

# Articles of Association

## The Danish Shipowners' Accident Insurance Association - Mutual Insurance Union, CVR 67 76 07 19

Articles of Association, accepted at the Annual General Assembly on April 29, 2013, with subsequent amendments passed at the Extraordinary General Assembly on April 28, 2016.

### § 1

The name of the Association is "the Danish Shipowners' Accident Insurance Association, Mutual Insurance Union." Its head office is located in Copenhagen Municipality.

### § 2

The purpose of the Association is for employers within Danish Shipping to assume all risks related to work accidents, etc., under the Workers' Compensation Act and Regulation for Greenland on industrial injury insurance or any future regulations in substitution.

Sec.2. The Association can draw up an insurance for industrial injury or work-related conditions for crews on board ships under foreign flags associated with a Danish shipping company, in accordance with the guidelines adopted by the Board of Directors.

Sec.3. The Association can draw up an insurance in accordance with §61 of the Act on seafarers' conditions of employment, etc. (the Danish Seamen's Act), for the shipowner's liability to compensate for loss or damage to a seafarer's on board property, see associated declaration on compensation to seafarers for property that is lost due to shipwreck or other loss, in accordance with the guidelines accepted by the Board of Directors.

### § 3

If Denmark is in a state of war, damages resulting from acts of war, and which affect persons who are insured with the Association, are considered industrial injuries.

### § 4

The Association does not handle reinsurance.

## II. Members' liability for the Association's obligations

### § 5

The Association is a mutual insurance company. Members are considered policyholders with the Association at all

times. All members shall be jointly and severally liable for the Association's obligations. Only the Association can invoke liability.

Sec.2. Regulations for joining and leaving shall be laid down in the insurance terms.

### § 6

Members who leave the Association will continue to be liable for obligations that are established before the end of the fiscal year in which the member left. This liability shall be void where, after the termination of the membership, there is an annual report approved by the General Assembly which at least shows the balance between assets and liabilities. Members who have left will have no stake in the Association's assets.

## III. The Association's General Assembly

### § 7

The General Assembly shall exercise supreme authority over all of the Association's affairs. On the condition of five days' advance notification of participation, all members of the Association have the right to meet at the General Assembly and to take the floor, however voting may only be done by the delegated Assembly composed of its Chairman and 14 delegates.

Sec.2. Among the delegates appointed, there will be ten from the Danish Shipowners' Association, and four from the Shipowners' Association of 2010.

Sec.3.1. The Chairman shall be elected by the General Assembly. A Vice Chairman shall also be elected by and from the delegates at the General Assembly. In the case of a tied vote, the decision shall be settled by a drawing of lots.

Sec.3.2. The elections shall apply for a three-year period calculated between the Annual General Assemblies in question. By-elections shall be conducted in accordance

with the regulations on electing a Chairman and Vice Chairman in the Articles of Association.

### § 8

Calling a General Assembly with details regarding the agenda must be made no earlier than four weeks, and no later than eight days, before the General Assembly is to be held, through announcement on the Association's website. Each delegate shall be notified personally by the Chairman in a letter with details regarding the agenda.

Sec.2. An Annual General Assembly shall be held each year in April. A copy of the annual report for the previous year with auditor's notes shall be sent to each delegate no later than eight days before the General Assembly is to be held; the annual report with auditor's notes must be presented at the same time for inspection by the members at the Association's office.

Sec.3. An Extraordinary General Assembly shall be held when the Board of Directors or auditor find it appropriate. An Extraordinary General Assembly shall be convened within 14 days when, in consideration of a chosen topic, it is extended in writing by at least one delegate. Calling of a meeting will take place in all cases as specified above.

Sec.4. All General Assemblies shall be held in Copenhagen and led by the Chairman. All matters shall be settled by a casting of votes with a simple majority, see also § 19. In the event of a tied vote, the Chairman's vote shall decide on the matter. A delegate who is unable to make an appearance may give written authorization for another delegate to vote in his/her place.

Sec.5. When at least eight members, including the Chairmen, participate in a meeting, the General Assembly is considered a quorum.

Sec.6. In the event of the Chairman's absence, his functions in all situations named in this section shall be assumed by the Vice Chairman.

### § 9

An Annual General Assembly shall be held with the following agenda:

1) The Board of Directors reports on the Association's business for the previous year.

2) The Board of Directors presents the annual report revised by the Board of Directors and the Chief Officer Executive (COE) for approval.

3) Election of members to the Board of Directors for the coming year.

4) Any election of the Chairman and Vice Chairman for the next three-year period, see § 7, sec. 4.

5) Election of auditor(s).

6) Issues presented by the Board of Directors

7) Issues that delegates would like dealt with. Such proposals must be submitted well enough in advance so that they can be included in the agenda when calling the Annual General Assembly.

### § 10

Discussions during General Assemblies must follow a protocol; this shall be signed by the Chairman for the delegates.

### § 11

The Chairman and the Vice Chairman for the delegate Assembly shall be paid as such, and as Chairman and Vice Chairman for the Board of Directors with a fixed annual remuneration set by the General Assembly; the same applies for other members of the Board of Directors, whereas the other delegates will be unpaid. If delegates and members of the Board of Directors reside outside of Copenhagen, they will be compensated for their travel expenses associated with attending Association meetings as per bill.

