

# **The Britannia Steam Ship Insurance Association Limited**

## **Election Sub-Committee**

### **Terms of Reference**

#### **Purpose**

1. The Election Sub-Committee (“the Sub-Committee”) is a sub-committee of The Britannia Steam Ship Insurance Association (“Britannia”) Members’ Representative Committee (“the Committee”). The Committee and all of its sub-committees are established pursuant to Britannia’s Articles of Association (“the Articles”) and, unless specifically stated otherwise, the terminology, words or expressions used in these Terms of Reference have the same meaning as in the Articles.
2. The Sub-Committee’s primary purpose is to (a) make recommendations to the Committee in respect of the appointment, re-appointment or removal of Directors of the Board; (b) make recommendations to the Committee in respect of the appointment, re-appointment or removal of Representatives (including the Deputy Chairman) on the Committee; and (c) ensure that the Committee comprises suitably qualified individuals who are of good standing in the insurance and maritime industries and, as a body, are broadly representative of Britannia’s membership in terms of geographical location, ship type and size of the fleet.

#### **Membership**

3. The Sub-Committee shall consist of its Chairman, the Chairman of the Committee, and three further Representatives (save for the Chairman of the Committee, excluding any individual who is a Representative by virtue of being a non-executive Director of Britannia).
4. The Committee shall appoint one of its non-executive Director members (but excluding the Chairman of the Committee or the Manager Directors) as Chairman of the Sub-Committee.
5. With the exception of the Manager Directors, members of the Sub-Committee shall be appointed for a four year term and will normally be eligible for re-election only once.
6. Only members of the Sub-Committee shall have the right to attend meetings save that the Manager Directors of Britannia will normally attend in an advisory capacity but will not have any right to vote on any issue being considered by the Sub-Committee.

#### **Role of the Sub-Committee**

7. The Sub-Committee has responsibility for:
  - (a) identifying potential candidates and making recommendations to the Committee in respect of Directors for appointment to the Board (always mindful of the Rules in relation to the appointment, removal and retirement of Directors as set out in Appendix I);
  - (b) identifying and recommending to the Committee suitable candidates for appointment as Representatives;
  - (c) identifying and recommending suitable candidates for appointment as Deputy Chairman of the Committee and Chairman of any Sub-Committees of the Committee;

- (d) assessing the performance of Representatives retiring by rotation and, where appropriate, recommending their re-election or removal having given due regard to their contribution (or potential contribution) to the Committee; and
  - (e) reviewing the membership of the Committee's other sub-committees, including the Chairman of each of those sub-committees.
8. The Sub-Committee shall:
- (a) determine the procedure for the selection and nomination of candidates to the Committee and its Sub-Committees, having due regard to:
    - (i) their standing in the insurance and maritime;
    - (ii) the size of fleet, type of ship and geographical location associated with the relevant shipowner Representative;
    - (iii) the Rules on the Appointment, Removal and Retirement of non-executive Representatives as set out in Appendix II; and
    - (iv) a candidate's business interests that could result in a conflict of interest;
  - (b) ensure that on appointment to the Committee or of any of its sub-committees, a Representative receives a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, service and involvement;
  - (c) annually review the attendance record and contribution made by Representatives who, retiring by rotation, have indicated a wish to be re-elected having regard to the Rules on the Appointment, Removal and Retirement of Representatives (Appendix I);
  - (d) review annually the time required from Representatives. Performance evaluation should be used to assess whether Representatives are spending enough time to fulfill their duties; and
  - (e) liaise and interact with the Committee's other sub-committees as necessary.

## **Meetings**

9. The quorum for each Sub-Committee meeting shall be three Representatives.
10. The Sub-Committee shall meet at least twice per annum, with scheduled meetings being held in May and October. If necessary, the Sub-Committee shall hold further meetings from time to time, as may be called by the Company Secretary of Britannia or by any member of the Sub-Committee. All meetings shall be conducted in accordance with these Terms of Reference and the Articles.
11. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, with all available supporting papers, shall be forwarded to each member of the Sub-Committee and any person required or invited to attend, no later than five working days before the date of the meeting.
12. Appendix III details the schedule of regular agenda items for the Sub-Committee.

13. The Chairman shall chair each meeting of the Sub-Committee. If the Chairman is absent the other Representatives present shall choose one of their number as Chairman for that meeting.
14. The Managers shall minute the proceedings of each meeting of the Sub-Committee, including recording the names of those present and in attendance. The Sub-Committee will report its recommendations to the Committee at the next meeting following the Sub-Committee's meeting.

### **Authority**

15. The Sub-Committee is authorised by the Committee to:
  - (a) investigate any activity within its terms of reference;
  - (b) seek any information that it may require from internal and external sources to carry out its role; and
  - (c) obtain, as considered necessary, independent external professional and/or legal advice at Britannia's expense.

