

NATIONAL BULK TANKER ASSOCIATION Inc.

RULES OF ASSOCIATION
Amended version March 2004

1. NAME

The Name of the Association shall be:

"NATIONAL BULK TANKER ASSOCIATION Inc."

2. REGISTERED OFFICE

The registered office of the Association shall be Wirraway Drive, Fishermans Bend 3207 or at such other place as the Executive Committee may determine.

3. OBJECTS OF THE ASSOCIATION

The objects of the Association shall be:

- 3.1 to promote and advance the interests of the bulk tanker industry and those of its members,**
- 3.2 to secure to the members all advantages of unity of action and to protect the interests of members in any lawful manner.**
- 3.3 to enter into any affiliation or alliance with any other body having objects compatible with those of the Association or calculated to benefit the interests of the Association or its members.**
- 3.4 to act in conjunction with and to appoint representatives to any association whether in Australia or abroad,**
- 3.5 to represent the interests of the Association or any of its members at conferences or in discussions with other bodies,**
- 3.6 to do all such other lawful things as may appear to be incidental or conducive to the above objects or any of them.**
- 3.7 to purchase, take on lease or licence or hire, or otherwise acquire, real or personal property of any kind in furtherance of the objects of the Association and to sell, lease or sub-let, or otherwise dispose of any real or personal property on such terms as may be considered expedient and in such manner as is provided in these rules.**
- 3.8 to raise and borrow money by any means lawful whether specifically provided by these rules or not to further any of the objects of the Association.**
- 3.9 to raise funds by means of subscriptions, fees on turnover, donations and levies from or on members or otherwise and impose fines on members for all purposes and objects of the Association in such amounts and in such manner as is provided in these rules.**

- 3.10 to prosecute or defend any suits, applications and proceedings before any Court or Tribunal whatsoever as may be deemed necessary or expedient in the interests of the Association or its members.

4. DEFINITIONS

In the interpretation of these rules, the following words and expressions shall have the meanings hereinafter specified unless the context requires otherwise:-

- 4.1 "Association" means the National Bulk Tanker Association Inc.
- 4.2 "Auditor" means such auditor or firm as is appointed by the Annual General Meeting of the Association to audit the Association's financial records.
- 4.3 "Executive Committee" means Executive Committee of the Association and shall comprise the Chairman, Deputy Chairman, Executive Chairman, the Executive Director and an Executive Member or Members elected by the membership of the Association. The "Executive Chairman" means the immediate past Chairman.
- 4.4 "Executive Director" means the officer appointed to administer the affairs of the Association.
- 4.5 "Financial Member" means a member whose subscriptions are not more than ninety days in arrears.
- 4.6 "Financial Year" means the period commencing on 1 October in any year and finishing on 30 September in the same year.
- 4.7 "General Meeting" means any meeting called pursuant to these Rules for the purposes of transacting any business of the Association and without limiting the generality of the term shall include "Special General Meeting".
- 4.8 "Industry" means the bulk tanker industry.
- 4.9 "Majority" means a simple majority of members present and eligible to vote in accordance with these Rules.
- 4.10 "Member" means any company or organisation admitted to membership of the Association and shall mean "Full Member", "Associate Member" or "Affiliate Member" as prescribed in these Rules. "Associated Membership" and "Affiliate Membership" shall not accrue voting rights.
- 4.11 "Office" means the registered office of the Association.
- 4.12 "Rules" means the Rules of the Association as set out herein.
- 4.13 "Act" means the Associations Incorporation Act 1981.

5. MEMBERSHIP

- 5.1 Subject to the provisions of Clause 6.1 hereof, Full Membership may be open to bulk

tanker companies conducting business in two or more States.

- 5.2 Subject to the provisions of Clause 6.2 hereof, Associate Membership shall be open to an associated organisation.
- 5.3 Affiliate Membership shall be open to other industry groups or organisations who are not tanker operators.

