



JOINT POWER GENERATION COMMITTEE

TERMS OF REFERENCE

All Panel Members should familiarise themselves with the LMA's Competition Compliance Guidelines. The link to this document on the LMA website is:

http://www.lmalloyds.com/lma/Web/market_places/legal/Materials/LMA_Competition_law_guidance.aspx

In accepting Membership of any LMA panel, that individual / organisation agrees to be bound by these Terms of Reference and to comply with the Competition Compliance Guidelines.

1 DEFINITIONS

- 1.1 *"Committee" means Joint Power Generation Committee (JPGC);*
- 1.2 *"IUA" means the International Underwriting Association of London;*
- 1.3 *"IUA Member" means an Ordinary Member of the IUA;*
- 1.4 *"LMA" means the Lloyd's Market Association;*
- 1.5 *"LMA Full Member" means any Managing Agency or Members' Agency operating at Lloyd's;*
- 1.6 *"LMA Executive" means the employees of the LMA, individually and collectively;*
- 1.7 *"Policy Committees" means the IUA Property & Casualty Technical Committee and the LMA Non-Marine Committee;*
- 1.8 *"Sponsoring Associations" means both the IUA and LMA*
- 1.9 *"Panel" means the Power Generation Business Panel.*

2 ROLE AND SCOPE OF THE JOINT POWER GENERATION COMMITTEE

- 2.1 The Committee reports to the LMA Non-Marine Committee and the IUA Property & Casualty Technical Committee.
- 2.2 The Committee is established in order to represent and promote the interests of the writers of worldwide open-market power generation business within the London market, including but not necessarily limited to business under Risk Codes PG.
- 2.3 The Committee has the following roles:
 - 2.3.1 to promote efficient operation and the highest technical standards in the open-market power generation sector;
 - 2.3.2 to represent the interests of practitioners in this sector to the Sponsoring Associations, Lloyd's and other organisations relevant to the sector in the UK and overseas;
 - 2.3.3 to respond to requests from practitioners in this sector, the Sponsoring Associations, Policy Committees and other committees and panels for



advice and recommendations on issues and, where necessary, raise with any organisation or individual issues with which that organisation or individual may be able to assist;

- 2.3.4 in relation to any model wordings or model agreements, to consult with practitioners in the relevant sectors or classes of business, both representatives of Sponsoring Associations and, as appropriate, external persons or organisations, and following this to publish such model wording or agreement on the Lloyd's Wordings Repository and any other appropriate wordings repositories, in order to promote the highest level of market efficiency and standards for the benefit of LMA and / or IUA Members, practitioners, policyholders and their representatives and other counterparties of LMA and / or IUA Members.

2.4 The Committee will fulfil this role by:

- 2.4.1 being constituted so as to be representative of the interest of the open-market power generation sector in London;
- 2.4.2 meeting on a regular basis with planned agendas and minutes of proceedings; and
- 2.4.3 publishing a summary of its work from time to time on the LMA's website by way of summary minutes of its meetings or an annual summary.

3 OFFICERS

3.1 Chairman

3.1.1 Duties

- (a) The Chairman will oversee the efficient and effective operation of the Committee in accordance with these Terms of Reference.
- (b) In fulfilling these duties The Chairman will use best endeavours to act independently with due regard for the interests of all LMA and IUA Members, and in accordance with any legal or regulatory requirements.
- (c) In particular, the Chairman (with the assistance of the Secretary) shall ensure that the Committee conducts its business in accordance with the requirements of UK and EU competition law.

3.1.2 Appointment

- (a) The Chairman will be elected by a simple majority of the elected Committee Members. Co-opted Members shall not be entitled to vote. Nominations for the Chairmanship will be based on the following:
- Broad experience of the sector
 - Recognised authority among practitioners in the sector



- Ability to represent practitioners' interests to external bodies
 - Reputation for fairness and integrity
 - Technical knowledge
- (b) Any person applying for Membership of the Committee must be prepared to serve as Chairman if elected.
- (c) A secret ballot will be held if requested by any Member of the Committee.

3.1.3 Termination/Retirement

- (a) The Chairman will retire every year, but will be eligible for re-nomination.
- (b) By notice served by the LMA Chief Executive the Chairman may be removed from office if he/she (i) ceases to fulfil the requirements of Membership of the Committee, (ii) becomes incapable of performing the functions of the office as outlined in these Terms of Reference whether by illness, infirmity or incompetence or (iii) is found by a properly constituted tribunal or supervisory authority to have breached any law or regulation applicable in the Lloyd's market or the relevant sector.
- (c) At a meeting a majority of two thirds or more of the Members of the Committee may decide to remove and replace the Chairman during the course of his/her term of office if there are serious concerns as to how he/she is discharging his/her role under these Terms of Reference. The Chairman will cease to act with immediate effect and the Deputy Chairman will become the new Chairman until a replacement has been appointed.
- (d) The Chairman can appeal against his/her removal in accordance with section 7.6.

