

# THE POSEIDON PRINCIPLES MARINE INSURANCE ASSOCIATION

## GOVERNANCE RULES

[Date]

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### 1 INTRODUCTION

This document sets out the rules of the Poseidon Principles for Marine Insurance Association, a non-profit association registered with the Central Business Register of Denmark.

### 2 DEFINITIONS

“**Accession Date**” means in relation to a Signatory or an Affiliate Member, the date on which that Signatory or Affiliate Member adopts the Principles and becomes a member of the Association.

“**Administrative Representative**” means

i) in respect of any Signatory from time to time, those individuals that have been designated by that Signatory in accordance with paragraph (a) of Rule 8.3.

ii) in respect of any Affiliate Member from time to time, those individuals that have been designated by that Affiliate Member in accordance with paragraph 19.4(b).

“**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 activities 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 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 Fee”** means the Affiliate Members fee specified on the Association’s website from time to time.

**“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.

**“IMO”** means the International Maritime Organisation.

**“Nominated Representatives”** means, in respect of any Signatory from time to time, those individuals that have been designated by that Signatory in accordance with paragraph (c) of Rule 8.3.

**“Poseidon Principles Associations”** means [list].

**“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, 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.

**“Rules”** means the rules of this Association set out in this document as may be amended from time to time in accordance with Rule 8.4.

**“Secretariat”** means a third-party entity which manages administrative functions on behalf of the Association as further described in Rule 18, 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 and these Rules, and whose name appears on the list of Signatories on the Association’s website.

**“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 manner and form specified by the Secretariat from time to time.

**“Signatory Fee”** means the signatory fee specified on the Association’s website from time to time.

### **3 OBJECTS OF THE ASSOCIATION**

3.1 The objects of the Association are 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 (the “**Objects**”).

### **4 AIM OF THE PRINCIPLES**

4.1 The aim of the Principles is to provide a risk management framework to enable insurers to align their portfolios with responsible environmental impacts to promote responsible environmental stewardship in the maritime insurance sector (as may be modified from time to time by the Signatories in accordance with these Rules).

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

5.1 These Rules provide the framework for the administration, management and development of the Principles by the Signatories and the Affiliate Members to promote responsible environmental stewardship throughout the maritime insurance value chain for the benefit of the environment, the Signatories, the Affiliate Members and society as a whole. Subject to compliance with the other provisions of this Rule 5, the sharing of ideas and experiences between Signatories and the Affiliate Members 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 and Affiliate Member recognises the need to comply with all relevant applicable laws and, in particular, those relating to client confidentiality and anti-competitive practices.

5.2 Each Signatory and Affiliate Member shall ensure that the Principles and any discussions or other contact with other Signatories or Affiliate Members 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 any other anti-competitive practices.

5.3 Each Signatory and Affiliate Member shall comply with all relevant applicable laws relating to client confidentiality in its implementation of the Principles.

5.4 The Association, each Signatory and each Affiliate Member agree that they 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.

5.5 Each Signatory and Affiliate Member shall ensure, and the Association may assume, that when personal data of an individual is disclosed to the Association by a Signatory or Affiliate Member, all legal requirements have been satisfied to enable the Association to lawfully use, process and/or transfer that personal data.

- 5.6 Personal data received from a Signatory or Affiliate Member will be processed by the Association in accordance with the Association's privacy notice, [which can be accessed on the Association's website] or for other purposes as necessary for the Association's legitimate interests as disclosed at or before the time the personal data is received.
- 5.7 Each Signatory and Affiliate Member shall ensure it has in place internal procedures that reflect its obligations under this Rule 5.
- 5.8 No Signatory or 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.

