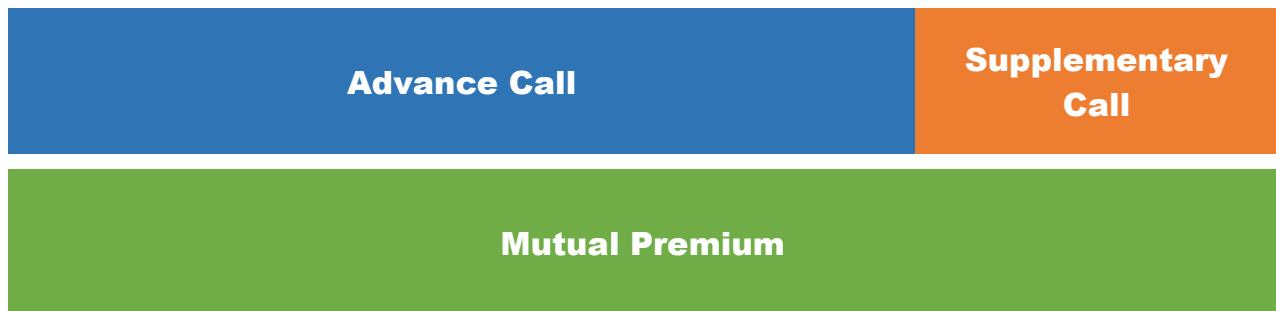


Mutual Premium : New method of premium payment starting in the Policy Year 2023

We will start the Mutual Premium method in the policy year 2023. It will be applicable to the Owner's entries and the FD&D as the current Advance Call/Supplementary Call method does.

Outline

Make the two premiums (AC: Advance Call and SC: Supplementary Call) into one premium called Mutual Premium (MP). The total amount of premium payable will not change.



Terms

Mutual Premium : Total premium payable expected at the beginning of the policy year.

Additional Call : Premium payable according to the loss records of the policy year.

Release Call : Premium payable to be exempt from Additional Call when the policy of the entered vessel is terminated or cancelled.

Overspill Call : Premium payable by all the Members whose vessels are entered in the International Group of P&I Clubs, in the event of a super-large accident exceeding USD 2.1 billion. (No applicable accidents have occurred so far.)

Payment method for Owners' entries

Full payment

Full Mutual Premium must be paid in a lump sum when the insurance policy starts.

Two instalments

75% of the total Premium must be paid when the policy starts, and 25% on 20th November in the following year.

Four instalments

25% of the total Premium must be paid in February, May, August and the remaining premium (25%) must be paid in November in the following year.

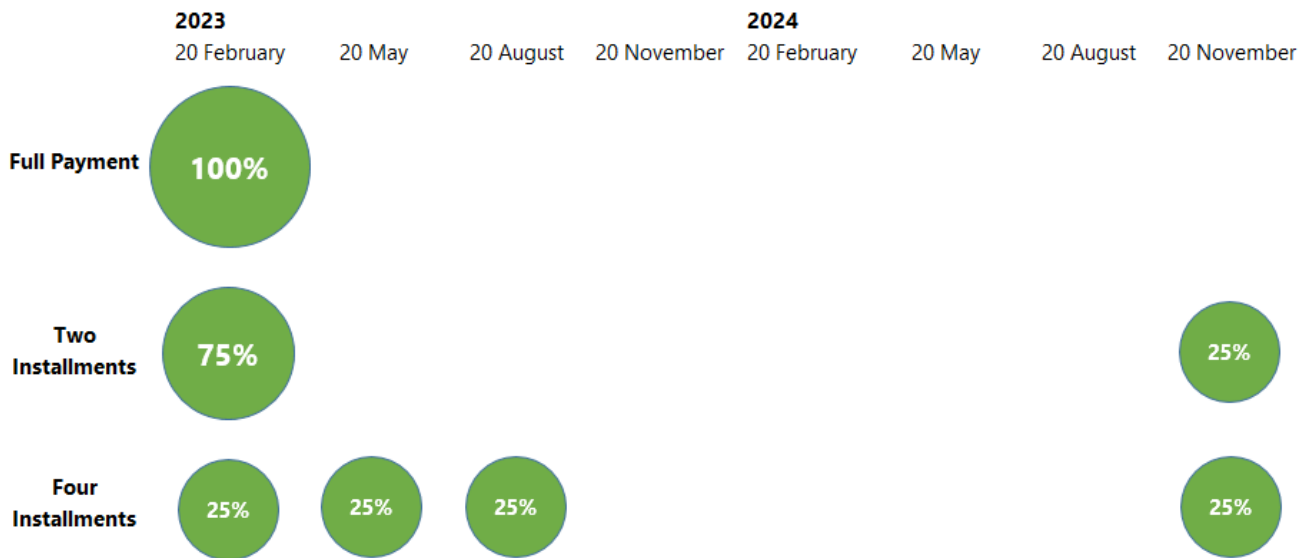
Payment method for FD&D

Full payment

Full Mutual Premium must be paid in a lump sum when the insurance policy starts.

Two instalments

The daily prorated Premium must be paid when the policy starts and on 20th August. (This is the same as the current payment system.)



Premium Adjustment

1. Under the current method, Members might be required to pay the unbudgeted Supplementary Call in addition to the Supplementary Call, depending on the loss records of the Club in the policy year. Under the new method, when we expect that the Mutual Premium will be insufficient, Members will have to pay the Additional Call.
2. Under the current method, we adjust by reducing the Supplementary Call rate based on the loss record of the Club in the policy year. Under the new method, we will return a part of the premium to Members.
3. In principle, the Additional Calls or reductions will be reviewed by the Board of Directors meeting in November after the end of the policy year as before. They may be reviewed exceptionally at other times depending on the situation of insurance claims. We will either charge the Additional Call or refund at the same time as the first premium payment for the next year (i.e. 20th February).