

American Steamship Owners Mutual Protection and Indemnity Association, Inc.



Corporate Governance Guidelines



Effective June 20, 2019
(Revised September 14, 2023)

I. INTRODUCTION

The American Steamship Owners Mutual Protection and Indemnity Association, Inc. (the “Association”, sometimes called the “American Club”), is a private, not-for-profit, mutual indemnity insurance association. Its Members are shipowners and operators.

The Association’s Board of Directors (the “Board”), acting on the recommendation of its Corporate Governance Committee, has developed this set of Corporate Governance Guidelines. The purpose is to promote the effective, transparent functioning of the Board and its committees and to set forth a clear set of expectations as to the standards under which the Board, its various committees, individual Directors and the Manager and its officers and employees are expected to perform their duties.

The Guidelines herein are just that, guidelines. They are intended to assist the Directors in performing their duties to the Members and the Association as a whole to the best of their abilities and in accordance with evolving best corporate practices. In the event of any dispute regarding the application of any Guideline, the By-Laws and New York law will prevail.

II. ROLES OF BOARD AND MANAGER

Under its By-Laws, the business of the Association is to be conducted by the Board. The Board, in turn, must appoint a Manager which, under the direction and control of the Board, is to conduct the day-to-day affairs of the Association. The Manager so appointed is Shipowners Claims Bureau, Inc. (the “Manager”), a separate, independent business corporation. Both the Association and the Manager are incorporated in the State of New York.

The Board reviews and assesses the Association’s strategic and business planning as well as reports regularly submitted to it by the Manager with respect to its and the Association’s performance, as well as significant events, issues and risks that may affect the Association’s business and financial performance. The Directors maintain frequent, active and open discussions with the Manager’s officers.

III. BOARD COMPOSITION

The Board consists of between thirteen and twenty-five Directors, the number of which for the coming year is determined at each annual meeting of the Association’s Members. Directors must be Association Members or officers of Member corporations (“Member Directors”), except that up to four Directors may be independent, that is neither Members nor officers of Member corporations (“Independent Directors”). A majority of Directors must be citizens and residents of the United States; and at least one Director must be a resident of the State of New York.

The Directors are elected by the Members during their annual meeting by majority vote.

In order to provide direction and control to the Manager, the composition of the Board encompasses a broad range of skills and experience in the shipping, insurance, financial and related industries.

IV. THE CHAIRMAN OF THE BOARD

- A. Selection of the Chairman. At each annual meeting of the Directors, the Directors elect from their members a Chairman and a Deputy Chairman (which titles are gender-neutral) and appoint a Secretary and a General Counsel, neither of whom are Members or officers of Member corporations.
- B. Duties of the Chairman. The Chairman has the duties assigned by the Board. It is the Board’s current policy that the Chairman’s duties include:

1. Overseeing the preparation of agendas for meetings of the Board in consultation with the Manager;
2. Chairing meetings of the Board as well as the Executive Committee;
3. Discussing with the Manager the implementation of the Club's strategic initiatives and plans;
4. Overseeing the process of informing the Board through timely distribution of information and reports;
5. Overseeing the processes of annual Board and committee self-evaluations;
6. Serving as ex-officio, non-voting members of standing committees of the Board of which they are not members. The Chairman's participation as an ex-officio member at any meeting will not affect the presence or absence of a committee's quorum. The Chairman will decide, in his or her sole discretion, which committee meetings he or she will attend in an ex-officio capacity, as will the Deputy Chairman;
7. Liaising with Members and others as may be necessary.

V. SELECTING DIRECTORS

The Executive Committee is responsible for recommending a slate of Directors to the Board for election at the annual meeting of the Members, for recommending candidates to fill vacancies occurring between annual meetings, for reviewing and making recommendations to the Board on the election of any Director nominees nominated pursuant to the Association's By-Laws.