3.2 Deputy Chairman

3.2.1 Duties

- (a) The Deputy Chairman shall perform the functions of the Chairman in the event of the Chairman's absence, incapacity or on an interim basis in the event of the Chairman's removal.

3.2.2 Appointment

- (a) The Deputy Chairman will be elected by a simple majority of the elected members of the Committee.
- (b) Relevant experience/criteria
- Broad experience of the sector
 - Recognised authority among practitioners in the sector



- Ability to represent practitioners' interests to external bodies
 - Reputation for fairness and integrity
 - Technical knowledge
- (c) Any person applying for Membership of the Committee must be prepared to serve as Deputy Chairman if elected.
- (d) A secret ballot will be held if requested by any Member of the Committee.

3.2.3 Termination

- (a) The Deputy Chairman will retire every year but will be eligible for re-nomination.
- (b) By notice served by the LMA Chief Executive the Deputy Chairman may be removed from office if he/she (i) ceases to fulfil the requirements of Membership of the Committee, (ii) becomes incapable of performing the functions of the office as outlined in these Terms of Reference whether by illness, infirmity or incompetence or (iii) is found by a properly constituted tribunal or supervisory authority to have breached any law or regulation applicable in the Lloyd's market or the relevant practice area.
- (c) At a meeting a majority of two thirds or more of the Members of the Committee may decide to remove and replace the Deputy Chairman during the course of his/her term of office if there are serious concerns as to how he/she is discharging his/her role under these Terms of Reference. The Deputy Chairman will cease to act with immediate effect and a replacement will be appointed.
- (d) The Deputy Chairman can appeal his/her removal in accordance with section 6.

3.3 Secretary

3.3.1 Duties

The Secretary will be responsible for the efficient administration of the Committee including the convening of meetings, preparation and circulation of agendas and minutes, reporting, timely follow-up of agreed actions, updating relevant webpages, research or investigations etc; and shall ensure that Members of the Committee comply with the LMA's Competition Compliance Guidelines, bringing any potential breaches to the attention of the Chairman, LMA Executive and the IUA.

3.3.2 Appointment

The Secretary shall be a Member of the LMA Executive.



4 MEMBERSHIP OF THE COMMITTEE

4.1 The Committee shall consist of 18 elected Members and 3 Co-opted Members This Membership to be reviewed in accordance with 4.2 below.

4.2 The LMA Executive, in conjunction with the Committee, Policy Committees and practitioners from the relevant sector, will review the Membership and composition of the Committee each year to ensure it meets with the requirements of Section 2 of these Terms of Reference.

4.3 Current Membership

The Members of the Committee are listed in Appendix 2 hereto.

4.4 Membership criteria

4.4.1 Members of the Committee may be drawn from the following groups:

- (a) Elected members shall be employees of managing agency Members of the LMA or Ordinary Members of the IUA.
- (b) Co-opted members shall be selected in accordance with the criteria set out in 4.5.6 below.
- (c) At least five elected Committee Members shall be drawn from either of the constituencies listed in 4.4.1(a) above.
- (d) Elected Committee Members who cease to belong to such a group shall cease to be Members.
- (e) The place of elected Committee Members ceasing to fulfil the requirements for membership shall be filled in accordance with 4.5.5 below.
- (f) A replacement for any co-opted member ceasing to fulfil the requirements for membership may be appointed by a vote of a majority of the elected members of the Committee.

4.5 Admission Procedures

MEMBERSHIP BY ELECTION

4.5.1 Each year, one third of the elected Members of the Committee shall retire in accordance with the election procedures outlined in Appendix 3 , but will be eligible for re-nomination.

4.5.2 The Secretary will inform all LMA and IUA Members operating in the relevant sector of the number of places available, who may then nominate an appropriate candidate for Membership. Only one nomination may be made by each LMA or IUA Member.

4.5.3 Where the number of candidates eligible for Committee Membership exceeds the chosen number of vacancies, an election will be held in accordance with Appendix 3 hereto. Members elected will serve for a three-

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year term (subject, where applicable, to Item 5 of Appendix 3, 'Transitional Arrangements').

- 4.5.4 Where the number of candidates eligible for Committee Membership is fewer than, or equal to, the number of vacancies, each candidate will be automatically admitted to Committee Membership as if elected.
- 4.5.5 In the event that a vacancy arises on the Committee the following procedures will apply:
- (a) In the event that there are more than 6 months until the next Committee election, an election for the vacancy shall be held immediately following confirmation that the vacancy is available.
 - (b) In the event that an election is due within 6 months of confirmation that the vacancy is available, the Committee, may either call an immediate election to fill the vacancy or hold the vacancy until the election becomes due.

