



CYPRUS SHIPPING CHAMBER

Extraordinary General Meeting

29 April 2021

1 | SPECIAL RESOLUTION

ARTICLE 3(b)

Proposal:

THAT Article 3(b) of the Memorandum of Association of the Chamber be and is hereby amended by the substitution of the existing Article 3(b) with the following:

“(b) To promote the interests of Cyprus Shipping and further the reputation of the Cyprus Flag, whilst promoting and protecting the interests of its Members both nationally and internationally. To act as an employers' association or deal in any way with trade unions, local or international, as employer, including the negotiation and signing of collective bargaining agreements for seafarers employed on vessels owned and/or operated by its members.”

Explanatory Note:

The amendment seeks to provide the Chamber the right to also act as an employers' association by absorbing the work and activities of its current sister employers' association, the Cyprus Shipowners Employers Association (CYSEA), provided that the CYSEA Members will also agree for the Association to be dissolved, in order to avoid the current duplicity of work and identity confusion existing between the two associations.

2 | SPECIAL RESOLUTION

ARTICLE 3

Proposal:

THAT Article 3 of the Articles of Association of the Chamber be and is hereby amended by the substitution of the existing Article 3 with the following:

“3. The members of the Chamber shall be divided into two different main classes i.e. “Members”, and “Associate Members”. “Members” shall be further divided into “Domestic Members” and “International Members”. Similarly, “Associate Members” shall be further divided into “Domestic Associate Members” and “International Associate Members”.

Explanatory Note:

Based on similar structure applied in most other Shipping Associations worldwide, which are also members at the International Chamber of Shipping (ICS) and in an effort to simplify / streamline the Chamber internally, the amendment will introduce a new Membership structure for the Chamber with only two (2) main member categories namely, “Members” and “Associate Members”. For the purposes of establishing a revised fees structure (see further down) as well as a revised voting structure, it has been deemed appropriate that the “Members” category be split between “Domestic Members” and “International Members” and similarly that the “Associate Members” category be split between “Domestic Associate Members” and “International Associate Members”, in order to ensure thereby, that all existing members will be allowed automatically to remain as members of the Chamber under the revised more simplified membership structure.

3 | SPECIAL RESOLUTION

ARTICLE 5

Proposal:

THAT Article 5 of the Articles of Association of the Chamber be and is hereby amended by the substitution of the existing Article 6 with the following:

“5. The Chamber admits as “Members”, companies which are owners, operators, managers, or charterers of ships, and as “Associate Members”, other shipping related companies and legal persons providing professional services to or otherwise connected with shipowning, shipmanagement, chartering and shipping related companies.

The proposed amendment seeks to provide a general description on the eligible activities/provision of services for each of the revised membership categories, in order to allow a company to assess their eligibility to becoming a member of the Chamber.

Explanatory Note

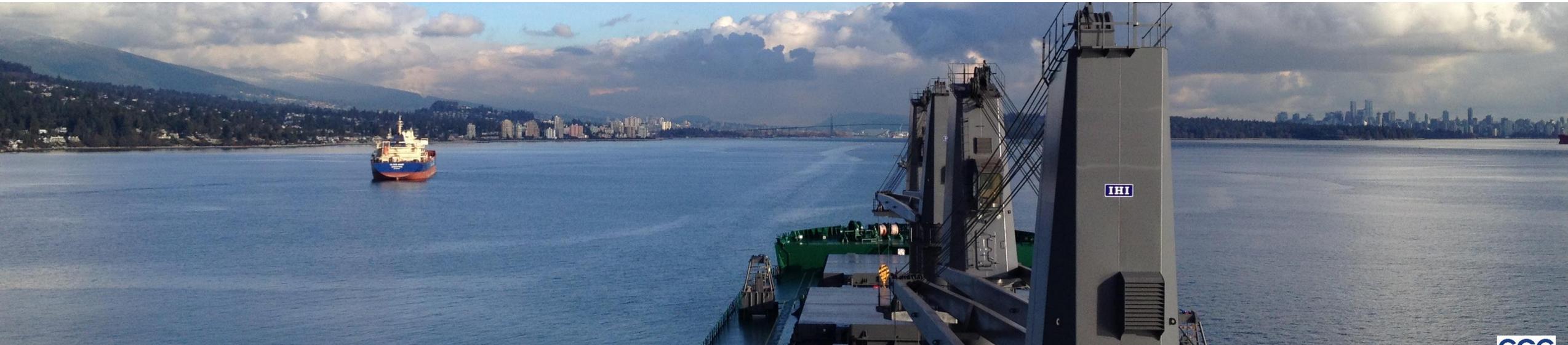
4 | SPECIAL RESOLUTION

ARTICLE 6

Proposal:

THAT Article 6 of the Articles of Association of the Chamber be and is hereby amended by the substitution of the existing Article 6 with the following:

“6. Companies operating from Cyprus which are registered owners of ships, ship operators, ship managers providing full or partial management services, or charterers, shall qualify to apply to become “Domestic Members” of the Chamber.”