- A. Nominations. The Board, based on the recommendations of the Executive Committee and Members selects nominees for the position of Director considering the following criteria:
 1. High personal and professional ethics, values and integrity;
 2. Ability to work together as part of an effective, collegial group;
 3. Commitment to representing the long-term interests of the Association;
 4. Skill, expertise, diversity, background, and experience with businesses and other organizations that the Board deems relevant;
 5. The interplay of the individual's experience with the experience of other Board members; the contribution represented by the individual's skills and experience to ensuring that the Board has the necessary tools to perform its direction and control functions effectively; and the extent to which the individual would otherwise be a desirable addition to the Board and any committees of the Board; and
 6. Ability and willingness to commit adequate time to the Association over an extended period of time.
- B. Evaluation of Nominees. The Executive Committee will discuss and evaluate possible nominees in detail prior to recommending them to the Board. This evaluation process will include nominations of individuals submitted by Members, provided such nominations are submitted to the Secretary at least fifteen days before an Annual Meeting of Members, in accordance with Article II, Section 2 of the By-Laws.
- C. Nominees may include officers of the Manager.

VI. ELECTION, TERM AND RETIREMENT OF DIRECTORS

- A. Voting for Directors. Nominees for election as Directors include incumbent Directors and persons nominated in accordance with these Guidelines and the Association's By-Laws.
- B. Election. Subject to the age and term limits, below, a Director holds office until the annual meeting of the Members next succeeding his or her election and until a successor is elected and qualified or until his or her earlier resignation or removal.
- C. The Board believes an age-limit for Directors is appropriate and establishes such limit at 85 years for new Directors elected on June 20, 2019 and thereafter.
- D. The Board believes a term limit for Directors is appropriate and establishes such limit at 15 years for new Directors elected on June 20, 2019 and thereafter. A current Director (i.e. a Director whose first election took place prior to June 20, 2019) who has been on the Board for 15 or more years may be reelected for no more than an additional 5 years.
- E. If adequate replacement Directors are not available, age and term limits may be waived by vote of a majority of Directors.
- F. Board Vacancies. In the event that a vacancy on the Board is created for any reason, and it is determined by the Executive Committee that the vacancy is to be filled, that Committee will consider the views of the Directors and Members, as may be deemed appropriate.

VII. BOARD MEETINGS

The Association's By-Laws require an annual meeting following the Members' annual meeting and at least three regular meetings each year, with further meetings to occur as provided in the By-Laws.

The Chairman will oversee the preparation of the agendas for meetings of the Board in consultation with the Manager. Any Director may suggest the inclusion of additional subjects on the agenda. The agenda for each committee meeting will be established by the respective Committee Chairman.

Every effort must be made to provide all Directors and counsel with an agenda and all appropriate materials at least two weeks in advance of meetings. If some of the materials cannot be so provided, the balance should be so provided, followed by the late materials as soon as possible before the meeting.

VIII. EXECUTIVE SESSIONS

In order to ensure free and open discussions and communications among the Directors, they may meet in executive sessions in conjunction with regularly scheduled meetings of the Board, with no officers or employees of the Manager or others present. The Chairman of the Board, or in his or her absence, the Deputy Chairman will preside at the executive sessions.

IX. EXPECTATIONS OF DIRECTORS

The business and affairs of the Association are managed by or under the direction and control of the Board in accordance with the laws of the State of New York. In performing their duties, the primary responsibility of the Directors is to exercise their business judgments with the highest degree of integrity and in the best interests of the Association and its Members. Specific expectations include:

- A. Fiduciary Duty and Loyalty. In their roles as Directors, each owes a fiduciary duty and a duty of loyalty to the Association. Both mandate that Directors act in the best interests of the Association and its Members and not act for personal and/or his or her private corporate benefit at the expense of the Association or its Members.

