

Dated April 2022, updated October 2022

THE PARTIES LISTED IN SCHEDULE 1

and

**THE POSEIDON PRINCIPLES FOR MARINE
INSURANCE
ASSOCIATION**

**MEMBERSHIP AGREEMENT FOR
AFFILIATE MEMBERS**

relating to
The Poseidon Principles Marine Insurance
Association

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Execution

THIS MEMBERSHIP AGREEMENT is made on the date as stated on page 21 of this 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 MARINE INSURANCE ASSOCIATION**, a non-profit association registered with the Central Business Register of Denmark with CVR number 43329405, whose registered office address is Amaliegade 33B, 3rd 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 Affiliate Members 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 an Affiliate Member, the date on which that Affiliate Member adopts the Principles and becomes a member of the Association.

"Administrative Representative" means, in respect of any Affiliate Member from time to time, the individual that has been designated by an Affiliate Member 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.

"Affiliate Members" means companies which carry out activities relevant to the marine insurance industry, but who do not carry out a relevant Business Activity and are therefore not eligible to become a full Signatory to the Poseidon Principles Marine Insurance Association. Affiliate Members may include but are not limited to insurance unions, associations, or federations, such as P&I Clubs, insurance brokers, re-insurance portfolios, and insurance institutes or academies.

"Affiliate Members Annual Fee" means the annual fee payable by each Affiliate Member, as set out in Clause 13 and the Governance Rules.

"Affiliate Members Application" means the agreement to be entered into by the intended Affiliate Members to adopt the Principles and become a member of the Association in the manner and form specified by the Secretariat from time to time.

"Affiliate Members Committee" means the committee appointed in accordance with the Governance rules in order to make specific limited decision in accordance with the Principles and Clause 6.

"Affiliate Members Fee" means the Affiliate Members fee specified on the Association's website from time to time.

"Annual Fee" means the annual fee payable by each Signatory, as set out in Clause 13 and the Governance Rules.

"Annual Meeting" means the meeting of Signatories and Affiliate Members to be held once a year, as further described in Clause 10.

"Auditor" means a Danish state-authorized public accountant or registered public accountant elected at the Annual Meeting for one year at a time.

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

"Business Activity" means the provision of Hull and Machinery insurance products in relation to a Relevant Vessel.

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

"Chair" means the Signatory elected to chair the Steering Committee, as further described in the Governance Rules.

"Chair of Affiliate Members" means the Affiliate Member elected to chair the Affiliate Members 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 Organization.

"Insolvency Event" means, in relation to a potential Affiliate Member that it:

- a. is dissolved (other than pursuant to a consolidation amalgamation or merger);
- b. 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;
- c. makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- d. 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;
- e. 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 (d) 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;
- f. 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;
- g. has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
 - h. 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 (d) above);
 - i. 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;
 - j. 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 (a) to (k) (inclusive);
or
 - k. 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.

"Poseidon Principles Association" refers to the Poseidon Principles Association, a non-profit association registered in Denmark whose object is the management, administration, and development of the Poseidon Principles for Financial Institutions.

"Poseidon Principles for Marine Insurance Association" is a non-profit association registered in Denmark whose object is the management, administration, and development of the Poseidon Principles for Marine Insurance.

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

"Relevant Institution" means an insurer 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.

"Self-Assessment" means a self-assessment in substantially the form set out in Appendix 3 to the Principles.

"Signatory" means a Relevant Institution that has become and remains a signatory to the Principles in accordance with the Principles, the Membership Agreement for Signatories, 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.

"Steering Committee" means the committee appointed in accordance with Clause 6 of the Membership Agreement for Signatories and the Governance Rules to manage the Association in accordance with the Principles.

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

"Working Group" means any group of Signatories and/or Affiliate Members 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 9. Working groups of Signatories and/or Affiliate Members may also be formed with Signatories of other Poseidon Principles Associations.

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

2.1 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 reduction of greenhouse gas emissions and to address any other adverse environmental impacts identified in relation to international shipping;
- (d) create opportunities for Affiliate Members to support in the aforementioned objects.
- (e) develop and maintain relations with other bodies who are involved in the development of environmental standards including sharing know how;
- (f) manage the Association for the benefit of the Signatories and the Affiliate Members; and
- (g) do any other such things to further any of the above.