6. ELIGIBILITY FOR MEMBERSHIP

- 6.1 To be eligible for Full Membership of the Association a company shall conduct bulk tanker operations in at least two States.
- 6.2 To be eligible for admission as an Associate Member, an organisation shall be a bona fide bulk tanker operator.
- 6.3 Subject to Rule 7.9 any organisation may become an Affiliate Member.
- 6.4 Members whose eligibility category changes may apply to the Executive Director to have their grade of membership varied to reflect their current circumstances.

7. APPLICATION FOR MEMBERSHIP

- 7.1 Each application for membership shall, whether for Full, Associate or Affiliate membership, be made in writing in a form acceptable to the Association and shall contain the name and address of the Applicant.
- 7.2 Application for membership shall be considered at the next General Meeting.
- 7.3 In consideration of such application, the Association may seek such further information as is deemed necessary in the furtherance of the application.
- 7.4 The Association may refer any application for membership to the Executive Committee for consideration and report.
- 7.5 Any refusal of membership shall be communicated in writing to the applicant within fourteen days of such refusal.
- 7.6 Any applicant aggrieved by a refusal of the Association to grant membership in accordance with the application, may lodge an appeal to the Association. Where such an appeal is lodged, it shall be in writing and be accompanied by reasons, in writing, supporting such appeal and shall be lodged with the Association within twenty-one days of the applicant being advised of such refusal.
- 7.7 The Association may seek any further information from any parts in the consideration of the application as prescribed in Rule 7.6 hereof, together with any such other material as may be deemed appropriate.
- 7.8 Any appeal lodged pursuant to Rule 7.6 hereof shall be heard and determined by the Association and the results of the appeal shall be communicated in writing to the

applicant within fourteen days of determination of the appeal.

7.9 Acceptance for membership shall be on the basis of a two thirds majority vote.

8. WITHDRAWAL FROM MEMBERSHIP

8.1 A member may withdraw from the Association by giving ninety days notice of withdrawal in writing to the Association and by paying all monies due to the Association up to the day such withdrawal becomes effective.

8.2 Any monies paid in advance by the member in respect of membership may, upon the withdrawal from membership of the member, be retained by the Association and be used at the discretion of the Association to further the objects of the Association.

9. MEETINGS

Annual General Meeting

9.1 An Annual General Meeting of the Association shall be held each year at a time and venue to be determined.

9.2 The business of the Annual General Meeting shall be:

9.2.1 to receive the report of the Executive Committee for the preceding year,

9.2.2 to receive the financial statement,

9.2.3 to elect a Chairman, Deputy Chairman and Executive Members for the ensuing year,

9.2.4 to deal with any business or motion of which due and proper notice has been given in accordance with these Rules,

9.2.5 to determine the level of subscriptions to be payable by members for the ensuing year.

9.2.6 to deal with such other business as may be accepted by a majority of members present at the meeting.

9.3 Not less than thirty days notice of the Annual General Meeting shall be given to each Member specifying the place, day and hour of the meeting.

9.4 Any business which is proposed for discussion at the Annual General Meeting or any notice of motion given in accordance with these Rules, shall be advised in writing to the Association not less than fourteen days before the date of the meeting.

9.5 Not less than seven days prior to any Annual General Meeting the Association shall advise each member of all business to be transacted at the Meeting.

General Meeting

- 9.6 General Meetings of the Association may be held from time to time as determined by the Association or as may be determined by the Executive Committee.
- 9.7 Urgent General Meetings may be called from time to time where the Executive deems such urgent meetings to be necessary or where two members of the Association request a meeting in writing setting out the reasons for such request.
- 9.8 General Meetings called pursuant to Rule 9.7 hereof, shall be subject to a minimum of forty-eight hours notice being given to all members.
- 9.9 Any member not present at a General Meeting for any reason shall be advised of the results of the meeting and unless such member advises otherwise with supportive reasons and in a form acceptable to the Association within seven days, shall be bound by the results of the meeting.
- 9.10 Any member so advising pursuant to Rule 9.9 hereof shall be required to submit in writing such reason(s) for rejection of the decision(s) of the meeting and shall be required to support such reason(s) at the next meeting of the Association or at a meeting called pursuant to Rule 9.7 hereof.
- 9.11 A quorum shall comprise a simple majority of members present. Where less than half of the Association members are present and eligible to vote at either an Annual General Meeting or a General Meeting, a quorum shall not be constituted.