### **Reporting Procedures**

16. The Chairman of the Sub-Committee will report on the deliberations of the Sub-Committee to the Committee and provide copies of the minutes of any meetings.
17. The Sub-Committee shall make whatever recommendations to the Committee it deems appropriate on any area within its terms of reference.

### **Miscellaneous**

18. The Sub-Committee shall have access to sufficient resources in order to carry out its duties.
19. At least once a year, the Sub-Committee shall:
  - (a) review its own constitution and terms of reference to ensure that it is operating effectively;
  - (b) recommend to the Committee, for approval, the changes that it considers appropriate; and
  - (c) review its own performance and report on that review and any recommendations to the Committee.

Adopted by the Committee on 17 October 2017

## Appendix I

### RULES IN RELATION TO THE APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTORS

The following Rules supplement provisions in Britannia's Articles that set out the requirements for Directors to be eligible for appointment and for their retirement by way of rotation. Although the Rules do not form part of the Articles, the Board and its sub-committees are expected to observe and respect them.

#### A. Appointment of New Directors

1. Any Director, the Managers or the Members' Representative Committee ("the Committee") shall be entitled to recommend the appointment of a new Director.
2. Prospective Directors (other than "expert Directors") should have a broad understanding of insurance and the insurance and maritime industries. An understanding of P&I insurance would be an advantage. Consideration should also be given to his/her seniority within their own company, their ability to make independent decisions and their potential contribution to decision-making at Board meetings. Their command of English should be sufficient to enable them to take a full part in all Board discussions.
3. Expert Directors may be chosen with regard to their expertise in specific areas of business which would be of benefit to the Board and to Britannia (e.g. insurance, investments, regulatory and/or corporate governance).
4. The Board's Nomination Sub-Committee ("the Sub-Committee"), comprising the Sub-Committee's Chairman and Deputy Chairman, the Chairman of Britannia's Board, a further non-executive Director of the Board and (ex officio) the Chairman and Chief Executive Officer of TRB will review any nominations of prospective Directors. The Managers and, if possible, the Chairman (or another member of the Sub-Committee) should meet the candidate before they are put forward for election.
5. The Managers shall provide new Directors with full details regarding the structure and operations of Britannia, the respective responsibilities of the Board and the Managers, its sub-committees and regulatory framework, together with their legal and regulatory obligations as Directors of Britannia. The Managers should also ensure that prospective Directors are aware of the basis on which they will be remunerated.

#### B. Re-election and Retirement of Directors

1. The Sub-Committee shall, each year, review and where necessary make recommendations regarding the re-election of Directors retiring by way of rotation. This may involve a recommendation that a Director is not re-elected.
2. Although non-executive Directors are appointed as individuals, unless the circumstances set out in B3 below apply (or they are the Chairman, Deputy Chairman, an Expert Director or a Manager Director), they should have a close connection with a Member of Britannia. If the relationship between a Director and the Member changes, or the Member ceases to be a Member of Britannia, the Director will be expected to resign as a Director. If, however, in the opinion of the Sub-Committee, their services as a Director of Britannia continue to warrant it, they may continue as a Director until the end of their elected term. At that time, they should not stand for re-election unless the Sub-Committee endorses re-election for another term.

3. A Director may be appointed to the Board, or invited to continue as a Director, for reasons other than a connection with a Member of Britannia. In such circumstances, the Director should be elected for a specific term and specific reasons and if such specific reasons cease to apply, he/she should resign. The Sub-Committee should monitor the situation and report to the Board as appropriate.

4. Directors should attend as many Board meetings as possible. They should in any event attend at least two Board Meetings per annum. Failure to attend at least two meetings per annum will result in a recommendation to the Board that the Director is removed or not re-elected.

C. Appointment of Chairman, Deputy Chairman and Expert Directors

The Nomination Sub-Committee will be responsible for making a recommendation to the Board regarding the appointment or re-appointment of the Board's Chairman, Deputy Chairman and any Expert Director after consulting the Committee.

D. Conflicts of Interest

1. Directors employed by a Member, or otherwise connected with a Member, will inevitably have potential conflicts between the interests of Britannia and those of the Member concerned. In fulfilling their duties as Directors of Britannia, Directors will be expected to act solely in the best interests of Britannia and the membership as a whole, even if this is not always in the best interests of the Member to which they are linked.

2. If any Director finds themselves in personal or professional circumstances which give rise to a potential or actual conflict of interest with Britannia, they must disclose the same to the Chairman immediately. If the conflict is sufficiently serious to impede the proper discharge of his/her duties as a Director of Britannia, they should resign forthwith, either on their own initiative or, if applicable, at the request of the Board.