3 MEMBERSHIP

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

3.2 Any institution may become an Affiliate Member if it:

- (a) is not and has not at any time during the five years preceding the Affiliate Member Application been subject to an Insolvency Event; and
- (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 an Affiliate Member, an 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 institution with authority to enter into such commitment and that any signatory of the declaration has authority to bind the proposed Affiliate Member;
 - (b) complete and execute the Affiliate Member Application (ensuring that any signatory of the Affiliate Member Application has authority to bind the proposed Affiliate Member), which requires the 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 institution has complied with this Clause 3 and, if it has, who will inform the Chair who, unless any concern is identified which requires discussion by the Steering Committee, shall instruct the Secretariat to accept the Affiliate Member Application, and shall agree an Accession Date with the proposed new Affiliate Members.
- 3.5 Any institution who is not already a party to this Agreement and seeks to become an Affiliate Member 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 an Affiliate Member.
- 3.6 On its Accession Date:
- (a) the new Affiliate Member shall pay the Affiliate Members Fee;
 - (b) the new Affiliate Member will issue a public announcement that it supports the Principles;
 - (c) the new Affiliate Members will become a member of the Association;
 - (d) the Secretariat will update the Association's website to include the new Affiliate Member in the list of Affiliate Members; and
 - (e) the new Affiliate Member 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 eight institutions have applied to become Affiliate Members in accordance with this Agreement.

4 AFFILIATE MEMBERS OBLIGATIONS

- 4.1 Each Affiliate Member must take all appropriate steps to support and comply with the Principles.
- 4.2 Each Affiliate Member shall:
- (a) within five months of becoming an Affiliate Member, complete and submit a Self-Assessment to the Secretariat;
 - (b) pay the Affiliate Members Annual Fee as provided in Clause 13 and the Governance Rules;
 - (c) remain eligible for membership in accordance with Clause 5 and the Governance Rules; and
 - (d) comply with all other provisions of this Agreement and the applicable provisions of the Governance Rules.
- 4.3 For the avoidance of doubt, no Affiliate Member is required to publish information where disclosure would breach any relevant applicable law or regulation.

5 GOVERNANCE OF THE ASSOCIATION AND DECISION-MAKING

- 5.1 Whilst the overall administration, management and development of the Association (including its assets) and the Principles are delegated by the Association to the Steering Committee, the Affiliate Members Committee will have certain restricted powers as set out in the below Clause 6.
- 5.2 Each Affiliate Member will designate in writing to the Secretariat from time to time:
- (a) two individuals who are authorised to deal with all administrative aspects of the Affiliate Member being a member of the Association;
 - (b) where applicable, up to two individuals in its employment to represent it in the Affiliate Members Committee or any other Working Group of which it forms part. For the avoidance of doubt, up to two individuals may attend but only one such individual may vote at a meeting of the Affiliate Members Committee or relevant Working Group at any one time.
 - (c) 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
 - (d) and shall ensure that all individuals designated in accordance with Clause 5.2(b) and (c) above have sufficient either shipping or environmental experience.

6 THE AFFILIATE MEMBERS COMMITTEE

- 6.1 The Affiliate Members Committee shall consist of between eight and twelve members, all of which must be Affiliate Members, who have been appointed by a vote of the Affiliate Members in accordance with the Governance Rules.
- 6.2 The Affiliate Members Committee shall meet on an ad hoc basis, depending on what is needed and meetings can be 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 Affiliate Members Committee at any meeting shall subsequently be circulated to all Affiliate Members.
- 6.3 The quorum for meetings of the Affiliate Members Committee shall be two-thirds of its members at the relevant time and more than half of the members of the Affiliate Members Committee participating in a vote must vote in favour of the relevant proposal for it to be validly approved.
- 6.4 Any decision made by the Affiliate Members Committee in accordance with this Clause 6 shall bind other Affiliate Members.
- 6.5 The Affiliate Member Fees and the Affiliate Members Annual Fees payable to the Secretariat shall be agreed by the Affiliate Members Committee.
- 6.6 The duties of the Affiliate Members Committee shall include:
- (a) representing the Affiliate Members;
 - (b) working with the Secretariat to support the creation of the Affiliate Member's contributions to the annual budget;
 - (c) working to advance the role of Affiliate Members to support the initiative and increase transparency and climate reporting for Relevant Institutions;
 - (d) making amendments to the Governance Rules solely with regards to provisions which exclusively apply to Affiliate Members, namely Rule 19 to Rule 24; and,