- B. **Commitment and Attendance/Participation.** Directors should make every effort to attend every meeting of the Board and every meeting of Committees of which they are members. Attendance may be in person, by video conference and by telephone. If a Director fails to attend 75% of the Board meetings and the Director's Committee meetings in any given year, the Corporate & Governance Committee shall investigate and report to the Executive Committee the reasons for the Director's failure to meet these obligations. If the Executive Committee determines that the failures of the Director to comply with these obligations are not justified, the Executive Committee will recommend to the full Board that the Director should not be renominated, with the Board making the final decision as to renomination. If a Director is unable to attend a Board Meeting or a Committee Meeting, the Director shall so advise the Chair.
- C. **Conflicts of Interest.** No Director shall act upon any claim against the Association or any other matter in which he, or any corporation of which he is an officer, director, employee or stockholder, is interested.
- D. **Contact with the Manager.** All Directors may contact officers of the Manager at any time to discuss any aspect of the Association's business, save to the extent the business in question touches upon any matters which are properly confidential as between the Association and the Manager and/or its owners including, but not limited to, matters relevant to the management agreement between the Association and the Manager, and matters internal to the Manager's organization, its personnel and any and all other issues associated therewith.
- E. **Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of all information received in connection with his or her service as a Director. Directors participating in Board or committee meetings by telephone or video conference must ensure that the discussions are not exposed to parties who are not Directors. This is particularly important because competitively sensitive information, confidential regulatory information, attorney-client privileged information or other confidential information may be discussed at these meetings.

X. EXPECTATIONS OF THE MANAGER

In performing their duties, the primary responsibility of the Manager's officers and employees is to exercise their business judgments with the highest degree of integrity and in the best interests of the Association and its Members. Specific expectations include the same obligations as Directors, outlined above, as appropriate.

XI. BOARD RESPONSIBILITIES

- A. **Overall Business Strategy.** The Board is responsible for the Association's overall strategic and business plans and will periodically review them.
- B. **Review and Approve Significant Transactions, Events, Issues and Risks.** Board approval of particular transactions, events, issues and risks may be appropriate because of several factors, including:
 - 1. legal or regulatory requirements;
 - 2. the materiality of the transaction to the Association's financial performance, risk profile or business;
 - 3. the terms of the transaction; or
 - 4. other factors, such as entry into a new business or a significant variation from the Association's strategic plan.
- C. **The Board, in conjunction with the Manager, will review and update from time to time the standards to be utilized by the Manager in determining the types of transactions that should be submitted to the Board for review and approval or notification.**

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- D. Pursuant to the Association's Rules, the Board will adjudicate differences or disputes which arise between Members and the Manager or the Association.
- E. Indemnification of Directors and Officers.
1. The Applicable Law
 - (a) Under the Association's By-Law, Article V, Section 1, and subject to New York law, the Directors have the power and duty to indemnify any Director or Officer regarding all losses, costs and expenses which they may incur or become liable to pay by reason of any contract entered into, or any act or thing done, or in any other way by him, as such Director or Officer, as the case may be, in carrying out his duties as Director or Officer, respectively, of the Association.
 - (a) The More Relevant New York Business Corporation and Insurance Laws Provide:
 - (i) Directors and Officers "shall" perform their duties "in good faith and with that degree of care which an ordinarily prudent person in a like position would use under similar circumstances."
 - (ii) Corporations may indemnify their Directors and Officers against losses and expenses incurred in litigation or threatened litigation, if a liability arose in connection with a Director's or Officer's performance of his duties and obligations in his capacity as a Director or Officer of his corporation and the Director or Officer was acting in the best interests of his corporation.
 - (iii) By-Law Article V, Section 1 is an indemnity agreement. It is not an insurance policy; and the Association has no duty to defend a Director or Officer. The indemnity will be decided after the litigation finally ends and after all the facts are disclosed.
 - (iv) Advances of defense costs may also be made. But, only upon receipt of an "undertaking" by or on behalf of the Director or Officer to refund such advance if the Director or Officer is found not to have acted in good faith or has failed to meet the requirements under By-Law Article V, Section 1.
 - (v) A report of payment of indemnification or advances to a Director or Officer must be made to the shareholders (in our case, our Members) regarding such indemnification, to whom paid, the amount, and the reasons, including the nature and status of the litigation or threatened litigation. Such report shall be made to the Members after the conclusion of the litigation.
 - (vi) Further, no payment of indemnification or advances may be made to a Director or Officer of an insurance corporation unless a notice has been filed by the corporation with the Superintendent of the NY Department of Financial Services ("NYDFS") not less than thirty days before such payment, specifying the payee, the amount, the manner in which such payment is authorized and the nature and status, at the time of such notice, of the litigation or threatened litigation.
 2. Board of Directors' Responses to Director's and Officer's Indemnity Requests.
 - (a) In considering whether to make an advance of defense costs or an indemnity payment to a Director or Officer ("Applicant"), the burden of proof shall be on the Applicant.
 - (b) All requests by Applicants for advances of defense costs and/or indemnity payments shall be referred to the Corporate Governance Committee (the "Committee"). The Committee shall promptly conduct an investigation into each such request and make recommendations to the Board of Directors (the "Directors") whether to make such advances and/or indemnity payments to Applicants.
 - (c) As to advances of defense costs requested by an Applicant, the Committee may require such Applicant to: i), make a written presentation to the Committee stating all the facts and reasons why the Directors should grant the request and providing copies all written

