

CHARTER

Adopted at a meeting of Council on 27 October 2009

2009 / Rev 1: clarification in 4.13 and in Annex 3, 1.2 adopted by correspondence 15 August 2011; also references to QSCS 'transition period' deleted.

2009 / Rev 2 (Jan 2012): Clarification on the Copyright Ownership agreement for Common Structural Rules.

2009 / Rev 3 (April 2015): Changes to Independent Appeal Board, and Permanent Secretariat Officers.

2009 / Rev 4 (Oct 2015): Changes to TC Forum para. 1.2 in Annex 3.

2009 / Rev 5 (June 2017): Changes to text in para. 1.1 offering clarification on service provision.

2009 / Rev 6 (Jan 2018): Changes to membership criteria and application process in section 3, Annex 1 and Annex 4. Also editorial changes in paragraphs 4.10(b) & 4.11 were introduced.

2009 / Rev 7 (July 2020): Removal of the dated Technical Contributions Forum and its replacement by flexible arrangements as described in Annex 3 for participation in IACS work by non-IACS Classification Societies.

2009 / Rev 8 (July 2021): Changes to election of Council Chair and GPG Chair, voting mechanism and Chair's Office.

2009 / Rev 9 (Dec 2021): Changes to definitions of Accredited Certification Body, Quality Committee and IACS QSCS Operations Center in Annex 4.

2009 / Rev 10 (July 2023): Word improvements in the definition (para. 2,1) Purposes and Aims of IACS.

2009 / Rev 11 (Feb 2025): Changes to sequencing of the membership criteria and the order of the application review process, the introduction of a threshold for the number of non-compliant vessels at the time of application and the introduction of a membership application fee.

2009 / Rev 12 (May 2025): Textual amendments to reflect changes made in Annex 2 of the IACS Charter on Rules of Procedure for the Independent Appeals Process, and the introduction of a new function of Council whereby it is to determine when a member's membership status poses a significant risk to IACS due to external factors and various consequential amendments.

1. PREAMBLE

- 1.1 The purpose of a Classification Society ("CS") is to provide classification, statutory certification and services as a Recognised Organisation acting on behalf of a flag Administration, and assistance to the maritime industry and regulatory bodies as regards maritime safety and pollution prevention, based on the accumulation of maritime knowledge and technology.
- 1.2 The objective of ship classification is to verify the structural strength and integrity of essential parts of the ship's hull and its appendages, and the reliability and function of the propulsion and steering systems, power generation and those other features and auxiliary systems which have been built into the ship in order to maintain essential services on board for the purpose of safe operation of a ship. Classification Societies aim to achieve this objective through the development and application of their own rules and by verifying compliance with international and/or national statutory regulations on behalf of flag Administrations. However, Classification Societies are not guarantors of safety of life or property at sea or the seaworthiness of a vessel because the Classification Society has no control over how a vessel is operated and maintained in between the periodical surveys which it conducts.
- 1.3 This Charter defines the rules on which the International Association of Classification Societies ("IACS" or "the Association") shall operate in order to support and enhance the ship classification and statutory activities of its Members.

- 1.4 This Charter can only be amended in the Council in accordance with the voting mechanism laid down in clause 4.14.

2. PURPOSES AND AIMS OF IACS

2.1 IACS as an Association of Classification Societies:

- (a) establishes, reviews, promotes and develops minimum technical requirements¹ in relation to the design, construction, maintenance and survey of ships and other marine related facilities; and
- (b) assists international regulatory bodies and standard organisations to develop, implement and interpret statutory regulations and industry standards in ship design, construction and maintenance, with a view to improving safety at sea and marine environmental protection.

2.2 Membership of the Association must be recognised as providing an assurance of professional integrity and the maintenance of high professional standards, by means of:

- (a) effective application of internal quality management systems complying with the IACS Quality System Certification Scheme (QSCS), verified by independent Accredited Certification Bodies; and
- (b) initial verification and periodical assessment that Members comply with this Charter and the Membership Criteria (including IACS QSCS) in accordance with the verification process set out in ***Procedures for Membership Applications and Periodical Verification of Existing Members*** at **Annex 1**.

3. MEMBERSHIP OF IACS

Membership Criteria

Criterion 1 – Evidence that the organisation is a Classification Society as defined in Annex 4 to the IACS Charter and that it meets the requirements as detailed in the guidance for this criterion in section C I-4 of Volume 2 of the IACS Procedures.

Criterion 2 – Demonstrated ability to develop, apply, maintain, regularly update and publish its own set of classification rules in the English language covering all aspects of the ship classification process (design appraisal, construction survey and ships-in-service periodical survey).

Criterion 3 –

3(a) Demonstrated ability to provide surveys of the ships under construction in accordance with the Applicant's rules and in accordance with IMO, ILO and flag State requirements.

¹ IACS requirements are minimum requirements. Any Member or group of Members remains free to set and publicise requirements that result in an equivalent or higher safety level compared to the IACS requirements.

3(b) Demonstrated ability to provide periodic surveys of ships in service, in accordance with the Applicant's rules and in accordance with IMO, ILO and flag State requirements.

Criterion 4 – Sufficient international coverage by exclusive surveyors relative to the size of the Applicant's support of construction programmes and classed fleet in service.

Criterion 5 – Documented experience that provides evidence of an Applicant's capability to assess designs for construction and/or major modification and/or ships in service of various types subject to any applicable IMO and ILO Convention.

Criterion 6 – Significant in-house managerial, technical, support and research staff commensurate with the size of the Applicant's classed fleet and its involvement in the classification of ships under construction.

Criterion 7 – Technical ability to contribute with its own staff to the work of IACS in developing minimum rules and requirements for the enhancement of maritime safety.

Criterion 8 – Contribution to IACS work by the Applicant, on an ongoing basis with its own staff as described in Criterion 8 above.

Criterion 9 – Compliance of classed ships with all IACS Resolutions as defined in Annex 4 to the IACS Charter.

Criterion 10 – Evidence that the IMO's Maritime Safety Committee has advised in writing that the Applicant's Rules and Procedures conform to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers (SOLAS Reg.II-1/3-10, IMO Resolution MSC.287(87)).

Criterion 11 – Compliance with QSCS.

3.2 Interpretative guidance in respect of the Criteria is contained in the document **Volume 2 - Procedures Concerning Requirements for Membership of IACS**, which is published and kept updated on the IACS website.

Application for membership

3.3 Any CS which wishes to become a Member of IACS shall apply for membership in accordance with the IACS document **Membership Applications and Periodical Verification of Existing Members** (at **Annex 1** hereto).

3.4 An Applicant that satisfies the Membership Criteria, with the exception of:

- a) Criterion 8 which will be assessed after three years from the date of grant of Membership; and
- b) Criterion 9 where, at the time of the grant of Membership, the applicant has ships on its register that do not comply fully with all relevant IACS Resolutions, in which case compliance is to be achieved within 3 years from the date of the Applicant becoming a Member. Number of non-

compliant ships, at the time of application, is limited to 20 (twenty) ships or 3% of the Applicant's classed fleet, whichever is the lower.

Shall be admitted as an IACS Member but shall not be eligible to offer a candidate for election to the Chair nor be eligible to participate in the Chair's Office and shall have no voting rights unless and until such time as compliance with Criteria 8 and 9 has been satisfactorily demonstrated in accordance with the timings set forth above. The foregoing is without prejudice to the terms of the Common Structural Rules for Bulk Carriers and Double-Hull Oil Tankers – Copyright Ownership Agreement.

Rights of Members

3.5 Without prejudice to Clause 3.4 above and 3.7 below, an IACS Member has the right to:

- (a) refer to itself as a Member of IACS;
- (b) offer a candidate for election to the Chair;
- (c) participate and vote in all meetings and discussions of Council and General Policy Group;
- (d) participate in the Chair's Office as specified in the Procedures;
- (e) participate and vote in all Working Groups;
- (f) participate and vote in the Quality Committee; and
- (g) participate in the IACS delegation to IMO meetings.

