

**STATUTES**

**FOR**

**ASSURANCEFORENINGEN GARD - GJENSIDIG -**

**As changed at the Annual General Meeting held on 17 June 2021**

**CHAPTER 1            GENERAL PROVISIONS**

**Article 1        Name and head office**

The name of the company is Assuranceforeningen Gard - gjensidig -. The Association was founded on 9 October 1907 and has its head office in Arendal, Norway.

**Article 2        Interpretation**

1. In these Statutes these words and expressions shall have the following meanings:

“Association” means Assuranceforeningen Gard - gjensidig -;

“Member” means an owner, operator, charterer or insurer of a Ship entitled to membership of the Association pursuant to Article 4;

“Joint Members” means, where an entry gives rise to membership of the Association by more than one person, those persons;

“Rules” means the Rules of the Association for P&I and Defence cover for ships and other floating structures or the Rules of the Association for P&I cover of mobile offshore units, as the case may be.

“Ship” means a ship or such other floating structure as may be approved by the Association from time to time.

2. Headings are for reference only, and shall not affect the construction of these Statutes.

**Article 3        Purpose**

The purpose of the Association is to insure on mutual basis liabilities, losses, costs and expenses incurred by the Members in direct connection with the operation of Ships entered in the Association and to be engaged in other business related thereto.

#### **Article 4      Membership**

1. Any entry of a Ship by an owner, operator or charterer shall give rise to membership of the Association.
2. Any entry of a Ship by another insurer by way of reinsurance may (at the discretion of the Association) give rise to membership of the Association by that other insurer or by the owner, operator or charterer of that Ship.
3. Membership may be in respect of one or more of the Ships owned, operated, chartered or insured by the Member, and shall continue until all of the Member's entries have been terminated or shall have ceased.
4. Any entry shall be governed by these Statutes and by the Rules.
5. The Members shall have no direct liability for the obligations of the Association.
6. In accordance with the Rules a deficit may be levied on, and surplus estimated total calls and supplementary calls, as defined in the Rules, repaid to, the Members in proportion to their net estimated total calls for the policy year.
7. The Members together with the Association shall be members of Gard P. & I. (Bermuda) Ltd, which membership shall be governed by the Memorandum of Association and Bye-Laws of Gard P. & I. (Bermuda) Ltd. The right to vote or abstain from voting at the Association's General Meeting shall be exercised by Gard P. & I. (Bermuda) Ltd. on behalf of all members in the Association.

### **CHAPTER 2              GOVERNING CORPORATE BODIES**

#### **Article 5      Governing corporate bodies**

The Association shall have a Board of Directors and a General Meeting.

#### **Article 6      Composition of the Board of Directors**

1. The Board of Directors shall consist of at least five, but not more than eight members elected by the General Meeting. Every year the two members of the Board who have the longest period of service, reckoned in accordance with Article 7.4 shall retire, but may be re-elected.
2. The Chairman and the Deputy Chairman of the Board of Directors shall be elected every year by and from amongst the members of the Board of Directors.

#### **Article 7      Members of the Board of Directors**

1. All persons who are Members of the Association and all executives of companies which are Members of the Association are eligible to serve as members of the Board of Directors. Member who is no longer eligible shall cease to serve.

2. In addition, up to two persons not otherwise eligible may be elected members of the Board of Directors.
3. No person may be elected or re-elected to the Board of Directors after having attained the age of 70 years. A member of the Board of Directors having reached the age limit may continue to serve the remainder of the period for which he has been elected.
4. The period of service of a member of the Board of Directors shall be reckoned from the date of his/her last election to the position and shall not exceed four years. If several persons have equally long periods of service, retirement pursuant to Articles 6.1 shall be decided upon by a draw.
5. No person may, in his capacity as member of the Board of Directors participate in the handling of a decision upon a matter in which he or those he represents have any material interest of a personal or financial nature.
6. A member of the Board of Directors who incurs liability by reason of his office shall be indemnified and held harmless by the Association against any losses, costs or expenses thereby arising.