CO-OPTION

- 4.5.6 The Committee may invite individuals to join the Membership or specified meetings by majority vote. Candidates will be selected on the basis of:
- Employment by an undertaking active in sector;
 - Technical expertise;
 - Relevant practical experience;
- 4.5.7 Such co-opted Members will not be able to exercise voting rights equivalent to those of other Members.
- 4.5.8 Any co-opted Member wishing to withdraw from the Committee need only inform the Secretary in writing. Members may also be requested to withdraw by the Chairman or the Secretary in writing in the case of concerns about non-compliance with these Terms of Reference.
- 4.5.9 Co-opted Members will be reviewed by the elected Members at the first meeting following a scheduled election. (see 4.2).

ALTERNATES

- 4.5.10 Where agreed by the Committee, Members (whether elected or co-opted) may nominate an alternate to attend a meeting in the event that the Member cannot attend. The nominated individual must meet the relevant criteria for Membership and shall have authority to vote accordingly, as applicable, in the absence of the Committee Member.
- 4.5.11 A Member sending an alternate will be regarded as being absent from a meeting for the purpose of item 4.6.1 of these Terms of Reference. The Member sending an alternate will also be responsible for ensuring that relevant papers are forwarded to that nominated alternate.



4.6 Withdrawal of Membership and Resignation

4.6.1 The Committee may, at its discretion, withdraw the Membership of any Member who does not attend three successive regular meetings of the Committee.

4.6.1.1 In addition, any Member may have their Membership withdrawn if (i) they cease to fulfil the requirements of Membership of the Committee, (ii) they become incapable of continuing as a Member whether due to illness, infirmity or incompetence, (iii) there are serious concerns as to how the Member is discharging their role under these Terms of Reference or (iv) they are found by a properly constituted tribunal or supervisory authority to have breached any law or regulation applicable in the Lloyd's market or the relevant practice area.

4.6.2 Members wishing to resign from the Committee must do so formally in writing (for which purpose email will be acceptable) to the Secretary.

5 MEETINGS AND ADMINISTRATION

5.1 The Chairman, or in his absence the Deputy Chairman, shall preside at meetings. In the absence of the Chairman and the Deputy Chairman, a Chairman elected by a simple majority of those Members present at the meeting shall preside.

5.2 In the conduct of all its meetings the Committee shall comply with all applicable competition and other relevant laws.

5.3 The Secretary will ensure that an agenda is circulated ahead of each meeting.

5.4 A copy of the draft minutes of every meeting of the Committee shall be sent as soon as reasonably practicable to every Member of the Committee. The minutes remain in draft until adopted at a quorate meeting of the Committee.

5.5 The quorum for a meeting of the Committee shall be six of its Members. The Secretary may make and circulate notes of meetings of Members of the Committee which are inquorate but such a meeting shall not constitute a formal meeting of the Committee, except for the purpose of asking the LMA Executive to terminate the existence of the Committee where it has been inquorate for three or more successive meetings called by the Secretary.

5.6 The Secretary shall publish a summary of the work of the Committee from time to time on the LMA website in accordance with section 2.4.3 above.

5.7 Where it is deemed necessary the Committee may set up a sub-group to deal with specific projects and invite a limited number of Members and co-opted experts to participate (a "Sub-Group"). The Sub-Group shall report back to the Committee with any recommendations, which will be considered by the Committee.

5.8 Venue, material, equipment and secretarial facilities will be arranged and provided by the LMA.

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6 APPEALS

- 6.1 Where an applicant to the Committee has been refused Membership of it, he / she can appeal against such decision in accordance with the procedures set out in this section.
- 6.2 The first step will be for the applicant who has been refused Membership under clause 6.1, or the Member whose Membership has been withdrawn under 4.6 to approach the Chairman of the Committee setting out the arguments for Membership; the Chairman will then reconsider the matter having due regard to the Chairman's Responsibilities set out in the Terms of Reference.
- 6.3 A Member who has been asked to withdraw from Membership of the Committee may appeal in writing to the Chairman in accordance with these Terms of Reference.
- 6.4 In cases where Membership of the Committee is refused or withdrawn the Chairman shall respond in writing within ten business days setting out the reasons for the decision.
- 6.5 If an applicant to, or Member of, the Committee is still not satisfied with the outcome of the Chairman's decision he / she may appeal to the LMA Chairman, the LMA Deputy Chairman and the LMA CEO, who shall jointly decide on the matter and respond in writing within fifteen business days.
- 6.6 A Committee Officer who has been removed from office can appeal his/her removal to the LMA Chairman, the LMA Deputy Chairman and LMA Chief Executive, who shall jointly decide the matter and respond in writing within fifteen business days.