10. REPRESENTATION

Each member shall be represented at Association meetings by its Chief Executive and/or his appointee who shall be authorised to speak on behalf of the member and to endorse decisions taken by the meeting.

11. APPOINTMENT OF PROXY

- 11.1 a member may, in writing to the Executive Director prior to the meeting, appoint a person to be proxy for the authorised representative and to vote and to represent the member at any General Meeting.
- 11.2 The appointment of a proxy pursuant to this Rule shall be for one meeting only which shall be indicated on the proxy appointment.

12. MEMBER VOTING RIGHTS

- 12.1 Each financial member company shall have one vote which shall be determined on a show of hands. In the event of an equality of votes, the Chairman of the meeting shall, both on a show of hands and at a poll or ballot, have the casting and deliberative vote.
- 12.2 If a ballot is determined by a majority of those present it shall be taken in such manner and at such time and place as the meeting shall determine. Any ballot taken pursuant to the decision of the meeting shall be deemed to be the resolution of the meeting in respect of the matter for which the ballot was demanded and the

Chairman shall declare that the resolution has been carried.

- 12.3 Any demand for a ballot may be withdrawn.
- 12.4 Associate Members and Affiliate Members shall be deemed not to have any voting rights.
- 12.5 Any vote taken pursuant to any motion, due notice of which has been given in accordance with these Rules, or any vote taken in accordance with the decision of the meeting shall subject to the provisions of Rules 9.10 and 9.11 be deemed to have been carried when adopted by a simple majority of members present at the meeting.
- 12.6 Any resolution in writing, signed by all members, shall be deemed to be a valid decision of the Association, and shall be acted upon as if it were a decision of a General Meeting of the Association.

13. CHAIRMAN, DEPUTY CHAIRMAN AND EXECUTIVE CHAIRMAN

- 13.1 A Chairman and Deputy Chairman shall be appointed at the Annual General Meeting of the Association and shall hold office until the next Annual General Meeting of the Association or until such time as either one and/or the other may resign from office, or subject to Rule 13.2 hereof, is removed from office. An Executive Chairman will be automatically appointed as the immediate past Chairman. In the event of this person being unavailable, this position will pass to the previous Executive Chairman.
- 13.2 The Chairman and/or Deputy Chairman may be removed from office on the vote of a two-thirds majority of members present at a special General Meeting called for the purpose of determining any motion made pursuant to 13.3 hereof.
- 13.3 Any motion for the removal from office of the Chairman and/or Deputy Chairman shall be made in writing by a member or members and shall be in a form acceptable to the Association including reasons for such removal from office and shall be deemed carried by a two-thirds majority of members present at a special General Meeting called for the purpose of determining the motion.
- 13.4 Any motion carried pursuant to Rule 13.3 hereof shall be absolute and final and shall not be required to be accompanied by reasons for such removal of office.
- 13.5 If the Chairman is not present within fifteen minutes of the appointed time of a meeting the Deputy Chairman, or in his absence such other person as may be appointed by a simple majority of members present at the appointed commencing time of the meeting, shall chair the meeting.

14. EXECUTIVE COMMITTEE

- 14.1 The management of the affairs of the Association may be vested in the Executive which shall comprise the Chairman, Deputy Chairman, Executive Chairman, an Executive Member or Members and the Executive Director of the Association and the Executive may exercise all such powers and do all such things as is authorised to

the Association including furthering the objects of the Association as prescribed in Rule 3 hereof. The Executive Committee shall not exceed eight (8) in number.

