

**Dated 5 September 2019**  
**Updated at the 2021 Annual Meeting**

**THE PARTIES LISTED IN SCHEDULE 1**

and

**THE POSEIDON PRINCIPLES ASSOCIATION**

**MEMBERSHIP AGREEMENT**

relating to  
The Poseidon Principles Association

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**THIS MEMBERSHIP AGREEMENT** is made on the date stated on page 21 of the agreement.

## **PARTIES**

- (1) **THE PARTIES LISTED IN SCHEDULE 1**, whose names and addresses are set out in Part A of Schedule 1; and
- (2) **THE POSEIDON PRINCIPLES ASSOCIATION**, a non-profit association registered with the Central Business Register of Denmark with CVR number 40632379, whose registered office address is Amaliegade 33B, 2<sup>nd</sup> Floor, 1256 Copenhagen K, Denmark (the "**Association**").

## **BACKGROUND**

- (A) The Association is a non-profit association registered with the Central Business Register of Denmark, further details of which are set out in Part B of Schedule 1.
- (B) The Association has been formed in order to, *inter alia*, develop and promote the Principles with the aim of promoting responsible environmental stewardship throughout the maritime value chain for the benefit of the environment, the Signatories and society as a whole.
- (C) The parties have agreed that the affairs of the Association and the relationship between the Signatories should be regulated on the terms of this Agreement.

## **OPERATIVE PROVISIONS**

**IT IS AGREED** as follows:

### **1 DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, including the Schedules and the recitals:

"**Accession Date**" means, in relation to a Signatory, the date on which that Signatory adopts the Principles and becomes a member of the Association.

"**Administrative Representative**" means, in respect of any Signatory from time to time, the individual that has been designated by that Signatory in accordance with Clause 5.2(a).

"**Advisory**" means any third-party entity that provides technical guidance or expertise in relation to the Principles from time to time.

"**Annual Fee**" means the annual fee payable by each Signatory, as set out in Clause 15 and the Governance Rules.

"**Annual Meeting**" means the meeting of Signatories to be held once a year, as further described in Clause 12.

"**Auditor**" has the meaning given in Clause 15.13.

"**Business**" means the business specified in Clause 2 to be carried on by the Association.

"**Business Activity**" means the provision of any:

- (a) loan or other credit facility;

- (b) finance lease; or
- (c) guarantee,

in each case secured on or relating to a Relevant Vessel.

**"Business Day"** means a day on which banks are open for business in England and Denmark excluding Saturdays and Sundays.

**"Chair"** means the Signatory elected to chair the Steering Committee, as further described in Clause 7.

**"Confidential Information"** means all information received in connection with the Business of the parties, whether written or oral or in whatever form, that may be disclosed or made available by one party to the other, including, but not limited to: trade secrets, financial information, customer lists, business forecasts, information or data which is confidential to a third party, information which by its nature should be treated confidentially, or has been marked otherwise as confidential.

**"Financial Year"** means 1 January to 31 December.

**"Governance Rules"** means the governance rules of the Association in the form set out in Schedule 3 (*The Governance Rules*), to be adopted by the Association, and as the same may be amended or replaced from time to time.

**"IMO"** means the International Maritime Organisation.

**"Insolvency Event"** means, in relation to a Relevant Institution that it: (1) is dissolved (other than pursuant to a consolidation amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment or insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; (5) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (4) above and: (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof; (6) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 3 of the Banking Act 2009; (7) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (8) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which may be made, or is made, by a person or entity

described in paragraph (4) above; (9) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (10) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in items (1) to (9) (inclusive); or (11) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**"LCIA Rules"** means the Rules of the London Court of International Arbitration.

**"Management Support"** means a member of the Steering Committee that undertakes a management support role, as further described in Clause 9.

**"Principles"** means the principles setting out a risk management framework to enable financial institutions to align their portfolios with responsible environmental impacts to promote responsible environmental stewardship, entitled the "Poseidon Principles", the current version of which can be found on the Association's website.

**"Relevant Institution"** means a lender, finance lessor or financial guarantor which carries out any Business Activity.

**"Relevant Vessel"** means a vessel to which the rules of the IMO apply.

**"Secretariat"** means a third-party entity which manages administrative functions on behalf of the Association, the name and contact details of which are specified on the Association's website.

**"Signatory"** means a Relevant Institution that has become and remains a signatory to the Principles in accordance with the Principles, this Agreement and the Governance Rules, whose name appears on the list of Signatories on the Association's website and which is a member of the Association.

**"Signatory Application"** means the agreement to be entered into by intended Signatories to adopt the Principles and become a member of the Association in the form supplied by the Secretariat from time to time, which shall include a deed of adherence to this Agreement substantially in the form set out in Schedule 2 (*Form of Deed of Adherence*).

**"Signatory Fee"** means the signatory fee specified on the Association's website from time to time.

**"Steering Committee"** means the committee appointed in accordance with Clause 6 and the Governance Rules to manage the Association in accordance with the Principles.

**"Treasurer"** means the member of the Steering Committee elected by simple majority vote of the Steering Committee to be an authorised signatory of the bank accounts of the Association, as designated in writing by the Steering Committee to the Secretariat from time to time. The Chair or the Vice Chair can be the Treasurer, if elected in accordance with these Rules.

**"Vice Chair"** means the member of the Steering Committee elected to assume the role of the Chair if the Chair is unable to do so, as further described in Clause 8.