Obligations of Members

3.6 IACS Members shall:

- (a) contribute to IACS on an equal financial basis with other IACS Members (including, without limitation, bearing the salary, travel and other expenses of its own representatives to the Council and subsidiary bodies, and sharing the expenses connected with the General Policy Group Chair function, the Permanent Secretariat, the Independent Appeals Process, the Panel Chairs, the Quality Committee Chair and their secretaries);
- (b) continue to satisfy all of the Membership Criteria;
- (c) submit to the verification process set out in the **Membership Applications and Periodical Verification of Existing Members** (at **Annex 1** hereto);
- (d) abide by the IACS Procedures in force from time to time;
- (e) comply with all IACS Resolutions, except in cases where reservations are allowed by IACS and made by Members.

Suspension and withdrawal of membership

- 3.7 Council shall have the power to suspend and withdraw membership from any existing Member in accordance with the procedure laid down in the IACS document ***Membership Applications and Periodical Verification of Existing Members*** (at **Annex 1** hereto).

Appeals relating to the refusal, suspension or withdrawal of membership

- 3.8 Decisions of Council refusing, suspending and withdrawing membership of IACS may be appealed by the CS concerned using the Independent Appeals Process in accordance with Section 5 and the IACS document ***Rules of Procedure for the Independent Appeals Process*** at **Annex 2** hereto.

Resignation from the Association

- 3.9 Any Member may resign from the Association by written notice to the Council, such notice taking effect 6 calendar months after the date thereof.

4. STRUCTURE AND GOVERNANCE OF THE ASSOCIATION

- 4.1 The Association consists of a Council, a Permanent Secretariat and such other bodies as the Council shall at any time consider necessary (such as, without limitation, the Chair's Office, the General Policy Group, Quality Committee, Panels, Expert Groups, etc.).

The Council

- 4.2 The Council is the governing body of the Association and consists of one representative of each Member Society.
- 4.3 Regular meetings of the Council shall be held at least once a year but extraordinary meetings may be convened upon request of not less than one third of its Members. At such meetings each Council Member shall have one vote, subject to clause 3.4 above and subject to clause 1.3.1(g) in the ***Procedures for Membership Applications and Periodical Verification of Existing Members*** (at **Annex 1** hereto). Each Council Member may be accompanied by advisers at the discretion of the Council. The Council shall meet at such places as may be convenient.
- 4.4 The Council shall elect a Chair from amongst the IACS Members in accordance with the procedure set down in 4.13 below. The term of office shall be for a period of two years and shall commence on 1 January. The Chair may be elected for no more than two consecutive terms. The Chair shall preside at the Council meetings and act as the Principal Officer of the Association.
- 4.5 A Chair, or acting chair, as defined in 4.6 below, shall not vote at any Council meeting but may appoint another member of his or her Society to act as the representative of his or her Society on the Council.

- 4.6 If the Chair is absent from a meeting or is unable to carry out his or her other duties on behalf of the Association, the Chair's Office shall select an acting Chair from among its Members, and the acting Chair shall preside over the meeting or take over such other duties as is the term of office, the acting Chair shall act as Chair pending the election of a new Chair.
- 4.7 If the Chair and the acting Chair are both unable to preside at a Council Meeting, the Council shall elect one of its Members to preside and act as Chair during the meeting.
- 4.8 The Council shall appoint a Secretary General under whose direction the Permanent Secretariat is operated. The Secretary General's functions and duties, together with the procedure for his or her appointment, shall be prescribed by the IACS Procedures in force from time to time.
- 4.9 The Chair, the Chair's Office and the Secretary General, between them, shall be given sufficient authority by the Council to:
- (a) take initiatives to promote the concept of classification and explain the vital role that the Association plays in maintaining high professional standards, with the objective of maintaining safety at sea and the prevention of marine pollution;
 - (b) represent IACS before the IMO, Port State Control organisations, Flag State authorities, sub-groups of the above and/or any other relevant third party including the media, if necessary without consultation whenever it is required to defend or promote the integrity of the Association, the work or output of its Panels and Expert Groups, or the value of classification and its unique business model.
 - (c) pursue work streams consistent with the Terms of Reference of the Chair's Office as prescribed in the IACS Procedures.
- 4.10 The Council shall be informed when action is taken under any of the above items and fully involved in the ongoing development of IACS' Strategic communication messages and delivery tools. The ultimate authority of the Council shall be maintained.
- 4.11 It is recognised that decisions taken by the Council may require ratification by the governing body of each Member Society before becoming effective for that Member.
- 4.12 Notification of meetings shall be sent to the Council Members at least six weeks before the meeting, unless otherwise agreed for a reasonable ground of urgency upon by three-quarters of all Council Members entitled to vote. Three-quarters of the representatives entitled to vote shall constitute a quorum.
- 4.13 Unless otherwise provided, and without prejudice to Clause 4.14, all decisions of the Council to be adopted at meetings or by correspondence shall require the agreement of a simple majority of all Council Members entitled to vote on condition that the majority is comprised of Members

who collectively represent fifty per-cent or more of IACS' total registered gross tonnage as defined in Volume 1 of the IACS Procedures.

- 4.14 Amendments to the IACS Charter and all Procedures, along with their Annexes, and decisions to reject, suspend or withdraw IACS membership, shall require the agreement of three quarters of all Council Members entitled to vote irrespective of the percentage of IACS' total registered gross tonnage that they collectively represent.
- 4.15 Proceedings of the meetings shall be confidential unless otherwise decided by the Council.
- 4.16 The functions of the Council shall be:
- (a) to elect a Chair and General Policy Group Chair and to determine the items to be dealt with by the Association;
 - (b) to appoint a Secretary General, an Accredited Representative at IMO, a Quality Secretary, a Technical Secretary, a Representative to European Union and to make provision for the appointment of such other personnel as may be necessary to comprise the Permanent Secretariat and to determine the terms and conditions of service of the Permanent Secretariat staff;
 - (c) to confirm the establishment of the permanent or temporary subsidiary bodies considered necessary;
 - (d) to determine the composition of the Chair's Office;
 - (e) to appoint Chairs of the Panels, Quality Committee and their secretaries and of any other IACS Working Group reporting to Council;
 - (f) to receive and consider the recommendations and reports from subsidiary bodies and from committees formed jointly with other organisations and to present such recommendations as appropriate to the governing bodies of each Member Society, although it may delegate the adoption of IACS resolutions to the General Policy Group;
 - (g) to make any agreements or arrangements covering the relationship of the Association with other international and national organisations, to establish permanent representation as necessary and to accredit and instruct representatives to their meetings;
 - (h) to determine the location of the Permanent Secretariat;
 - (i) to approve the budget and determine the financial arrangements of the Association;
 - (j) to review the expenditures and approve the accounts of the Association;

- (k) to review the work programme and the annual progress report of the Permanent Secretariat;
- (l) to adopt amendments to the Charter, IACS QSCS, IACS Procedures and new or amended IACS Resolutions and such other resolutions as deemed necessary to meet the purposes of the Association;
- (m) to confirm the continued Membership or decide the action to be taken against any Member which fails to comply with the Association's Membership Criteria in accordance with the suspension and withdrawal procedures set out in ***Procedures for Membership Applications and Periodical Verification of Existing Members*** (at **Annex 1** hereto);
- (n) to confirm the continued Membership or decide the action to be taken against any Member in the event that an IACS member failed to satisfy the obligations set forth in sub-clause (b) of Clause 3.6 of the Charter or if the maintenance of a member's membership status poses a significant risk to IACS due to external factors such as sanction regulations, in accordance with the suspension and withdrawal procedures set out in ***Procedures for Membership Applications and Periodical Verification of Existing Members*** (at **Annex 1** hereto);
- (o) to appoint a Review Panel to assist with the review of applications for membership in accordance with the application procedures set out in ***Procedures for Membership Applications and Periodical Verification of Existing Members*** (at **Annex 1** hereto);
- (p) to appoint at least 10 adjudicators from whom individuals can be selected to Chair and/or sit on a Case Panel;
- (q) to consider applications for membership, to make appropriate decisions, to review any contested decision in light of the findings of the Case Panel and render a new decision in accordance with the procedures set out in ***Procedures for Membership Applications and Periodical Verification of Existing Members*** (at **Annex 1** hereto);
- (r) to review and make a decision on whether an interested party is a Classification Society.

