









The Companies Act 2006



Private Company Limited by Guarantee




The International Association of Engineering Insurers - IMIA CLG


This document gives a non-binding overview on differences between the Constitution of IMIA Unincorporated Association UA (Before) and IMIA CLG (Then). IMIA (in either status form) assumes no liability nor makes any claim on its completeness nor correctness.

	Aspect	Before (IMIA UA)	Then (IMIA CLG)
	Company Status	<ul style="list-style-type: none"> Un-incorporated 	<ul style="list-style-type: none"> Incorporated Registered with UK Gvmt. Company House Name approved by FCA Financial Conduct Authority
	Law/Jurisdiction	<ul style="list-style-type: none"> England and Wales 	<p>Articles:</p> <ul style="list-style-type: none"> United Kingdom, as per CA (incl. England and Wales, Scotland, Northern Ireland) <p>Charter:</p> <ul style="list-style-type: none"> England and Wales
	Liability	<ul style="list-style-type: none"> Unlimited [Members]ⁱ Members shall indemnify IMIA, the EC, ... against all or any losses, claims or liabilities arising out of ... their duties on behalf of IMIA. 	<ul style="list-style-type: none"> Limited by Guarantee to GBP 1 [Members & Directors] Directors are liable in accordance with the Company Act 2006 [CA]
	Company Statutes	<ul style="list-style-type: none"> IMIA Constitution 2019 	<ul style="list-style-type: none"> Memorandum of Association [Members Subscription and Declaration of Liability Ltd. To GBP 1] Articles [filed with UK Company House] governed by CA IMIA Charter [all internal agreement and codes NOT filed with UK Gvmt. Company House]
	Objects	<ul style="list-style-type: none"> As contained in Constitution as core values and focus Non-profit making body Can be amended in AGM 	<ul style="list-style-type: none"> As contained in the Articlesⁱⁱ, essentially unchanged Not for profit company Can only be amended by resolution and needs to be filed with Company House
	Management	<ul style="list-style-type: none"> Executive Committee [EC] 	<p>Articles:</p> <ul style="list-style-type: none"> Board of Directors <p>Charter:</p> <ul style="list-style-type: none"> ... extended by EC incl. Non-Directors Directors have Casting Vote

	<p>Appointment of Management</p>	<ul style="list-style-type: none"> • EC proposes new EC members and Chairperson • New EC members / Chairperson are co-opted until next Annual General Meeting [AGM] • Members' delegates approve co-opted EC members / Chairperson for a 3 years term 	<p>Articles:</p> <ul style="list-style-type: none"> • Directors may appoint directors • Members have reserve power [Articles] <p>Charter:</p> <ul style="list-style-type: none"> • Members' delegates approve directors / Non-Directors EC members and Chairperson for a 3 years term
	<p>Authorisation and Decision Making</p> <p>a) General</p> <p>b) Changes in Management</p> <p>c) New Members</p>	<p>a) The Executive Committee shall have authority to act for IMIA</p> <p>b) Officers shall be elected or re-elected at the Annual Conferences ...who shall hold office for a three year period. Re-election is permitted but no more than three new officers shall be elected in any one year.</p> <p>c) New Members must be accepted for membership by the Executive Committee.</p>	<p>a) Articles:</p> <p>Directors shall have authority to act for the Company (IMIA) and are responsible for the management of the Company (IMIA)'s business, for which purpose they may exercise all the powers of the Company (IMIA).</p> <p>The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.</p> <p>b) Articles:</p> <p>APPOINTMENT OF DIRECTORS</p> <ul style="list-style-type: none"> - by ordinary resolution at the Company (IMIA)'s annual general meeting for a fixed term of 3 years <p>or</p> <ul style="list-style-type: none"> - by a decision of the Directors to appoint a new Director <p>c) Articles:</p> <p>Directors approve proposed Member's application.</p> <p>The Charter applies in addition, but in case of contradiction the Articles overrule:</p> <p>Executive Committee</p> <ul style="list-style-type: none"> • The Executive Committee shall have authority to act for IMIA as per the authority delegated by the Directors... • The quorum for Executive Committee meetings ...must

			<p>never be less than fifty percent (50%) of the Executive Committee.</p> <ul style="list-style-type: none"> The general rule about decision-making ...is that any decision ...must be a majority decision.... The chairperson has a casting vote.
	Memberships	<ul style="list-style-type: none"> Organisation, Association or Company or individual able to contribute in one of the core activities of underwriting, claims handling or risk or loss control. Types of Memberships: <ul style="list-style-type: none"> Insurance Associations Insurers and Reinsurers Associate Members Additional Membership In addition Retired Officers who are prepared to be advisors to the EC may be elected Fellows of the Association <p>Guests can be invited to the Conference by the Executive Committee.</p>	<p>Articles:</p> <ul style="list-style-type: none"> Companies, syndicates or groups actively underwriting or conducting activities related to Engineering Insurance Membership is for companies, syndicates or groups only. No individuals. Types of Memberships: <ul style="list-style-type: none"> Country Insurance Associations Insurance undertakings (incl. MGA, captives, etc.) Reinsurance undertakings Associate Members Directors may propose different classes of Members <p>Charter:</p> <ul style="list-style-type: none"> Additional Memberships are NOT additionally registered Members, do not guarantee and have no voting rights at GM, but can send more delegates and have more voting rights at AGM. Fellows and Guests as per previous constitution.
	Members' Representation and Voting Rights	<p>For AGM at Annual Conference only:</p> <ul style="list-style-type: none"> The number of delegates in respect of each Member eligible to attend the Annual Conference shall be as follows: <ul style="list-style-type: none"> Country Associations: four Insurers / Reinsurers: four and for each Additional Membership two, but not exceeding six Associate Members: two and for each Additional 	<p>Articles: For GM</p> <ul style="list-style-type: none"> Each Member shall have one vote at a general meeting and shall exercise such voting rights through a corporate representative appointed by the Member in accordance with section 323 of the Companies Act 2006 Note: Additional Members, Fellows, Guest and any other enterprise which is not a registered member have NO voting rights at an GM