**"Working Group"** means any group of Signatories convened by the Steering Committee that meets from time to time to discuss and provide guidance to members of the Association on particular issues associated with the management, administration or development of the Principles, as further described in Clause 10.

## 1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) references to Clauses, recitals and Schedules and subdivisions thereof are to Clauses of, and recitals and Schedules to, this Agreement and subdivisions thereof respectively;
- (b) words importing the singular include the plural and vice versa and words importing a gender include every gender;
- (c) references to times of day are to London time;
- (d) any phrases introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression are to be construed without limitation; and
- (e) references to, or to a provision of, this Agreement or any other document are references to it as amended, restated, novated, substituted or supplemented from time to time, whether before or after the date of this Agreement.

## 2 BUSINESS

The Business of the Association shall be to:

- (a) promote the adoption of the Principles by additional Relevant Institutions;
- (b) encourage the implementation of the Principles by the Signatories;
- (c) develop the Principles as the Signatories think fit to support the IMO in its measures to reduce greenhouse gas emissions and to address any other adverse environmental impacts identified in relation to international shipping;
- (d) develop and maintain relations with other bodies who are involved in the development of environmental standards including sharing know how;
- (e) manage the Business of the Association for the benefit of the Signatories; and
- (f) do any other such things to further any of the above.

## 3 MEMBERSHIP

3.1 As at the date of this Agreement, the members of the Association are those Relevant Institutions listed in Part A of Schedule 1.

3.2 Any Relevant Institution may become a Signatory if it:

- (a) is not and has not at any time during the five years preceding the Signatory Application been subject to an Insolvency Event;
- (b) meets the requirements set out in Clause 3.3; and

(c) agrees to meet the annual reporting obligations as set out in the Principles.

3.3 To become a Signatory, a Relevant Institution must:

(a) complete a declaration in the form provided by the Secretariat and execute it, ensuring that it has first been signed off by a representative of the Relevant Institution with authority to enter into such commitment and that any signatory of the declaration has authority to bind the proposed Signatory;

(b) complete and execute the Signatory Application (ensuring that any signatory of the Signatory Application has authority to bind the proposed Signatory), which requires the Relevant Institution to provide contact names and details; and

(c) submit the documents referred to in Clause 3.3(a) and (b) above to the Secretariat for consideration.

3.4 The Secretariat will check that such Relevant Institution has complied with this Clause 3 and, if it has, will inform the Chair and the Steering Committee which shall decide whether or not to instruct the Secretariat to accept the Signatory Application, and shall agree an Accession Date with the proposed new Signatory.

3.5 Any Relevant Institution who is not already a party to this Agreement and seeks to become a Signatory shall agree in writing by deed in the form set out in Schedule 2 (*Form of Deed of Adherence*) to be bound by the terms of this Agreement as a condition precedent to their becoming a Signatory.

3.6 On its Accession Date:

(a) the new Signatory shall pay the Signatory Fee;

(b) the new Signatory will issue a press release announcing that it has adopted the Principles;

(c) the new Signatory will become a member of the Association;

(d) the Secretariat will update the Association's website to include the new Signatory in the list of Signatories; and

(e) the new Signatory will be entitled to display the logo of the Principles, but the logo of the Principles is the exclusive property of the Association.

3.7 The first Accession Date shall be no earlier than the date when 10 Relevant Institutions have applied to become Signatories in accordance with these Rules.

#### **4 SIGNATORY OBLIGATIONS**

4.1 Each Signatory must take all appropriate steps to implement and comply with the Principles.

4.2 Each Signatory shall:

(a) within five months of becoming a Signatory, complete and submit to the Secretariat a self-assessment in substantially the form appended to the Principles;

(b) comply with its reporting requirements as set out in the Principles within the timescales specified there;

- (c) pay the Annual Fee as provided in Clause 15 and the Governance Rules;
  - (d) remain eligible for membership in accordance with Clause 5 and the Governance Rules; and
  - (e) comply with all other provisions of this Agreement and the Governance Rules.
- 4.3 For the avoidance of doubt, no Signatory is required to publish information where disclosure would breach any relevant applicable law or regulation.
- 4.4 If material changes to the Principles have been made in accordance with this Agreement and the Governance Rules, the Steering Committee may agree to exceptions to the reporting requirements for a defined transition period.

## **5 GOVERNANCE OF THE ASSOCIATION AND DECISION-MAKING**

- 5.1 The Association delegates the administration, management and development of the Association (including its assets) and the Principles to the Steering Committee other than those matters referred to in Clause 5.3.
- 5.2 Each Signatory will designate in writing to the Secretariat from time to time:
- (a) one individual who is authorised to deal with all administrative, process and reporting aspects of the Signatory being a member of the Association and in relation to the Principles, save for invoices relating to the Signatory Fee or Annual Fee;
  - (b) one individual who is authorised to deal with invoices addressed to the Signatory relating to the Signatory Fee and Annual Fee;
  - (c) where applicable, up to two individuals in its employment to represent it in the Steering Committee or any other Working Group of which it forms part. For the avoidance of doubt, save where those individuals are elected as the Chair or the Vice Chair, only one such individual may attend and vote at a meeting of the Steering Committee or relevant Working Group at any one time. If one or both of such two individuals is elected as Chair and/or Vice Chair, both of such individuals may attend at a meeting of the Steering Committee or the relevant Working Group but only one such individual may vote at such meeting;
  - (d) up to two individuals who may represent it at any meeting of the Association and exercise its voting rights (although, for the avoidance of doubt, only one may vote at any one time),  
  
and shall ensure that all individuals designated in accordance with Clause 5.2(c) and (d) above have sufficient either shipping or environmental experience.
- 5.3 Decisions shall be made by the Signatories as members of the Association as follows:
- (a) Subject to Clause 14.2, each Signatory shall have one vote.
  - (b) Any proposal that would, if passed:
    - (A) materially amend the Principles, the Governance Rules or this Agreement;
    - (B) in the opinion of the Steering Committee, materially reduce the rights or materially increase the liability or obligations of the Signatories (whether in their capacity as members of the Association or otherwise);



