

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

## **Election Sub-Committee**

### **Terms of Reference**

#### **Purpose**

1. The Election Sub-Committee (the “Sub-Committee”) is a sub-committee of the Members’ Representative Committee (the “Committee”) of The Britannia Steam Ship Insurance Association Holdings Limited (“Britannia Holdings”). The Committee and all its Sub-Committees are established pursuant to Britannia Holdings’ 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. Britannia Holdings controls The Britannia Steam Ship Insurance Association Limited (“Britannia (UK)”) and The Britannia Steam Ship Insurance Association Europe (“Britannia Europe”) (together “the Insurers”); the three companies together are referred to as “the Britannia Group”.
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 of Britannia Holdings and the Boards of the Insurers; (b) make recommendations to the Committee in respect of the appointment, re-appointment or removal of Representatives (including the Deputy Chair) on the Committee; and (c) ensure that the Committee comprises of suitably qualified individuals who are of good standing in the insurance and maritime industries and, as a body, are broadly representative of the Britannia Group’s membership in terms of geographical location, ship type and size of the fleet.

#### **Membership**

3. The Sub-Committee shall consist of its Chair, the Chair of the Committee, and up to three further Representatives (save for the Chair of the Committee, excluding any individual who is a Representative by virtue of being a non-executive Director of the Britannia Group).
4. The Sub-Committee shall appoint one of its Members (excluding the Chair of the Committee) as its Chair.
5. 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 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 of Britannia Holdings and the Boards of the Insurers

(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 Chair of the Committee and Chair 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-Committee, including its Chair.

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 industry;
  - (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 either 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-Committee 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 November. If necessary, the Sub-Committee shall hold further meetings from time to time, as may be called by the Company Secretary of Britannia Holdings 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. Unless the meeting provides otherwise or at the Chair's discretion, participation shall be in person.
12. Appendix III details the schedule of regular agenda items for the Sub-Committee.
13. The Chair shall chair each meeting of the Sub-Committee. If the Chair is absent, the other Representatives present shall choose one of their number as Chair for that meeting, with that individual having the same authority and duties whilst Chair.
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 Holdings' expense.

## **Reporting Procedures**

16. The Chair of the Sub-Committee will report on the deliberations of the Sub-Committee to the Committee.
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. However, insofar as their role requires consideration of underwriting or claims information, Members of the Sub-Committee shall have access only to summary information for the Britannia Group 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.
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 any recommendations to the Committee.

Adopted by the Board on 14 May 2024.

## APPENDIX I

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

The following rules supplement any provisions in the Articles or the articles of association of the Insurers that set out the requirements for Directors to be eligible for appointment and for their retirement by way of rotation. Although these rules do not form part of any articles of association, the Board and its Sub-Committees are expected to observe and respect them.

#### **A. Appointment of New Directors to any Britannia Group company**

1. Any Director of Britannia Holdings, the Managers or 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 their 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 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 the Britannia Group (e.g. insurance, investments, regulatory and/or corporate governance).
4. The Nomination Sub-Committee of the Board of Britannia Holdings will review any nominations of prospective Directors. The Managers and, if possible, the Chair (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 the Britannia Group, the respective responsibilities of the Boards of Directors and the Managers, Sub-Committees and regulatory framework, together with their legal and regulatory obligations as Directors. 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 Chair, Deputy Chair, an Expert Director or a Manager Director), they should have a close connection with a Member of the Britannia Group. If the relationship between a Director and the Member changes, or the Member ceases to be a Member of the Britannia Group, the Director will be expected to resign as a Director. If, however, in the opinion of the Sub-Committee, their services as a Director 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, or invited to continue as a Director, for reasons other than a connection with a Member of the Britannia Group. 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 Chair, Deputy Chair 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 Chair, Deputy Chair 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 the Britannia Group and those of the Member concerned. In fulfilling their duties as a Director, Directors will be expected to act solely in the best interests of the Britannia Group 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 the Britannia Group, they must disclose the same to the Chair immediately. If the conflict is sufficiently serious to impede the proper discharge of their duties as a Director, 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, 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.

## APPENDIX II

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

The following rules supplement provisions in the 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 of Britannia Holdings, 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 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 their 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 Chair (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 the Britannia Group, the respective responsibilities of the Boards of Directors, the Committee and the Managers, Sub-Committees and regulatory framework, together with their obligations as Representatives. 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 the Britannia Group. If the relationship between a Representative and the Member changes, or the Member ceases to be a Member of the Britannia Group, 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 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 the Britannia Group. In such circumstances, the Representative should be elected for a specific term and specific reasons and if such specific reasons cease to apply, they 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 Chair and Deputy Chair**

The Sub-Committee will be responsible for making a recommendation to the Committee regarding the appointment or re-appointment of the Committee's Chair and Deputy Chair 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 the Britannia Group and those of the Member concerned. In fulfilling their duties as Representatives, Representatives will be expected to act solely in the best interests of the Britannia Group 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 the Britannia Group, they must disclose the same to the Chair immediately. If the conflict is sufficiently serious to impede the proper discharge of their duties as a Representative, 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, 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.



## APPENDIX III

### SCHEDULE OF REGULAR AGENDA ITEMS FOR THE ELECTION SUB-COMMITTEE

#### 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  
Any other business

#### At each May meeting

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

#### At each November meeting

Reviewing potential candidates  
Review the Sub-Committee's performance  
Review the Sub-Committee's Terms of Reference  
Analysis of ownership of the Britannia Group entered fleet

#### Every three years

Committee effectiveness review