#### **Article 8 Meetings of the Board of Directors**

1. The Board of Directors shall meet regularly and at least four times per year. The Board of Directors shall meet when demanded in writing by a member of the Board of Directors or the Managing Director. The meetings are chaired by the Chairman or in his absence the Deputy Chairman. In the absence of both the Chairman and the Deputy Chairman, the member of the Board of Directors present shall elect a chairman for the meeting.
2. A quorum shall be formed when half of the members of the Board of Directors are present. However, the Board of Directors may not adopt a resolution without all members of the Board of Directors having been given an opportunity, in so far as possible, to participate in the discussion of the matter in question.
3. Decisions shall be arrived at by a majority vote. However, those who have voted in favour of a resolution must always constitute more than one third of the members of the Board of Directors. In the event of an equal number of votes being cast, the chairman of the meeting shall have the deciding vote.
4. Minutes shall be taken of the meetings of the Board of Directors. The minutes shall be signed by all members of the Board of Directors participating in the meeting. Members of the Board of Directors having not participated in a meeting shall be informed about decisions taken at that meeting.

#### **Article 9 Functions of the Board of Directors**

1. The Board of Directors is responsible for the daily business of the Association; for making such decisions as are not within the province of any other governing corporate body; and for ensuring to that the purpose of the Association is furthered in accordance with these Statutes, the governing law, and the decisions of the General Meeting.
2. The Board of Directors shall also:
  - a) determine the Rules;
  - b) establish general principles for the administration of the funds of the Association and administer the funds in accordance with the agreed principles;
  - c) determine annually any owners' general discount and any variation to be made in premium ratings in accordance with the Rules;
  - d) decide on the levy of supplementary calls and overspill calls or the repayment of excess estimated total calls, supplementary calls and overspill calls as defined in the Rules;
  - e) set the rates at which release calls are to be levied;
  - f) decide on the closing of open policy years;
  - g) determine whether a Member should be compensated for the loss of a Ship, pursuant to Rule 49 of the Rules;
  - h) decide on the engagement and dismissal of the Managing Director and on his conditions of service;
  - i) determine which types of floating structure shall be eligible for entry with the Association;
  - j) enter into such reinsurance treaties as deemed appropriate;
  - k) pass claims for compensation;
  - l) submit to the Annual General Meeting, together with its recommendations, the income and expenditure account and balance sheet and the consolidated income and expenditure account and balance sheet; and
  - m) submit to the General Meeting, together with its recommendations, all matters which the Chairman of the Board of Directors or Members of the Association representing at least 100 votes desire to be submitted to the General Meeting.
3. In any particular case the Board of Directors may decide:
  - a) that the Association shall accept an entry on terms or conditions that vary the provisions of these Statutes or the Rules; and
  - b) that the Association shall pay compensation in respect of a liability, loss, cost or expense which is not covered under the Rules where in view of the purpose of the Association this is deemed natural and desirable. The Board of Directors' decision is final and it shall be under no obligation to give reasons for its decision.

## **Article 10     Managing Director**

The Association shall have a Managing Director. The Managing Director shall administer the daily business of the Association, implement decisions of the Board of Directors and otherwise take care of the interests of the Association. The Board of Directors shall determine the authority of the Managing Director and may, to the extent necessary, delegate its powers to him, except that it shall itself make any decision which it is empowered to make under Article 9.3.b.

#### **Article 11      General Meeting**

1.      The General Meeting is the Association's highest authority.
2.      General Meetings shall be called by the Board of Directors with not less than 14 days' written notice.
3.      The Chairman of the Board of Directors, or, in his absence, the Deputy Chairman shall take the chair at General Meetings. In the absence of both the Chairman and the Deputy Chairman, the General Meeting shall elect a chairman of the meeting.
4.      The Chairman of the Meeting is responsible for making a record of the Members present at the meeting either in person or by proxy. The record shall state how many votes each of the Members present in person or by proxy represent.
5.      The Chairman of the Meeting is also responsible for minutes being taken of the meeting. Any resolutions adopted by the General Meeting shall be entered in the minutes with a statement of the voting result. The record of those present at the meeting shall be included in the minutes. The minutes of the meeting shall be signed by the Chairman of the meeting and at least one other person elected by the General Meeting among those present. The minutes shall be available to the Members at the Association's premises and shall be store in an adequate manner.
6.      A quorum shall be formed regardless of the number of Members present. A Member may be represented by a proxy.
7.      Members shall be entitled to a number of votes at General Meetings determined by reference to the total gross tonnage of ships entered by them, as follows:
  - a)      up to 20,000 gross tons – one vote;
  - b)      20,001 – 50,000 gross tons – two votes;
  - c)      50,001 – 100,000 gross tons – three votes;
  - d)      100,001 – 200,000 gross tons – four votes;
  - e)      thereafter, one additional vote for each 200,000 gross tons or part thereof, provided that
    - i)      entries for a period of less than one year give no voting rights;
    - ii)     in respect of ships not measured in gross tons, tonnage shall be determined by the Association at the time of entry;