- (C) result in a change to the Secretariat; or
- (D) fall outside the objects of the Association,

requires at least half of the Signatories to cast a vote and, of those that vote at least two thirds must vote in favour of the proposal for it to be validly approved.

- (c) Any proposal that would, if passed:
  - (A) in the opinion of the Steering Committee, amend the Principles, the Governance Rules, or this Agreement in a minor way (for example to provide a clarification or correct an error);
  - (B) elect a Signatory to the Steering Committee;
  - (C) approve the annual budget; or
  - (D) set the level of the Signatory Fee or the Annual Fee,
 or any other proposal put to the members of the Association that does not fall within Clause 5.3(b) above requires more than half of those Signatories that cast a vote to vote in favour of that proposal for it to be validly approved.

## **6 THE STEERING COMMITTEE**

- 6.1 The Steering Committee shall consist of between eight and twelve members, and shall, so far as practicable, include a diverse mix of financial institutions.
- 6.2 The members of the Steering Committee shall be appointed by a vote of the Signatories as members of the Association in accordance with Clause 5.35.3(c). Each member of the Steering Committee shall designate up to two individuals to represent it as provided in Clause 5.35.2(c) but, for the avoidance of doubt, each Signatory shall only have one vote in respect of any decision by the Steering Committee.
- 6.3 The Steering Committee shall meet on an ad hoc basis. The members of the Steering Committee may where convenient arrange such meetings to be held in Denmark and participants may attend the meetings by any means such as telephone conference call or video conferencing as well as in person or a mix of any of these. Where possible, two weeks' notice in writing will be given for any meeting and a note of any decision or recommendation made by the Steering Committee at any meeting shall subsequently be circulated to all Signatories.
- 6.4 The quorum for meetings of the Steering Committee shall be two-thirds of its members at the relevant time and more than half of the members of the Steering Committee participating in a vote must vote in favour of the relevant proposal for it to be validly approved.
- 6.5 Any decision made by the Steering Committee in accordance with this Clause 6 (excluding for the avoidance of doubt any decision that requires the approval of the Signatories as members of the Association as described in Clause 5.3) shall bind the other Signatories.
- 6.6 The duties of the Steering Committee shall include:
  - (a) reviewing the scope of the Principles and whether any changes should be made and, if so, arranging for a revised draft to be considered by the Signatories;

- (b) consulting with the Advisory for technical advice where appropriate;
- (c) reviewing and approving the Association's annual budget and approving its circulation to the Signatories together with the end of year financial statements;
- (d) making decisions and approving contracts with third parties including the Secretariat and members of the Advisory, conducting a formal tender process where necessary or appropriate;
- (e) reviewing and approving the scope of work of the Secretariat and the Advisory and their respective charges;
- (f) procuring that any costs and expenses of the Association, including any tax, are paid when due;
- (g) arranging for meetings of the Association and agreeing the relevant agenda;
- (h) approving changes to the authorised signatories for the bank accounts of the Association;
- (i) deciding how to re-allocate any surplus monies from the Association budget;
- (j) electing the Chair, Vice Chair, and Treasurer.

6.7 Any Signatory may nominate itself for election to the Steering Committee if:

- (a) it has complied with its obligations under Clause 4 within the relevant timescales; and
- (b) it is confident that it can meet its obligations as a member of the Steering Committee and, if required, could assume the role of Chair, Vice Chair, or Treasurer.

6.8 Each Signatory which is a member of the Steering Committee, including the Chair, the Vice Chair, or Treasurer shall, during their appointment:

- (a) maintain at least two individuals to represent it on the Steering Committee as provided in Clause 6.1 and ensure that one of them attends each Steering Committee and formal Association meeting; and
- (b) actively participate in the work and decision making of the Steering Committee and at formal Association meetings.

6.9 Subject to the other provisions of this Clause 6, members of the Steering Committee shall retire at the Annual Meeting by rotation after two years of service but may apply for re-election.

6.10 A Signatory may not serve more than two consecutive terms on the Steering Committee but may nominate itself for re-election not less than one year after the end of its second consecutive term.

6.11 Clauses 6.9 and 6.10 are subject to the following:

- (a) the two-year period of service might be slightly longer or shorter depending on the dates of the relevant Annual Meetings;
- (b) a Signatory may nominate itself for re-election at the end of a second consecutive term if there are expected to be insufficient nominations to meet the minimum of eight members of the Steering Committee;

- (c) membership of the first Steering Committee referred to in Clause 6.13 shall not be considered as a term for the purposes of Clause 6.10; and
  - (d) if a Signatory has been elected as the next Chair it shall not retire by rotation until it has ceased to be the Chair.
- 6.12 Any Signatory may resign at any time from the Steering Committee by giving notice in writing to the Chair and shall be deemed to have resigned if it ceases to be a Signatory.
- 6.13 The first Steering Committee shall consist of the first Relevant Institutions (or, if fewer than 10 Relevant Institutions successfully apply, the relevant number of Relevant Institutions provided that is eight or more) which successfully apply to become Signatories and they shall all retire at the first Annual Meeting.
- 6.14 Before each election process, the Secretariat will notify the Signatories and request them to consider nominating themselves, within a specified timescale.
- 6.15 To nominate itself for election to the Steering Committee, a Signatory must confirm to the Secretariat in writing within the relevant timescale:
- (a) its commitment and capacity to fulfil the general responsibilities of members of the Steering Committee and, if necessary, of the Chair or the Vice Chair; and
  - (b) the names of the individuals that would represent it on the Steering Committee as specified in Clause 5.2(c).