- (e) reviewing the Association's annual budget and approving in respect of the Affiliate Member Fees and Affiliate Members Annual Fees only and approving its circulation to the Affiliate Members.
- 6.7 Any Affiliate Member may nominate itself for election to the Affiliate Members Committee if:
- (a) it has complied with its obligations under Clause 4.2 within the relevant timescales; and
 - (b) it is confident that it can meet its obligations as a member of the Affiliate Members Committee and, if required could assume the role of Chair of Affiliate Members or Vice Chair of Affiliate Members.
- 6.8 Each member of the Affiliate Members Committee, including as Chair of Affiliate Members or Vice Chair of Affiliate Members shall, during their appointment:
- (a) maintain at least two individuals to represent it on the Affiliate Members Committee and ensure that one of them attends each Affiliate Members Committee meeting; and
 - (b) actively participate in the work and decision-making of the Affiliate Members Committee.
- 6.9 Subject to the other provisions of this Clause 6, members of the Affiliate Members Committee shall retire at the Annual Meeting by rotation after two years of service but may apply for re-election.
- 6.10 An Affiliate Member may not serve more than two consecutive terms on the Affiliate Members Committee but may nominate itself for re-election not less than one year after the end of its second consecutive term.
- 6.11 Clauses 6.8 and 6.9 are subject to the following:
- (a) the two-year period might be slightly longer or shorter depending on the dates of the relevant Annual Meetings;
 - (b) an Affiliate Member 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 Affiliate Members 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 an Affiliate Member has been elected as the next Chair of Affiliate Members it shall not retire by rotation until it has ceased to be the Chair of Affiliate Members.
- 6.12 Any Affiliate Member may resign at any time from the Affiliate Members Committee by giving notice in writing to the Chair of Affiliate Members and shall be deemed to have resigned if it ceases to be an Affiliate Member.
- 6.13 The first Affiliate Members Committee shall consist of the first eight Affiliate Members and they shall all retire at the first Annual Meeting.
- 6.14 Before each election process, the Secretariat will notify the Affiliate Members and request them to consider nominating themselves, within a specified timescale.
- 6.15 To nominate itself for election to the Affiliate Members Committee, an Affiliate Member 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 Affiliate Members Committee and, if necessary, of the Chair of Affiliate Members or the Vice Chair of Affiliate Members; and
 - (b) the names of the individuals that would represent it on the Affiliate Members Committee as

specified in Clause 3.3.

7 THE CHAIR OF AFFILIATE MEMBERS

- 7.1 The Affiliate Members Committee shall elect one of their number to be the Chair of Affiliate Members by simple majority vote.
- 7.2 The Chair of Affiliate Members shall support the Affiliate Members Committee and co-ordinate the Affiliate Members Committee [and any working Groups] to promote the Principles and the objects of the Association.
- 7.3 The Chair of Affiliate Members 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 of Affiliate Members may resign before the end of the two-year period by three months' notice in writing to the Vice Chair of Affiliate Members and shall be deemed to have resigned if it ceases to be an Affiliate Member.

8 THE VICE CHAIR OF AFFILIATE MEMBERS

- 8.1 The Affiliate Members Committee shall elect one of their number to be the Vice Chair of Affiliate Members by simple majority vote.
- 8.2 The Vice Chair of Affiliate Members shall support the Chair of Affiliate Members as necessary and assume the role of Chair of Affiliate Members if the Chair of Affiliate Members is unable to do so.
- 8.3 The Vice Chair of Affiliate Members 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 of Affiliate Members may resign before the end of the two-year period by three months' notice in writing to the Chair of Affiliate Members and shall be deemed to have resigned if it ceases to be an Affiliate Member.

