



In Viña del Mar, Chile, on 9th July 2004, the undersigned correspondents and founding members of SAPIC agreed on the following statutes to govern the nature, purpose, principles and operation of SAPIC - the South American P&I Correspondents Association.

South American P&I Correspondents
(SAPIC)

STATUTES

Chapter I - Definitions

- Art. 1. For the purpose of better understanding these statutes the following terms will have the meaning defined hereunder.
- i. *SAPIC* : South American P&I Correspondents
 - ii. *The Association* : SAPIC
 - iii. *The Spokesman* : The member of SAPIC acting as spokesman for the Association for the time being.
 - iv. *The Treasurer* : The member of SAPIC acting as treasurer for the Association for the time being.

Chapter II - Nature, Purpose and Principles of SAPIC

- Art. 2. SAPIC is an informal, non-profit association of South American correspondents for P&I Clubs and other similar, related and compatible underwriters.

SAPIC has no corporate status and the members retain the faculty of conducting their individual professional services and relationship with all the companies they represent.

- Art. 3. The Purposes of the Association are

- i. To promote unity amongst the long established correspondents of the region for the continuation and growth of the business of its members
- ii. To promote high standards of quality in the servicing of their principals' needs, developing new services they may require, all in a cost-effective manner



- iii. To provide a means of relating to other similar associations and with the P&I Clubs and other principals of its members at large

Art. 4. The Principles which govern the Association's activities are the following :

- i. Transparency
- ii. Independence
- iii. Communication
- iv. Quality Service
- v. Efficiency
- vi. Mutual support

Chapter III - Membership

Section 1. Requirements

Art. 5. The requirements to be a member of SAPIC are the following :

- i. To be a listed commercial P&I correspondent for at least five continuous years
- ii. To be independent
- iii. To be devoted to correspondence work

Art. 6. SAPIC membership is not open to :

- i. Legal correspondents
- ii. Lloyd's Agents
- iii. Cargo adjusters or recovery agents

Section 2. Duties and Rights of members

Art. 7. Members of SAPIC undertake the following duties :

- i. To be concerned about all the issues relevant to SAPIC related to the Country/port respectively represented within the Association
- ii. To pay the agreed contributions in due time



- iii. In no way to damage the good name of the Association
- iv. Not to involve SAPIC financially in any transaction
- v. Not to enter into any agreements that might bind SAPIC vis-à-vis third parties
- vi. Attend the Associations AGMs

Art. 8. Members of SAPIC enjoy the following rights :

- i. To be elected Spokesman, Treasurer or to any other post that may be created in future
- ii. To file any initiative regarding issues of the Association
- iii. To leave the Association at any time

Section 3. Application

Art. 9. Correspondents wishing to join SAPIC may apply at any time during the year, except June.

Art. 10. To apply for membership the interested party should address a written application to the Spokesman indicating :

- i. Name
- ii. Year of foundation
- iii. Directors
- iv. Clubs and other principals represented
- v. Geographical area covered
- vi. Full contact details

Section 4. Membership consideration

Art. 11. Applications by potential new members are to be considered by existing members at each AGM.

Art. 12. Membership will be granted provided :



- i. The potential member is informed of these statutes and agrees to abide by them and the principles and purpose of the Association
- ii. There are no grounds to refuse membership

Art. 13. Potential members will be advised in writing whether their application has been accepted or not. If it has been accepted they will be invited to the following AGM, at which they will be welcomed as members of SAPIC. If the application has not been accepted, an explanation of the reasons for non-acceptance will be given.

Section 5. Cancellation of membership

Art. 14. Membership of an existing member of the Association may be cancelled if the rest of the existing members deem said member has lost any of the conditions required for membership or has incurred a serious and material breach of the Association's Statutes or has failed to honour the nature, purpose and/or principles of the Association.

Membership can be cancelled with no further consideration if a member fails to pay the membership dues or if he fails to attend three AGMs in a row.

Art. 15. A motion for cancellation can be presented at any time of the year for discussion at the following AGM. After all arguments have been heard and considered the motion will be put to a vote. For the motion to be accepted it must have at least 50% + 1 of the votes.

Art. 16. Cancellation of membership will be effective upon notification in writing by the Spokesman, of the decision of the Association.

Art. 17. Cancellation of membership will not entitle the member in question to any refunds.

Chapter IV - Annual General Meetings

Art. 18. SAPIC members will meet not less than once a year to discuss the running, finances and projects of the Association, as well as to discuss the applications received from potential new members.

Art. 19. The venue for these meetings is to be agreed at each AGM and, in principle, will take place in July each year.

Art. 20. The agenda for these meetings will consider at least the following items :



- i. Discussion of the issues arising from the minutes of the last AGM
- ii. Spokesman's report on the state of the Association
- iii. Treasurer's report on the state of the Association's financial situation
- iv. Presentation and discussion of new projects for the following 12 months
- v. Election of office bearers
- vi. Presentation and discussion of membership applications.
- vii. Any others any member may propose.