- 14.2 The exercise of any such right by the Executive shall be reported to, and be subject to the ratification of, the next succeeding General Meeting of the Association.
- 14.3 Members of the Executive shall be elected by the Annual General Meeting and shall hold office until their resignation or removal from office prior to the next Annual General Meeting. Only Full Members who are financial at the time of the meeting shall be eligible for election to the Executive.
- 14.4 Any motion for the removal from office of a member of the Executive Committee shall be made in writing by a member or members and shall be in a form acceptable to the Association including reasons for such removal from office and shall be deemed carried by a simple majority of members present at a special General Meeting called for the purpose of determining the motion.
- 14.5 Any three members of the Executive Committee constitute a quorum for the transaction of the business of a meeting of the Committee.

15. CASUAL VACANCIES - OFFICE BEARERS

Any casual vacancy in the office of any office-bearer and any casual vacancy in the office of a Member of the Committee shall be filled by an election by members of the Committee conducted in the following manner and the person so elected shall hold office until the next Annual Meeting when he shall be eligible for re-election.

- 15.1 The Executive Director shall call for nominations in notice calling the next meeting of the Committee following the creation of such vacancy and any Member of the Committee may in writing nominate any member for any office for which there is a vacancy and the candidate for office shall also sign the nomination.
- 15.2 If only the required number of nominations to fill any office or offices is received the Chairman of the meeting shall forthwith declare the person or persons so nominated elected unopposed to the office for which he was nominated.
- 15.3 If more than the number of nominations required to fill any office is received an election shall be held by ballot of all Committee Members at the meeting. The candidate with a simple majority shall be declared elected by the Chairman.

16. SUBSCRIPTIONS

- 16.1 The subscription payable by members shall be determined at the Annual General Meeting and shall apply for the ensuing year unless by a majority of members of the Association a Special General Meeting is called for the purpose of determining revised subscriptions.
- 16.2 Any such proposal for the revision of subscriptions shall be forwarded to members and shall be determined at a General Meeting of the Association called for the purpose within sixty days of receipt of such proposal for revision.

- 16.3 The subscription shall be for the period commencing on the first day of January in each year or, where a revision of subscriptions is agreed pursuant to Rule 16.1 hereof, from the agreed date of such revision and ending on thirty first day of December in each year, and shall be apportioned in accordance with the formula as may be determined from time to time in accordance with these Rules.
- 16.4 Any member admitted to membership after the first day of January in each year, shall have subscriptions calculated on a pro-rata basis until thirty first of December in the next succeeding year and shall be liable to pay such subscriptions within twenty-eight days for such admission to membership.
- 16.5 Where subscriptions for membership are not so received within the prescribed period, the application for membership shall be deemed to have been withdrawn and any monies paid by the applicant pursuant to such application shall be forfeited to the Association for use as the Association may deem proper.

17. LEVIES

- 17.1 The Association may at any time make a levy on members for the purposes of meeting extraordinary expenditure by the Association or by any member or members where the Association is of the view that such expenditure by that member or members was made pursuant to the interests of the Association as a whole.
- 17.2 Any such levy determined pursuant to this Rule shall be apportioned in the same formula as has been determined by the Association at the last preceding Annual General Meeting or the last preceding General Meeting called for the purpose of revising subscriptions and shall become payable at such time and place as may be determined by the Association.

18. FINANCE

- 18.1 Member subscriptions shall be payable to the National Bulk Tanker Association Inc.
- 18.2 Extraordinary expenditure shall, when required, be levied in accordance with Rule 17.
- 18.3 The payment of any monies pursuant to Rule 18.2 must be authorised by any two of the following: - Chairman, Deputy Chairman, Executive Chairman, Executive Director, one Executive Member.
- 18.4 Funds which are surplus to the Association's requirements at the conclusion of the financial year shall be held in the Association's funds for use in promoting the objects of the Association or meeting the Association's future obligations.
- 18.5 The Executive Director of the Association shall collect and receive all moneys due to the Association and make all payments authorised by the Association in accordance with Clause 18.3 and shall keep correct accounts and books showing the financial affairs of the Association with full details of all receipts and expenditure connected with the activities of the Association.
- 18.6 The accounts and books referred to in Clause 18.5 shall be available for inspection

by members.

