on a date or within a period and at a place specified by the Managers. The Association shall not be liable for any claim under these Rules as a result of any casualty event or matter if the Ship shall not have been made available for survey as aforesaid on the date or within the period so specified.
- (b) Notwithstanding sub-clause (a) above the Managers at the Association's expense shall have the right to require a condition survey of a Ship by a surveyor approved by the Association at anytime during the Ship's period of entry with the Association and without prior warning to the owners and/or managers of the Ship, such survey to take place on a date or within a period and at a place specified by the Managers. The Association shall not be liable for any claim under these Rules as a result of any casualty event or matter occurring thereafter if the Ship shall not have been made available for survey as aforesaid on the date or within the period so specified.
- (c) Any recommendations or requirements of the surveyor as a result of the surveys referred to in sub-clauses (a) or (b) above must be carried out within the time limits specified by the surveyor or the Managers.
- (d) The Association shall not be liable for any claim under these Rules as a result of any casualty event or matter occurring after the expiry of the time limits referred to in sub-clause (c) above unless within such time limits such recommendations or requirements have been complied with to the satisfaction of the surveyor or the Managers.
- (e) In the light of either survey referred to in sub-clauses (a) or (b) above and any recommendations by the surveyor as to repairs or other action to be taken by the Member, the Managers shall have the power in their absolute discretion to:
- (i) terminate the insurance of any Entered Ship;
 - (ii) amend the terms of entry upon which such Ship is insured by the Association in such manner as they think fit; or
 - (iii) impose conditions on the terms of entry on which the Ship is insured by the Association in such form as they think fit until the Member has complied with the recommendations of the surveyor as to repairs or other action to be taken by the Member within such time limit specified by the surveyor or the Managers to the satisfaction of the Managers or their surveyor.

Amendments

35. (i) If before the end of any year for which an Entered Ship is insured these Rules shall be altered in any respect which affects the terms and conditions on which an Entered Ship is insured by the Association then such alteration shall take effect as from the start of the next ensuing year for which an Entered Ship is insured. For the avoidance of doubt these Rules shall be deemed to be altered by any alteration in I.T.C. - Hulls.

- (ii) Where there is any conflict or inconsistency between these Rules and I.T.C. -Hulls (as amended from time to time) these Rules shall prevail.
- (iii) I.T.C. - Hulls shall be read and construed as follows:-
- (a) As if for the words in Column 1 below were substituted the words or expressions opposite in Column 2 which substituted words or expressions shall be defined in accordance with Clause 1 of these Rules.
- | <u>Column 1</u> | <u>Column 2</u> |
|-----------------|-----------------|
| Vessel | An Entered Ship |
| Assured/Owner | Member |
| Underwriter | The Association |
| Premium | Contribution |
| Insured Value | Insured Value |
- (b) As if Clauses 2,4,5 and 22.1.2 were deleted.
- (c) As if the final sentence in Clause 21.2 was deleted.

Notices and Addresses

36. Every Member shall forthwith upon becoming a Member advise the Association in writing of his address, telephone number, telex and facsimile numbers (if any) and from time to time of any changes. This information shall be entered in the Register of Members maintained by the Association ("the Register"). A notice or other document may be served by the Association upon any Member either personally or by sending it through the post in a prepaid letter or by sending it by telegram, cable, radio telegraph, facsimile machine or telex addressed to such Member at his address as appearing in the Register. In the case of Joint Members such notice or other document shall be served on that one of the Joint Members whose name stands first in the Register and such service shall be sufficient service upon all the Joint Members. In the case of Joint Members the address of the Joint Member whose name stands first in the Register shall unless the Board shall otherwise decide be the address to be entered in the Register for the other Members who are Joint Members with such Member. All notices and other documents shall be issued by the Managers.

Deemed Service

37. Any notice or other document if served or sent by post shall be deemed to have been served or delivered at the expiration of twenty four hours after the letter containing the same was put into the post and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter. Any notice or other document served or sent by telegram, cable, radio-telegraph, facsimile machine or telex shall be deemed to have been served or delivered on the day after it was handed into the telegraph, cable or radio-telegraph office or, in the case of facsimile machine or telex, on the day it was despatched and in proving such service it shall be sufficient to prove that such telegram, cable or radio-telegraph was duly handed in or in the case of facsimile or telex, that the notice or other document was duly despatched.