evidentiary materials on which the Applicant relies for his or her request; ii), show that the amount of advance requested is necessary and reasonable; iii), show that he/she has acted in good faith and meets the requirements of By-Law Article V, Section 1; iv), sign a written “undertaking” agreeing to refund such advance if it is ultimately determined that the Applicant failed to act in good faith or failed to meet the requirements of By-Law Article V, Section 1; v), if deemed necessary by the Directors after consultation with the Committee, agree to counter-secure the amount of any advance in a form required by the Directors. If an Applicant refuses to counter-secure an advance, the Committee may take that into account in recommending to the Directors whether to grant an advance.

- (d) (As to indemnity payments requested by an Applicant, the Committee may require such Applicant to: i), make a written presentation to the Committee stating all the facts and reasons why the Directors should grant the request and providing copies of all written evidentiary materials on which the Applicant relies for its request; ii), show that he/she has acted in good faith and meets the requirements of By-Law Article V, Section 1; iii), provide copies of any judgments, fines, settlement amounts paid; iv), provide copies of the billings of expenses, including attorneys’ fees and show they were actually necessarily and reasonably incurred as a result of such action or proceeding, or any appeal thereof.
- (e) As to both requests for advances and indemnity requests: i), agree that such payment may not result in prejudice to the Association; ii), respond to written questions and document requests from the Committee and General Counsel agreed by the Committee; iii), comply with other points that may be raised by the Committee and General Counsel as agreed by the Committee; vi), agree to provide to the Committee copies of any indemnity agreements the Applicant may have with any third parties. If an Applicant refuses to state whether he or she has any such indemnity agreements or refuses to provide copies of such agreements to the Committee, the Committee may take that into account in recommending to the Directors whether to grant an advance or indemnity request; v), the Committee and General Counsel as agreed by the Committee, may contact the Managers and/or any other entities with knowledge of facts relevant to the Applicant’s advance or indemnity request and may ask the Managers’ officers and employees and/or any other entities to provide written statements thereon and provide copies of relevant documents to the Committee.
- (f) Within four months after receiving all of the requested information and documents from the Applicant and any witnesses interviewed, the Committee shall do its best provide its report to the Directors. If more time is needed, the Committee may ask the Directors for up to an additional four months. Within three months after receiving the Committee’s report, the Directors shall do their best to decide the request of an Applicant for an advance of defense costs or an indemnity. However, if the Directors need more time to decide an Applicant’s request, the Directors have discretion to extend their time to do so as they may deem necessary.
- (g) The decision of a majority of Directors present at the relevant meeting shall be the Board’s decision. In the event of a tie vote, the Chairman shall have a second vote or two votes, in total, and if the Chairman is absent or otherwise unavailable to vote on the request of an Applicant, the Vice Chairman shall have such a second vote, or two votes in total.
- (h) The Decision of the Directors is final and binding on all parties.
- (i) If the Directors propose that there be a payment of an advance or indemnity to an Applicant, the Committee, on behalf of the Directors, shall draft a notice of such proposed payment in accordance with paragraph I (b)(iv), above, and send it to the Managers, who will be asked to promptly send it to the NYDFS. The Managers will also be asked to promptly send the NYDFS’ response to the Committee. The Committee will provide such response to the Directors and General Counsel.
- (j) If the NYDFS timely (within 30 days after receiving the notice) opposes such payment or requests an extension of time to consider it, the Directors may not order its payment.