Administration

4.17 IACS shall maintain an appropriate legal entity, The International Association of Classification Societies Ltd, to enable it to employ staff and to rent or own property in the country in which the Permanent Secretariat is established. The Members of IACS shall be members of IACS Ltd.

5. APPEALS

5.1 IACS shall allow for the Independent Appeals Process to be initiated at any time by appointing at least 10 Adjudicators who will have relevant

technical and/or legal expertise² and be independent³ of the IACS Members, the Permanent Secretariat and any organisation that has been an IACS Member or which has ever applied for membership of IACS. Provided that the number of Adjudicators does not fall below 10, the IACS Council shall be free, at its sole discretion, to remove from the List of Adjudicators any Adjudicator who is not at that time participating in a Case Panel.

- 5.2 A CS or other party who is entitled to appeal against a decision made by the IACS Council will appoint an Adjudicator from the IACS List of Adjudicators and the IACS Council will then also appoint an Adjudicator from the list and the two so chosen will appoint a Chair from the same list. The so appointed three person panel will then constitute the Case Panel that shall hear the appeal.
- 5.3 Appeals may be made using the Independent Appeals Process by the CS or interested party concerned against the following decisions made by the IACS Council or other persons identified below (as applicable):
- (a) A decision to refuse membership of IACS
 - (b) A decision to suspend membership of IACS
 - (c) A decision to withdraw membership of IACS
 - (d) A decision that an interested party is not a Classification Society
 - (e) A decision taken by the Chair of GPG in response to a grievance that a CS may have been denied the effective exercise of its rights to participate in IACS Working Groups
 - (f) A decision (whether explicit or implicit) not to publish an IACS Resolution or existing Technical Background document available to IACS Members.
- 5.4 Subject to clauses 5.6 and 5.7 and section 1.5.5 of Annex 1, appeals using the Independent Appeals Process are without prejudice to any right the appellant may have to apply to a civil court for redress. For the avoidance of doubt nothing in this clause 5.4 shall be taken to confer any rights or jurisdiction that would not otherwise exist under the applicable law or forum.
- 5.5 The powers and procedures applicable to such appeals and applications are set out in **Annex 1 (Membership Applications and Periodical Verification of Existing Members)**, **Annex 2 (Rules of Procedure for the Independent Appeals Process)** and **Annex 3 (Participation in IACS Technical Work and Access to IACS Resolutions and Technical Background Documents)**.

² In this context, technical expertise shall mean proven knowledge of and expertise in the shipping sector, acquired in a professional capacity.

³ In this context, independence shall mean the absence of any business, personal or family links to any such entity or organisation.

- 5.6 Save in the case of a decision of the IACS Council pursuant to section 1.3.2 of Annex 1, no person, whether a Member, suspended Member, former Member, CS, or other interested party (such person being a "**Disputant**") shall commence court proceedings challenging or otherwise arising out of or relating to a decision in respect of any of the matters set out in clause 5.3 (an "**Appealable Decision**") unless that Disputant has first exhausted the Independent Appeals Process in respect of that decision.
- 5.7 In any court proceedings challenging or otherwise arising out of or relating to an Appealable Decision, a Disputant shall not be entitled to and shall not seek any form of pecuniary relief against IACS, the IACS Council, any member of a Case Panel, or any Member.

6. APPLICABLE LAW AND FORUM

- 6.1 This Charter shall be construed in accordance with English law.
- 6.2 Without prejudice to clause 5.4 above, any dispute relating to its interpretation, application or enforcement shall be subject to the jurisdiction of the English High Court.

7. DEFINED TERMS

- 7.1 Defined terms contained in the Charter and Annexes to the Charter are contained in **Annex 4**, unless otherwise stated.

ANNEX 1

Procedures for Membership Applications and Periodical Verification of Existing Members

ANNEX 2

Rules of Procedure for the Independent Appeals Process

ANNEX 3

Participation in IACS Technical Work and Access to IACS Resolutions and Technical Background Documents

ANNEX 4

Definitions

Annex 1

MEMBERSHIP APPLICATIONS AND PERIODICAL VERIFICATION OF EXISTING MEMBERS

This document sets out the procedure for membership applications and the periodical verification of existing IACS Members' compliance with the Membership Criteria.

1. Procedures for Membership Applications and Periodical Verification of Existing IACS Members

1.1 Application Process

The process governing applications for membership of IACS is as follows:

- (a) Any organisation may apply for membership in accordance with the procedure laid down herein.
- (b) An organisation that is applying for membership shall provide to the IACS Secretary General documentation evidencing that it meets, or will meet, each of the IACS membership criteria as set down in this Charter and expanded upon in Volume 2 of the IACS Procedures. The application should contain all relevant information, evidence and explanation, with a view to demonstrating that it fulfils the Membership Criteria. The application shall in particular include documents set out under the heading "Documents to be submitted" for each Membership Criterion set out in the IACS Procedures Volume 2 "Procedures concerning requirements for Membership of IACS" ¹.
- (c) If the IACS Secretary General considers that a membership application has been received with supporting documentation for each of the criteria he shall immediately inform Council and make a recommendation as to whether a Review Panel should be established. At this stage, the organisation is considered an Applicant.
- (d) Unless the IACS Secretary General considers the applying organisation is manifestly ineligible for IACS membership under IACS' membership criteria and procedures, Council shall appoint a Review Panel to assist with the review of the Applicant application for membership. The Review Panel shall be assisted by the GPG Chair, the Quality Committee Chair, the IACS Secretary General and the Quality Secretary. The Review Panel shall be composed of three IACS Council members. A decision of the Review Panel shall be adopted when the majority of the three members votes in its favour. Should there be more than one application under consideration Council should consider whether to appoint separate Review Panels for each application. The Review Panel chosen by Council for each Applicant should remain in place until that application process is complete.
- (e) If the Applicant considers any of the information in its application to be confidential, it should advise the Review Panel in writing and provide a non-confidential summary to the Quality Secretary, together with the full confidential version of the application. In order to verify the accuracy of the non-confidential summary provided by the Applicant, the Quality

¹ Part of the IACS Procedures which are published on the IACS website

Secretary only shall, upon signature of an appropriate confidentiality agreement with the Applicant, have access to the full confidential version of the application. The application shall then be considered in its non-confidential form.