9 WORKING GROUPS

- 9.1 The Steering Committee may form Working Groups at its discretion in order to consider issues in detail and report to the Steering Committee.
- 9.2 Working Groups may include any of the Signatories, Affiliate Members, members of the Advisory and other relevant third parties for their technical or other relevant expertise.
- 9.3 Working Groups may also be formed amongst Signatories, Affiliate Members and members of the Advisory of the various Poseidon Principles Associations.
- 9.4 The leader of any Working Group must be a Signatory or an Affiliate Member and shall be selected by the Steering Committee.
- 9.5 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 or Affiliate Member and, in each case, a new leader shall be selected by the Steering Committee.

10 ASSOCIATION MEETINGS

10.1 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 previous 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) Both Signatories and Affiliate Members shall be entitled to attend the Annual Meeting and to participate in decision-making, to the extent they are entitled to in accordance with their membership type, and with the proposed agenda.
- (d) 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.
- (e) The agenda must include:
 - i. a statement concerning the last preceding Financial Year from the Chair;
 - ii. an overview of all decisions to be taken at the Annual Meeting together with a summary of which group of members shall be entitled to vote on each decision;
 - iii. a report from the Chair on activities undertaken and anticipated;
 - iv. presentation for approval of the Association's annual report for the last preceding Financial Year;
 - v. election or re-election to the Steering Committee and the Affiliate Members Committee;
 - vi. the budget approved by the Steering Committee for the forthcoming year;
 - vii. any item requested by a group of at least five Signatories or Affiliate Members by notice in writing received by the Secretariat not less than four weeks before the proposed date of the meeting;
 - viii. election of the Auditor; and
 - ix. any other business.

10.2 Other meetings and decision taking:

- (a) In addition to the Annual Meeting, in order for other decisions to be taken by the Signatories and/or Affiliate Members, one of the following options may be used:
 - i. the Chair or Chair of Affiliate Members, acting on behalf of the Steering Committee and the Affiliate Members Committee respectively, or at the request of not less than five Signatories and/or Affiliate Members in accordance with Clause 10.2(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
 - ii. the Chair, acting on behalf of the Steering Committee or at the request of not less than five Signatories and/or Affiliate Members in accordance with Clause 10.2(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 and/or Affiliate Members in writing to the Secretariat for consideration by the Signatories and/or Affiliate Members in accordance with Clause 10.2(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 or Affiliate Member 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.

10.3 The accidental failure to give notice of any meeting or send an agenda to or failure by a Signatory or an Affiliate Member to receive either or both of these shall not invalidate the proceedings or any decision taken at the relevant meeting.

10.4 Minutes of each meeting will be circulated to the Signatories and/or Affiliate Members by the Secretariat as soon as practicable after the relevant meeting.

11 FAILURE TO COMPLY WITH AFFILIATE MEMBER OBLIGATIONS

11.1 If an Affiliate Member fails to pay any amount payable by it under Clause 14 of 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 Affiliate Member, including details of the consequences of continued failure to comply as set out in Clause 11.2(b) and (c) below.

- (b) If such failure to pay continues for two months after the relevant payment deadline, the Secretariat may note the Affiliate Member's failure to pay on the Association's website and send a further written reminder to the Administrative Representatives of that Affiliate Member, copied both to the chief executive officer (or equivalent officeholder) of that Affiliate Member and the Chair of Affiliate Members.

- (c) If such failure to pay continues for three months after the relevant payment deadline, the Secretariat shall remove the name of the Affiliate Member from the list of Affiliate Members on the Association's website and the relevant Affiliate Member shall cease to be an Affiliate Member and member of the Association.

- (d) If the relevant Affiliate Member pays all amounts then due by it within six months of the relevant payment deadline and has not previously ceased to be an Affiliate Member by reason of this Clause 11.1 then its name will be restored to the list of Affiliate Members 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 Affiliate Members Committee).

11.2 If any acts or omissions of an Affiliate Member, causes or has the potential to cause, any material adverse impact on the Association, the Secretariat may at its discretion, upon written notice to the relevant Affiliate Member, immediately remove the name of the Affiliate Member from the list of Affiliate Members on the Association's website and the relevant Affiliate Member shall cease to be an Affiliate Member of the Association.

11.3 Upon ceasing to be an Affiliate Member, the former Affiliate Member may no longer use the logo of the Principles and shall remove it from all its literature and any website.