7 PROFESSIONAL FEES

- 7.1 Where the Committee wishes to seek professional advice in the course of its work, the nature and estimated cost of such work should be discussed with and agreed by the LMA Non-Marine Committee and the IUA Property & Casualty Technical Committee prior to instructing. The LMA will require the Committee minutes to record the approval of any expenditure.

8 REVIEW OF TERMS OF REFERENCE

- 8.1 Two years after the date on which these Terms of Reference come into effect, the LMA in consultation with the Committee and practitioners in the sector shall undertake a review of the workability and practicability of these terms and, in the light of the outcome of such review, make proposals for changes to these terms as appropriate. The conclusions shall be published on the LMA website shortly after the review.



APPENDIX 1 - LMA COMPETITION COMPLIANCE GUIDELINES

COMPLIANCE WITH COMPETITION RULES

It is the policy of the LMA to comply with competition law at all times. Competition law prohibits agreements or understandings between organisations that have as their aim or effect the distortion or prevention of competition to a material degree. This guidance considers the competition law rules that are most relevant to the LMA, and outlines how the LMA seeks to ensure compliance in pursuing its activities.

The insurance sector has come under significant scrutiny in recent years, in part through the European Commission's business insurance sector review and in part because the Commission has been considering the future of the European legislation that for many years has exempted certain insurance market activities from the competition law prohibitions.

One exemption of particular relevance to the LMA concerned the production and distribution of standard or model wordings. The withdrawal of this exemption has required the LMA to review its approach to competition law compliance, both in relation to its wordings activities and more generally.

The review has led the LMA to adopt new model terms of reference for the many committees and panels in which the LMA and its members are involved. The LMA has also adopted new general guidance for its personnel and members relating to competition law compliance. This document sets out that guidance.

By accepting a place on any LMA or joint LMA/IUA committee or panel, a member agrees to comply with the terms of reference for the group in question and with this guidance. This guidance has been drawn up for the LMA by Barlow Lyde & Gilbert LLP. Any queries in relation to this guidance or any competition law issues that arise during the course of LMA committee, working group or panel meetings should be addressed to the LMA's Head of Legal and Compliance in the first instance.

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COMPETITION LAW COMPLIANCE GUIDANCE

http://www.lmalloyds.com/lma/Web/market_places/legal/Materials/LMA_Competition_law_guidance.aspx

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APPENDIX 2 - JOINT POWER GENERATION COMMITTEE MEMBERSHIP

Name	Position	Organization
TBC	Chair	
TBC	Deputy Chair	
Neil Woods	Elected Member	Ace
Carl Bennett	Elected Member	Aegis
Spencer Pearce	Elected Member	AIG
Keith Milbank	Elected Member	Amlin
Frank Howell	Elected Member	Arch
Barney Smythe	Elected Member	Argenta
Joanne Priestley	Elected Member	Catlin
Ian Green	Elected Member	Hiscox
Kevin Seakins	Elected Member	Liberty
Matthew Bond	Elected Member	Mitsui
Philip Hancock	Elected Member	Montpelier
Bernd Luckey	Elected Member	Munich Re
Ian Ross	Elected Member	Navigators
Steve Saunders	Elected Member	QBE
Nicola Hannay	Elected Member	SCOR
Chris Allison	Elected Member	Travelers
Peter Cranston	Elected Member	XL
Ernesto Berger	Elected Member	Zurich
Jatin Sharma	Co-opted Member	GCube
Neil Prior	Co-opted Member	Sciemus



APPENDIX 3 - ELECTION PROCEDURE

The election will be administered by the Committee Secretary who shall determine the election procedure and timetable at his or her discretion.

- 1 The Secretary will publicise the election within the LMA and IUA Membership in a timely manner and invite applications from eligible persons.
- 2 Applications should be made via the Secretary.
- 3 Each LMA / IUA Member will be entitled to vote. All votes will be counted equally. In the event of a tie, the decision on Membership will be referred to the tied Candidates and then to the Committee. In the event that a decision cannot be reached the matter shall be referred to the relevant Policy Committees.
- 4 All votes will be confidential.
- 5 Transitional Arrangements: In respect of the elections for the 2015 Committee, one or more persons elected for 2014 and not subsequently re-elected will be required to retire in order that six of the elected places shall be available. In these circumstances volunteers will be sought. If there are insufficient volunteers, those members having attended the fewest meetings in person during the previous twelve months shall retire; should there be a tie, names will be arrived at by drawing lots. Any person retiring under these transitional arrangements may offer themselves for re-election.