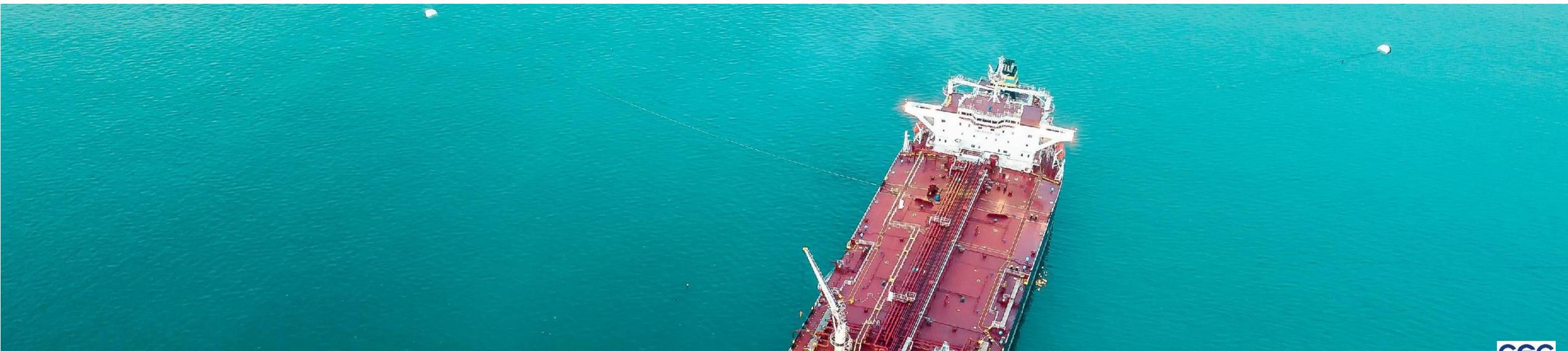
5 | SPECIAL RESOLUTION

ARTICLE 7

Proposal:

THAT Article 7 of the Articles of Association of the Chamber be and is hereby amended by the substitution of the existing Article 7 with the following:

“7. Companies operating outside Cyprus which are registered owners of Cyprus Flag ships, shall qualify to apply to become “International Members” of the Chamber”.”



6 | SPECIAL RESOLUTION

ARTICLE 8

Proposal:

THAT Article 8 of the Articles of Association of the Chamber be and is hereby amended by the substitution of the existing Article 8 with the following:

“8. Companies operating from Cyprus whose main object is shipping related services and legal persons operating from Cyprus providing professional services to companies operating from Cyprus, which are registered owners of ships, ship operators, ship managers providing full or partial management services and charterers, shall qualify to apply to become “Domestic Associate Members”. For the purposes of this Article, the term ‘professional services’ shall mean audit, accounting, legal and banking services.”

7 | SPECIAL RESOLUTION

ARTICLE 9

Proposal:

THAT Article 9 of the Articles of Association of the Chamber be and is hereby amended by the substitution of the existing Article 9 with the following:

“9. Companies operating from outside Cyprus, whose main object is shipping related services and legal persons operating from outside Cyprus providing professional services to companies operating from Cyprus, which are registered owners of ships, ship operators, ship managers providing full or partial management services and charterers, shall qualify to apply to become “International Associate Members”. For the purposes of this Article, the term ‘professional services’ shall mean audit, accounting, legal and banking services.”

Explanatory Note:

The proposed amendments, 4, 5, 6, and 7 above, seek to provide a description for each of the revised membership categories, in order to allow a company to assess under which of the categories it qualifies to become a member.

8 | SPECIAL RESOLUTION

ARTICLE 10

Proposal:

THAT Article 10 of the Articles of Association of the Chamber, referring to “Supporting Members”, be and is hereby deleted.

As under the proposed Articles changes, members under the current category of “Supporting Members” will be able to join under the “Associate Members” category, the “Supporting Members” category is deemed superfluous and is thus, proposed to be abolished.

