

Dated Nov-14, 2011

E-mail to correspondents,

Please find attached copies of the United Kingdom's Bribery Act 2010 (the "Act"), which came into force on 1 July 2011, the Anti-Bribery Policy of The Japan Ship Owners' Mutual Protection & Indemnity Association, and an Information Sheet for Correspondents on the contents and ramifications of the Act.

As background, you will know that correspondents are expected to operate to the highest ethical standards. They should be aware that most P&I clubs are domiciled in countries which have strict anti-bribery laws such as the Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977. Even those clubs which may be domiciled in other jurisdictions may still be subject to these laws and their own countries' anti-bribery laws. All clubs in the International Group have implemented best practice systems to deal with any form of bribery and financial crime. Those systems extend to all service providers instructed to act in the interest of members' everyday business.

Bribery is promising or offering a financial or other advantage or requesting, agreeing to receive or accept a financial or other advantage (either with private individuals or companies). Correspondents are reminded that any individual or company that engages in such activities does so without the club's agreement or authority. Please note that facilitation payments (ie small bribes paid to facilitate routine Government action, such as payments to secure early release of cargo or to lift a port state detention) are prohibited by the Act. Such payments are unacceptable and there are no exceptions under the Act.

If a correspondent pays a bribe the correspondent will likely be guilty of an offence under section 1 and / or section 6 of the Act, if they commit the offence within the UK or are a natural or legal person with a "close connection" to the UK (broadly, UK companies, UK partnerships, UK citizens or individuals ordinarily resident in the UK).

Under the s.7 offence (failure to prevent bribery), it is sufficient for the person paying the bribe to be associated with an organisation which carries on its business or part of its business in the UK. This means that all organisations which carry on any part of

their business in the UK (all International Group Clubs, for example) would be potentially liable under the s.7 offence. This is regardless of where the organisation is actually incorporated or formed and regardless of where the alleged bribe takes place. The organisation will be guilty of the s. 7 offence unless it can avail itself of the defence under s.7 (2). It should also be noted that a conviction under s.1 or s.6 is not necessary for s.7 to be satisfied: all that is required is that the prosecution can prove beyond reasonable doubt that the alleged bribery would have been an offence under s.1 or s.6 if it had been performed in the UK.

Would a director or partner please urgently provide express confirmation that

1. You will abide by the Club's Anti-Bribery Policy (which includes adhering to the principles of the Act).
2. You will not expose the Club to any potential liability under the Act.
3. You will ensure that all your personnel and third parties engaged by you will similarly comply.

With Best Regards,

THE JAPAN SHIP OWNER'S MUTUAL  
PROTECTION & INDEMNITY ASSOCIATION  
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