



CIRCULAR

To the Members

The Association's Contribution Funds

In response to a growing number of enquiries regarding our contribution funds, we would like to take this opportunity to clarify an outline of the Association's contribution funds.

1. Necessity of Contribution Funds

The Association was established based on the Ship Owners' Mutual Insurance Union Act (Act No. 177 of 1950). In order to be covered by our insurance, you are required to become a Member of the Association by paying the contribution funds in accordance with the Act. If payment is not confirmed, the insurance contract will not be considered valid. Therefore, we request that you pay the amount of contribution funds stated in the application form.

A contribution fund is required on a per-member basis, not on a per-vessel basis. The Joint Members are also required to become a Member of the Association and pay the contribution fund.

2. Number of Shares of Contribution Fund

The minimum contribution fund is requested to be JPY10,000 for 2 shares. For members who form a fleet, we kindly ask for a contribution of no less than JPY50,000 for 10 shares. In the event of a Member's withdrawal from the Association, the Member's contribution share will be refunded after the approval of the Ordinary General Meeting of the Members of the Association.

Reference: Ship Owners' Mutual Insurance Union Act *

Article 21, Paragraph 3

An insurance contract is formed between a person who intends to become a Member of the Association and the Association only after the applicant has obtained the Association's consent to join and has paid the accepted contribution funds in full and the insurance premium in whole or in part. Thereafter, the said person shall become a Member of the Association.

Article 21, Paragraph 4

A Member cannot conclude an insurance contract with the Association where the insured is a person who is not a Member of the Association.

* This English translation is for reference purposes only. The original Japanese text shall prevail in case of any discrepancy.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association