XII. NUMBER/IDENTITY OF COMMITTEES

There are five committees of the Board:

- The Executive Committee,
- The Finance and Audit Committee,
- The Safety and Environmental Protection Committee,
- The Claims and Risk Management Committee, and
- The Corporate Governance Committee.

XIII. CONSTITUTION OF COMMITTEES

With the exception of the Executive Committee, each Committee consists of five to eight Directors without restriction as to eligibility. Membership of multiple committees is possible.

The Chairman of the Board and the Deputy Chairman, in addition to their permanent tenures on the Executive Committee, may be members of any other committee of the Board save that neither the Chairman nor the Deputy Chairman may be the Chairman or Deputy Chairman of such other committee.

XIV. MEMBERSHIP OF/ELECTION TO COMMITTEES

Subject to the constraints as to numbers and multiple representation as set out above, any Director may put him or herself forward for appointment/election by the Board to any committee.

In the event that there are more than eight candidates for appointment/election to a particular committee, the Board should hold a secret ballot to establish which individuals should be appointed to that committee.

It is the responsibility of the Chairman of the Board to reach out to newly elected Directors to discuss Committee appointments. Each member of a committee is appointed/elected for an initial period of one year. After three to five years on a committee, and subject to the discretion of the Corporate Governance Committee, committee members may switch to another committee, and new members join a committee on a rolling basis, it being the intention that, to the extent possible, each Director have experience with each Committee, and contribute to, committee affairs without prejudicing the continuity of core experience and expertise.

XV. GOVERNANCE OF INDIVIDUAL COMMITTEES

Each committee shall appoint/elect a Chairman and Deputy Chairman from among its members.

Committee members should serve a minimum of two years before becoming eligible to become Chairperson of their respective committee.

Each member of a committee has one vote on such issues as are put before it, and a plurality will be decisive. However, if not all committee members are available to meet, the business of a committee shall nevertheless proceed, subject to a minimum quorum of three. In the event that an even number of members attends a meeting and a vote is split equally between them, the Chairman or Deputy Chairman, as the case might be, has [a second], deciding vote.

If a conflict of interest were to arise in the consideration by a committee of a matter pertaining to a Member's business, that Member shall recuse him or herself from the deliberation of such matter and, should a vote thereafter be equally split between the remaining members of the committee, the Chairman or Deputy Chairman, as the case might be, shall have the deciding vote.

Attendance at committee meetings should preferably be in person, although telephone and video conference attendance are also permitted when required.

XVI. FREQUENCY OF COMMITTEE MEETINGS, ETC.

Each committee, except the Corporate Governance Committee, shall meet four times a year or more often, if required. This should normally be on the day before a meeting of the Board, but in any event, it shall be timely enough as to allow a reasonable period for the composition of at least an oral report of the committee's transactions to the Board itself.

The remuneration of committee members shall follow that of the Association's existing arrangements [since 2020, \$2,500 per attendance at each committee and Board meeting].

Any Director who is not formally a member of a particular committee, ex officio, may attend meetings of that committee although he/she is not be entitled to vote or to remuneration for attending. Such Directors shall contact the Chairman or Deputy Chairman of a relevant committee reasonably in advance of its intended meetings.

