

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

## **The Members' Representative Committee**

### **Terms of Reference**

#### **Introduction**

1. The primary decision making body of The Britannia Steam Ship Insurance Association Limited ("Britannia") is its regulated board ("the Board").
2. The Board is 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.
3. The Members' Representative Committee ("the Committee") is established pursuant to the Articles and its primary purpose is to act as a consultative body in respect of certain decisions to be made by the Board. The Committee does not carry out any regulated function.
4. The Committee has a Standards sub-committee and an Election sub-committee.
5. The Board, the Committee and each of their respective sub-committees have their own terms of reference. Appendix I shows the structure of the Board and its sub-committees as well as the structure of the Committee and its sub-committees.

#### **Membership**

6. The Committee shall have a minimum of 20 and a maximum of 40 members ("Representatives"), consisting of:
  - (a) All Directors of the Board, but excluding the two Directors appointed from Tindall Riley Britannia) Ltd ("TRB" or "the Managers") ("the Manager Directors"); and
  - (b) up to a further 28 Representatives.

Two of the Representatives shall act as Chairman and Deputy Chairman respectively.

#### **Role of the Committee**

7. In order to assist the Board in its decision-making role, the Committee shall provide advice and comment, as appropriate, on the following matters:
  - (a) Britannia's overall strategy;
  - (b) Britannia's investment strategy;
  - (c) Britannia's risk and capital management and, in turn, Britannia's risk tolerance;
  - (d) Britannia's reinsurance arrangements;

- (e) changes to the Articles;
- (f) changes to advance, deferred and release Calls in respect of Class 3 and Class 6; and
- (g) rule changes to Class 3 and Class 6.

8. The Committee shall:

- (a) taking into account any recommendations received from the Managers and the Election sub-committee:
  - (i) make recommendations to the Board's Nomination sub-committee in respect of any potential candidates for appointment as Directors of the Board; and
  - (ii) agree the election of the Committee's Deputy Chairman;
  - (iii) agree the election, re-election or removal of Representatives;
- (b) consider whether or not to exercise its discretion in respect of any Member's request for reimbursement of any claim up to USD2 million net of applicable deductible(s) and otherwise not lying within the delegated authority of the Managers;
- (c) oversee Britannia's loss prevention activities; and
- (d) receive reports and consider recommendations from its sub-committees.

## **Meetings**

- 9. The Committee shall meet at least twice per annum, with scheduled meetings being held in May and October. If necessary, the Committee shall hold further meetings from time to time. All meetings shall be conducted in accordance with these Terms of Reference and the Articles.
- 10. Appendix II details the schedule of regular agenda items for the Committee.
- 11. Notice of meetings of the Committee other than those regularly scheduled shall be given by the Managers at the request of the Chairman. Such notice shall state the venue, time and date of the meeting.
- 12. An agenda of items to be discussed with all available supporting papers shall be given to each Representative not less than five working days prior to any meeting of the Committee.
- 13. The Chairman shall chair each meeting of the Committee. If the Chairman is absent, the Deputy Chairman shall act as Chairman for that meeting. If both the Chairman and the Deputy Chairman are absent, the other Representatives present shall choose one of their number as Chairman for that meeting.
- 14. The quorum for each Committee meeting shall be ten Representatives, one of whom shall act as the Chairman.

15. If required, the Committee shall decide issues according to the majority in a show of hands of Representatives present at the meeting. Each Representative present shall have one vote. In the event of an equal number of votes, the Chairman of the meeting shall have the casting vote.
16. If a Director has a conflict of interest in respect of any matter or claim either being or to be discussed by the Committee, they shall declare such conflict and retire from the meeting (except to provide information, on request) and they shall not be entitled to vote on any such matter or claim;
17. The Managers shall minute the proceedings and resolutions of each meeting of the Committee, including recording the names of those present and in attendance. Draft minutes of each meeting shall be circulated promptly to all Representatives. In the event of a conflict of interest, the relevant Representative shall not be provided with the relevant extract of the minutes.

### **Duties of the Committee and Representatives**

18. The Committee and each Representative shall while performing their duties:
  - (a) act in good faith and in a manner that is in the best interests of Britannia and its Members;
  - (b) act in compliance with the Articles, these Terms of Reference and the Rules of Class 3 and Class 6 (as applicable); and
  - (c) exercise independent judgment and reasonable care and skill.
19. Any Representative shall be entitled to report any concern they have regarding the Board and/or its sub-committees, the Committee and/or its sub-committees to the Chairman or to Britannia's regulators (the PRA and the FCA).

### **Chairman**

20. The Chairman's responsibilities shall be to:
  - (a) provide leadership to the Committee and its Representatives and to ensure their effectiveness on all aspects of their roles;
  - (b) with the assistance of the Managers, set the agenda for Committee meetings and to ensure that sufficient time is available for discussion at Committee meetings of all agenda items;
  - (c) ensure that there is clear and effective communication between the Committee and its Representatives, (i) its sub-committees, (ii) the Board and its sub-committees and (iii) the Managers;
  - (d) with the Managers, ensure that Representatives receive accurate, timely and clear information; and

- (e) promote a culture of transparency and open debate, including facilitating the effective contribution of Representatives and to ensure constructive relations between Representatives.