## **7 THE CHAIR**

- 7.1 The Steering Committee shall elect one of their number to be the Chair by simple majority vote.
- 7.2 The Chair shall chair the Steering Committee and co-ordinate the Steering Committee and any Working Groups to promote the Principles and the Business of the Association.
- 7.3 The Chair shall retire at the end of a period of two years but may nominate itself for a further two-year period.
- 7.4 The Chair may resign before the end of the two-year period by three months' notice in writing to the Vice Chair and shall be deemed to have resigned if it ceases to be a Signatory.

## **8 THE VICE CHAIR**

- 8.1 The Steering Committee shall elect one of their number to be the Vice Chair by simple majority vote.
- 8.2 The Vice Chair shall support the Chair as necessary and assume the role of Chair if the Chair is unable to do so.
- 8.3 The Vice Chair shall retire at the end of a period of two years but may nominate itself for a further two-year period.
- 8.4 The Vice Chair may resign before the end of the two-year period by three months' notice in writing to the Chair and shall be deemed to have resigned if it ceases to be a Signatory.

## **9 MANAGEMENT SUPPORT**

Management Support appointees shall provide advice and support to the Chair, the Secretariat and/or the Working Groups, as required and as appropriate, in relation to:

- (a) the application and implementation of the Principles;
- (b) the Association's strategy, this Agreement, the Governance Rules (including compliance matters) or any related policy or procedures of the Association;
- (c) financial and contractual matters;
- (d) preparing the agenda for and facilitating meetings and discussions of the Association (including, but not limited to, meetings of the Steering Committee and the Annual Meeting);
- (e) internal and external communications (including engagement with external parties);
- (f) any matter deemed sensitive or confidential in nature; and
- (g) assuming responsibilities delegated by the Chair or the Steering Committee and reporting on their progress or resolve on an ongoing or periodic basis.

## **10 WORKING GROUPS**

- 10.1 The Steering Committee may form Working Groups at its discretion in order to consider issues in detail and report to the Steering Committee.
- 10.2 Working Groups may include any of the Signatories, members of the Advisory and other relevant third parties for their technical or other relevant expertise.
- 10.3 The leader of any Working Group must be a Signatory and shall be selected by the Steering Committee.
- 10.4 The leader of a Working Group may resign by notice in writing to the Chair and shall be deemed to have resigned if it ceases to be a Signatory and, in each case, a new leader shall be selected by the Steering Committee.

## **11 SIGNATORY POWERS**

The Association is bound by the joint signatures of an individual representing the Chair or Vice Chair, and an individual representing another member of the Steering Committee, the Treasurer, provided that such individuals have been duly designated in accordance with Clause 5.2(c). The signatory powers can be delegated by a written instruction by the Steering Committee.

## **12 ASSOCIATION MEETINGS**

### *12.1 Annual Meeting:*

- (a) The Association shall, in addition to any other meetings in that year, hold a meeting in every calendar year as its Annual Meeting at such time and place as may be determined by the Steering Committee, and shall specify the meeting as such in the notices calling it. Each Annual Meeting shall be held no more than six months after the end of the last preceding Financial Year of the Association.

- (b) The Annual Meeting shall be held at varying locations with teleconferencing and, where possible, video conferencing to facilitate attendance in an environmentally sustainable manner.
- (c) Not less than eight weeks' notice shall be given for each Annual Meeting and an agenda shall be circulated at least two weeks before the relevant meeting.
- (d) The agenda must include:
  - (A) a statement concerning the last preceding Financial Year from the Chair;
  - (B) a report from the Chair on activities undertaken and anticipated;
  - (C) presentation for approval of the Association's annual report for the last preceding Financial Year;
  - (D) election or re-election to the Steering Committee;
  - (E) the budget approved by the Steering Committee for the forthcoming year;
  - (F) any item requested by a group of at least five Signatories by notice in writing received by the Secretariat not less than four weeks before the proposed date of the meeting;
  - (G) election of the Auditor; and
  - (H) any other business.

#### 12.2 *Other meetings and decision taking:*

- (a) In addition to the Annual Meeting, in order for other decisions to be taken by the Signatories, one of the following options may be used:
  - (A) the Chair, acting on behalf of the Steering Committee or at the request of not less than five Signatories in accordance with Clause 12.2(b) below, may propose a resolution to the Signatories by email, specifying a date by which the Signatories must vote by email for their vote to be included together with the address to which the vote should be sent. Such period shall, where possible, be not less than two weeks but shall be shorter should the Steering Committee consider it appropriate, provided that it shall be no shorter than three Business Days; or
  - (B) the Chair, acting on behalf of the Steering Committee or at the request of not less than five Signatories in accordance with Clause 12.2(b) below, may call a meeting of the Association which shall be called and held as if it were an Annual Meeting save that the agenda shall reflect the proposal(s) to be considered.
- (b) A proposal may be submitted by not less than five Signatories in writing to the Secretariat for consideration by the Signatories in accordance with Clause 12.2(a) above provided that any such proposal received within six weeks before an Annual Meeting shall be considered at that Annual Meeting.
- (c) Any Signatory unable to attend any meeting may submit its vote by email to the Secretariat and it shall be taken into account if it is received by the Secretariat by the time and date specified in the notice of the relevant meeting.