- (f) The Review Panel is to review the application and, if it finds that any relevant information, evidence or explanation needed to make a determination on the application is missing, it may ask the Applicant to provide the missing element within a reasonable deadline set by the Review Panel.
- (g) Within 3 months of receipt of the application, the Review Panel shall assess whether the Applicant complies with Membership Criterion 1. Subject to the Applicant complying, the Review Panel will proceed to reviewing Criteria 2 -10 (with the exception of Criterion 8) and, if the Applicant is also in compliance with these Criteria, the Review Panel may recommend to Council that the QS be authorised to observe the Audits necessary to recognise the QSCS Certification that may be awarded by the Accredited Certification Body.
- (h) Upon receipt of the Review Panel's recommendation to authorise the QS to observe the Applicant's audits and its file of information provided by the Applicant, the IACS Council shall inform the Applicant that it is entitled to a hearing by the IACS Council before the IACS Council takes its decision to authorise the QS to observe the Applicant's audits. The IACS Council is to determine whether the documentation is complete and may ask the Applicant to provide further information within a reasonable deadline set by the IACS Council.
- (i) Within 3 months of receipt of the Review Panel's recommendation, the IACS Council is to decide whether to authorise the QS to begin auditing of the Applicant or reject the application. The IACS Council may reject an application on the basis that the Applicant does not satisfy the Membership Criteria and/or that the Applicant has failed to provide sufficient evidence within the reasonable deadline laid down by the IACS Council to demonstrate that it satisfies the Membership Criteria. The Applicant is to be promptly notified of the IACS Council's decision and reasoning in writing. In case of negative outcome, the applicant is entitled for an appeal within 1 month of receipt of intimation from IACS Council.
- (j) Any Applicant that is applying for IACS Membership in parallel with an application to the IMO for confirmation that its rules conform to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers (SOLAS Reg.II-1/3-10, IMO Resolution MSC.287(87)), may seek to have the deadlines relating to the IACS membership application process extended to enable IACS to take the IMO's decision into account. Such a request should be communicated by the Applicant to the Review Panel that may make reference to this in its recommendation to Council.

In such an instance, the Council may consider authorising the QS to observe the audits while the IMO decision making process is underway.

- (k) An Applicant that has been advised in writing that the Applicant's Rules and Procedures conform to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers but whose initial approval by IMO is subject to rectifying any nonconformities identified by the IMO must prepare a detailed plan for

clearing those nonconformities for consideration by the Review Panel. IACS reserves the right to review the number and severity of any and all nonconformities raised by the IMO GBS audit team and to agree a realistic timeframe with the Applicant by which it would be reasonable to expect the Applicant to close the nonconformities to the satisfaction of the IMO GBS audit team. If all other Membership Criteria are met, either

- (i) the application may be held in abeyance for a period no longer than 20 months at the end of which a decision on whether to grant membership will be made by the Council, on recommendation of the Review Panel, within a 3-month period from the date of expiration of the period of abeyance; or
- (ii) the Review Panel may consider rectification of the nonconformities to be straightforward and so may make an immediate recommendation to the Council for the grant of membership to the Application at this time (i.e. not to exercise its right to hold the application in abeyance while the nonconformities are addressed).

Nothing in this paragraph applies to nonconformities raised during IMO audits for the purposes of the maintenance of verification.

- (l) An Applicant will be provided 24 months time for obtaining QSCS certification. If an applicant applies for an extension of this period, the Council will take suitable decisions based on reasons of applicant failing to obtain QSCS certification within 24 months period. Once the Applicant has been awarded valid QSCS Certification recognised and benchmarked by IACS, Membership Criterion 11 will have been met and the Review Panel make a recommendation to Council as to whether the Applicant should be granted membership. However, where an applicant has taken more than 12 months to obtain QSCS certification after authorisation by Council to QS for witnessing the audit, the Applicant would require to submit the evidence of compliance to any new IACS resolutions or changes to any existing IACS resolutions. Similarly, the evidence would also need to be provided for any new IACS PR coming in force after the date of authorisation to QS for witnessing the Audit or any changes to the existing IACS PR. The review panel would need to assess these prior to making recommendation to Council for award of membership.
- (m) The above recommendation to Council regarding grant or rejection of membership, will be communicated to the Applicant, including the reasoning for it at the same time as it is communicated to the IACS Council.
- (n) An Applicant whose application is rejected may reapply for membership not less than one year following the IACS Council's final decision rejecting the application or, where an appeal is brought against the decision, the date of the Case Panel's decision rejecting the appeal, whichever is the later.
- (o) An Applicant whose application is rejected on the basis that their parallel application to IMO for conformity with Goal based Standards has been unsuccessful will not be permitted to apply in parallel again but must first achieve successful confirmation of compliance with GBS before reapplying to IACS.

- (p) In the event that the Applicant is re-applying for membership after a previous rejection or withdrawal decision, it shall provide evidence of any material changes made since that rejection or withdrawal decision if less than three years have elapsed since the previous application. If more than three years have elapsed, a new application needs to be submitted. The Applicant shall bear the costs associated with its application and shall be required to specifically accept IACS' procedures.

1.2 Verification Process

IACS shall verify all IACS Members' compliance with the Membership Criteria on a concurrent basis once every three years (the "Periodic Review Date").

The verification process is as follows:

- (a) For existing IACS Members, Periodic Reviews have taken place as required. For any new IACS Member, the first periodic review shall be the first Periodic Review Date immediately following its admission to membership, unless that Date is less than 6 months from the date of the new IACS Member's admission to IACS;
- (b) On the occasion of its first periodic verification, each IACS Member is to submit to the IACS Council, through the Quality Secretary, a compliance statement containing all relevant information, evidence and explanation, with a view to demonstrating that it fulfils the Membership Criteria. The compliance statement shall in particular include information responding to each "Document to be submitted" set out in Volume 2 of the IACS Procedures (C I-4);
- (c) For subsequent periodic reviews, a statement of any changes that have occurred in relation to the demonstrated compliance with Membership Criteria since the last periodic review will be sufficient. If the information provided at the previous periodic review has changed but without affecting the demonstrated compliance, no statement of such changes is required;
- (d) If the IACS Member considers that any of the information in its compliance statement is confidential, it should so advise the IACS Council in writing and provide a non-confidential summary to the Quality Secretary, together with the full confidential version of the compliance statement. In order to verify the accuracy of the non-confidential summary provided by the IACS Member, the Quality Secretary only shall, upon signature of an appropriate confidentiality agreement with the IACS Member, have access to the full confidential version of the compliance statement. The compliance statement shall then be considered by the IACS Council in its non-confidential form;
- (e) The IACS Council is to review the compliance statement and, if it finds that any relevant information, evidence or explanation needed to make a determination of continuing compliance is missing, it shall ask the IACS Member to provide the missing element within a reasonable deadline set by the IACS Council;
- (f) Each IACS Member has the right to a hearing by the IACS Council before the IACS Council takes its decision;
- (g) Once the IACS Council is satisfied that it has received all relevant information from the IACS Member, it shall so inform the IACS Member and within 3 months therefrom the IACS Council is to decide whether to:
 - confirm continued membership, or
 - initiate the suspension process in accordance with the procedure laid

down in Section 1.3 below;

- (h) The IACS Member is to be notified of the IACS Council's decision in writing.

Each IACS Member is required to report to the IACS Council immediately that it ceases to have valid QSCS certification as required by Membership Criterion 11 in the IACS Charter. In such a case, the IACS Council is to initiate an immediate inquiry. Where the IACS Council determines that the IACS Member does not comply with Criterion 11, it shall immediately initiate the suspension process laid down in Section 1.3 below.