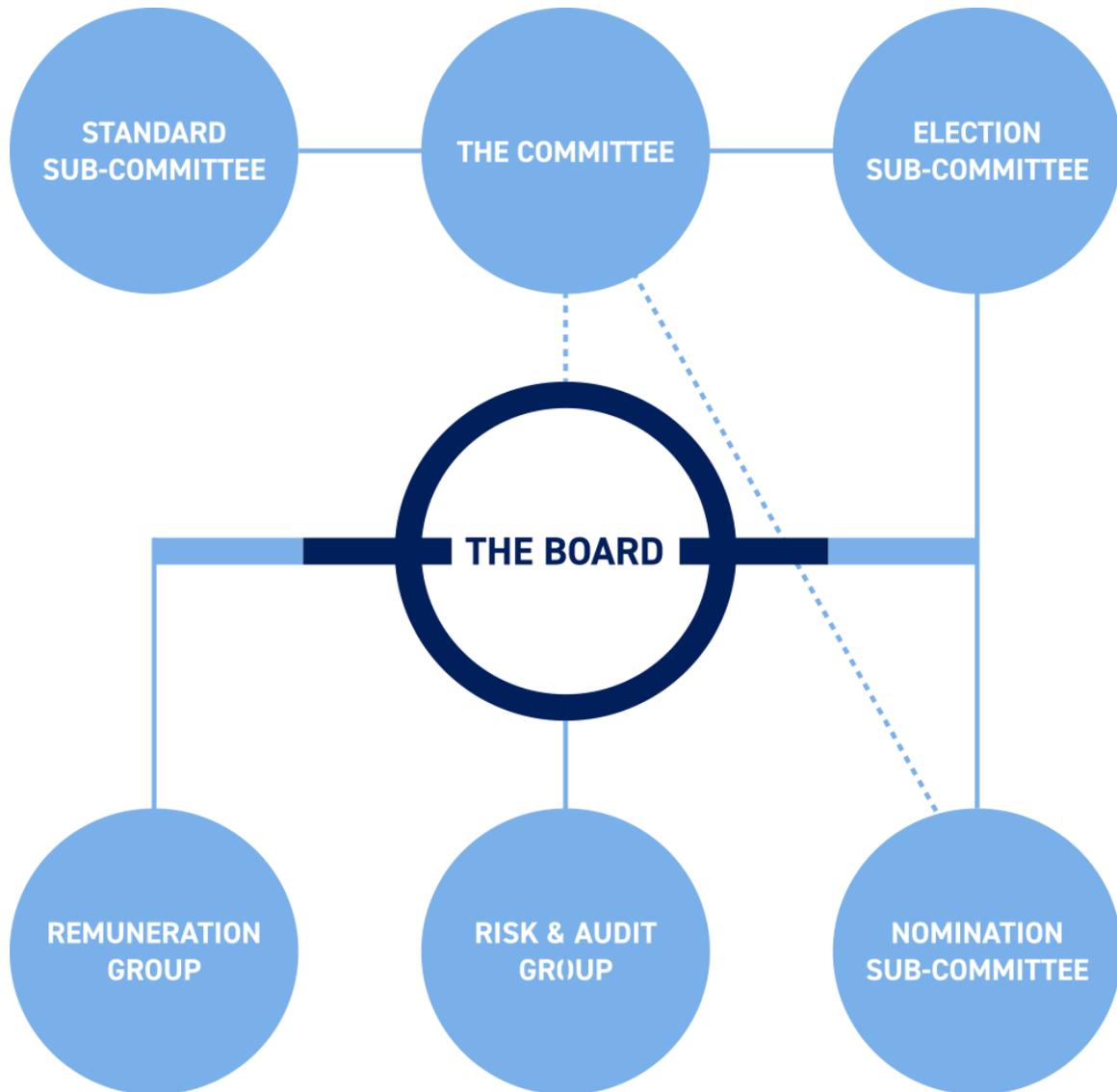
### **Miscellaneous**

- 21. Insofar as their role requires consideration of underwriting or claims information Representative shall have access only to summary information for Britannia as a whole and shall not have access to an individual Member's underwriting or claims data which shall remain strictly confidential to the Managers and the Member concerned.
- 22. The Committee shall review these Terms of Reference each year.

Adopted by the Committee on 17 October 2017

**Appendix I**

**Structure of the Board and its sub-committees  
and of the Committee and its sub-committees**



## **Appendix II**

### **Schedule of regular agenda items for the Committee**

#### **For each regular meeting**

Apologies

Declaration of any conflicts of interest

Minutes of the previous meeting

Dates and venues of future meetings of the Committee

Matters arising from the previous meeting

Reports on the most recent meetings since the last meeting of the Committee, of:

- (i) the Board and its sub-committees;
- (ii) the Election sub-committee; and
- (iii) the Standards sub-committee

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International Group reinsurance

International Group Managers' meeting

For Class 3, P&I:

- (i) any claims up to USD2 million for the Committee to consider the exercise of its discretion;
- (ii) any claims on which Britannia has paid more than USD1 million since the last meeting;
- (iii) small claims paid since the last meeting;
- (iv) a summary of claims paid since the last meeting;
- (v) any Pool claims on which Britannia has paid more than USD500,000 since the last meeting
- (vi) a summary of Pool claims paid since the last meeting

For Class 6, FD&D:

- (i) any claim on which Britannia has paid more than USD100,000 since the last meeting;
- (ii) summary of claims paid since the last meeting

Any other business

#### **For the May meeting**

Review of the Committee's Terms of Reference

The report and financial statements of Britannia for the year ending the prior 20 February

A report on renewal as at the prior 20 February

For Class 3, P&I:

- (i) A report on renewal as at the prior 20 February; and
- (ii) any C claims

For Class 6, FD&D:

- (i) A report on renewal as at the prior 20 February; and
- (ii) a claims sweep up

#### **For the October meeting**

Representatives' D&O Insurance

Facts and figures for Representatives

Policy year review and call recommendations for Class 3, P&I

Proposed Rule changes for Class 3, P&I  
Policy year review and call recommendations for Class 6, FD&D  
Proposed Rule changes for Class 6, FD&D