		<p>Membership one, but not exceeding three</p> <ul style="list-style-type: none"> • The Executive Committee shall favourably consider a greater number of delegates per Member on request, • Each Member shall have one vote per delegate. The Chairman has a casting vote. 	<p>Charter:</p> <ul style="list-style-type: none"> • For AGM at Annual Conference only => unchanged to former constitution
	General Meetings	<ul style="list-style-type: none"> • Annual General Meeting [AGM] at IMIA Conference • Voting on all changes not within sole EC authorisation • Members delegates may vote • Numbers of delegates eligible to vote as per Constitution 	<ul style="list-style-type: none"> • One General Meeting [GM] p.a. following Annual General Meeting, called by Board of Directors <p>Note: as per CA members can call for a GM at any time if a threshold is surpassed</p> <ul style="list-style-type: none"> • Only members' representatives attend • Voting on ordinary and special resolutions • One vote per member • Quorum for General Meetings is at least twenty-five (25) Members • Non-resolution matters as per previous Constitution
	Changes	<ul style="list-style-type: none"> • Changes in the Constitution shall be made only by resolution at an Annual Conference carried by a majority of 75% or more of the delegates. 	<ul style="list-style-type: none"> • Changes in the Articles require a special resolution of the Members or otherwise in accordance with the Companies Act 2006 [CA 21 Amendment of articles] • Changes in the Charter shall be made only by resolution at an Annual Conference carried by a majority of 75% or more of the delegates
	Indemnity and Insurance	<ul style="list-style-type: none"> • Liability The members shall indemnify IMIA, the Executive Committee, the Secretariat, or any such person against all or any losses, claims or liabilities 	<ul style="list-style-type: none"> • Indemnity A relevant Director of the Company (IMIA) shall be indemnified out of the Company (IMIA)'s assets against <ul style="list-style-type: none"> - any ... liability incurred ... in connection with any negligence, default, breach of duty or breach of trust ... and - any other liability ... including ... liability incurred ... in defending any

			<p>civil or criminal proceedings ...</p> <ul style="list-style-type: none"> • Insurance <p>The Directors will purchase and maintain insurance,..., for the benefit of any relevant Director in respect of any relevant loss.</p>
	<p>Financing</p>	<ul style="list-style-type: none"> • A member of the Executive Committee shall submit at each Annual Conference a Statement of Account recording the financial situation • Annual Fees. Fees for Members shall be debited annually in advance. Such fees are not refundable, regardless of reason. • Non-payment of Annual Fees The consecutive non-payment of the annual fee for two years will result in the cancellation of IMIA Membership. • Conference Participants' Fees A fee per participant at the conference will also be payable annually in advance. Delegates shall be responsible for their own travel and hotel charges. • Conference Expenses IMIA shall bear the costs of the hire of the conference room, including technical equipment as well as lunch and break services and, if specially agreed, the expenses (travel and hotel) of any guest speakers. All other expenses will be borne by the organisation(s) hosting the conference supported by the conference fees IMIA shall also bear any other costs agreed by the Executive Committee • Secretariat IMIA shall pay the cost of the Secretariat on a basis as 	<p>CA:</p> <ul style="list-style-type: none"> • Directors' duty about general and financial reporting, see "CA 416 Contents of directors' report: general" ffⁱⁱⁱ <p>Articles:</p> <ul style="list-style-type: none"> • Except as provided by law or authorised by the Directors or an ordinary resolution of the Company (IMIA), no person is entitled to inspect any of the Company (IMIA)'s accounting or other records or documents merely by virtue of being a member. • All Members must pay to the Company (IMIA) an annual fee ... Such fees are not refundable The Directors may terminate the membership of any Member without its consent by giving it written notice if, ... it is in default of payment of the annual fee for consecutive two years <p>Charter:</p> <ul style="list-style-type: none"> • Conference Participants' Fees, Conference Expenses, Secretariat Expenses and Publications Expenses as per previous Constitution.

		shall be determined by the Executive Committee. • Publications IMIA shall bear the cost of publications	
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Important: Members have reverse power => IMIA will always stay the Association of its Members!

Abbreviations used:

AGM	Annual General Meeting as per IMIA Charter
GM	General Meeting as per CA
CA	Company Act 2006
EC	Executive Committee
BoD	Board of Directors

ⁱ IMIA Constitution

10. Liability

Neither IMIA, the Executive Committee or the Secretariat or any person employed by or otherwise acting for IMIA shall be liable in respect of any loss claim or liability arising out of or connected with the activities of IMIA (whether or not caused by negligence) and the members shall indemnify IMIA, the Executive Committee, the Secretariat, or any such person against all or any losses, claims or liabilities arising out of or connected with the performance (whether negligent or not) of their duties on behalf of IMIA.

ⁱⁱ As contained in Article **5. Objects**

„The object for which the Company (IMIA) is established is to promote, educate, represent and serve the global engineering insurance industry and to do anything incidental or conducive to any of those objects”

ⁱⁱⁱ As per CA2006 IMIA may qualify to fall under the „**small companies regime**” and be exempted from some reporting duties:

382 Companies qualifying as small: general

A company qualifies as small in relation to its first financial year if the qualifying conditions are met in that year.

...

The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements—

- | | |
|------------------------|--|
| 1. Turnover | [^{F164} Not more than £10.2 million] |
| 2. Balance sheet total | [^{F165} Not more than 5.1 million] |
| 3. Number of employees | Not more than 50 |