- iii) Members whose ships are managed by one firm of managers shall have between them as many votes as they would have held if all the entered ships managed by the firm had belonged to one Member, and if such Members purport to exercise more votes than they are entitled to hereunder, all such votes shall be discounted; and
  - iv) Joint Members shall have between them as many votes as they would have had if there had been only one Member in respect of the entry, and their voting rights shall be vested in the Member named first in the certificate of entry.
8. Decisions shall be arrived at by a majority vote, save that a two thirds majority shall be required to amend these Statutes in accordance with Article 14, and the Association may only be dissolved or amalgamated by a vote in accordance with Article 17. In the event of an equal number of votes being cast, the Chairman of the meeting shall cast the deciding vote.

#### **Article 12 Annual General Meeting**

1. The Annual General Meeting shall be held no later than seven months after the end of the financial year, to:
  - a) approve the income and expenditure account and balance sheet and the consolidated income and expenditure account and balance sheet;
  - b) elect the members of the Board of Directors;
  - c) determine the remuneration of the members of the Board of Directors;
  - d) elect auditor and determine his remuneration; and
  - e) decide on other matters which are within the province of the General Meeting and which are set out in the notice calling the meeting.
2. The Annual Accounts together with the Auditor's report and the Board of Directors' recommendation shall be made available to the Members at the head office of the Association not less than one week before the Annual General Meeting and shall only be sent to the Members on request.

#### **Article 13 Extraordinary General Meeting**

1. An Extraordinary General Meeting shall be called for the determination of specifically declared matters when the Board of Directors deem it necessary.
2. An Extraordinary General Meeting shall also be called by the Board of Directors within two weeks for the determination of specifically declared matters, when demanded in writing by the auditor elected pursuant to Article 12 or by Members who together represent at least 100 votes.

### **CHAPTER 3 MISCELLANEOUS PROVISIONS**

#### **Article 14 Changes to the Statutes**

These statutes can only be changed by the General Meeting.

#### **Article 15 Signatories for the Association**

The Association is committed by the signature of the Chairman of the Board of Directors, or by the signatures of two members of the Board of Directors jointly, or by the signature of the Managing Director.

#### **Article 16 Financial year**

The Association's financial year shall terminate immediately prior to noon GMT on 20th February each year.

#### **Article 17 Dissolution of the Association**

1. The General Meeting may decide to dissolve the Association or to amalgamate it with another association if at least two thirds of the total number of all Members' votes are cast in favour of such action. If a majority of the votes cast is in favour of such action, but less than two thirds of all Member votes are cast, the matter may be submitted to another General Meeting in which case dissolution or amalgamation may be decided upon by a majority of three quarters of the votes cast.
2. Upon dissolution, any surplus realised after discharge of the liabilities of the Association shall be disposed of by the General Meeting. In case of amalgamation any such surplus may, in the discretion of the General Meeting, be so disposed of or transferred to the new Association.

#### **Article 18 Governing law and arbitration**

1. These Statutes shall be governed by Norwegian law.
2. Unless otherwise agreed, disputes between the Association and a Member or a former Member arising out of membership of the Association or these Statutes shall be resolved by arbitration in accordance with the Norwegian Arbitration Act of 14 May 2004, No 25. Each party shall nominate one arbitrator and those so nominated shall appoint an umpire. If the arbitrators cannot agree on an umpire or a party fails to nominate his arbitrator, the nomination shall be made by the Chief Justice of the Oslo City Court. Reasons shall be given for the award. Arbitration proceedings shall take place in Oslo. The award shall not be published unless the parties involved consent to it.