19. ACCOUNTS

- 19.1** Accounts properly recording all monies received and expended by, or on behalf of, the Association and the circumstances under which such monies have been received or expended by or on behalf of the Association, and a register of the assets and liabilities of the Association, shall be retained by the Association and shall be available for examination by a member at any time and place provided always that at least forty-eight hours notice of such requirement for examination is given to the Association.
- 19.2** Financial statements carried to the thirtieth day of September in each year shall be prepared and submitted to the Association's Annual General Meeting.
- 19.4** Any member wishing to discuss any matter arising out of the Financial Report may raise such matter at the Annual General Meeting or at any meeting convened for the purpose and for which not less than thirty days notice in writing has been given. Where such matter is raised for discussion at the Annual General Meeting it shall not be a requirement that at least thirty days notice in writing be given.

20. EXPENSES

Unless, in the discretion of the Association, circumstances exist warranting reimbursement, the Association shall not be liable for and shall not accept liability for any expenses whatsoever incurred by any member in attending to the business of the Association, including attending meetings as the representative of the Association.

21. LOANS

- 21.1** Loans, grants and donations may be made for any purpose deemed consistent with the objects of the Association.
- 21.2** Any loan, grant or donation of an amount exceeding \$500 shall not be made by the Association unless the Association has:
- 21.2.1** satisfied itself that the making of the loan, grant or donation is in accordance with the Rules of the Association,
 - 21.2.2** satisfied itself that, in relation to a loan, the security proposed to be given in respect of the loan is adequate and the proposed arrangements for the repayment of the loan are satisfactory,
 - 21.2.3** has approved the making of the loan, grant or donation.
- 21.3** Any loan, grant or donation of an amount less than \$500 shall be advised to the Association.

22. AUDIT

An auditor shall be appointed at the discretion of the Association at the Annual General Meeting and unless such auditor resigns, or is removed from office pursuant to these Rules, shall remain in office until the next succeeding Annual General Meeting.

23. NOTICES

Any notice of business shall be deemed to have been sent to the member by forwarding such notice of business to the member at the member's last known address.

24. APPOINTMENT OF COMMITTEES

- 24.1 The Association may in its absolute discretion appoint Committees as may be deemed necessary to deal with the business of the Association.
- 24.2 The resolution appointing the Committee shall determine its terms of reference and the procedure by which it will act and any other matters deemed appropriate.
- 24.3 Membership of such Committees shall, unless the Association determines otherwise, be restricted to financial members of the Association.
- 24.4 The Chairman of the Association, or in his unavailability the Deputy Chairman, and the Executive Director shall be an ex officio member of all Committees.

25. OUTSIDE COMMITTEES

- 25.1 The Association shall keep a register of all Committees on which the Association is represented.
- 25.2 Such register shall be available for examination by members at all reasonable times but subject to a minimum of forty-eight hours notice being given to the Association.
- 25.3 Members of outside Committees shall be appointed for twelve months at the Annual General Meeting and shall remain in office until they resign or are removed from office or re-endorsed at the next AGM.

26. ALTERATIONS OF RULES

- 26.1 Subject to the provisions of Clause 26.2 hereof, these Rules or any part thereof may be rescinded or revised or any new Rule adopted at the Annual General Meeting or at any General Meeting convened for the purpose.
- 26.2 Any motion to so rescind, or adopt new rules shall be forwarded to the Association in writing and shall provide details of the amendments sought and the reasons in support of the proposed amendment. At least twenty-eight days notice in writing shall be given to each member before a meeting shall be called to discuss any such motion.
- 26.3 No such alteration to the Rules shall occur unless a two-thirds majority of members eligible to vote votes in favour of such rescission, revision or addition as the case may be.