- 12.3 The accidental failure to give notice of any meeting or send an agenda to or failure by a Signatory to receive either or both of these shall not invalidate the proceedings or any decision taken at the relevant meeting.
- 12.4 Minutes of each meeting will be circulated to the Signatories by the Secretariat as soon as practicable after the relevant meeting.

### **13 FAILURE TO COMPLY WITH SIGNATORY OBLIGATIONS**

- 13.1 If a Signatory fails to comply with its reporting requirements as specified in Clause 4.2(b) then the following shall apply:
- (a) If such failure to comply continues for one month after the relevant submission deadline, the Secretariat shall send a written reminder to the Administrative Representatives of that Signatory, copied to the Chair and including details of the consequences of continued failure to comply as set out in Clause 13.1(b) and (c) below.
  - (b) If such failure to comply continues for three months after the relevant submission deadline, the Secretariat shall note the Signatory's failure to report on the Association's website and send a further written reminder to the Administrative Representatives of that Signatory, copied both to the chief executive officer (or equivalent officeholder) of that Signatory and the Chair.
  - (c) If such failure to comply continues for six months after the relevant submission deadline, the Secretariat shall remove the name of the Signatory from the list of Signatories on the Association's website and the relevant Signatory shall cease to be a Signatory and member of the Association.
  - (d) If it has ceased to be a Signatory by operation of Clause 13.1(c) above, should it wish to become a Signatory again, the former Signatory must reapply in accordance with the provisions of Clause 3.
- 13.2 If a Signatory fails to pay any amount payable by it under Clause 15 or the Governance Rules then the following shall apply:
- (a) If such failure to pay continues for one month after the relevant payment deadline, the Secretariat shall send a written reminder to the Administrative Representatives of that Signatory, including details of the consequences of continued failure to comply as set out in Clause 13.2(b) and (c) below.
  - (b) If such failure to pay continues for two months after the relevant payment deadline the Secretariat shall note the Signatory's failure to pay on the Association's website and send a further written reminder to the Administrative Representatives of that Signatory, copied both to the chief executive officer (or equivalent officeholder) of that Signatory and the Chair.
  - (c) If such failure to pay continues for three months after the relevant payment deadline, the Secretariat shall remove the name of the Signatory from the list of Signatories on the Association's website and the relevant Signatory shall cease to be a Signatory and member of the Association.
  - (d) If the relevant Signatory pays all amounts then due by it within six months of the relevant payment deadline and has not previously ceased to be a Signatory by reason of this Clause 13.2 then its name will be restored to the list of Signatories on the Association's website and

it shall be reinstated as a member of the Association but not to any other role that it had in the Association before its removal (such as membership of the Steering Committee).

- 13.3 Upon ceasing to be a Signatory, the former Signatory may no longer use the logo of the Principles and shall remove it from all its literature and any website.

#### **14 EFFECT OF REORGANISATIONS OF SIGNATORIES, MULTIPLE MEMBERSHIPS AND LEAVING THE ASSOCIATION**

- 14.1 Signatories may be affected by corporate transactions such as mergers, acquisitions and disposals and such transactions might have an impact on that Signatory's membership of the Association and its ability to comply with the Principles. Any Relevant Institution affected by any such transaction is encouraged to remain or become a Signatory and may request that the Steering Committee grant a suspension of its reporting obligations to allow a reasonable period for integration. Any such allowance shall be noted against the name of the relevant Signatory on the Association's website.

- 14.2 If, as a result of a corporate transaction or otherwise, more than one Signatory is a member of the same financial group and the Steering Committee considers that this could undermine the principle of "one Signatory, one vote", the Steering Committee shall recommend to the Signatories how many votes that financial group shall be allowed. This recommendation shall be implemented unless the relevant financial group requests the matter to be decided by the Signatories. In any such voting process, the relevant financial group shall only be entitled to one vote on behalf of all the Signatories forming part of it.

- 14.3 If a Signatory ceases to be a Relevant Institution or wishes to withdraw from the Association and its adoption of the Principles it shall give notice to the Secretariat and the Chair in writing whereupon it shall cease to be a member and its name shall be removed from the list of Signatories on the Association's website.

#### **15 FINANCE**

- 15.1 The fees payable by each Signatory, including the Annual Fee, shall be used to meet the management and administrative costs of the Association and the costs of the management, administration, updating and further development of the Principles.

- 15.2 Each Signatory shall bear its own costs and expenses in relation to the adoption and implementation of the Principles.

- 15.3 Each Signatory acknowledges that the costs will vary, particularly in relation to the updating of decarbonisation trajectories to reflect new IMO studies (expected approximately every five years).

