

The Britannia Steam Ship Insurance Association Limited

Remuneration Group

Terms of Reference

Purpose

1. The Remuneration Group (“the Group”) is a sub-committee of The Britannia Steam Ship Insurance Association Limited (“Britannia”)’s Board (“the Board”), which is the primary decision making body of Britannia. The Board 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 Group’s primary purpose is to:
 - (a) establish and maintain a remuneration policy to ensure that Directors of the Board and its sub-committees and Representatives of the Members’ Representative Committee (“the Committee”) and its sub-committees are appropriately remunerated for the responsibilities that they bear, having regard to the mutual nature of Britannia; and
 - (b) establish an appropriate basis for the remuneration of Tindall Riley (Britannia) Ltd (“the Managers”).

Membership

3. The Group shall consist of its Chairman, the Chairman of the Board and two further non-executive Directors of the Board. All of the members of the Group shall be independent of the Managers and free from any business or other relationship which could interfere with the exercise of their independent judgment.
4. The Board shall appoint one of its non-executive Director members (but excluding the Chairman of the Board) as the Chairman of the Group.
5. Non-executive members of the Group shall be appointed for a four year term and will normally be eligible for re-election only once.
6. Only members of the Group shall have the right to attend meetings. However, the Managers (the Chairman, CEO and CFO) will normally be expected to attend:
 - (a) in an advisory capacity when Directors’ and Representatives’ remuneration is being considered; and
 - (b) to present their report on Key Performance Indicators (KPIs) and the operation of the management remuneration formula when the Group considers the Managers’ remuneration.

7. Neither the Chairman nor any Expert Director shall be present when discussions are held that specifically refer to their individual remuneration or contractual arrangements.

Duties

8. The Group shall:
 - (a) recommend to the Board a policy for remunerating non-executive Directors and Representatives, including remuneration for any additional work undertaken by Directors and Representatives who are also members of any sub-committee of the Board or Committee;
 - (b) review the ongoing appropriateness and relevance of such remuneration policy;
 - (c) recommend to the Board the appropriate level of such remuneration and the frequency with which it shall be reviewed;
 - (d) recommend to the Board the remuneration of the Board's Chairman, the Expert Directors and Britannia's investment advisers;
 - (e) recommend the policy for reimbursing travel, accommodation and any other expenses incurred by the Directors and Representatives in the performance of their duties;and, acting on behalf of the Board,
 - (f) agree proposals from the Managers or other members of the Remuneration Group regarding the formula for calculating the Managers' remuneration and review annually the operation of that formula and the resultant level of the Managers' remuneration;
 - (g) establish appropriate KPIs to measure the effectiveness and efficiency of the Managers in their management of Britannia's business, such measures to include, where possible, comparison with the level of remuneration given to the Managers of other similar P&I Clubs and comparable insurance operations.

Meetings

9. The quorum for each Group meeting shall be two members.
10. The Group shall meet at least twice per annum, with scheduled meetings being held in May and September. If necessary, the Group shall hold further meetings from time to time, as may be called by the Company Secretary of Britannia or by any member of the Group. All meetings shall be conducted in accordance with these Terms of Reference and Britannia's 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 Group and any person required or invited to attend, no later than five working days before the date of the meeting.

12. Appendix I details the schedule of regular agenda items for the Group.
13. The Chairman shall chair each meeting of the Group. If the Chairman is absent the other Directors present shall choose one of their number as Chairman for that meeting.
14. Minutes of the Group meetings shall be circulated promptly to all of its members and, once agreed, shall be sent to all members of the Board.

Authority

15. The Sub-Committee is authorised by the Board 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) to obtain, as considered necessary, independent external professional and/or legal advice at Britannia's expense as necessary

Reporting Procedures

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

Miscellaneous

18. At least once a year, the Group shall:
 - (a) review its own constitution and terms of reference to ensure that it is operating effectively;
 - (b) recommend to the Board, for approval, the changes that it considers appropriate; and
 - (c) review its own performance and report any recommendations to the Board.

Adopted by the Committee on 18 October 2016

Appendix I

Schedule of regular agenda items for the Remuneration Group

For each regular 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

At each July meeting

Review of:

- Britannia's policy for the remuneration of non-executive Directors and Representatives including the appropriate level of such remuneration;
- the remuneration of the Board's Chairman, the expert Directors and Britannia's investment adviser; and
- review of Britannia's policy for travel, accommodation and other expenses incurred by the Directors and Representatives in the performance of their duties
- the Remuneration Policy

At each September meeting

The Managers' remuneration; and

The effectiveness and efficiency of the Managers in their management of Britannia

Review the Remuneration Group Terms of Reference