Explanatory Note

9 | SPECIAL RESOLUTION

ARTICLE 12

Proposal:

THAT Article 12 of the Articles of Association of the Chamber be and is hereby amended as follows:

“11. Every member of the Chamber, shall pay an annual subscription to the funds of the Chamber which shall be fixed by the Chamber in general meeting. The annual subscription to be so fixed may be different for each class of members and may be either a fixed sum or be calculated on another basis which can be set by the Chamber or partly by the one and partly by the other manner. The subscription referred to above shall be payable on calendar year basis irrespective of the length of time during which a member has been a member of the Chamber during the calendar year to which the subscription relates.

Notwithstanding the above, the subscription payable for the year in which a member joins the Chamber shall be on a "pro-rata" basis according to the number of months between the month in which the application of the member is accepted and the end of that calendar year, including the month in which such an application is so accepted.

Unless if and until the Chamber decides otherwise according to the provisions of this Article the members shall have an obligation to respectively pay the following subscriptions for each calendar year including the calendar year within which the Chamber is founded despite the fact that the subscription was not made at the beginning of the year:

9 | SPECIAL RESOLUTION

ARTICLE 12 (cont.)

Proposal:

1. “MEMBERS”

• (a) Domestic Members

The “Total Annual Membership Fee” $f(x)$ (by reference to the total Gross Tonnage of the ships owned, operated, managed or chartered by them) for a Domestic Member consists of a “Basic Fee” plus a “Tonnage Fee” and it is calculated according to the formula:

$$f(x) = \gamma + \frac{\delta - \gamma}{(1 + \beta * (\log(x) - \log(\epsilon)))^\varphi}$$

| Parameters | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| β = Determines how sharp the initial increase of the formula curve will be. | -7.09E-01 |
| δ = This variable is used to determine the approximate maximum value of fees for the largest declared GT. | 2.86E+04 |
| ϵ = This variable is used to control the rate of increase of the relevant Formula curve. | 1.58E+04 |
| φ = Determines better the initial increase of the formula curve until a particular fee level has been reached, beyond which the curve begins to flatten. | 4.13E+00 |
| γ = This variable is used in order for the formula to better capture the value (minimum monetary amount) that a Domestic Member will need to pay in the case of a very low GT declaration. | 4.29E+03 |

Where:

- i. Basic Fee: EUR€4200.00
- i. Tonnage Fee: $f(x) - \text{EUR€}4200.00$

Definition of the Formula coefficients:

“x”: This variable describes the GT declaration by a Domestic Member.

ARTICLE 12 (cont.)

Explanatory Note:

The proposed amendment introduces a revised Fees structure for each of the newly established Membership categories.

For “Domestic Members”:

Current “Basic Fee”, “Tonnage Fee” and “ECSA Fee” are amalgamated into:

➤ **“Basic Fee” and “Tonnage Fee”**

- ✓ The current “ECSA Fee” is incorporated in these two fee types proportionally, for Members easier comprehension and Secretariat calculation of the Domestic Members membership fee individually.
- ✓ NO actual increase in the revised Tonnage Fees structure
- ✓ Due to the expected increase in the Chamber ECSA fee for 2021 and thus, the need for the Chamber Budget to cater for this increase, both the Basic Fee (currently €3500 without the “ECSA Fee” portion added-on, and €3650 with the current “ECSA Fee” portion added-on) will be set at €4200 and the new Tonnage Fee will incorporate therein the appropriate amount for the increase in the ECSA Fee.

9 | SPECIAL RESOLUTION

ARTICLE 12 (cont.)

Explanatory Note (cont.):

In addition, with regard to the above “Fees Formula” for Domestic Members, it is mentioned that this belongs to the family of exponential/log-logistic functions and it is called the “five-parameters log-logistic function”. It enables the automatic calculation of the Domestic Members Fees based on the existing fee structure and optimizes the relevant curve. It allows to have a very sharp increase at the beginning of the relevant graph (in accordance with the existing fee structure) and a much smaller increase when the value of declared tonnage increases substantially. In addition, the use of this function ensures the following important requirements:

- *No negative values*
- *Monotone Increasing*
- *Price per GT decreases as the GT increases but, at the same time, the total fee paid is always increasing as the GT is getting larger values*
- *Nonlinear increase*
- *It can accommodate asymmetry*

9 | SPECIAL RESOLUTION

ARTICLE 12 (cont.)