12 CHANGES TO MEMBERSHIP STATUS AND LEAVING THE ASSOCIATION

12.1 If an Affiliate Member's business activities change such that it could be considered a Relevant Institution for the purposes of becoming a Signatory, it shall give notice to the Secretariat and the Chair in writing whereupon the parties will work together in good faith in order to transfer the Affiliate Member to a Signatory.

12.2 Should the Affiliate Member upon becoming a Relevant Institution, not wish to become a full Signatory, it shall give notice to the Secretariat and the Chair in writing whereupon it shall cease to be an Affiliate Member and its name shall be removed from the list of Affiliate Members on the Association website.

- 12.3 If an Affiliate Member's business changes in a manner which means it is no longer eligible to be an Affiliate Member or if it 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 an Affiliate Member and its name shall be removed from the list of Signatories or Affiliate Members on the Association website.

13 FINANCE

- 13.1 The fees payable by each Affiliate Member, including the Affiliate Members 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.
- 13.2 The costs will vary, depending on the development of the Association, the expansion of the methodology and the scope of the Principles as they relate to Affiliate Members.
- 13.3 Each Affiliate Member acknowledges that to meet such variable costs the Affiliate Members Annual Fee will be:
- (a) variable;
 - (b) 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 and Affiliate Members at the relevant Annual Meeting; and
 - (c) approved by the Affiliate Members in accordance with the procedures in Clause 6.
- 13.4 The Affiliate Members Annual Fee is payable by Affiliate Members whose names appear on the list of Affiliate Members on the Association's website as of 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 second quarter of the relevant year and is non-refundable in the event that an Affiliate Member ceases to be a member of the Association.
- 13.5 If an Affiliate Member ceases to be a member of the Association or fails to comply with its obligations under this Agreement or the Governance Rules, the Affiliate Member is not released from its obligations to pay the Affiliate Members Annual Fee. Any outstanding payments for the relevant year will fall due immediately upon an Affiliate Member ceasing to be a member of the Association.
- 13.6 The amount of the Affiliate Members Fee and Affiliate Members Annual Fee may not be changed without the approval of the Affiliate Members in accordance with the procedures in Clause 6.

14 THE SECRETARIAT

- 14.1 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.

15 THE ADVISORY

- 15.1 The Steering Committee, the Affiliate Members 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.
- 15.2 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 8.4(c) of the Governance Rules.

16 DISSOLUTION OF THE ASSOCIATION

- 16.1 The Association shall not be dissolved except by a resolution passed at an Annual Meeting in accordance with the procedures in Clause 8.4 (c) of the Governance Rules.
- 16.2 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.

17 DISCLOSURE OF INFORMATION AND COMPLIANCE WITH LAWS

- 17.1 Subject to compliance with the other provisions of this Clause 17, the sharing of ideas and experiences between the Affiliate Members and 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 Affiliate Member and Signatory recognises the need to comply with all relevant applicable laws and, in particular, those relating to client confidentiality and anti-competitive practices.
- 17.2 Each Signatory/Affiliate Member shall ensure that the Principles and any discussions or other contact with the other parties are not conducted or 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.
- 17.3 Each Signatory and Affiliate Member shall ensure that there are adequate measures in place in order to prevent misuse of the information received by the Signatory and/or Affiliate member in their capacity as Signatory or Affiliate Member of the Poseidon Principles Association for Marine Insurance. Misuse in this regard includes; A) publishing data collected to comply with reporting obligations under the Principles beyond what is provided by the Technical Guidance; and B) allowing third parties, including Calculation Providers, to use the data for purposes other than to assist the Signatories calculate their portfolio alignment.
- 17.4 Each Signatory and Affiliate Member shall ensure, that it only shares data as permitted according to applicable laws relating to concerted practices, agreements or exchanges or information that may restrict competition or any other anti-competitive practices, and that is strictly required for the purposes of making the necessary calculations to comply with its reporting obligations under the Principles or other obligations under this Agreement.
- 17.5 Each Signatory and Affiliate Member shall in particular ensure that sensitive commercial information is never discussed, nor information relating hereto shared, between the Signatories and/or Affiliate Members, neither formally or informally, intentionally or inadvertently, directly or indirectly through a third party. Sensitive commercial information shall include, but is not limited to:
- Current or future pricing, or matters affecting prices.
 - Company-specific sales information.
 - Company-specific cost information.
 - Salaries and wages, hiring practices or limitations on hiring a competitor's employees.
 - Commercial planning or strategy information including geographic growth and business expansion or contraction plans.
 - Key contract terms, such as any matters relating to specific suppliers and customers that are

significant to core drivers of market competition, such as key contracts.