- 15.4 Each Signatory acknowledges that to meet such variable costs the Annual Fee will be:

- (a) variable;
- (b) the same amount for every Signatory in any one Financial Year;
- (c) based on the budget prepared by the Secretariat and the Steering Committee setting out categories of expenditure, including an amount for contingencies, and presented to Signatories at the relevant Annual Meeting; and

- (d) approved by the Signatories in accordance with the procedures in Clause 5.3(c).
- 15.5 The Annual Fee is payable by the Signatories whose names appear on the list of Signatories on the Association's website as at 31 December of the preceding year. The Annual Fee is due annually in one installment in respect of each Financial Year and shall be paid no later than the end of the first quarter of the relevant year and is non-refundable in the event that a Signatory ceases to be a member of the Association.
- 15.6 If a Signatory ceases to be a member of the Association or fails to comply with its obligations under this Agreement or the Governance Rules the Signatory is not released from its obligations to pay the Annual Fee. Any outstanding payments for the relevant year will fall due immediately upon a Signatory ceasing to be a member of the Association.
- 15.7 If a Relevant Institution becomes a member of the Association during the year it shall pay, upon becoming a member, the Annual Fee and Signatory Fee.
- 15.8 The amount of the Signatory Fee may not be changed without the approval of the Signatories in accordance with the procedures in Clause 5.3(c).
- 15.9 Any surplus funds shall be carried forward to and used in the following year(s) in order to meet, amongst other things, costs incurred in connection with the updating of decarbonisation trajectories as described in Clause 15.3, which will be reflected in the relevant budget and, where possible, a reduced Annual Fee.
- 15.10 Expenditure should be within the relevant budget presented to the Signatories at the Annual Meeting or as otherwise approved by the Steering Committee or the Signatories as appropriate.
- 15.11 Funds will be held in a bank account in the name of the Association. The currency of the bank account will be Euros. The annual report will be prepared in Euros. Invoices to Signatories will be issued in Euros.
- 15.12 Changes to the authorised signatories for any bank account must be approved by two members of the Steering Committee, including the Chair and the Vice Chair.
- 15.13 The Association's annual reports shall be audited by a Danish state-authorized public accountant or registered public accountant elected at the Annual Meeting for one year at a time (the "**Auditor**"). The Association's Financial Year runs from 1 January to 31 December and the first Financial Year of the Association shall commence on the date of formation of the Association and end on 31 December 2019. Copies of the Association's annual reports will be circulated annually to all Signatories. The annual reports shall be prepared by a firm of chartered or certified accountants appointed by the Steering Committee.

## **16 THE SECRETARIAT**

- 16.1 The Secretariat shall be responsible for the day to day administration of the Association including:
- (a) record keeping and financial administration;
- (b) internal and external communication including updating the website, issuing press releases and sending notices of meetings;



- (c) membership administration; and
- (d) the collection of fees.

16.2 The scope of work and fees payable to the Secretariat shall be agreed by the Steering Committee following submission by a relevant third-party entity fulfilling the role of the Secretariat of a services provision proposal agreed by the Steering Committee, subject to the approval of the Signatories of the fees as an item of the budget and any change to the Secretariat as specified in Clause 5.3.

## **17 THE ADVISORY**

17.1 The Steering Committee and the Working Groups may consult with the Advisory for technical guidance to:

- (a) ensure that the Principles are up to date and reflect the most recent IMO guidelines; and
- (b) if appropriate, further develop the Principles to reflect other maritime environmental concerns.

17.2 The scope of work and fees payable to the members of the Advisory shall be agreed by the Steering Committee following submission by a relevant third-party entity fulfilling the role of the Advisory of a services provision proposal agreed by the Steering Committee, subject to the approval of the Signatories of the fees as an item of the budget as specified in Clause 5.3.

## **18 DISSOLUTION OF THE ASSOCIATION**

18.1 The Association shall not be dissolved except by a resolution passed at an Annual Meeting in accordance with the procedures in Clause 5.3(c).

18.2 In the event of the dissolution of the Association, any surplus funds, after payment of all expenses and outstanding accounts, shall be disposed of to any non-profit organisation as may be decided by a simple majority of those present and entitled to vote at the Annual Meeting resolving such dissolution.

## **19 DISCLOSURE OF INFORMATION AND COMPLIANCE WITH LAWS**

19.1 Subject to compliance with the other provisions of this Clause 19, the sharing of ideas and experiences between the Signatories is encouraged both to facilitate the implementation of the Principles and to develop them further in accordance with the aims of the Association. However, when sharing information, each Signatory recognises the need to comply with all relevant applicable laws and, in particular, those relating to client confidentiality and anti-competitive practices.

19.2 Each Signatory shall ensure that the Principles and any discussions or other contact with the other parties are not used in any way that may breach any relevant applicable law relating to concerted practices, agreements or exchanges of information that may restrict competition or anti-competitive practices.

19.3 Each Signatory shall comply with all relevant applicable laws relating to client confidentiality in its implementation of the Principles. Each Signatory shall comply with all relevant applicable data protection laws (including the General Data Protection Regulation (EU) 2016/679) in

relation to the use, processing and/or transfer of personal data of any individual that it receives in connection with the management or administration of the Principles and the Association.