27. EXPULSION FROM MEMBERSHIP

27.1 At a General Meeting called for the purpose, a member may be expelled if, in the opinion of and by a vote of not less than two thirds of financial, voting members present, the member has engaged in conduct detrimental to the Association or is deserving of expulsion for any other reason.

27.2 Any member so expelled shall not be eligible for readmission to membership of the Association for a period of one year from the date of such expulsion, or unless two-thirds of financial members, in writing, request readmission outlining in writing the reasons why such readmission should occur.

27.3 Any member now expelled who is aggrieved by such expulsion, may lodge an appeal against the decision of the Association. Where such an appeal is lodged, it shall be in writing and accompanied by reasons in writing supporting such appeal and shall be lodged with the Association within twenty-one days of the member being advised of expulsion.

27.4 Any appeal lodged pursuant to Rule 27.3 hereof shall be heard and determined by the Association within sixty days of receipt and the determination of the appeal shall be communicated, in writing to the member now expelled, within fourteen days of determination of such appeal.

28. INDEMNITY

If any prosecution, action or suit at law is commenced against any of the Executive Committee or the Executive Director of the Association, or any other officer, servant or agent of the Association for anything done by them in the proper discharge of their duties such persons or persons shall be indemnified by the Association for all damages, costs, and expenses which may be incidental to, or result from such prosecution, action or suit at law and the Association shall be empowered to apply the property and funds of the Association for such purpose.

29. DISSOLUTION

29.1 No proposition for the dissolution of the Association shall be considered unless at a General Meeting specifically convened for that purpose and of which sixty (60) days notice has been given to Members and the dissolution shall not take place unless the proposition is agreed to by three fourths of the delegates present personally or by proxy at the meeting and voting on the proposition.

29.2 If upon the dissolution of the Association there remains after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed amongst the members but shall be given or transferred to some Association or Associations having objects similar to the objects of the Association and which prohibit a distribution of its or their income or property amongst its or their members, such Associations to be determined by the members of the Association at or before the time of dissolution.

30. REGISTER OF MEMBERS

The Association shall retain a register of members which shall be available for inspection at all reasonable times subject to a minimum of forty-eight hours notice to the Association.

31. UNFINANCIAL MEMBERS

- 31.1 Any member failing to pay any levy within sixty days of such levy falling due, or any member failing to pay any subscription within ninety days of notification thereof by the Association to the member, shall be deemed to be disqualified from participating in the business of the Association and shall, at the discretion of the Association, be liable for an additional sum of ten (10) per cent of the levy and/or amount of arrears of subscription.
- 31.2 Should a member fail to give the required ninety days notice of resignation or if such ninety days notice extends into the new financial year that member is obligated to pay the full subscription for the following year or as directed by the Association.
- 31.3 In default of payment of the amount of any levy or subscription within thirty days of final demand under the direction of the Association, such levy or arrears may be recovered in such manner as the Association may direct.
- 31.4 In the event of any member being deemed unfinancial, such member shall not be re-admitted to membership of the Association unless membership is authorised by the Association in accordance with Rules 6 and 7 hereof.

32. SEAL

The Common Seal of the Association shall be kept in the custody of the Public Officer.

The Common Seal shall not be affixed to any instrument except by the authority of the Executive Committee and the affixing of the Common Seal shall be attested by the signatures either of two members of the Committee or of one member of the Committee and of the Public Officer of the Association.

33. WINDING UP OR CANCELLATION

In the event of the winding up or the cancellation of the incorporation of the Association, the assets of the Association shall be disposed of in accordance with the provisions of the Associations Incorporation Act 1981 or as amended from time to time.

34. CUSTODY OF RECORDS

Except as otherwise provided in these Rules, the Executive Director shall keep in his custody or under his control all books, documents and securities of the Association.

National Bulk Tanker Association Inc
Registered Office
Wirraway Drive
Fishermans Bend 3207

Postal Address
PO Box 2230
Hawthorn LPO 3122
Telephone 03 9818 7899
Fax 03 9818 6534
Email robperkins@nbta.com.au
Web www.nbta.com.au
March 2004