Additionally, a committee shall be entitled to invite any other person who is not a Director, and who might be a person completely unassociated with the Association and/or its management (a third person), to attend any of its meetings as the committee, in its sole discretion, might decide. If a fee or reimbursement of expense is required by such person to attend, the committee chairman shall consult with Board Chairman before making a commitment to pay such fee. If confidential material is to be discussed at any committee or Board meeting attended by a third person, a written confidentiality agreement must be obtained from such person.

Where the attendance of a Director at a particular meeting of a committee of which he or she is not a member might, by reason of the subject matter for discussion thereat, create a conflict of interest, then that Director shall not be entitled to attend the meeting in question.

The proposed agenda for each committee meeting shall be made available to the entire Board at least two weeks before such a meeting. This will allow sufficient time for Directors to consider whether to respond in writing and/or to attend such meeting.

XVII. THE EXECUTIVE COMMITTEE, GENERAL

The Executive Committee consists of two permanent members being the Chairman and Deputy Chairman of the Board. In addition, the Chairman of each of the other committees are also members of the Executive Committee or, in their absence, the Deputy Chairman thereof as their alternates.

The Secretary to the Board is also a member of the Executive Committee but is not entitled to vote. The Secretary may not attend Executive committee meetings, if his attendance would create a conflict of interest between the Committee and the Manager or if the other Committee members so request.

The procedure as to attendance and voting as it applies to the Executive Committee follows in every respect those provided for in the case of other committees, as it also does in circumstances of conflict of interest.

The purposes and guidelines of each committee are as set out below. These guidelines should not be considered as being written in stone, but rather set the general parameters for the scope and conduct of each committee's affairs.

XVIII. THE EXECUTIVE COMMITTEE

Purpose and Operational Guidelines

The general purpose of the Executive Committee is, subject to any limits and/or constraints as the Board of Directors of the Association may from time to time impose, to take such action as it considers appropriate on behalf of the Association where, for reasons of urgency, it may be impossible or impracticable to convene, and/or to take direction from, the full Board.

The powers vested in the Executive Committee shall not be limited by way of the subjects to which they apply, save that where such subjects fall within the competence of any other Committee(s) of the Board, reasonable

efforts shall be made to consult with the Chairman or, should he or she be absent or unavailable, any other member of such Committee.

The Executive Committee shall also consider from time to time such strategic or other matters as the Board of Directors of the Association may refer to it for recommendation as to future action. In addition, the Executive Committee shall act as a nominating Committee for the proposed election of persons as Directors.

Any Director of the Association, the Secretary to the Board, General Counsel and any members of staff of the Club's Manager, through its Chief Executive Officer, shall be entitled to refer any matter to the Executive Committee for action, provided always that the decision as to whether any action be taken is subject to the sole and exclusive discretion of the Committee on advice, should it be considered necessary, from such persons as it deems appropriate.

In the event that action is taken by the Executive Committee in accordance with these Guidelines and/or within any limits or constraints as the Board may from time to time impose, the Committee shall as soon as practicable thereafter inform the full Board of the Association, through its Secretary, as to the action it has taken, with a brief description of the circumstances given rise to the need for such action.

Provided always that the Executive Committee has acted within its remit as established by these Guidelines and/or within any limits or constraints as the Board of Directors of the Association may from time to time have imposed, the Board shall ratify such action at its next regular or special meeting as the case may be.

XIX. THE FINANCE AND AUDIT COMMITTEE

Purpose and Operational Guidelines

The general purpose of the Finance and Audit Committee is to review matters of a financial nature which affect, or may affect, the Association, and to report and/or make recommendations to the Association's Board of Directors so as to assist it in taking such action, if any, it may consider appropriate on the basis of such reports and/or recommendations.