1.3 **Suspension and withdrawal process**

1.3.1 Where the IACS Council determines that an IACS Member failed to satisfy the obligations set forth in sub-clause (b) of Clause 3.6 of the IACS Charter, it is to initiate the following process:

- (a) The IACS Council is to notify the IACS Member in question in writing that it has initiated the suspension process;
- (b) Such notification is to state the reasons for the initiation of the suspension process and is to set a reasonable time period in which the IACS Member in question is to rectify the alleged cause(s) of non-compliance and/or justify its conduct;
- (c) If the IACS Council determines, upon expiry of the period referred to in sub-paragraph (b) above, that the IACS Member remains materially non-compliant with the obligations contained in sub-clause (b) of Clause 3.6, the IACS Council shall take a decision to suspend the IACS Member's voting rights in IACS (the "suspension decision"). Where a suspension decision is taken in accordance with this procedure, the IACS Council shall notify the IACS Member of the reasons for the decision in writing;
- (d) The suspension decision is to set a reasonable time period in which the IACS Member is to rectify the cause(s) of non-compliance;
- (e) The suspension decision shall not take effect until the deadline for appeal to the Independent Appeals Process has expired or, where the IACS Member informs the IACS Council that it has made a request for interim orders in accordance with the Rules of Procedure for the Independent Appeals Process, the date of any decision declining the request, whichever is the later;
- (f) At all times until a decision under Section 1.3.1(c) takes effect, IACS Ltd and each IACS Member will refrain from making any public announcement about the suspension decision. Once the suspension decision takes effect, IACS shall make an appropriate announcement on its website. IACS shall also make an appropriate announcement when the suspension decision expires;
- (g) Whilst the suspension is in force, the rights (including the right to participate fully in the work of IACS) and obligations of membership (including the obligation to contribute financially on the same basis as voting IACS Members) will continue to apply to the suspended IACS Member, except for the right to vote in the IACS Council, IACS GPG, the Quality Committee and IACS Working Groups;
- (h) IACS Council is to take a decision withdrawing IACS membership (the "withdrawal decision") if the IACS Member fails to rectify the non-compliance which led to the IACS Council's suspension decision within the applicable time period as set out under Section 1.3.1(d) above. Where

membership is withdrawn in accordance with this procedure, the IACS Council is to state the reasons for the withdrawal in writing;

- (i) At all times until a decision under Section 1.3.1(h) takes effect, IACS Ltd and each IACS Member will refrain from making any public announcement about the withdrawal decision. Once the withdrawal decision takes effect, IACS shall make an appropriate announcement on its website;
- (j) An IACS Member whose membership is withdrawn may reapply for membership not less than one year following the IACS Council's final withdrawal decision or, where an appeal is brought against the decision, the date of the Case Panel's decision rejecting the appeal, whichever is the later.

1.3.2 Notwithstanding Section 1.3.1 above, in the event that the maintenance of an IACS Member's membership status poses a significant risk to IACS due to external factors such as sanctions regulations, the IACS Council shall initiate the following process:

- (a) The IACS Council shall notify the relevant IACS Member in writing that the suspension/withdrawal process has been initiated.
- (b) The notification shall state the reasons for initiating the suspension/withdrawal process and provide the concerned Member with an opportunity to rectify any negligence and/or justify their conduct.
- (c) If deemed necessary to assess the risks of external factors and/or their potential implications in terms of suspension/withdrawal of membership, the IACS Council may promptly and no later than within two weeks appoint an external counsel.
- (d) The Council chair shall promptly convene an Extraordinary Council Meeting to make a decision regarding the suspension or withdrawal of the concerned Member. The Member in question must also be given an opportunity to attend and speak at the meeting with the assistance of its legal counsel and external counsel. The decision to suspend or withdraw the concerned Member shall be taken within two weeks after the holding of the Extraordinary Council Meeting.
- (e) The final decision regarding the suspension or withdrawal shall be made through an Extraordinary Council Meeting, which can be conducted via video conferencing. The Council shall consider the advisory results and the explanations provided by the Member in question before making its decision. In case it is deemed necessary, the Council may to mitigate the risks pending a final decision consider interim measures (including but not limited to the partial suspension of the IACS Member's membership status, the blocking of fund transactions involving the concerned IACS Member, and the refusal of fund transfers from the concerned IACS Member.) Interim measures shall be effective immediately and shall not be subject to appeal. While the interim measures are in effect, the conditions for the IACS Member's participation in the work of IACS shall be considered on a case-by-case basis. Interim measures shall remain in effect until a final decision comes into force and shall be replaced, if applicable, by the measures specified in the final decision.
- (f) The IACS Council must make a decision on suspension or withdrawal of membership and/or on the implementation of interim measures taking into account the degree of risk it poses to IACS due to other external factors. Any decision taken by the IACS Council will be valid provided that the Council was acting reasonably and in good faith based on the information available to it at the time of deliberation, and provided that the quorum and majority requirements outlined in 1.4 below are fulfilled.
- (g) If the IACS Council decides to suspend or withdraw a Member's membership, the Council shall notify the Member in writing of the reasons for its decision.

- (h) The suspension decision shall be immediately effective (subject to any subsequent Independent Appeals Process) and its temporary specific duration shall be defined by the IACS Council. The withdrawal decision shall not take effect until the deadline for appeal to the Independent Appeals Process has expired or, where an appeal is brought in accordance with Rules of Procedure for Independent Appeals Process, until the date of the decision of the Case Panel or, when the decision of the Case Panel requires interpretation or contains recommendations for the IACS Council, the date of the subsequent decision of the IACS Council.
- (i) IACS shall make an appropriate announcement on its website unless otherwise decided by the Council once the suspension or withdrawal decision takes effect, and again when the suspension decision expires.
- (j) While the suspension is in effect, the suspended IACS Member must continue to fulfil its obligations as a Member, including financial contributions on the same basis as other voting Members, and participation in the work of IACS. However, the suspended Member will not be allowed to vote in the IACS Council, GPG, Quality Committee and Working Groups.
- (k) An IACS Member whose membership is withdrawn may reapply for membership not less than one year following the IACS Council's final withdrawal decision or, where an appeal is brought against the decision, the date of the decision rejecting the appeal, whichever is the later.

1.4 Adoption of Council decisions to reject, suspend or withdraw membership

For the avoidance of doubt, the IACS Council decisions referred to in Sections 1.1(i), 1.3.1(a), 1.3.1(c), 1.3.1(h), 1.3.2(e), 1.3.2(f) and 1.6 of this procedure shall be adopted as follows: when three-quarters of all IACS Council members entitled to vote are available they shall constitute a quorum to vote upon a decision, and that decision shall not be passed unless three-quarters of all IACS Council members entitled to vote, vote in its favour.

1.5 Independent Appeals Process in relation to IACS Council decisions to reject, suspend or withdraw membership

1.5.1 The IACS Council shall appoint a panel of at least 10 adjudicators all of whom shall:

- (a) have relevant technical and/or legal expertise (in this context, technical expertise shall mean proven knowledge of and expertise in the shipping sector, acquired in a professional capacity); and
- (b) be independent of IACS Members, IACS Ltd and any organisation which has been an IACS Member or "Associate Member" of IACS or which has ever applied for membership of IACS (in this context, independence shall mean the absence of any business, personal or family links to any such entity or organisation).

1.5.2 In making appointments to the panel of adjudicators, the IACS Council shall ensure the representation of all major geographic areas of the world.

1.5.3 Appeals may be made using the Independent Appeals Process against decisions taken by the IACS Council in accordance with Sections 1.1(g), 1.1(i), 1.1(k(i)), 1.3.1(c) and 1.3.1(h), 1.3.2(e), 1.3.2(f) above and 1.6 below.

1.5.4 The Independent Appeals Process is governed by the Rules of Procedure for Independent Appeals.

1.5.5 Any legal proceedings challenging or otherwise arising out of or relating to a decision of the IACS Council pursuant to sections 1.1.1, 1.3.1 or 1.3.2 (including a decision of the IACS Council giving effect to a decision of a Case Panel pursuant to the Independent Appeals Process) shall be subject to the exclusive jurisdiction of the English Courts.

1.6 Procedure to be followed by the IACS Council in event of appeal

In case of a Case Panel decision upholding the IACS Council decision under Section 1.3.1 above, the Case Panel shall notify the IACS Council and Member forthwith.

In case of a Case Panel decision under Section 1.3.2 above, the matter is remitted to the IACS Council to review the contested decision in the light of the findings of the Case Panel and render a new decision.

In case of a Case Panel decision fully rejecting the suspension or withdrawal under Section 1.3.1 above, the Member's membership shall be automatically reinstated.

In case of a Case Panel decision rejecting the suspension or withdrawal under Section 1.3.1 above, but requiring interpretation or containing recommendations to the IACS Council, the matter shall be remitted to the IACS Council to give effect to the Case Panel decision.

1.7 Procedure to be followed by the IACS Council in event of a significant change in circumstances

In case of a significant change of circumstances invalidating the decision of the suspension or withdrawal, the Member's membership shall be reinstated through a simplified process as defined by the IACS Council.

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Annex 2

RULES OF PROCEDURE FOR THE INDEPENDENT APPEALS PROCESS

1. Definitions

Appeals Process means the Independent Appeals Process set up by IACS to allow a Case Panel to be constituted to hear Appeals in respect of Appealable Decisions.

Appealable Decisions means those decisions of IACS set out in Rule 2.1.

Appellant means a person wishing to appeal against an Appealable Decision.

Case Panel means the adjudicator(s) appointed under Rule 4.

Council means the Council of IACS.

List of Adjudicators means the persons who have agreed to act as Adjudicators who may be called upon to form a Case Panel to hear Appeals and whose names are in the List as published on the IACS website.

Notice of Appeal means the Notice of Appeal referred to in Rule 2.

Platform means a secure cloud-based platform, accessible to all Members and relevant parties, that is used by the Appellant, IACS, and their respective legal representatives for submitting and accessing written pleadings and other correspondence, related to the appeal. The Platform may be also used by the Case Panel and its Secretary.

2. Commencement of appeal and time limits

2.1 Appeals may be brought in accordance with these Rules of Procedure against the following decisions made by IACS:

- (a) A decision to refuse membership of IACS
- (b) A decision to suspend membership of IACS
- (c) A decision to withdraw membership of IACS
- (d) A decision that an interested party is not a Classification Society
- (e) A decision taken by the Chair of GPG in response to a grievance that a CS may have been denied the effective exercise of its rights to participate in IACS Working Groups
- (f) A decision (whether explicit or implicit) not to publish an IACS Resolution or existing Technical Background document available to IACS Members.

2.2 A decision to take interim measures as per Section 1.3.2 of Annex 1 is itself not subject to Appeals Process.

2.3 The **Appellant** should submit a notice of intent to submit an appeal to IACS Secretary General, whereby IACS as the administrator of the Appeals Process should establish the Platform for use. The Appellant should send a Notice of Appeal to the Platform within the time limits laid down in these Rules.

2.4 A Notice of Appeal must be uploaded onto the Platform:

- (a) In the case of a decision referred to in Rule 2.1(a) or (c) above, within two months of the date of notification of the decision of the Council.
- (b) In the case of a decision referred to in Rule 2.1(b) and (d) above, within one month of the date of notification of the decision.
- (c) In the case of a decision referred to in Rule 2.1(e) above, within 14 days of

the date of the decision.

- (d) In the case of a decision referred to in Rule 2.1(f) above, within two months from the date on which the IACS Resolution or existing Technical Background document becomes available to IACS Members.

2.5 The Appellant should inform their chosen Adjudicator and IACS of the completion of the upload of the Notice of Appeal immediately. The contact details of the Adjudicators shall be published on the IACS website. IACS shall be the Respondent to the appeal.

2.6 The Appellant and the Respondent may be legally represented, or not, as they wish.

3. **Notice of Appeal**

3.1 The Notice of Appeal shall contain:

- (a) The name of an adjudicator selected from the list of Adjudicators who shall act as the Appellant's adjudicator.
- (b) The name and address of the Appellant and of any legal representative, identifying the person and address to which communications from the Case Panel should be sent.
- (c) A statement of the grounds of appeal including all arguments that the Appellant wishes to make stating in particular to what extent the Appellant relies on error of fact, error of law, the wrongful exercise of discretion, or otherwise.
- (d) A schedule of supporting documents, and copies of all documents relied on, including a copy of the appealed decision, and copies of all documents and materials submitted to IACS in connection with the appealed decision.
- (e) A description of the decision which should, in the view of the Appellant, have been made by IACS.

3.2 Unless otherwise agreed by the Case Panel, the Notice of Appeal should not exceed 50 pages (not including annexes).

4. **Constitution of the Case Panel hearing the appeal**

4.1 On receipt of a Notice of Appeal IACS shall appoint an adjudicator from the list of Adjudicators.

4.2 The two adjudicators appointed by the Appellant and the Respondent will then select, within a period of one month, a Chair of the Case Panel from the list of Adjudicators to hear the appeal. If the two Adjudicators cannot agree upon a Chair by all means, they shall consult with their respective parties to determine the appointment of a Chair from the list of Adjudicators or through a drawing of lots. If a drawing of lots is necessary, the parties and their respective Adjudicators shall agree in advance to exclude any Adjudicators who have direct involvement with the circumstances that initiated the process. The Case Panel shall be entitled to appoint two additional members of the Case Panel in exceptional circumstances having regard to any representations made by the parties as to the constitution of the Case Panel.

4.3 The reimbursement of each of the Case Panel members should be uniform with a separate rate for the Case Panel Secretary (if appointed). The day-rate for the Panel Members and the Secretary should be agreed by the Appellant and the Respondent prior to the Case Panel beginning its work.

4.4 The Case Panel may appoint a Secretary who shall be responsible for communication between the Case Panel and the parties and for the administration of the appeal.

5. Summary dismissal

- 5.1 The Case Panel may at any time dismiss an appeal if the Notice of Appeal contains no arguable ground of appeal, or is otherwise frivolous or vexatious.

6. Defence to Notice of Appeal

- 6.1 Without prejudice to Rule 5, the Respondent shall lodge with the Case Panel a Defence to the Notice of Appeal.
- 6.2 The Defence to the Notice of Appeal shall contain:
- (a) The address of the Respondent and of any legal representative.
 - (b) A response to the grounds set out in the Notice of Appeal, together with all arguments that the Respondent wishes to make.
 - (c) A schedule of supporting documents, and copies of all documents relied on, including copies of all documents and materials considered by the Respondent in making the appealed decision.
- 6.3 Unless the Chair otherwise directs, the time for lodging the Defence shall be:
- (a) In the case of an appeal against refusal or withdrawal of membership, two months from the service of the Notice of Appeal on the Respondent.
 - (b) In the case of an appeal against a decision referred to in Rule 2.1(e) above, 14 days from the service of the Notice of Appeal on the Respondent.
 - (c) In the case of an appeal against any other Appealable Decision, one month from the service of the Notice of Appeal on the Respondent.

To the extent justified by the necessity of cohesion within IACS, the Respondent may be given an additional month.

- 6.4 Unless otherwise agreed by the Case Panel, the Defence to the Notice of Appeal should not exceed 50 pages (not including annexes).

7. Reply and Rejoinder

- 7.1 The Appellant shall have the right to lodge with the Case Panel a Reply to the Response to the Notice of Appeal, within a deadline set by the Case Panel with a copy to the Respondent.
- 7.2 The Respondent shall have the right to lodge with the Case Panel a Rejoinder to the Reply submitted by the Appellant, within a deadline set by the Case Panel with a copy to the Appellant.
- 7.3 Whilst the Appellant and Respondent are permitted in their Reply and Rejoinder to expand on the arguments respectively submitted in the Notice of Appeal and the Defence, new arguments are not permissible unless there is a reasonable and/or valid justification (e.g., the relevant facts have changed, or the Appellant received new information to which it did not previously have access). Otherwise, the Reply and Rejoinder should be restricted to errors of fact, errors of law, or errors in the reasoning of the appealed decision.
- 7.4 Unless otherwise agreed by the Case Panel, the Reply and Rejoinder should not exceed 25 pages (not including annexes).

8. Conduct of the appeal

- 8.1 The appeal will be conducted as flexibly and informally as possible, with a view to disposing of the appeal justly, economically and expeditiously. To that end, the Case Panel may make such procedural directions as he or they think fit. Such directions may include in particular directions:

- (a) Subject to Rule 2.4, setting, abridging, or extending any time limits.
 - (b) Directing the hearing of evidence on particular issues, including directions as to the manner in which evidence is to be given or heard, the witnesses whose evidence should be given or heard and any cross-examination.
 - (c) Allowing a party to submit further documents or arguments.
 - (d) As to the instruction of experts by the parties, and the manner in which expert advice is to be given.
 - (e) Determining the issues to be decided.
 - (f) Disposing of the appeal, or of issues in the appeal, by consent or agreement.
- 8.2 The Case Panel will review the documents submitted by the parties and shall indicate to the parties as soon as possible any further information that it may require for the purpose of determining the appeal and whether it is able to determine the appeal by reference to the papers only, and without a hearing.
- 8.3 Where a party requests an opportunity to appear before the Case Panel for the purpose of better presenting its case, the Case Panel shall make arrangements for a hearing and shall give the other party an opportunity to attend and, if it wishes to do so, to present its own case.
- 8.4 Any hearing may take place by way of electronic conferencing facilities or in the physical presence of the parties.
9. **Hearings**
- 9.1 The Case Panel shall set a date for the hearing, and shall give any directions as may be necessary as to the issues to be addressed, the evidence to be called, the time limits to be observed or any other aspect of the hearing.
- 9.2 The hearing before the Case Panel shall be conducted in a manner appropriate for ensuring the just, economical and expeditious handling of the proceedings.
10. **Confidentiality**
- 10.1 Any party seeking to rely on confidential information may request such information is dealt with on terms of confidentiality, which are to be at the discretion of the Case Panel.
- 10.2 If the confidential information is or may be material to the Case Panel decision, the Case Panel hearing the appeal shall seek means of ensuring the fairness of the procedure while respecting the confidentiality claimed.
11. **The Case Panel's decision**
- 11.1 The Case Panel shall take its decision by majority vote. Each Case Panel member shall have one vote.
- 11.2 The Case Panel shall state explicitly in writing whether it is upholding the appeal either in whole or in part, and setting out its reasons. The decision shall state whether it was unanimous or by the majority. Except for a Case Panel decision taken in application of Section 1.3.1 of Annex 1, which shall take effect as set out in section 1.6 of Annex 1, the Case Panel shall remit the matter to the relevant IACS body to review the contested decision in the light of the findings of the Case Panel and render a new decision.
12. **Costs**
- 12.1 The Case Panel may award costs reasonably incurred by a party in conducting the appeal against the losing party. The Case Panel shall have regard to the manner in which the appeal has been conducted by both parties and also the extent to

which the losing party has been guilty of unreasonable, vexatious or frivolous behaviour in the conduct of the appeal.

- 12.2 Any costs awarded hereunder against one party are recoverable by the other party as a civil debt.
- 12.3 The Case Panel shall decide what contribution should be paid by a losing Appellant towards the costs and expenses of the Case Panel in the administration of the appeal. Subject to any such contribution by the Appellant, the costs and expenses of the Case Panel shall be borne by IACS.
- 12.4 The Appellant is required, on submission of its appeal under the Independent Appeals Process, to lodge with a third-party mutually agreed by the parties, a sum of money as a deposit pending any orders made by the Case Panel as to payment its costs and expenses following disposal of the appeal. In the case of an appeal against refusal or withdrawal of membership, the deposit shall be GBP50,000. In the case of an appeal against any other Appealable Decision, the deposit shall be GBP20,000. If the Case Panel is expanded to five members, the appropriate deposit shall be increased by 50%.
- 12.5 In the event that the Case Panel decides that the Appellant should make a contribution to its costs and expenses incurred in the administration of the appeal, the deposit shall be applied to defray those costs and expenses to the extent determined by the Case Panel, and any remaining funds shall be returned forthwith to the Appellant.
- 12.6 Save as aforesaid, each party shall bear its own costs.

13. **Interim Orders**

- 13.1 In Appeals relating to the suspension or withdrawal of membership relating to non-compliance with the obligations set forth in sub-clause (b) of Clause 3.6 of the IACS Charter, the Case Panel may at any time make an interim order:
 - (a) Suspending in part or in whole the effect of any decision appealed or to be appealed against pending the hearing of the appeal; or
 - (b) Making such directions to prevent serious and irreparable damage to any person as may be necessary and consistent with the protection of the public interest in maritime safety.
- 13.2 In making an interim order the Case Panel shall take into account all relevant considerations, including the urgency of the matter, the effect on the person seeking the order if the order is not made, and in any case the effect on maritime safety or on any other aspect of the public interest of making or not making the order sought.
- 13.3 An application for any interim order must be made as soon as possible by making a written request to the Case Panel.
- 13.4 The written request must set out all the considerations relied on in support of the request for a suspension of the Council's decision.
- 13.5 The Case Panel shall give the other party the opportunity to be heard before ruling on the request for an interim order, unless the urgency of the matter otherwise requires. In the latter event the Case Panel may make a temporary order until both parties can be heard.
- 13.6 The Case Panel may at any time discharge an interim order after receiving submissions from the parties.

14. **Service**

- 14.1 Documents served on the Case Panel or any party may be served by hand, post, or electronic means.

15. **General**

- 15.1 Subject to the foregoing, the Case Panel may regulate its own procedure.
- 15.2 The work of the Case Panel and the material it receives in the course of its duties should be treated as confidential both during and after its handling of the appeal and a non-disclosure form should be signed by each of the Case Panel members to that effect. Only the decision of the Case Panel will be made public and only if so desired by both parties

Annex 3

PARTICIPATION IN IACS' TECHNICAL WORK AND ACCESS TO IACS RESOLUTIONS AND TECHNICAL BACKGROUND DOCUMENTS.

This document sets out the procedure for participation by non-IACS Classification Societies in IACS' technical work and for access by non-IACS Classification Societies to IACS' Resolutions and Technical Background (TB) documents.

1. PROCEDURES FOR PARTICIPATION BY NON-IACS CSs IN IACS' TECHNICAL WORK

- 1.1 IACS shall provide non-IACS CSs with the opportunity to participate fully in IACS' technical work, as described below.

Participation in IACS Working Groups (WG)

- 1.2 Any non-IACS CS which is recognised as a "Classification Society by IACS can request a listing of current on-going new technical work items and, at its option, participate with its own employees in IACS WGs work in accordance with the following procedure:
- (a) Within 1 month of receiving the list mentioned above, a recognised non-IACS Classification Society may notify the IACS Secretary General of its request to participate in the work relating to a new technical work item and be granted full access to the relevant discussions of the WG in charge of that work item;
 - (b) The IACS Secretary General shall promptly inform the relevant WG Chair of any such request for participation, who shall make all necessary arrangements and provide the relevant non-IACS CS with all relevant information to allow the non-IACS CS full access to the work of the WG;
 - (c) A non-IACS CS which participates in a WG shall have full access to the same information, the same opportunities to state its views and to contribute to the discussions within the WG as any IACS Member in that WG on a non-discriminatory basis;
 - (d) A non-IACS CS which has made a request for participation in accordance with paragraph 1.2(a) but considers that it has been denied the effective exercise of the specific rights particularised in paragraphs 1.2(b) and (c) shall promptly raise the matter with the relevant IACS WG Chair with a view to finding an agreeable solution:
 - (i) If not resolved at the WG level to the satisfaction of the non-IACS CS within 14 days of the grievance having arisen, the non-IACS CS shall, within 14 days of the determination at WG level, be entitled to refer the matter to the Chair of the IACS GPG for a decision. The reference shall be made in writing, shall be copied to the IACS WG Chair and all WG members and shall, among other things, specify the specific nature of the alleged complaint; the precise nature of the redress sought; and details concerning the attempts made to resolve the matter at the WG level. The Chair of the IACS GPG shall decide the matter by way of a written and reasoned decision within 14 days.
 - (ii) The relevant non-IACS CS shall be entitled to appeal the decision of the Chair of the IACS GPG to the Case Panel in accordance with the Rules of Procedure for the Independent Appeals Process.

- (e) The WG Chair shall summarise all views expressed by the WG participants in the technical recommendation that the IACS Members within the WG may resolve to put to GPG/Council for adoption by IACS;
- (f) All IACS Members and non-IACS CSs which participate in a WG shall bear their own costs of their employees' participation in the WG and shall make a reasonable and proportionate contribution to the running expenses of the WG.

2. PROCEDURES FOR ACCESS BY NON-IACS CSs TO IACS RESOLUTIONS AND TB DOCUMENTS.

- 2.1 IACS shall place in the public domain, at the same time and in the same way as they are made available to IACS Members, all current and future versions of IACS Resolutions, as well as a history file containing the main points of discussion and any TB document.
- 2.2 IACS' website shall include a statement that non-IACS CSs are free to use such material, royalty free and without licence, by embedding it in their own classification rules, notwithstanding any intellectual property rights that may be held by IACS Members.
- 2.3 IACS shall place no restriction on their individual freedom to enter into any agreement with any CS in relation to the provision of further information or assistance with regard to the application of IACS Resolutions.
- 2.4 A decision (whether explicit or implicit) not to publish an IACS Resolution or existing Technical Background document available to IACS Members shall be appealable to the Case Panel in accordance with the Rules of Procedure for the Independent Appeals Process.
- 2.5 The Procedure at paragraph 2.2 above is based on the premise that, where a CS decides to embed IACS Resolutions into its own published rules, it shall be the responsibility of that CS to verify the contents and the application of the IACS Resolutions. IACS, IACS Members and IACS Ltd shall not be taken to have made any representation that any CS using IACS Resolutions, pursuant to this paragraph 2.5 or otherwise, is operating in compliance with IACS Resolutions and they accept no liability (in contract, tort or otherwise) for any defect or deficiency in IACS Resolutions, or the related information, or for any resulting damage.

3. ADOPTION OF COUNCIL DECISIONS

- 3.1 For the avoidance of doubt, the Council decisions referred to in paragraph 2.4 (where Council makes an explicit decision) of this Procedure shall require the agreement of a simple majority of all Council members entitled to vote on condition that the majority is comprised of members who collectively represent fifty per-cent or more of IACS' total registered gross tonnage as defined in Volume 1 of the IACS Procedures.

Annex 4

DEFINITIONS

For the purpose of this Charter, the terms listed below shall have the following meaning:

Accredited Certification Body ("ACB"): an organisation accredited to comply with ISO/IEC 17021-1:2015 standard by an accreditation body who is signatory to the International Accreditation Forum (IAF) Multilateral Recognition Arrangement (MLA).

Applicant: an organisation that has submitted, and IACS has received, its formal application to IACS for membership.

Chair's Office: The Chair's Office is an advisory body to the Council and consists of 3 members representative of the range of IACS Members plus Council Chair, the incoming Chair, GPG Chair and the Secretary General.

Classification Society ("CS"): an organisation which:

- (i) publishes its own classification rules (including technical requirements) in relation to the design, construction and survey of ships¹, and has the capacity to (a) apply, (b) maintain and (c) update those rules and regulations with its own resources on a regular basis²;
- (ii) verifies compliance with these rules during construction and periodically during a classed ship's service life;
- (iii) publishes a register of classed ships;
- (iv) is not controlled by, and does not have interests in, ship-owners, shipbuilders or others engaged commercially in the manufacture, equipping, repair or operation of ships; and
- (v) is authorised by a Flag Administration as defined in SOLAS Chapter XI-1, Regulation 1 and listed accordingly in the IMO database, Global Integrated Shipping Information System (GISIS).

IACS: the International Association of Classification Societies, which is the association of IACS Members established on the basis of its Charter.

IACS Associate: an Associate member of IACS under earlier versions of the IACS Charter

IACS Common Structural Rules ("CSR"): a comprehensive set of minimum requirements for the classification of the hull structures of double-hull oil tankers and bulk carriers, in relation to which the contract for construction was signed on or after 1 April 2006.

IACS Council: IACS' highest decision-making body.

IACS GPG ("GPG"): IACS General Policy Group.

¹ For the purposes of this Charter, "ships" are defined as any ships subject to SOLAS safety certification and capable of unrestricted navigation.

² For the purposes of this definition of CS only, the organisation may have legally acquired classification rules and regulations, as well as any modifications or additions thereto for the purpose of the application, maintenance and updating of those rules and regulations.

IACS Ltd: International Association of Classification Societies Ltd, a company limited by guarantees provided by IACS Members, the sole purpose of which is to provide permanent secretariat services to IACS.

IACS Member: a member of IACS, having the rights and obligations laid down in IACS' Charter.

IACS Permanent Secretariat: the secretariat of IACS, incorporated as IACS Limited.

IACS Secretary General: the head of the IACS Permanent Secretariat.

IACS Procedural Requirements ("PRs"): IACS resolutions on technical matters of procedure.

Quality Committee: a committee composed of representatives of IACS Members, responsible for QSCS development, maintenance and continual improvement.

Quality Secretary: An officer of the Permanent Secretariat. The main purpose of this function is to promote the effective operation of the QSCS, ensuring the continued robustness, consistency and integrity of the scheme, with a uniformly high quality standard within IACS.

IACS Procedures: the IACS document that codifies the working procedures of IACS.

IACS QSCS Operations Centre ("OC"): comprises the QS and Audit Managers, supported administratively by the Office Secretary. They observe selected ACB audits of IACS Members and Applicant.

IACS Resolutions: IACS' URs (including CSR), UIs and PRs.

IACS Technical Background documents ("TB"): notes outlining the background and results of discussions in IACS technical groups relating to the development of specific IACS Resolutions.

IACS Unified Interpretations ("UIs"): IACS resolutions on matters arising from implementing the requirements of IMO instruments. They provide uniform interpretations of Convention Regulations or IMO Resolutions on those matters which in the Convention are left to the satisfaction of the Administration or where more precise wording is found to be necessary.

IACS Unified Requirements ("URs"): minimum technical requirements adopted by IACS which, subject to ratification by the governing body of each IACS Member, are to be incorporated in their rules and practices. URs set forth minimum requirements; each IACS Member remains free to set more stringent requirements.

IACS Working Group ("WG"): IACS Panels, Expert Groups, (EG) and Small Groups (SG).

Note: Panels report to GPG. EGs and SGs report to Council or GPG.

IACS WG Chair: The chair of the WG as appointed by Council or GPG.

IMO: the International Maritime Organisation.

Independent Appeals Process: established by Council to allow a Case Panel to be constituted to hear Appeals in respect of Appealable Decisions.

Membership Criteria: the Membership Criteria set out in IACS' Charter.

Month: where a period expressed in months is to be calculated from the moment at which an event occurs or an action takes place, the day during which that event occurs or that action takes place shall not be counted as falling within the period in question. A period expressed in months shall end with the expiry of whichever day in the last month of that period falls on the same date as the day during which the event or action from which the period is to be calculated occurred or took place. If, in a period expressed in months, the day on which it should expire does not occur in the last month of that period, the period shall end with the expiry of the last day of that month. If the period would otherwise end on a Saturday, Sunday or an official UK holiday, it shall be extended until the end of the first following working day.

Non-IACS CS: a CS which is not an IACS Member.

Quality System Certification Scheme ("QSCS"): the audit and certification scheme adopted by IACS and which comprises (i) the QMSR and (ii) the IACS Resolutions.

SOLAS: the International Convention for the Safety of Life at Sea, as adopted by IMO.