## **6 BECOMING A SIGNATORY**

- 6.1 Any Relevant Institution may become a Signatory if it meets the requirements set out in Rule 6.4 below and agrees to meet the annual reporting obligations.
- 6.2 Whilst the decision to become a Signatory is voluntary, a Signatory must take all appropriate steps to implement and comply with the Principles.
- 6.3 Relevant Institutions are encouraged to become a Signatory through a group holding company to enable compliance and reporting at group level.
- 6.4 To become a Signatory, a Relevant Institution must:
- (a) complete a declaration in the form set out in Appendix 2 to the Principles 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 has authority to bind the proposed Signatory;
  - (b) complete and execute (ensuring that any signatory has authority to bind the proposed Signatory) the Signatory Application, which requires the Relevant Institution to provide contact names and details.
  - (c) submit the documents referred to in paragraphs (a) and (b) above to the Secretariat for consideration.
- 6.5 The Secretariat will check that such Relevant Institution has complied with this Rule 6 and, if they have, will inform the [Chair] who, unless any concern is identified which requires discussion by the Steering Committee, shall instruct the Secretariat to accept the Signatory Application and agree an Accession Date with the proposed new Signatory.
- 6.6 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 logo of the Principles is the exclusive property of the Association, but the new Signatory will be entitled to display the logo of the Principles.
- 6.7 The first Accession Date shall be no earlier than the date when 8 Relevant Institutions have applied to become Signatories in accordance with these Rules.

## **7 SIGNATORY OBLIGATIONS**

7.1 Each Signatory shall:

- (a) within five months of becoming a Signatory, complete and submit a Self-Assessment to the Secretariat;
- (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 Rule 16; and
- (d) comply with all other applicable provisions of these Rules.

7.2 For the avoidance of doubt, no Signatory is required to publish information where disclosure would breach any relevant applicable law or regulation.

7.3 If material changes to the Principles have been made, the Steering Committee may agree to exceptions to the reporting requirements for a defined transition period.

## **8 GOVERNANCE OF THE ASSOCIATION**

8.1 The Steering Committee and, where appropriate one or more working groups (“**Working Groups**”) shall be exclusively responsible for the management of the Association and the development of the Principles, with the exception of the specific responsibilities delegated to the Affiliate Members in Rule 21.

8.2 Each Signatory is encouraged to participate in the management of the Association and the development of the Principles. Where possible, management of the Principles operates by consensus with Signatories being consulted to ensure any proposal to amend the Principles or any other decision has the support of the majority of the Signatories.

8.3 Each Signatory 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 Signatory being a member of the Association;
- (b) where applicable, individuals in its employment to represent it in the Steering Committee or any other Working Group of which it forms part; and
- (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 shall ensure that all individuals designated in accordance with paragraphs (b) and (c) above have sufficient either marine insurance, shipping or environmental experience.

8.4 Decisions shall be made by Signatories as members of the Association as follows:

- (a) Subject to Rule 15.2, each Signatory shall have one vote.
- (b) Any proposal that would, if passed:
  - (i) materially amend the Principles or these Rules;
  - (ii) in the opinion of the Steering Committee, materially reduce the rights or materially increase the liability or obligations of the Signatories;
  - (iii) result in a change to the Secretariat; or

(iv) 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,

(i) in the opinion of the Steering Committee, amend the Principles or these Rules in a minor way (for example to provide a clarification or correct an error); or

(ii) elect a Signatory to the Steering Committee,

(iii) approve the annual budget; or

(iv) 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 paragraph (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.

## **9 THE STEERING COMMITTEE**

9.1 The administration, management and development of the Association (including its assets) and the Principles are delegated by the Association to the Steering Committee other than those matters referred to in Rule 8.4.

9.2 The Steering Committee shall consist of between 8 and 12 members, all of which must be Signatories, who have been appointed by a vote of the Signatories as members of the Association in accordance with paragraph (c) of Rule 8.4. Each member of the Steering Committee shall designate up to two individuals to represent it as provided in paragraph (b) of Rule 8.3 but, for the avoidance of doubt, each Signatory shall only have one vote in respect of any decision by the Steering Committee.

9.3 The Steering 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 Steering Committee at any meeting shall subsequently be circulated to all Signatories.

9.4 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.

9.5 Any decision made by the Steering Committee in accordance with this Rule 9 (excluding for the avoidance of doubt any decision that requires the approval of the Signatories as members of the Association as described in Rule 8.4) shall bind the other Signatories.

9.6 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 where appropriate with the Advisory for technical advice;

(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, where necessary or appropriate conducting a formal tender process;
  - (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; arranging for meetings of the Association and agreeing the relevant agenda.
  - (g) approving changes to the authorised signatories for bank accounts (minimum two members of the Steering Committee);
  - (h) deciding how to invest or re-allocate any surplus monies from the Association budget.
- 9.7 Any Signatory may nominate itself for election to the Steering Committee if:
- (a) it has complied with its obligations under Rule 7 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 or Vice Chair.
- 9.8 The Steering Committee will comprise of between 8 and 12 members and shall, so far as practicable, include a diverse mix of institutions.
- 9.9 Each member of the Steering Committee, including as Chair or Vice Chair shall, during their appointment:
- (a) maintain at least two individuals to represent it on the Steering Committee as provided in Rule 9.2 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.
- 9.10 Subject to the other provisions of this Rule 9, members of the Steering Committee shall retire at the Annual Meeting by rotation after two years of service but may apply for re-election.
- 9.11 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.
- 9.12 Rules 9.10 and 9.11 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) 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 8 members of the Steering Committee;
  - (c) Membership of the first Steering Committee referred to in Rule 9.14 shall not be considered as a term for the purposes of Rule 9.11.
  - (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.
- 9.13 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.

- 9.14 The first Steering Committee shall consist of the first 8 Relevant Institutions which successfully apply to become Signatories and they shall all retire at the first Annual Meeting.
- 9.15 Before each election process, the Secretariat will notify the Signatories and request them to consider nominating themselves, within a specified timescale.
- 9.16 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 Vice Chair;
  - (b) the names of the individuals that would represent it on the Steering Committee as specified in paragraph (b) of Rule 8.3.

## **10 THE CHAIR**

- 10.1 The Steering Committee shall elect one of their number to be the Chair by simple majority vote.
- 10.2 The Chair shall chair the Steering Committee and co-ordinate the Steering Committee and any Working Groups to promote the Principles and the objects of the Association.
- 10.3 The Chair shall retire at the end of a period of two years but may nominate itself for a further two-year period.
- 10.4 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.

## **11 THE VICE CHAIR**

- 11.1 The Steering Committee shall elect one of their number to be the Vice Chair by simple majority vote.
- 11.2 The Vice Chair shall support the Chair as necessary and to assume the role of Chair if the Chair is unable to do so.
- 11.3 The Vice Chair shall retire at the end of a period of two years but may nominate itself for a further two-year period.
- 11.4 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.

## **12 WORKING GROUPS**

- 12.1 The Steering Committee may form Working Groups at its discretion in order to consider issues in detail and report to the Steering Committee.
- 12.2 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.
- 12.3 Working Groups may also be formed amongst Signatories, Affiliate Members and members of the Advisory of the various Poseidon Principles Associations.
- 12.4 The leader of any Working Group must be a Signatory or an Affiliate Member and shall be selected by the Steering Committee.



12.5 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 and, in each case, a new leader shall be selected by the Steering Committee.

### **13 ASSOCIATION MEETINGS**

#### *13.1 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 not more than 15 months after the holding of the previous Annual Meeting.
- (b) The 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 past 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;
  - (v) election or re-election to the Steering Committee;
  - (vi) the budget approved by the Steering Committee for the forthcoming year;
  - (vii) any item requested by a group of at least 5 Signatories by notice in writing received by the Secretariat not less than [four] weeks before the proposed date of the meeting; and
  - (viii) any other business.

#### *13.2 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:
  - (i) The Chair, acting on behalf of the Steering Committee or at the request of not less than five Signatories in accordance with paragraph (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 in accordance with paragraph (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 paragraph (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.
- 13.3 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.
- 13.4 Minutes of each meeting will be circulated to the Signatories by the Secretariat as soon as practicable after the relevant meeting.

#### **14 FAILURE TO COMPLY WITH OBLIGATIONS AS A SIGNATORY OR AN AFFILIATE MEMBER**

- 14.1 If a Signatory fails to comply with its reporting requirements as specified in paragraph (b) of Rule 7 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 paragraphs (b) and (c) below.
  - (b) If such failure to comply continues for three months after the relevant submission deadline, the Secretariat may 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 or a member of the Association.
  - (d) If it has ceased to be a Signatory by operation of paragraph (c) above, should it wish to become a Signatory again, the former Signatory must reapply in accordance with the provisions of Rule 6.
- 14.2 If a Signatory or an Affiliate Member fails to pay any amount payable by it under these 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 or Affiliate Member, including details of the consequences of continued failure to comply as set out in paragraphs (b) and (c) below.
  - (b) If such failure to pay continues for two months after the relevant payment deadline the Secretariat may note the Signatory's or Affiliate Members' failure to pay on the Association's website and send a further written reminder to the Administrative Representatives of that Signatory or Affiliate Member, copied both to the chief executive officer (or equivalent officeholder) of that Signatory or Affiliate Member 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 or Affiliate Member from the list of Signatories or Affiliate Member on the Association's website and the relevant Signatory or Affiliate Member shall cease to be a member of the Association.
- (d) If the relevant Signatory or Affiliate Member pays all amounts then due by it within six months of the relevant payment deadline, and has not previously ceased to be a Signatory or Affiliate Member by reason of this Rule 14.2, then its name will be restored to the list of Signatories or 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 Steering Committee).
- 14.3 If any acts or omissions of a Signatory or 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 Signatory or Affiliate Member, immediately remove the name of the Signatory or Affiliate Member from the list of Signatories or the Affiliate Members on the Association's website and the relevant Signatory or Affiliate Member shall cease to be a Signatory or Affiliate Member of the Association.
- 14.4 Upon ceasing to be a Signatory or Affiliate Member, the former Signatory or Affiliate Member may no longer use the logo of the Principles and shall remove it from all its literature and any website.

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

- 15.1 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 website.
- 15.2 If, as a result of a corporate transaction or otherwise, more than one Signatory is a member of the same 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 group shall be allowed. This recommendation shall be implemented unless the relevant group requests the matter to be decided by the Signatories. In any such voting process, the relevant group shall only be entitled to one vote on behalf of all the Signatories forming part of it.
- 15.3 If i) a Signatory ceases to be a Relevant Institution, ii) an Affiliate Member no longer qualifies to be an Affiliate Member or iii) either a Signatory or an Affiliate Member 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 or Affiliate Members on the Association website.
- 15.4 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.
- 15.5 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 a member and its name shall be removed from the list of Affiliate Members on the Association website.

## **16 SIGNATORY FEES**

- 16.1 The fees payable by each Signatory 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.
- 16.2 The costs will vary, particularly in relation to the updating of decarbonisation trajectories to reflect new IMO studies (expected approximately every five years). The Signatory Fees will be payable in Euros.
- 16.3 To meet such variable costs the Annual Fee will be:
- (a) variable;
  - (b) based on the budget approved by the Steering Committee setting out categories of expenditure, including an amount for contingencies and presented to Signatories at the relevant Annual Meeting; and
  - (c) approved by the Signatories in accordance with the procedures in paragraph (c) of Rule 8.4.
- 16.4 The Annual Fee is payable by Signatories whose names appear on the list of Signatories on the Association's website as at [30<sup>th</sup> June] of the relevant year, is payable by the [31<sup>st</sup> July] of the relevant year and is non-refundable in the event that a Signatory ceases to be a member of the Association.
- 16.5 The amount of the Signatory Fee may not be changed without the approval of the Signatories in accordance with the procedures in paragraph (c) of Rule 8.4.
- 16.6 Any surplus funds shall be carried forward to and used in the following year which will be reflected in the relevant budget and, where possible, a reduced Annual Fee.
- 16.7 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.

## **17 FINANCE**

- 17.1 Funds will be held in bank accounts in the name of the Association.
- 17.2 The main account will be used for the receipt of all fees, for holding cash and for all individual amounts of expenditure of more than [\$1,000.00] or its equivalent in other currencies, other than those payments specified in Rule 17.3 below. The authorised signatories for the bank account shall be the Nominated Representatives of each of the Chair, the Vice Chair and, as feasible, Steering Committee members together with the Secretariat. Cheques drawn on the account or transfers ordered shall be signed or authorised by any two signatories (provided, in the case of two Nominated Representatives, they shall be Nominated Representatives of different Signatories).
- 17.3 A second account will be used for operating expenses and will be operated by the Secretariat. Transfers will be made to it from the main account in accordance with the relevant budget for all individual items of expenditure of [\$1,000.00] or its equivalent in other currencies or less, plus the budgeted costs of the Secretariat and the Advisory, including where these exceed [\$1,000.00] or its equivalent in other currencies. Transfers to this account may be by way of individual transfers or standing orders or other scheduled transfers. The authorised signatories for the bank account shall be the Nominated Representatives of each of the Chair and the Vice Chair together with the Secretariat. Cheques drawn on the account or transfers ordered shall be signed or authorised by any one of the authorised signatories.
- 17.4 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.

## **18 THE SECRETARIAT**

- 18.1 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.
- 18.2 The scope of work and Signatory Fees payable to the Secretariat shall be 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 Rule 8.4.
- 18.3 The Affiliate Member Fees payable to the Secretariat shall be agreed by the Affiliate Members Committee.

## **19 AFFILIATE MEMBERS**

- 19.1 In furtherance of the Objects of the Poseidon Principles for Marine Insurance, institutions which do not meet the definition of Relevant Institutions may become Affiliate Members of the Poseidon Principles for Marine Insurance Association.
- 19.2 Any institution may become an Affiliate Member if it meets the requirements set out in the definition of Affiliate Member.
- 19.3 Whilst the decision to become an Affiliate Member is voluntary, an Affiliate Member must take all appropriate steps to implement and comply with the Principles to the extent possible in light of their business activities.
- 19.4 To become an Affiliate Member an institution must:
- (a) complete a declaration in the form set out in Appendix 3 to the Principles 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 has authority to bind the proposed Affiliate Member;
  - (b) complete and execute (ensuring that any signatory has authority to bind the proposed Affiliate Member) the Affiliate Member Application, which requires the relevant institution to provide contact names and details.
  - (c) submit the documents referred to in paragraphs (a) and (b) above to the Secretariat for consideration.
- 19.5 The Secretariat will check that such Affiliate Member has complied with this Rule 19 and, if they have, will inform the Chair of both the Steering Committee and the Affiliate Members Committee who, unless any concern is identified which requires discussion by the Steering Committee or Affiliate Members Committee, shall instruct the Secretariat to accept the Affiliate Member Application and agree an Accession Date with the proposed new Affiliate Member.
- 19.6 On its Accession Date the new Affiliate Member shall:
- (a) pay the Affiliate Member Fee;
  - (b) issue a press release announcing that it supports the Principles; and

- (c) become a member of the Association.
- 19.7 The Secretariat will update the Association's website to include the Affiliate Member in the list of Affiliate Members.
- 19.8 The logo of the Principles is the exclusive property of the Association, but the new Affiliate Member will be entitled to display the logo of the Principles.
- 19.9 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, individuals in its employment to represent it in the Affiliate Members Committee or any other Working Group of which it forms part; and
  - (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),
- 19.10 and shall ensure that all individuals designated in accordance with paragraphs (b) and (c) above have sufficient either shipping or environmental experience.

## **20 AFFILIATE MEMBER OBLIGATIONS**

- 20.1 Each Affiliate Member must take all appropriate steps to support and comply with the Principles.
- 20.2 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 Annual Fee as provided in Rule 24; and
  - (c) comply with all other applicable provisions of these Rules.
- 20.3 For the avoidance of doubt, no Affiliate Member is required to publish information where disclosure would breach any relevant applicable law or regulation.

## **21 THE AFFILIATE MEMBERS COMMITTEE**

- 21.1 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 this Clause 21.
- 21.2 The Affiliate Members Committee shall consist of between 8 and 12 members, all of which must be Affiliate Members, who have been appointed by a vote of the Affiliate Members in accordance with rule 21.4.
- 21.3 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.
- 21.4 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.
- 21.5 Any decision made by the Affiliate Members Committee in accordance with this Rule 21 shall bind other Affiliate Members.
- 21.6 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 these Rules solely with regards to provisions which exclusively apply to Affiliate Members, namely Rule 19 to Rule 24 and,
  - e) reviewing and approving the Association's annual budget in respect of Affiliate Member Fees and approving its circulation to the Affiliate Members.
- 21.7 Any Affiliate Member may nominate itself for election to the Affiliate Members Committee if:
- a) it has complied with its obligations under Rule 20 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 or Vice Chair of the Affiliate Members Committee.
- 21.8 Each member of the Affiliate Members Committee, including as Chair or Vice Chair of the Affiliate Members Committee shall, during their appointment:
- a) maintain at least two individuals to represent it on the Affiliate Members Committee as provided in Rule 21.2 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. Subject to the other provisions of this Rule 21, 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.
- 21.9 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.

- 21.10 Rules 21.8 b) b) 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 8 members of the Affiliate Members Committee;
  - c. If an Affiliate Member has been elected as the next Chair of the Affiliate Members Committee it shall not retire by rotation until it has ceased to be the Chair of the Affiliate Members Committee.
- 21.11 Any Affiliate Member may resign at any time from the Affiliate Members Committee by giving notice in writing to the Chair and shall be deemed to have resigned if it ceases to be an Affiliate Member.
- 21.12 The first Affiliate Members Committee shall consist of the first 5 Affiliate Members and they shall all retire at the first Annual Meeting.
- 21.13 Before each election process, the Secretariat will notify the Affiliate Members and request them to consider nominating themselves, within a specified timescale.
- 21.14 To nominate itself for election to the Steering 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 or Vice Chair of the Affiliate Members Committee;
  - b. the names of the individuals that would represent it on the Affiliate Members Committee as specified in Rule 19.4(b).'

## **22 THE CHAIR OF THE AFFILIATE MEMBERS COMMITTEE**

- 22.1 The Affiliate Members Committee shall elect one of their number to be the Chair of the Affiliate Members Committee by simple majority vote.
- 22.2 The Chair shall chair the Affiliate Members Committee and co-ordinate the Affiliate Members Committee to promote the Principles and the objects of the Association.
- 22.3 The Chair of the Affiliate Members Committee shall retire at the end of a period of two years but may nominate itself for a further two-year period.
- 22.4 The Chair of the Affiliate Members Committee 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 an Affiliate Member.

## **23 THE VICE CHAIR OF THE STEERING COMMITTEE FOR AFFILIATE MEMBERS**

- 23.1 The Affiliate Members Committee shall elect one of their number to be the Vice Chair of the Affiliate Members Committee by simple majority vote.
- 23.2 The Vice Chair shall support the Chair as necessary and to assume the role of Chair if the Chair is unable to do so.
- 23.3 The Vice Chair of the Affiliate Members Committee shall retire at the end of a period of two years but may nominate itself for a further two-year period.



23.4 The Vice Chair of the Affiliate Members Committee 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 an Affiliate Member.

## **24 AFFILIATE MEMBER FEES**

24.1 The fees payable by each Affiliate Member 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.

24.2 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. The Affiliate Member Fee will be payable in Euros.

24.3 To meet such variable costs the Annual Fee will be:

- (a) variable;
- (b) based on the budget approved by the Affiliate Members Committee setting out categories of expenditure, including an amount for contingencies and presented to Signatories at the relevant Annual Meeting; and
- (c) approved by the Affiliate Members in accordance with the procedures in Rule 21.4.

24.4 The Annual Fee for Affiliate Members is payable by Affiliate Members whose names appear on the list of Affiliate Members on the Association's website as at January 1st of the relevant year, is payable by the end of Q1 of the relevant year and is non-refundable in the event that an Affiliate Member ceases to be a member of the Association.

24.5 The amount of the Affiliate Member Fee may not be changed without the approval of the Affiliate Members in accordance with the procedures in of Rule 21.4.

## **25 THE ADVISORY**

25.1 The Steering Committee, the Affiliate Members Committee and 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.

25.2 The scope of work and fees payable to the members of the Advisory shall be agreed by the Steering Committee, subject to the approval of the Signatories of the fees as an item of the budget as specified in Rule 8.4.

## **26 DISSOLUTION OF THE ASSOCIATION**

26.1 The Association shall not be dissolved except by a resolution passed at an Annual Meeting requiring 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 dissolution.

26.2 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.