## IV. The Association's Board of Directors and Executive Board

### § 12

The Association's Board of Directors is composed of one Chairman and one Vice Chairman, which are the positions held by the Chairman and Vice Chairman respectively for the delegate Assembly, and five Board members elected by and from the delegates, so that three represent the Danish Shipowners' Association, and two represent the Shipowners' Association of 2010.

Sec.2. Elections of rank and file members shall take place at Annual General Assemblies one year at a time; re-election

is permitted. By-elections shall be conducted in accordance with the regulations on electing Board members, at a convened Extraordinary General Assembly if needed, in case the Board of Directors is not a quorum with the remaining Board members until the next Annual General Assembly.

Sec.3. The Board of Directors itself shall set its rules of procedure. Its meetings shall be convened and led by the Chairman, and will be considered a quorum when at least four members—including the Chairmen—are participating. Decisions shall be made by a simple majority; in cases of a tied vote, the Chairman's vote shall decide on the matter. In the event of the Chairman's absence, his functions in all situations named in this section shall be assumed by the Vice Chairman.

Sec.4. Discussions during the Board meetings must follow a protocol; this shall be signed or certified by all Board members.

Sec.5. The Association is drawn by two Board members in the Association, or by a Board member together with the Association's COE. The Board of Directors can communicate via a collective proxy.

### § 13

The Board of Directors shall outwardly represent the Association under the responsibility for the General Assembly. It shall appoint, dismiss, or suspend the Executive Board, and shall determine the Executive Board's salary/salaries.

Sec.2. The Board of Directors shall ensure that the Association's funds are invested in an adequate way for promoting the Association's business.

Sec.3. The Board of Directors and the state-authorized public accountant shall ensure that the funds which are set aside to cover insurance-related provisions are invested according to the regulations laid down by the Danish Financial Supervisory Authority.

Sec.4. Aside from the set amounts in operation, the funds shall be arranged in accordance with current legislation in force.

Sec.5. The Board of Directors shall decide on how to fix premiums, including charge of an extra premium if the premium paid should prove to be insufficient to cover the Association's costs. In addition to an extra basic premium,

the Board of Directors can charge additional premiums to the extent that it finds it necessary to procure the required base capital.

Sec.6. The Board of Directors shall decide on reinsurance of the Association's risks and decide on all cases that do not fall under the General Assembly's competence.

### § 14

The day-to-day management of the Association's business shall be headed by an Executive Board under the responsibility of the Board of Directors, in accordance with the guidelines laid down by the Board of Directors for the Executive Board's tasks and responsibilities.

## V. Accounts

### § 15

The Association's fiscal year is the calendar year. The annual report for the previous year must be completed by April 1<sup>st</sup>, and the audit report must be submitted within 14 days thereafter.

Sec.2. The annual report with auditor's notes must be sent to the delegates no later than eight days before it is to be submitted to the Board of Directors for approval at an Annual General Assembly, see § 8, sec. 2.

Sec.3. A reserve shall be allocated to cover the current benefits provided under the Danish Workers' Compensation Act, and a loss reserve to cover unsettled damages, including administrative costs of damages.

Sec.4. After the annual report is approved at the Annual General Assembly, a printed copy shall then be sent to the Association's members. Copies shall be sent no later than August 1<sup>st</sup>. The annual report, or a summary thereof as is needed, shall be published in the Berlingske national daily newspaper.

## VI. Auditing

### § 16

For auditing the Association's annual reports, the General Assembly shall select at least one auditor, who must be authorized by the state. Selection of additional auditors shall take place in accordance with the current legislation in force. The selection is valid for one year; re-election is permitted.

Sec.2. The state-authorized accountant shall, at least twice per year, ensure through unannounced inspections that the Association has registered assets which are at least equivalent to the total insurance provisions, and account for the performed inspection in the audit report.

complies with the current rules of law for termination of statutory workers' compensation companies.

Sec.2. Equity shall be allocated in accordance with the regulations in § 17, sec. 4.

## **VII. Equity**

### **§ 17**

Appropriation of equity shall be made which covers at least the Association's solvency requirement, and any additional, reasonable appropriation adjustment according to the circumstances and the Association's capital situation.

Sec.2. The equity funds shall be invested by the Board of Directors, following the same regulations as the Association's other funds, see § 13, sec.4.

Sec.3. The equity funds belong to the Association as such and no member has any stake in them in any ratio, and therefore have no right to demand any part of the equity to be paid upon leaving the Association. Following the General Assembly's decision, it may be used as whole or partial coverage of the Association's deficit.

Sec.4. In the event of the Association's termination, the equity shall be distributed between the members which at the time of the termination is insured in the Association, in relation to the contributions paid by the members within the last five years.

## **XIII. Amendments**

### **§ 18**

In order to make any amendment to these Articles of Association, the amendment must be agreed upon by at least a two-thirds vote cast at a General Assembly.

Sec.2. Amendments that are a necessary consequence of current legislation may, however, be made by the Board of Directors without prior approval at the General Assembly.

## **IX. Termination**

### **§ 19**

Termination of the Association can only be done so long as it is approved by three-fourths of the delegates at a General Assembly which is convened for this purpose, and