- 19.4 Each Signatory shall ensure that when personal data of an individual is disclosed to the Association by such Signatory, all legal requirements have been satisfied to enable the Association to lawfully use, process and/or transfer that personal data.
- 19.5 Each Signatory shall ensure it has in place internal procedures that reflect its obligations under this Clause 19.
- 19.6 No Signatory shall hold itself out as representing the Association other than the Chair and other members of the Steering Committee from time to time in their capacity as such.
- 19.7 Confidential Information
- (a) The parties shall keep in strict confidence all Confidential Information and not disclose for any purpose.
- (b) The parties shall ensure that all persons are made aware, prior to any disclosure, of the confidential nature of the Confidential Information and the contents of this agreement, and that such persons are bound by confidentiality with respect to the Confidential Information.
- (c) The non-disclosure provisions of this agreement shall survive the termination of this agreement, and parties shall hold Confidential Information in confidence until the information no longer qualifies as confidential.
- (d) The parties shall maintain adequate security measures to safeguard Confidential Information from unauthorized access, disclosure, use, and/or misappropriation.
- (e) Obligations concerning Confidential Information shall not apply to any information that: is or becomes generally known other than through a breach of this agreement, was previously available on a non-confidential basis, the parties agree in writing that the information need not be kept confidential, or the information is required by Law or in any legal or governmental proceedings to be disclosed until the information is no longer considered confidential.

## **20 OTHER PROVISIONS**

- 20.1 This Agreement, together with the Principles and the Governance Rules, and any other documents which by their terms are expressed to be supplemental to it, even if not made between all parties to this Agreement, constitutes the entire agreement between the parties regarding the subject matter of this Agreement and supersedes all earlier agreements of any kind regarding the same, all of which (except in the case of fraud) are hereby terminated and shall cease to have effect in all respects, and the parties confirm that there are no collateral or supplemental agreements relating to this Agreement other than those (if any) executed contemporaneously with this Agreement.
- 20.2 Each party acknowledges that it does not rely on, and it has not been induced to enter into this Agreement by, any warranty, representation, statement, agreement or undertaking of any nature whatsoever, other than as are expressly set out in this Agreement. Each party irrevocably and unconditionally waives any right it may have to damages or rescission or any other remedy in respect of any misrepresentation, warranty or undertaking, including by way of a claim or defence based on estoppel by convention, representation or otherwise, not

- contained in this Agreement or any collateral or supplemental agreement unless such misrepresentation, warranty or undertaking was made fraudulently.
- 20.3 Subject always to Clause 20.4, in its sole and absolute discretion, any party may waive (in whole or in part) any provision of, or any of its rights under, this Agreement, and may do so unconditionally or subject to any terms which it thinks fit. Unless specifically provided otherwise, the rights and remedies of any person under or pursuant to this Agreement are cumulative, may be exercised as often as such person considers appropriate and are in addition to its rights and remedies under the general law.
- 20.4 Any variation or waiver of this Agreement shall be void for all purposes unless:
- (a) subject as provided below in this Clause 20.4, in the case of a variation it is agreed to in writing or otherwise approved by the relevant number of Signatories as set out in Clause 5.2(b) and (c) (as applicable); or
  - (b) in the case of a waiver, it is set out in writing signed by or on behalf of the person granting the waiver.
- 20.5 Without limiting the generality of Clause 20.3, no party shall lose, or be precluded (permanently or temporarily) from exercising, any right or remedy which is conferred on it by this Agreement or any right or remedy which it has in connection with this Agreement under the general law as a result of any delay, acquiescence or lack of diligence on its part in seeking relief or by any act or course of conduct by it which would otherwise imply that it was affirming this Agreement (or a related agreement) after a breach by one or more of the other parties, nor shall any single or partial exercise of any right or remedy preclude the exercise of any other right or remedy.
- 20.6 If any term or provision of this Agreement is, or becomes, invalid, unenforceable or illegal, in whole or in part, under the laws of any jurisdiction, such term or provision or part shall to that extent be deemed not to form part of this Agreement, but the validity, enforceability or legality of the remaining provisions of this Agreement shall not be impaired.
- 20.7 This Agreement shall have effect as a deed from the date of this Agreement.
- 20.8 This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original but shall not be effective until each party has executed at least one counterpart, but all the counterparts shall together constitute one and the same instrument.
- 20.9 Nothing in this Agreement shall create a partnership between the parties hereto or any of them.
- 20.10 If any of the provisions of this Agreement are inconsistent with or in conflict with any of the provisions of the Governance Rules then the Signatories shall procure that the Governance Rules are amended to conform to the provisions of this Agreement, and the Signatories shall not, to the extent permitted by law, exercise any rights conferred on them by the Governance Rules which are or may be inconsistent or in conflict with this Agreement.
- 20.11 This Agreement is made for the benefit of the parties hereto and their successors and permitted assigns only and is not intended to benefit, and no term thereof shall be enforceable by, any other person by virtue of the Contracts (Rights of Third Parties) Act 1999.

## 21 NOTICES

21.1 Any notice or proceedings under or in connection with this Agreement shall be in writing in the English language and shall be served by leaving it at or sending it (if the recipient address is in the United Kingdom) by pre-paid first-class post or recorded delivery or (if the recipient address is outside of the United Kingdom) international courier, or by e-mail to the address of the relevant party: (a) which is set out below (in the case of the Association); (b) which is set out in Part A of Schedule 1 (in the case of the Signatories); or (c) to such other address as that party may have notified in writing from time to time to the Association for the purposes of receiving notices and proceedings under this Agreement.

### The Association

Address: Amaliegade 33B, 3<sup>rd</sup> Floor, 1256 Copenhagen K, Denmark

Email: info@poseidonprinciples.org

marked for the attention of the Global Maritime Forum.