3. If a Director has a conflict of interest in respect of any matter or claim either being or to be discussed by the Board or Sub-Committee, he/she shall declare such conflict and retire from the meeting (except to provide information, on request) and he/she shall not be entitled to vote on any such matter or claim.

## APPENDIX II

### RULES IN RELATION TO THE APPOINTMENT, REMOVAL AND RETIREMENT OF REPRESENTATIVES

The following Rules supplement provisions in Britannia's Articles that set out the requirements for Representatives to be eligible for appointment and for their retirement by way of rotation. Although the Rules do not form part of the Articles, the Committee and its sub-committees are expected to observe and respect them.

#### A. Appointment of New Representatives

1. All Directors of the Board, with the exception of the Manager Directors, shall be appointed to act as Representatives ex officio.
2. A Director, a Representative, the Managers and the Members' Representative Committee ("the Committee") shall be entitled to recommend the appointment of new Representatives.
3. Prospective Representatives should have a broad understanding of insurance and the insurance and maritime industries. An understanding of P&I insurance would be an advantage. Consideration should also be given to his/her seniority within their own company, their ability to make independent decisions and their potential contribution to Committee meetings. Their command of English should be sufficient to enable them to take a full part in discussions.
4. The Election Sub-Committee will review any nominations of prospective Representatives. The Managers and, if possible, the Chairman (or another member of the Election Sub-Committee) should meet the candidate before they are put forward for election.
5. The Managers shall provide new Representatives with full details regarding the structure and operations of Britannia, the respective responsibilities of the Board, the Committee and the Managers, its sub-committees and regulatory framework, together with their obligations as Representatives of Britannia. The Managers should also ensure that prospective Representatives are aware of the basis on which they will be remunerated.

#### B. Re-election and Retirement of Representatives

1. The Election Sub-Committee shall, each year, review and where necessary make recommendations regarding the re-election of Representatives retiring by way of rotation. This may involve a recommendation that a Representative is not re-elected.
2. Although Representatives are appointed as individuals, unless the circumstances set out in B3 below apply (or they are appointed to the Committee ex officio), they should have a close connection with a Member of Britannia. If the relationship between a Representative and the Member changes, or the Member ceases to be a Member of Britannia, the Representative will be expected to resign as a Representative. If, however, in the opinion of the Election Sub-Committee, their services as a Representative of Britannia continue to warrant it, they may continue as a Representative until the end of their elected term. At that time, they should not stand for re-election unless the Sub-Committee endorses re-election for another term.
3. A Representative may be appointed to the Committee, or invited to continue as a Representative, for reasons other than a connection with a Member of Britannia. In such circumstances, the Representative should be elected for a specific term and specific reasons and if such specific reasons cease to apply, he/she should resign. The Election Sub-Committee should monitor the situation and report to the Committee as appropriate.

4. Representatives should attend as many Committee meetings as possible. They should in any event attend at least one Committee Meeting per annum. Failure to attend at least one meeting per annum will result in a recommendation to the Committee that the Representative is removed or not re-elected.

C. Appointment of Chairman and Deputy Chairman and Expert Directors

The Election Sub-Committee will be responsible for making a recommendation to the Committee regarding the appointment or re-appointment of the Committee's Chairman and Deputy Chairman after consulting the Committee.

D. Conflicts of Interest

1. Representatives employed by a Member, or otherwise connected with a Member, will inevitably have potential conflicts between the interests of Britannia and those of the Member concerned. In fulfilling their duties as Representatives of Britannia, Representatives will be expected to act solely in the best interests of Britannia and the membership as a whole, even if this is not always in the best interests of the Member to which they are linked.
2. If any Representative finds themselves in personal or professional circumstances which give rise to a potential or actual conflict of interest with Britannia, they must disclose the same to the Chairman immediately. If the conflict is sufficiently serious to impede the proper discharge of his/her duties as a Representative of Britannia, they should resign forthwith, either on their own initiative or, if applicable, at the request of the Committee.
3. If a Representative has a conflict of interest in respect of any matter or claim either being or to be discussed by the Committee, he/she shall declare such conflict and retire from the meeting (except to provide information, on request) and he/she shall not be entitled to vote on any such matter or claim.

## **Appendix III**

### **Schedule of regular agenda items for the Election Sub-Committee**

#### **At every meeting**

Apologies  
Declaration of any conflicts of interest  
Minutes of the previous meeting  
Matters arising from the previous meeting  
Dates and venues of future meetings of the Sub-Committee  
Any other business

#### **At each May meeting**

Representation by ship type  
Reviewing potential candidates  
Performance of Directors retiring by rotation  
Annual review and appointment, re-appointment, of the Sub-Committee members  
Review attendance record

#### **At each October meeting**

Reviewing potential candidates  
Review the Sub-Committee's performance  
Review the Sub-Committee's Terms of Reference

#### **Every three years**

Committee effectiveness review