Art. 21. Attendance at these meeting is in person or by authority in writing to an attending member to attend on his behalf. In any case, an AGM will only be considered valid with the actual attendance of 4 or more members. Such meetings will be chaired by the Spokesman

Art. 22. These meetings will be minuted and the minutes discussed and approved by the membership within the three months following the meeting

Chapter V - Office bearers

Section 1. The Spokesman

Art. 23. The Spokesman is the member of SAPIC in charge of representing the Association publicly and speaking on its behalf.

Art. 24. Specifically his tasks include :

- i. Preparing written statements and communications on SAPIC's behalf
- ii. Representing SAPIC at public functions or events
- iii. Chairing SAPIC meetings and preparing the minute of said meetings
- iv. Maintain SAPIC's archives
- v. Developing and maintaining, on the Association's behalf, relationships with principals, other Associations similar to SAPIC, etc.

Art. 25. The Spokesman's term in office is one year.

At the end of this term, any member may propose that the same person serves another term



Alternatively, an election to choose a new Spokesman will be held. The member obtaining at least 50%+ 1 of the votes will be the new Spokesman

The same person may not stay in office for more than three successive terms.

Section 2. The Treasurer

Art. 26. The Treasurer is the member of SAPIC in charge of managing the Association's funds.

Art. 27. Specifically his tasks include :

- i. Collecting membership dues
- ii. Collecting new members' incorporation dues
- iii. Issuing payments for SAPIC's expenses
- iv. Investing surplus funds
- v. Keeping a record of the Association's accounts
- vi. Preparing reports on the Association's financial situation

Art. 28. The member acting as Treasurer will remain in office while it is so confirmed by the membership.

If a new Treasurer is to be appointed, an election will be held at the AGM. The member obtaining at least 50%+ 1 of the votes will be the new Treasurer.

The post of Treasurer is not incompatible with the post of Spokesman.

Section 3. Others

Art. 29. Other posts may be created and their duties defined, as may be needed and agreed by the members.

Art. 30. When a new post is created, the definition of duties will be added to the Statutes as an Addendum.

Chapter VI - Financing

Section 1. General



Art. 31. SAPIC requires funding in order to finance its activities. This funding will come from its members, in the ways and amounts that may be agreed from time to time.

Section 2. Incorporation Dues

Art. 32. New members will be required to pay a one-off incorporation due at the time of joining.

Art. 33. This payment is payable upon being welcomed as a member of SAPIC.

Section 3. Annual Membership Dues

Art. 34. Members of SAPIC will be required to pay annual membership dues.

Art. 35. These dues are payable upon being agreed at the Annual General Meeting.

Section 4. Expenditure

Art. 36. SAPIC funds are to be spent on the Association's activities as may be agreed by the membership from time to time.

Art. 37. Such expenses include :

- i. Advertising costs
- ii. IT costs
- iii. Communication costs
- iv. Any others that might arise in the future, as may be approved by the membership.

Section 5. Investments

Art. 38. Surplus or inactive funds are to be invested, as and when possible, so as to generate some return according to the policies that may be agreed from time to time by the members, as proposed by the Treasurer or any other member of SAPIC.

Chapter VII - Disputes

Art. 39. Differences of opinion regarding any aspect of the business of the Association will be debated and finally a vote cast to decide the issue.



- Art. 40. The process will be moderated by the Spokesman.
- Art. 41. If the Spokesman were party to the issue, the Treasurer will take his place;. If the Treasurer were also party to the debate, an existing member will be asked by them to take their place.
- Art. 42. The dispute will be decided by at least 50% +1 of the votes.

Chapter VIII - Modification of the Statutes

- Art. 43. Any additions or modifications to these Statutes will follow the following process :
- i. Proposal
 - ii. Discussion by the membership
 - iii. Vote
 - iv. Implementation of the addition or modification
 - v. Re-issue and signature of a current version of the Statutes, indicating the date it is issued.
 - vi. The Statutes will come into force on the date agreed by the membership or on the day of the 1st month following the month in which the wording of the new Statutes is approved.

Chapter IX - Other Considerations

- Art. 44. English will be the language to be used for all of the Association's official communications.

In witness of their approval of these Statutes, issued in July 2004, the existing member affix their signatures:



CAVE & CIA LTDA

Chile

Andrew Cave

CHADWICK WEIR NAVEGACION

Uruguay

Capt. Alejandro Laborde

PANDI LIQUIDADORES S.R.L.

Argentina

Alberto Trigub

VAN VERP & FRUMENTO

Brazil

Joao Helio Frumento

REPRESENTAÇÕES PROINDE

Brazil

Carlos Augusto