Specifically, it is the remit of the Finance and Audit Committee to review, report on and/or make recommendations to the Board in respect of the following matters:

1. the adequacy and security of the funds of the Association.
2. the setting of investment guidelines and the appointment of investment managers.
3. the evaluation and appointment of the auditors of the Association.
4. the evaluation and appointment of a consulting actuary for the Association.
5. the adequacy and accuracy of the Association's financial records and procedures.
6. the Association's compliance with the financial regulations of the State of New York, the United States Government and any other body whose financial regulations may impact the Association.
7. the development of the Association's annual budget and reinsurance arrangements including the setting of general terms for the renewal of its membership for relevant policy years.
8. the development of both closed and open policy years, the level of claims reserving for such years inclusive of IBNR requirements, the deployment of the Association's contingency fund and the determination of supplementary call requirements or dividend returns for open years on closure as well as the timing thereof.
9. the development of the Association's IT systems and the adequacy thereof.

10. such other business of a financial nature which has, or may have, implications for the smooth and effective operation of the Association.

XX. THE SAFETY AND ENVIRONMENTAL PROTECTION COMMITTEE

Purpose and Operational Guidelines

The general purpose of the Safety and Environmental Protection Committee is to review all matters pertaining to safety and environmental protection which affect, or may affect, the Association, and to report and/or make recommendations to the Association's Board of Directors so as to assist it in taking such action, if any, it may consider appropriate on the basis of such reports and/or recommendations.

Specifically, it is the remit of the Safety and Environmental Protection Committee to review, report on and/or make recommendations to the Board in respect of the following matters:

1. the establishment of principles and practice for the survey of vessels, and/or the audit of the practices of the operators of such vessels, entered, or intended for entry, in the Association.
2. the substantive details of such surveys and the manner in which they are commissioned and compiled.
3. the assessment of loss / claims trends and their implications as to taking preventative action in respect thereof.
4. the review of regulatory developments as they affect vessel condition as well as ship and shoreside operational standards.
5. initiatives in regard to all matters of a safety, environmental protection and loss prevention nature including the arrangement of seminars / conferences and the publication of relevant literature etc. addressing such issues.
6. all other matters of a safety, environmental protection and loss prevention nature as may from time to time be considered appropriate by the Board of Directors for review and/or the making of recommendations by the Committee.

XXI. THE CLAIMS AND RISK MANAGEMENT COMMITTEE

Purpose and Operational Guidelines

The general purpose of the Claims Committee is to review all matters of a claims nature which affect, or may affect, the Association, and to report and/or make recommendations to the Association's Board of Directors so as to assist it in taking such action, if any, it may consider appropriate on the basis of such reports and/or recommendations.

Specifically, it is the remit of the Claims Committee to review, report on and/or make recommendations to the Board in respect of the following matters:

1. the general development of claims by way of statistical analysis on both closed and open years.
2. the general development of claims by way of analysis relating to claims type and, inter alia, the geographical location thereof.
3. the incidence of large or unusual claims as might be of specific interest to the Association's Board

of Directors by reason of their political, regulatory or broader economic implications.

4. claims as might be of interest to the Association's Board of Directors by reason of their novelty or implications for safety or loss prevention initiatives.
5. the development of International Group Pool claims.
6. recent Court decisions of general jurisprudential significance to Members of the Association and/or the maritime community in general.
7. communication of relevant findings and/or suggestions to other departments of the Managers such as the underwriting and safety and technical services group.

XXII. THE CORPORATE GOVERNANCE COMMITTEE

Purpose and Operational Guidelines

The general purpose of the Corporate Governance Committee is to review all matters which affect, or may affect, the governance of the Association, and to report and/or make recommendations to the Board so as to assist it in taking such action, if any, it may consider appropriate on the basis of such reports and/or recommendations.

The Corporate Governance Committee must meet at least once per year, and more often, if needed.

Specifically, it is the remit of the Corporate Governance Committee to review, report on and/or make recommendations to the Board in respect of the following:

1. matters referred to it by other committees, Directors, the Manager or General Counsel which affect or might affect corporate governance.
2. legal and other matters which affect or might affect corporate governance that come to the attention of the Committee.
3. whether the Corporate Governance Guidelines should be amended.
4. whether the Association's By-Laws should be amended.

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