Proposal:

- (b) International Member
 - EUR€4200.00

2. ASSOCIATE MEMBERS

- (a) Domestic Associate Member
 - EUR€2000.00
- (b) International Associate Member
 - EUR€1000.00

Explanatory Note (cont.):

- ✓ **“International Members”**, a new Basic Fee of €4200 (currently €3500 without the “ECSA Fee” portion added-on, and €3650 with the current “ECSA Fee” portion added-on) will apply.
- ✓ **“Domestic Associate Members”**, a new Fee of €2000 (currently €1800) will apply, in reflection of the fee adjustment made above for “Members”.
- ✓ **“International Associate Members”**, a new Fee of €1000 (currently €900) will apply, in reflection of the fee adjustment made above for “Members”.

10 | SPECIAL RESOLUTION

ARTICLE 31

Proposal:

THAT Article 31 of the Articles of Association of the Chamber be and is hereby amended as follows:

“30. Except as provided in Article 32 if a poll is duly demanded it shall be taken in such manner as the chairman directs, provided that in taking such poll “Domestic Members”, “International Members”, “Domestic Associate Members” and “International Associate Members”, shall be entitled to use the number of ballot papers which corresponds to the number of votes they are entitled to as provided for under Article 35. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.”

Explanatory Note:

The proposed amendment refers members to Article 35, under which the voting rights entitled by each of the Membership categories is provided, in case a poll is demanded.

ARTICLE 34

Proposal:

THAT a new Article 34 in the Articles of Association of the Chamber be and is hereby inserted as follows:

“34. Without prejudice to the powers conferred on the Chamber in general meeting as herein above provided, use of an on-line Electronic Voting System (e-Voting) is hereby provided for and authorized in the case of a meeting called as the annual general meeting or of any other meeting, as if the Chamber, for the purposes of this provision only, was a listed public company under the Law and the provisions of Section 128 B of the Law were repeated herein and formed an integral part of these Articles and be applicable mutatis mutandis.

e-Voting may be used for any matter that requires a vote of the members, provided that members have received notice, but there shall be no obligation for the Chamber to utilize e-Voting for any particular meeting or election. In case the Chamber utilizes e-Voting for a vote of the members, the notice shall notify members of the ability to vote on-line/electronically, in a manner the Chamber reasonably believes to be sufficient to enable the members to participate in e-Voting. If time is insufficient between the issuance of the notice calling an annual general meeting or any other meeting, e-Voting shall be available as soon as possible after the issuance of the notice.

ARTICLE 34 (cont.)

Proposal:

Provided that the notice calling an annual general meeting or any other meeting is sufficiently issued, e-Voting shall be available on a date to be decided by the Board of Directors prior to the day of the annual general meeting or any other meeting and shall continue until the end of business on the same date. In such case, the provisions of Article 49, pertaining to the deadline in declaring nominations for election, shall be accordingly adapted and any Member of the Board of Directors retiring at the meeting or representative of a member nominated as provided for in Article 37 shall deliver to the Director General a written statement to this effect at least forty-eight hours prior to the launch of the e-Voting. It is also provided that, for the purposes of e-Voting, the provisions as stipulated in Article 38 with regard to the appointment of a Proxy representative shall not apply. It is further provided that, irrespective of the provisions of Article 36, member representatives eligible to vote via e-Voting are those who will be registered for the e-Voting via the designated by the Chamber procedure.

In order to implement e-Voting, the Chamber may contract with an outside vendor or other party that provides e-Voting services.

ARTICLE 34 (cont.)

Explanatory Note:

The proposed amendment seeks to introduce a new provision pertaining to the use of an on-line Electronic Voting System (e-Voting) in the case of a meeting called as the annual general meeting or of any other meeting of the Chamber, at which voting is required. The e-Voting provision will also authorize the Chamber to proceed with e-Voting prior to the day of the annual general meeting or any other meeting, provided that, all relevant notices pertaining to such meetings are issued and all procedural matters have been complied with, in accordance with the Articles of Association of the Chamber.

The aim of this “modernization” of the Chamber internal election system is to save valuable time that so far was needed, in order for the votes from all different Chamber members to be counted manually.

Taking also into account the fact that under Article 53 (see below), the Chamber shall also now organise additional elections for the position of the President and Vice-Presidents by the newly elected Board of Directors, e-Voting becomes even more imperative.

12 | SPECIAL RESOLUTION

ARTICLE 35

Proposal:

1. “Members”:

(a) “Domestic Members”, shall have a vote based on the ratio of their annual membership fee divided by the Total annual membership fee collected from Domestic Members, as follows:

- 0-0.99%: six (6) votes
- 1-1.99%: seven (7) votes
- 2-2.99%: eight (8) votes
- 3-3.99%: nine (9) votes
- Above 4%: ten (10) votes

(b) “International Members”, three (3) votes

2. “Associate Members”:

(a) “Domestic Associate Members”, two (2) votes

(b) “International Associate Members”, one (1) vote

Explanatory Note: Based on similar structure applied in other Shipping Associations worldwide and in an effort to apply a more representative allocation of fees in combination with the votes received amongst mainly “Domestic Members”, which are the largest fee Chamber contributors, the amendment will introduce a revised voting rights structure for “Domestic Members”, without amending the votes of other member categories.

