

**TO: THE MEMBERS**

**15th December, 2011**

**Dear Sirs,**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an Extraordinary General meeting of the Members of the Association will take place

on: Thursday, 19th January, 2012 at 09.30 a.m.

at: 90 Fenchurch Street,  
London EC3M 4ST

At the meeting, the following Special Resolution will be proposed:

“That, with effect from 12 noon Greenwich Mean Time on 20th February, 2012, the amendments to the Rules as contained in the printed document marked “Appendix A” submitted to this meeting and for the purposes of identification signed by the Chairman be and are hereby adopted.”

By order of the Board

K.P. Halpenny  
Secretary

# Circular

**CIRCULAR TO ALL MEMBERS**

**Ref: 2011/6**

Dear Sirs,

## **PROPOSED RULE CHANGES – 2012/2013 RULES**

Members will be aware of various sanctions regimes that have been introduced in the past few years by governmental and other international bodies. These sanctions have potential wide ranging implications for both Members and the Association. Given these sanctions the Directors consider that certain Rule changes are necessary in order to address issues that may arise.

The proposed amendments are italicised and set out in Appendix "A" (see attached). The first proposal amends the current Rule 2 (8) and provides that the mandatory cover under the Rules will not be available if, by providing cover, the Association is at risk of breaching sanctions. The second proposal is a new Rule, and provides that if an Entered Ship is employed in a carriage, trade or voyage which exposes the Association to the risk of breaching sanctions then the entry may be terminated.

The proposed Rule changes are to be considered at an Extraordinary General meeting to be held on 19th January, 2012. If approved the revised Rules will take effect from 20th February, 2012.

If any Members have any questions concerning the proposed Rule changes they should contact the Managers.

Yours faithfully,

**THOMAS MILLER DEFENCE LTD**  
Managers

## APPENDIX 'A'

### RULE AMENDMENT NO. 1

#### Rule 2 (8)

“Notwithstanding Rule 3, a **Member** is covered in respect of **Costs**, [~~liabilities, losses and expenses~~] not exceeding US\$10,000 (or such other sum as the **Directors** may from time to time decide) which are:

- (a) the **Costs** incurred by a **Member** for the purpose of obtaining legal or other advice in respect of claims, disputes or **Proceedings** set out in Rule 2(3);
- (b) the **Costs** of, or incidental to, any proceedings to which a **Member** is party or at which he is represented, for the purpose of asserting or defending any of the claims, disputes or **Proceedings** set out in Rule 2(3), including any such **Costs** which the **Member** may become liable to pay to any other party to those proceedings;

PROVIDED that:

Without limitation to the operation of the provisions of the **Rules**, which may, in the event of their breach, restrict or exclude a **Member's** right of recovery from the **Association**, *unless and to the extent that the Managers in their discretion so decide*, there shall be no recovery by the **Member** from the **Association** under this Rule 2 (8) in respect of any **Costs: liabilities, losses and expenses**

- (a) which arise out of or are consequent upon either the fraud or fraudulent conduct by the **Member** or the wilful failure of the **Member** to discharge a debt; or
- (b) *the recovery of which could risk the Association being or becoming subject to any sanction, or prohibition or action from any state, supranatural or international governmental organisation. unless and to the extent that the Managers in their discretion so decide.*”

### RULE AMENDMENT NO. 2

#### Rule 17 (3) (termination)

“Notwithstanding anything in the **Rules** to the contrary, the **Association** may, where the **Association** determines that an **Entered Ship** is being employed by a **Member** in a carriage, trade or voyage which may in anyway whatsoever expose the **Association** to the risk of being or becoming subject to any sanction, prohibition, restriction or adverse action in any form whatsoever by any state, competent authority or government, by written notice terminate the cover of the **Member** with immediate effect.”

**EXTRAORDINARY GENERAL MEETING**

Our Ref:

Mr K.P. Halpenny  
 The Secretary  
 The United Kingdom Freight Demurrage and Defence Association Limited  
 90 Fenchurch Street  
 London EC3M 4ST

**FORM OF PROXY**

Total Number of votes

The undersigned, a Member of The United Kingdom Freight Demurrage and Defence Association Limited, hereby appoints:

or **the chairman of the Extraordinary General Meeting**

to be the undersigned's proxy in the order named to vote on behalf of the undersigned at the Extraordinary General Meeting of the Members of the said Company to be held on the 19th January 2012 and at any adjournment thereof.

Please indicate in the spaces below how you wish your vote(s) to be cast in the event that the resolutions set out in the attached Agenda are duly proposed and seconded.

	For (total)	Against (total)	For (total)	Against (total)
Resolution in Item 1	—	—		

Unless otherwise instructed, the proxy will vote as he thinks fit.

Name of Member Company:

AS WITNESS the hand of the undersigned this day.....of....., 2012

Name of Signatory .....

Signature.....

Designation of Signatory .....

Signature of Witness .....