- 17.6 Each Signatory/Affiliate Member shall comply with all relevant applicable laws relating to client confidentiality in its support of the Principles. Each Signatory/Affiliate Member 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.
- 17.7 Each Signatory/Affiliate Member shall ensure that when personal data of an individual is disclosed to the Association by such Signatory/Affiliate Member, all legal requirements have been satisfied to enable the Association to lawfully use, process and/or transfer that personal data.
- 17.8 Each Signatory/Affiliate Member shall ensure it has in place internal procedures that reflect its obligations under this Clause 17.
- 17.9 No Signatory/Affiliate Member 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.
- 17.10 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.

18 OTHER PROVISIONS

- 18.1 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.
- 18.2 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.

- 18.3 Subject always to Clause 18.4, 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.
- 18.4 Any variation or waiver of this Agreement shall be void for all purposes unless:
- (a) subject as provided below in this Clause 18.4, in the case of a variation it is agreed to in writing or otherwise approved by the relevant number of Affiliate Members as set out in Clause 6.3; 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.
- 18.5 Without limiting the generality of Clause 18.3, 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.
- 18.6 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.
- 18.7 This Agreement shall have effect as a deed from the date of this Agreement.
- 18.8 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.
- 18.9 Nothing in this Agreement shall create a partnership between the parties hereto or any of them.
- 18.10 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 Affiliate members shall procure that the Governance Rules are amended to conform to the provisions of this Agreement, and the Affiliate members 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.
- 18.11 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.

19 NOTICES

- 19.1 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 Affiliate Members); 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, 3rd Floor, 1256 Copenhagen K, Denmark

Email: info@poseidonprinciples.org

marked for the attention of the Global Maritime Forum.

19.2 Subject to Clauses 19.3 and 19.5:

- (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 19.2(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.

19.3 In proving the giving of notice under Clause 19.2, 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.

19.4 If under Clause 19.2 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 19.5) be deemed to be served, and shall take effect, at 10.00 am on the next Business Day.

19.5 A notice shall not be deemed to have been served in accordance with Clauses 19.2 and 19.3, 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.

19.6 In this Clause 19 (*Notices*) "notice" includes any demand, consent, authorisation, approval, instruction, waiver or other communication and "address" includes e-mail address.

20 GOVERNING LAW AND JURISDICTION

20.1 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.

20.2 Any dispute (including but not limited to such disputes referred to in Clause 20.3 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 20.

20.3 "Any dispute" in Clause 20.1 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.

20.4 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 by or on behalf of the parties.

PART B

DETAILS OF THE ASSOCIATION

Subject	Detail
Association name	Poseidon Principles for Marine Insurance Association
Registration date	June 15, 2022
CVR number	43329405
Registered office	Amaliegade 33B, 3 rd floor, 1256 Copenhagen K, Denmark
Members	As detailed in Part A of this Schedule
Auditors	EY Godkendt Revisionspartnerselskab, Dirch Passers Allé 36, 2000 Frederiksberg, Denmark
End of Financial Year	31 December

SCHEDULE 2

FORM OF LETTER OF ADHERENCE

THIS LETTER is made on _____ (date)

BY

(1) _____ (person signing this document) of _____
(company's name) (the "New Member"); and

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

WHEREAS

- (A) By a membership agreement (the ""**Agreement**""") dated _____ (same date as above) made between all the parties to the Agreement, the parties to the Agreement have agreed that the affairs of the Poseidon Principles Marine Insurance Association (the ""**Association**""") and the relationship between the Affiliate Member 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*), 17 (*Disclosure of Information and Compliance with Laws*), 18 (*Other Provisions*), 19 (*Notices*) and 20 (*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 LETTER 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]

SCHEDULES

THE GOVERNANCE RULES

EXECUTION PAGES

SIGNED by

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)

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and

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)
)
)

on behalf of

**THE POSEIDON PRINCIPLES FOR
MARINE INSURANCE ASSOCIATION**

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SIGNED by

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on behalf of