13 | SPECIAL RESOLUTION

ARTICLE 38

Proposal:

THAT a new Article 38 in the Articles of Association of the Chamber be and is hereby inserted as follows:

“38. In the case of an annual general meeting or any other meeting or election at which member representatives may be physically represented, a member representative cannot act as proxy on behalf of more than one member. A proxy appointing a representative must be in writing and signed by any one of the member’s authorised representative(s).

The proxy appointing the representative shall be deposited at the Chamber's registered office, not later than 48 hours before the time set for the convening of the meeting or the adjourned meeting, in which the person indicated on the proxy intends to vote and if the proxy is omitted, the proxy is not considered valid.

The proxy to appoint a representative shall be construed as granting a right to demand or a right to participate in the demand for a vote.

13 | SPECIAL RESOLUTION

ARTICLE 38 (cont.)

Proposal:

THAT a new Article 38 in the Articles of Association of the Chamber be and is hereby inserted as follows:

A vote given under the terms of a proxy shall be valid notwithstanding the prior death or mental illness of the representative or previous revocation of the proxy or the authorization under which the proxy has been made, provided that such proxy, mentioned above, will not be notified in writing and received by the Association to the registered office prior to the start of the meeting or the postponed meeting in which it is used.

Explanatory Note:

The proposed amendment aims for each Member-Company to be allowed to receive one Proxy vote from any other Member-company, which might not be able to participate at a meeting called as the annual general meeting or of any other meeting of the Chamber.

Bringing in line the current availability of the “use of Proxy Votes” in the case of practical inability of a Chamber member to exercise its voting right via its own representatives, with more modernised Articles of Association of other similar professional associations and taking also into account, the possibility now for electronic voting (see above relevant proposal), is expected to effectively render the need for Proxy votes unnecessary.

14 | SPECIAL RESOLUTION

ARTICLE 53

Proposal:

THAT Article 53 of the Articles of Association of the Chamber be and is hereby amended as follows:

“54. The Board of Directors Members shall hold their first meeting immediately after their election and shall elect from among their number, through a secret ballot, the following officers:

(a) a President being a “Domestic Member” representative, and

(b) up to four (4) Vice-Presidents, by majority, being representatives of any member, from the elected Board of Directors Members

It is herewith provided that, in the case of an equality of votes, then a draw between the candidates who receive the same votes will be used to break the deadlock.

1 | SPECIAL RESOLUTION - 14

ARTICLE 53 (cont.)

Proposal:

The President and Vice-President(s) shall hold office until the annual general meeting at which the Board of Directors Members who have elected them to their respective post shall retire or until their retirement from such post or until their retirement as Board of Directors Members whichever is first. Neither the President nor the Vice-President(s) shall be elected to the same office for more than two (2) consecutive two (2) year terms but if they are re-elected as Board of Directors Members, they shall be eligible to be re-elected to the office previously held by them or to any other office following a time lapse of at least two years after serving two (2) consecutive two (2) year terms.”

Explanatory Note:

- *Introduce a new provision through which a new election process will be established for the purposes of the Board of Director being formed into a body.*
- *The election process will entail the voting for the President and up to four Vice-Presidents through a secret ballot among the elected Board Members, immediately after the normal election of the 12-strong Board of Directors by all Chamber members.*
- *The President will come from “Domestic Members” candidates (as is the case in most other Shipping Associations worldwide), while the Vice-Presidents will come from any Membership category candidates. The term of office of the President and Vice-Presidents will be two years and they will be able to be re-elected for a second consecutive term of two years only. The President and Vice-Presidents will be able to be re-elected in the same office after the lapse of one term out of that office. For simple membership in the Board of Director’s two-year term, there will be no restrictions in the terms of office.*
- *The proposed amendment, should there be for, either the position of the President or the Vice Presidents, an equality of votes, introduces a process to break the deadlock.*

1 | SPECIAL RESOLUTION - 15

CONCLUSION

Proposal:

THAT the Memorandum and Articles of Association shall be replaced by the new Memorandum and Articles of Association, as presented.



2 | COMMENTS / QUESTIONS





CYPRUS SHIPPING CHAMBER

Thank you