21.2 Subject to Clauses 21.3 and 21.5:

- (a) a notice which is left at an address specified for the purpose of notices under this Agreement shall be deemed to be served, and shall take effect, at the time when it is delivered;
- (b) a notice which is sent by first-class post or recorded delivery is deemed to have been served, and shall take effect, at 10.00 am on the second Business Day after the date on which it was posted;
- (c) without prejudice to the earlier application of Clause 21.2(a), a notice which is sent by international courier is deemed to have been served, and shall take effect, at 10.00 am on the fifth Business Day after the date on which it was despatched;
- (d) a notice which is sent by e-mail shall be deemed to be served, and shall take effect, two hours after its transmission is completed.

21.3 In proving the giving of notice under Clause 21.2, it shall be conclusive evidence to prove that it was left at the appropriate address or that the envelope containing it was properly addressed and delivered into the custody of the postal authorities (or international courier) or that the e-mail was despatched and a confirmatory transmission report received.

21.4 If under Clause 21.2 a notice would be deemed to be served on a day which is not a Business Day or on a Business Day, but after 5.00 pm, the notice shall (subject to Clause 21.5) be deemed to be served, and shall take effect, at 10.00 am on the next Business Day.

21.5 A notice shall not be deemed to have been served in accordance with Clauses 21.2 and 21.3, and shall not take effect, if the recipient of a notice notifies the sender within one hour after the time at which the notice would otherwise be deemed to have been served that the notice has been received in a form which is illegible in a material respect, or where the notice was to have been served by email, where the sender receives a message indicating that the email has not been delivered.

21.6 In this Clause 21 (*Notices*) "**notice**" includes any demand, consent, authorisation, approval, instruction, waiver or other communication and "**address**" includes e-mail address.

## **22 GOVERNING LAW AND JURISDICTION**

- 22.1 This Agreement and any non-contractual obligations and any dispute arising out of or in connection with this Agreement are and shall be governed by and construed in accordance with English law.
- 22.2 Any dispute (including but not limited to such disputes referred to in Clause 22.3 below) arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause 22.
- 22.3 "**Any dispute**" in Clause 22.1 above includes but is not limited to any arbitrable dispute that arises under this Agreement to the extent that the same or a substantially similar dispute arises under the Governance Rules, so that any such dispute shall be referred to arbitration under this Agreement and not referred to arbitration, litigation or alternative dispute resolution under or pursuant to the Governance Rules.
- 22.4 The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London, United Kingdom. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of England and Wales.

**This Agreement has been executed as a deed by or on behalf of the parties and has, on the date stated at the beginning of this Agreement, been delivered as a deed.**

## SCHEDULE 1

## DETAILS OF THE ASSOCIATION

Subject	Detail
Association name	Poseidon Principles Association
Registration date	18 June 2019
CVR number	40632379
Registered office	Amaliegade 33B, 3 <sup>rd</sup> Floor, 1256 Copenhagen K, Denmark
Members	As detailed in Part A of this Schedule
Auditors	Ernst & Young, Osvald Helmuths Vej 4, 2000 Frederiksberg, Denmark
End of Financial Year	31 December

**SCHEDULE 2**

**FORM OF DEED OF ADHERENCE**

**THIS DEED** is made on \_\_\_\_\_

**BY**

(1) \_\_\_\_\_ of \_\_\_\_\_  
(the "**New Member**"); and

(2) All the parties to the Agreement (as hereinafter defined).

**WHEREAS**

(A) By a membership agreement (the "**Agreement**") dated \_\_\_\_\_ made between all the parties to the Agreement, the parties to the Agreement have agreed that the affairs of the Poseidon Principles Association (the "**Association**") and the relationship between the members of the Association shall be regulated by the terms of the Agreement.

(B) Pursuant to clause 3 of the Agreement, any person who wishes to become a party to the Agreement must agree in writing by deed to be bound by the terms of the Agreement.

(C) The New Member wishes to become a party to the Agreement and to enter into this deed pursuant to the Agreement.

**NOW IT IS HEREBY AGREED**

1 Expressions defined in the Agreement shall (unless the context otherwise requires) have the same meaning when used in this Deed. Clauses 1 (*Definitions and Interpretation*), 19 (*Disclosure of Information and Compliance with Laws*), 20 (*Other Provisions*), 21 (*Notices*) and 22 (*Governing Law and Jurisdiction*) of the Agreement shall apply, *mutatis mutandis*, to the terms of this Deed.

2 The New Member hereby undertakes and covenants with all the parties to the Agreement to comply with the provisions of and to perform all the obligations in the Agreement so far as they may remain to be observed and performed as if the New Member had been a party to the Agreement ab initio.

3 The New Member shall have the benefit of the provisions of the Agreement as if the New Member had been a party thereto ab initio and the Agreement shall be construed and apply accordingly.

**THIS DEED** has been executed by or on behalf of the New Member and by the Association for itself and on behalf of the other parties to the Agreement and has, on the date stated at the beginning of it, been delivered as a deed.

[EXECUTION OF PARTIES TO DEED OF ADHERENCE]

**SCHEDULE 3  
THE GOVERNANCE RULES**



EXECUTION PAGES

**SIGNED** as a **DEED** by )  
\_\_\_\_\_)  
on behalf of )  
**THE POSEIDON PRINCIPLES** )  
**ASSOCIATION** ) .....  
in the presence of:

Witness' signature:

Witness' name:

Witness' address:

**SIGNED** as a **DEED** by )  
\_\_\_\_\_)  
on behalf of )  
\_\_\_\_\_) .....  
in the presence of:

Witness' signature:

Witness' name:

Witness' address: