

MACN Operating Charter

Bylaws

Last updated: MAY- 2021

ARTICLES OF ASSOCIATION

1. NAME AND PLACE OF RESIDENCE

1.1 The name of the association is the Maritime Anti-Corruption Network (abbreviated MACN).

1.2 The seat of the association is in Copenhagen, Denmark with the organizational number 41887958.

1.3 MACN is a mission driven not for profit organization established by the maritime industry to tackle corruption in the maritime industry.

2. PURPOSE

2.1 The purpose of the association is a maritime industry free of corruption that enables safe and fair trade free of corruption to the benefit of society at large.

2.B PREAMBLE

2.B.2. This Operating Charter ("Charter") establishes a governance structure and defines key organizational elements of MACN.

2.B.3 The mission of MACN is the promotion of good corporate practice in the maritime industry for tackling bribes, facilitation payments and other forms of corruption by developing and sharing best practices, creating awareness of the challenges and collaborating with key stakeholders to develop sustainable solutions. This Charter describes how MACN will be governed in furtherance of this mission and in order to ensure that the integrity and reputation of MACN is not harmed. In addition to outlining criteria and rights and obligations of membership, this Charter outlines the role and responsibilities of the governance bodies including the MACN Board of Directors (the "Board") and MACN Members Meetings as well as the mechanisms for ensuring integrity and accountability.

2.B.4 The Charter is a core document which, together with the MACN Anti-Corruption Principles and the MACN Anti-Trust Compliance Policy, makes up the foundational documents of MACN.

3. GOVERNANCE

3.1 MACN is governed by the general assembly (members), a Board, and also constitutes a secretariat, and a variety of working groups.

4. MEMBERS

4.1. Companies or incorporated organizations for whom ownership and/or the operation of commercial vessels for business purposes constitutes a significant business activity, as well as companies for whom one or more of the following activities constitutes a significant business activity: ship management sectors, port management, terminal operation, shipping agency, freight forwarding, the chartering of vessels for the transportation of its cargo, shipping associations, Protection and Indemnity Clubs (change to relevant insurance providers), international crewing companies, and flag registries, are eligible for Membership, subject to prior approval by the Board as set out below.

4.2 Group companies may join as Members subject to criteria determined by the Board. For example, where a large number of vessels are owned or operated in more than one company, more than one company may be required to become a member for the whole Group to benefit from membership.

4.3 There is no limit to the number of Members of MACN.

5. RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Members have the following obligations:

- a) Pay the required annual dues (members fees and one-time Collective Action contribution) in full and on time;
- b) Publicly endorse, including on its website, MACN vision, mission and Anti-Corruption Principles;
- c) Participate at least one Annual Members Meeting (in person or virtually)
- d) Participate at working groups and Collective Action programmes;
- e) Adopt and implement MACN Anti-Corruption Principles through their own compliance and governance program;
- f) Report to MACN through MACN Self-Assessment annually on progress made to ensure the effective implementation of MACN Anti-Corruption Principles;
- g) Participate in local meetings hosted in countries where the company has operation
- h) Report into MACN Anonymous Incident Reporting System or relevant local tools provided (for e.g. HelpDesks)

5.2 Members have the following rights:

- a) Receive notice of, attend and speak and vote at Members Meetings on the basis of one vote per Member;
- b) Propose representatives to the Board as well as other Committees established by Members Meetings;
- c) Participate in MACN working groups;
- d) Use the MACN logo and intellectual property in accordance with MACN Rules (Annex 2) for the time being in force; and
- e) Propose to the Board items for discussion at Members Meetings provided the proposal enjoys support of at least 10% of Members.

6. APPLICATIONS FOR MEMBERSHIP

6.1. Applications for Membership will be made to the Board which has authority to grant or deny membership by a simple majority vote. Applicants are required to complete an application form together with a signed statement of commitment and may be asked by the Board to provide other information or evidence as they may require.

6.2 Admission will generally be granted to applicants fulfilling the criteria for membership. If the Board refuses admission, it will inform the applicant in writing of the reasons within 21 days of the decision. The Board will consider further representations by the applicant and will reach a final decision which will be notified to the applicant within 21 days of their decision.

6.3. The Board is entitled to reject for membership an applicant which they consider:

- a) Does not fulfil the criteria for membership
- b) Where there is reasonable doubt as to the applicant's commitment to MACN Anti-Corruption Principles, or
- c) Where the Board reasonably considers, on objective grounds, that it is in the best interests of MACN to refuse the application.

6.4. Membership commences when the Board has accepted the application and the applicant has paid all membership dues.

6.5. All memberships will be automatically renewed annually unless a Member is under consideration for suspension or termination. Members may cancel their membership at any time without penalty (but without refund of annual dues already owing or paid) by written notice to MACN, given at least **five** (change to **three**) months before the end of the calendar year.

7. MEMBER MEETINGS AND QUORUM

7.1. The Board will call an Annual Members Meeting each calendar year and may convene other meetings for Members as appropriate to advance the vision and mission of MACN (collectively referred to as "Members Meetings"). All meetings will be conducted in accordance with MACN Anti-Trust Compliance Policy.

7.2. The Annual Members Meeting shall take place within 6 months of the end of each year.

7.3. The business of the Annual Members Meeting will include (but not be limited to):

- a) Elections to the Board and selection of Chair;
- b) Approval of Cashier and Accountant;
- c) Approval of Financial Statements;
- d) Selection of Auditor;
- e) Changes to this Operating Charter;
- f) The adoption of and changes to MACN Anti-Corruption Principles;
- g) The approval of MACN annual budget;
- h) The approval of annual membership dues;
- i) The approval of MACN Annual work plan; and
- j) Such other business or member proposals considered appropriate by the Board.

7.4. The Board may convene such other Members meetings either in person or online as it deems appropriate, with the expectation that MACN shall have at least two Members meetings per year, in the Spring and in the Fall of each year. The business of other meetings will be determined by the Board but cannot, unless agreed to by a majority of Members, include any business which is defined to be solely the business of the Annual Members Meeting by this Charter.

7.5. All Members Meetings are to be called with at least 28 clear days' notice in writing, or with shorter notice, if agreed by a majority of Members. The notice will specify the time, place and the general nature of the business to be transacted and identify any matters which require a Special Resolution.

7.6. Members Meetings may be held in person, by telephone, by videoconference or by any other electronic means.

7.7. All Members must respect the confidentiality of any information provided to MACN by other Members. All matters discussed, and views expressed at any Members Meetings are confidential and all Members agree that they will not under any circumstances report any such matters or views to any person, including to any person or media outlet or publication. **members of the media.**

7.8. All Members acknowledge that the formation of MACN could potentially give rise to concerns regarding competition or anti-trust. All Members confirm that they have no intention to act in contravention of any competition or anti-trust legislation which may be applicable to them, or to create any cartel or barrier to trade. All Members agree to comply with the MACN Anti-Trust Compliance Policy.

7.9. Quorum for any Members Meeting will be one third of the total number of Members. No business is to be transacted without a quorum. Members may be present by proxy or an authorized representative.

8. VOTING AT MEMBER MEETINGS

8.1. Members have one vote on each resolution put to vote which may be exercised in person or by proxy. Proxies must be notified to the Board at least 2 clear working days in advance of the Members Meeting.

8.2. No Member is entitled to vote unless all dues from that Member have been paid in full prior to the Members Meeting.

8.3. Decisions will generally be by ordinary resolution which requires a simple majority of Members present and voting unless a Special Resolution is required by this Charter.

8.4. Special Resolutions require a vote of two thirds of Members present and voting. Special Resolutions are required for dissolution of MACN or any changes to this Charter, MACN Anti-Corruption Principles or MACN Anti-Trust Compliance Policy.

9. MACN BOARD

9.1. The Board is to be made up of representatives from Members of MACN

9.2. The maximum number is to be eight Members and the minimum number is six Members. Appointments to the Board are for a **four-year term** change to **three year** (subject to early removal as discussed below) but not exceeding two consecutive terms. **Members will be eligible to serve again after a gap of one year.**

9.3. Removal of Board Members:

- a) The Board may vote on the removal from the Board of one or more members of the Board if there is reasonable doubt of the Board member's commitment to the MACN Anti-Corruption Principles or the Anti-Trust Compliance Policy.
- b) The Board may vote on the removal of a Board Member if the Board Member changes employment to that of another Member of MACN.
- c) If the Company that the Board Member represents is no longer a Member of MACN, then that Board member will automatically cease to be a member of the Board.

- d) If the Board member ceases to be an employee of a Member of MACN, then that Board Member will automatically cease to be a member of the Board. In such an event, the Board, at its option, may vote that the vacancy left by such member be filled by another employee of that Member.
- e) Decisions relating to the removal of Board Members requires a two thirds majority (in which case the Board Member in question cannot attend the Board meeting and does not have a vote at the Board meeting).
- f) If the removal of a Board Member results in the Board with less than six members, additional members will be elected as soon as possible.

9.4 The make-up of the Board should reflect the diversity of MACN Members, taking into account factors such as industry segment, company size and country of origin, gender, ethnical and professional diversity. The Board may take appropriate steps to achieve this.

9.5 The Board will meet not less than quarterly either via tele or video conference or in person and elect from its participants. The Chair will not vote unless required to break a tie in voting.

9.6 Quorum for Board meetings is at least 50% of the Board.

9.7 Decisions of the Board will be made by a simple majority, except for decisions relating to the suspension of Members which require a two thirds majority (in which case any Board representative associated with the Member in question shall not attend the Board meeting and shall not have a vote at the Board meeting).

9.8 Additional meetings may be called as necessary jointly by the Chair and Vice-Chair on 14 days' notice or for urgent business with shorter notice providing a majority of the Board agree.

10. BOARD BUSINESS

10.1. The business of the Board includes:

- a) Setting MACN strategic direction and promoting the adoption and adherence to MACN Anti-Corruption Principles;
- b) Approve an annual work plan and oversee progress against priorities;
- c) Approve the agenda for Annual Members Meetings and other Members Meetings;
- d) Approve admission of Members;
- e) Propose the annual budget to the Membership;
- f) Conclude contracts with 3rd party service providers;
- g) Assess the annual performance of the Chief Executive Officer
- h) Propose membership dues for Members;
- i) Review of the annual financial statements for recommendation to the members for approval;
- j) Act as spokesperson for MACN through the Chair or Vice-Chair;
- k) Approve sub-committees of the Board to facilitate its work;
- l) Propose working groups for Members to advance the work of MACN;
- m) Invite and receive contributions and raise funds where appropriate, to finance the work of MACN;
- n) Publicize and promote the work of MACN and organize meetings, training courses, events or seminars etc.;
- o) Work with groups of a similar nature and exchange information, advice and knowledge with them, including cooperation with other industry or anti-corruption bodies, and statutory and non-statutory organizations, governments and stakeholders;
- p) Assign Members and volunteers (not from the Board) as necessary to conduct activities to meet the objects of MACN; and
- q) Ensure any property, real or intangible, which is created for, acquired by or otherwise belongs to MACN, is held on trust for MACN by an appropriate third party, which should normally be the Secretariat.

10.2. The Board will not be remunerated or reimbursed expenses for participation in Board meetings, but the costs of any third-party venue used for Board meetings and D&O insurance for the Board Members will be provided by MACN and met out of MACN funds.

10.3. The Board will act in the best interests of MACN, and MACN Members will indemnify them for any legal liabilities they incur whilst carrying out their responsibilities for MACN provided such actions were done in good faith. Each Member will contribute an equal share, save to the extent that the Board personnel actions are covered by any insurance (for example Directors and Officers insurance).

11. SIGNING AUTHORITY

11.1 The CEO of MACN is authorized to:

1. Open a bank account with a reputable Danish bank with an acceptable credit rating;
2. Sign documents, applications, etc., to open accounts; and
3. With reference to the Articles of Association Section A) 12.1 - 12.3, to withdraw and transfer funds up to 50,000€. In the case of withdrawal and transfer of funds over 50,000€, this must be done with the signature of the CEO and a board member or two board members.

12. MEMBERSHIP DUES

12.1. Annual dues will be determined by ordinary resolution at the Annual Members Meeting. Payment of dues will be required 60 days after the invoice is issued. A failure to make payment of annual dues or other sums due to MACN will suspend the Member's rights in MACN. If membership fee is not paid within 60 days, the Secretariat has the right to add a delay fee of 10% of the total amount

13. FUNDING

13.1. Annual dues will be used to cover MACN day to day **association** expenses. MACN may also seek financial and other support from government, non-government and private funders for projects and initiatives relevant to the pursuit of MACN **purpose**, vision and mission. The identities of those funders and the amount of the financial and other support will be disclosed to all Members.

- a) MACN funds will be paid into an account(s) operated **by the Board** in the name of the Secretariat on behalf of MACN.
- b) All funds must be applied to the objects of MACN and for no other purpose.
- c) The Secretariat and the Board will ensure funds are used effectively and that MACN stays within budget.

13.2. It is the association that is alone accountable for the association's obligations. In case of any deficit in MACN's balance sheet, **the Board is authorized to act to ensure that the deficit will be made good by equal percentage contribution from all Members, which are payable to the association.** The Board will immediately inform the Members if a deficit arises, or it becomes clear that there is a risk it will do so and will be fully transparent in providing the reasons for the deficit.

13.3 The financial year of MACN shall be from January 1 to December 31 of each year.

13. THE USE OF FUNDS

13.4. The funds and surplus should only be used to pursue the purpose of MACN and may not be used for any other purposes.

13.5. The Board and the Secretariat shall ensure that the funds are used effectively and will remain within the approved budget and to achieve MACN's purpose.

13.6 Members are not allowed to make any claims on any surplus end of year or in case MACN may be resolved.

14. PUBLIC REPORTING

14.1. MACN will develop an Annual Report of Activity and make this publicly available on the MACN website. This will include a Financial Statement following the calendar year.

15. SUSPENSION AND TERMINATION OF MEMBERSHIP

15.1. Membership in MACN is not transferable and ceases on resignation. Membership may also be suspended and then terminated:

- a) On failure to pay annual dues or any other amounts payable in accordance with Members Meeting Resolutions and relevant MACN Rules;
- b) On violation of this Charter or MACN Rules or other conduct that could result in injury to the reputation of MACN or its Members;
- c) If a Member no longer meets the membership eligibility;
- d) Failure by the Member to adhere to any of its obligations as a Member set out in Article 4.1 of the MACN Operating Charter, including failure to adopt and implement the MACN Anti-Corruption Principles within thirty-six months after becoming a Member, or failure to report to MACN Assessment of Progress in implementation on an annual basis; or
- e) If a Member has not participated in any meeting or working group for more than 12 months

15.2. In cases a) to d) above the Board will send the Member a notice specifying the cause and of its decision to suspend the Member in 30 days' time. The Member has 30 calendar days to respond. If the situation remains unresolved, the Member will be automatically suspended and will be given a final 15 calendar days to rectify the situation to the satisfaction of the Board to avoid termination. If the situation remains unresolved, the Member's membership will be automatically terminated.

15.3. Members may not serve on the Board whilst that Member's possible suspension or termination is under consideration.

15.4. Termination of membership for any reason does not relieve the Member from liability to pay in full any unpaid dues or other duly assessed fees and charges. No dues, fees or other charges already paid will be refunded on termination.

15.5. This Charter is governed by and construed in accordance with English law. Any dispute arising out of or in connection with this Charter will be referred to the English High Court, London, which has exclusive jurisdiction.

16. DISSOLUTION

16.1 Members may vote by special resolution to dissolve MACN (with reference to 8.4). If after satisfaction of all its debts and liabilities, there is remaining property, this will be given or transferred to such body or bodies whose purpose is to tackle corruption in the maritime trade or tackle corruption in a broader sense. This is to be agreed by the Members at or before the time of dissolution (whether or not a recipient body is a Member of MACN) as agreed by the members by simple majority, present and voting. No funding or dues will be paid back to the members in case of dissolution.

GLOSSARY OF TERMS

- “All member meetings” are meetings in which Members can participate.
- “Annual Members Meetings” are meetings held annually and must be called following a special procedure (in writing and with 28 clear days’ notice).
- “Applicants” are companies or incorporated organizations that have submitted an application for membership to the Board.
- “Authorized representative” means a person within a company that has received the adequate authorization/mandate/delegation to make the decisions relevant to the work of MACN on its behalf.
- “Chair” is the person elected by the members of the Board who can act as spokesperson for MACN and can decide with the Vice-Chair to call on meetings.
- “Incorporated organizations” mean legal entities that are recognized by the law but are not natural persons.
- “MACN Rules” are the rules adopted by the Board to cover day to day business and operations of MACN.
- “Non-statutory organization” means an organization that is not a legal entity in its own right, but is accountable to, and/or funded by, an organization or a partnership between different organizations.
- “Other member meeting” means any other meeting decided by the Board or call by the Chair and Vice-Chair.
- “Quorum” means a minimum number of MACN members that is required to be present in MACN meetings before any valid business can be transacted.
- “Member” means a member admitted to membership in accordance with Article 3.1.
- “Resignation” means the written statement from a MACN Member notifying its desire to cease its membership with MACN.
- “Resolution” means a decision that is taken by MACN Members during Member Meetings. A resolution can be special when it requires a vote of two thirds of Members present and voting or ordinary when it can be passed by a simple majority of Members present and voting.
- “Secretariat” means the body appointed by the Board to fulfil any activities required by the Board.
- “Simple majority vote” means a voting system whereby half the Members present and voting is enough to adopt a decision/resolution.
- “Statement of commitment” is the document that must be signed by the applicant’s CEO or other senior executive as part of the application process which commits the company or incorporated organization to supporting MACN.
- “Statutory organization” means an organisation that is set up by law or by the government.
- “Board” means the committee made up of representatives from Members of MACN.
- “Third party service provider” refers to any organization or company that is contracted by the Board to provide MACN goods or services of any nature.
- “Working group” means a group of Members working together on a specific issue to advance the work of MACN.

ANNEX 1 – Disclosure Clause

Discussions under the Meetings

All discussions under the meetings of MACN must be conducted in compliance with MACN Anti-Trust Compliance Policy. Unless relevant, necessary and/or required for the purposes of definition, developing, mapping, identifying, planning, and/or carrying out of a project, paper, study, survey or other or for any other reason justified by the respected purpose, sharing of information under MACN meetings must at all times avoid references to specific incidents regarding anti-corruption and/or facilitation payments.

MACN Database

MACN has a database ("Database") containing documents created by MACN consisting of, *inter alia*, minutes of the meetings, papers, studies, summaries and other files created by or related to the Members of MACN ("MACN Material") as well as a list of the Members and contact details of the persons representing them in MACN ("Member Information"). In addition to the MACN Material and the Member Information, the Database contains files and documents which are not created by MACN or its members, e.g. downloads of anti-corruption laws and commentaries, anti-corruption procedures and guidance for the same or links to official websites and other publicly accessible and obtainable documents related to the purposes and work of MACN ("Other Material"). All personal data will be stored, accessed and processed in accordance with the relevant Member's agreement, as set out in the Application for membership, or elsewhere.

Access to the Database is restricted to the Members only for which the representative of the same is provided an access code. Save for the exceptions provided below, no MACN Material including Member Information is to be disclosed to anybody. The Members can freely use and disclose the Other Material subject to disclosure restrictions pertinent to the respective document. In case the MACN Material is used in-house by the Member for internal purposes only, the recipient and/or user of the same must not disclose the same to anybody and not use the information in any way which is contrary to MACN Anti-Trust Compliance Policy. The Database is administrated by the Secretariat of MACN with close co-operation and supervision of the Board.

Disclosure under Public Prosecution

If a Member has been prosecuted by official prosecuting authorities for breach of anti-corruption laws, such Member may, by obtaining a prior approval from the Board, disclose certain MACN Material in order to support its defence against such claims. The Member is required to make its request in writing (by e-mail) to the Chair of the Board specifying i) the reason, ii) the MACN Material wished to be disclosed and iii) the relevant part of the claim, i.e. the preamble stating the name of the Member as defendant of the claim and the prosecuting authority as well as the relevant part of points of claim or other information indicating that the Member is prosecuted for breach of anti-corruption laws). All communication and correspondence between the Member requesting approval for disclosing the MACN Material and the Board are strictly private and confidential. The Board will not unreasonably withhold approval. Note that Member Information **cannot** be disclosed and that permission is only likely to be granted to support a defence against claims and/or prosecutions for breach of anti-corruption laws when the claimant is a public prosecutor in corruption related matters in the respective jurisdiction. No MACN Material nor Member Information can be disclosed or used in connection with defending and/or suing private claims for breach of anti-corruption laws, rules or respected policies or other between private parties (i.e. without public interest).

Disclosure in Other Occasions

The Board may, for specific purposes, following a request in writing from the Member(s) allow the occasional use and/or disclosure of the MACN Material to non-members or other external parties, if such purpose is likely to facilitate the purpose and mission of MACN, e.g. co-operation with public authorities, NGOs, governments or similar. In such cases the Member Information must not be disclosed and the names of the members must not be identified in other connection of the disclosed material.

Dissolution of MACN If the MACN network is dissolved and is not succeeded by a registered company or similar carrying on the same work and purpose, or due to any other reason ceases to exist, all the contents of the Database must be destroyed by the Secretariat and the Database be closed down. The Secretariat

will send an e-mail message about the closing of the Database to all those listed as Members at that time prior to closing of the Database.

Member Publicity Members are obliged to publicly endorse MACN. However, when referring to the network externally they should not disclose nor refer to activities of the other Members, unless these Members have given their explicit consent to the same.

Law and Jurisdiction

This Disclosure Clause is governed by and construed in accordance with English law. Any dispute arising out of or in connection with this Disclosure Clause will be referred to the English High Court, London, which has exclusive jurisdiction.

ANNEX 2 – RIGHT TO USE MACN LOGO AND NAME

- Members have permission to use the MACN name and MACN Logo (any of the primary, secondary and tertiary versions of the logo are referred to as “Logo”) in accordance with the below.
- Version of the Logo can be found of MACN’s member platform.
- All Members agree as a condition of their right to use the MACN name and Logo that use indicates the support of a Member of the MACN Principles and does not imply any form of certification or compliance program verification.
- Members may use the Logo in the context of their activities promoting the MACN Vision, Mission and Principles. This includes use of the Logo on Member websites, whether internal or public facing, for the purpose of identifying that they are members of MACN.
- Members can publicly display the Logo on MACN Member vessels
- Members can use the Logo as a permanent graphical element of print materials (e.g. business cards) but should use clear addition such as “A member of”

The following uses of the MACN Logo are not permitted:

MACN Members who bring either MACN organization into disrepute or damage its reputation, for example, through either inappropriate use of the Logo or repeated devaluing of the Logo by not complying with MACN Principles, may have permission to use the name and Logo withdrawn and all MACN Members agree as a condition of use of the Logo that they will comply with any directions given by the Board in relation to its use.

The Logo is copyright MACN 2021