



THE STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

MANAGERS: STEAMSHIP MUTUAL MANAGEMENT (BERMUDA) LIMITED
WASHINGTON MALL 1 PO BOX HM 447 HAMILTON HM BX BERMUDA
TEL: (441) 295 4502 FAX: (441) 292 8787

To the Members

January 2004

Dear Sirs,

NOTICE IS HEREBY GIVEN that a Special General Meeting of the above-named Company will be held at the Registered office of the Company, Clarendon House, 2 Church Street, Hamilton HM-11, Bermuda at 11:00 hours on Wednesday, 4th February 2004, when the following Resolutions will be proposed:

RESOLUTIONS

CLASS 1

THAT with effect from Noon G.M.T. on 20th February 2004, the amendments to the Rules of Class 1 (Protection and Indemnity) of the Association, annexed hereto, be adopted.

The Managers, in conjunction with the Association's lawyers, have carried out a two stage review of the Club's Rules. The first stage of the review, completed prior to the 2003/4 Policy Year, covered all the general rules of Class 1 (Protection and Indemnity), with the exception of Rule 25, which sets out the risks that are covered by P&I entry. The second stage of the project, the review of Rule 25, has now been completed and the Club's Board has approved the revisions to Rule 25 at the Board Meeting which took place in Paris in October 2003.

Rule 25 has been comprehensively re-drafted to improve clarity and layout, but in most respects the scope and extent of cover have not been changed by the drafting amendments. The proposed new rule as approved by the Board is set out in full, but there is commentary only in relation to areas of drafting in which any material change has been made.

Most of the re-drafting consolidates and simplifies earlier Rules particularly in cases where duplication existed. The extent of such consolidation is demonstrated by the fact that Rule 25 as revised now encompasses Rules i to xxii, whereas previously Rule 25 encompassed Rules i, to xli. The wording of the Rules has in several instances been changed so as to group together certain risks which are related and which previously were dealt with separately. This has occurred in connection with the Rules relating to personal injury, collision and cargo. Where material amendments have been made, this has largely been to bring the Rules into line with International Group practice and to ensure alignment with the Pooling Agreement. Reference should be made to the attached commentary to see where these changes have occurred.

The re-drafting has also necessitated consequential amendments to some of the definitions appearing in Rule 2 of Class 1. These changes are also set out in the attached document.

Finally, the numbering of all the Rules in Class 1 has been reviewed and the Rules have been re-numbered to ensure a logical progression and consistency. This in turn requires an amendment to Rule 14 of the Rules of Class 2, which incorporates by reference certain of the Rules of Class 1, as set out below.

B396