

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:
COUNCIL - PART III**

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council@isa.org.jm.

1. Name of Working Group:

President's Text

2. Name(s) of Delegation(s) making the proposal:

The Ocean Foundation, Observer

3. Please indicate the relevant provision to which the textual proposal refers.

Annex I: Application for approval of a Plan of Work to obtain an exploitation contract

Section I: Information concerning applicant

4. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the "track changes" function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

Revise Subsection 13(c) as follows:

(c) Attach a copy of applicant's duly certified certificate of registration (or equivalent), together with evidence of applicant's good standing in its jurisdiction of registration and each other jurisdiction where applicant is qualified to do business as of the date of the application.

Add new Subsection 17 as follows:

17. Describe your corporate structure (Ultimate Beneficial Owner(s), parent company(s), subsidiary(s), publicly disclosed investor(s), and the relationships between these parties, as applicable). A chart or other illustration depicting this information shall be an acceptable format for submitting this documentation.

Add new Subsection 18 as follows:

18. Describe any legal or regulatory actions taken against the applicant or any of its affiliates in the last 5 years, and the resolution of such actions. If the applicant or such affiliate is a U.S. publicly traded company, the Securities and Exchange Commission's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system is an acceptable source for this information. If there have been no such actions, please include a statement to that effect.

5. Please indicate the rationale for the proposal. [150-word limit]

Section I, Subsection 13(c): these are standard due diligence items and should be a bare minimum requirement for applicants to prove that they are not delinquent or non-existent entities. Section I, Subsection 17: Disclosure of the full corporate structure of the applicant is an essential disclosure from a transparency and creditworthiness standpoint. Applicants can be shell companies, UN sanctioned entities, etc., and it is crucial that the Council and Commission be made aware of all investors and affiliates of any applicant prior to awarding of an Exploitation Contract. Section I, Subsection 18: Prior litigation and regulatory enforcement actions should be disclosed as part of the application as a way for the Commission to determine the type and level of risk presented by awarding an exploitation contract to an applicant. The Commission should have knowledge of whether applicants have been involved in environmental litigation, contractual disputes, fraud, and other causes of action that could indicate that an applicant would be unlikely to comply with their obligations once a contract has been awarded.

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:
COUNCIL - PART III**

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council@isa.org.jm.

1. Name of Working Group:

President's Text

2. Name(s) of Delegation(s) making the proposal:

The Ocean Foundation, Observer

3. Please indicate the relevant provision to which the textual proposal refers.

Annex I: Application for approval of a Plan of Work to obtain an exploitation contract

Section IV: Financial information

4. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the "track changes" function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

Subsection 21:

(a) If the application is made by the Enterprise, attach certification by its [competent authority] [Director-General] that the Enterprise has the necessary financial resources to meet the estimated costs of the proposed Plan of Work, and fulfil its financial obligations to the Authority;

(b) If the application is made by a State or a State enterprise, attach a statement by the State or the Sponsoring State certifying that the applicant has the necessary financial resources to meet the estimated costs of the proposed Plan of Work, and fulfil its financial obligations to the Authority; and

[...]

(c) (ii) If the applicant is a subsidiary of another entity, attach copies of such financial statements of each entity with a direct or indirect ownership interest in the applicant, up through and including each Ultimate Beneficial Owner of the applicant (if such Ultimate Beneficial Owner is a juridical entity), that entity and a statement from each such that entity, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants, that the applicant will have the financial resources to carry out the Plan of Work; and

5. Please indicate the rationale for the proposal. [150-word limit]

Applicants must be able to demonstrate that they not only have the financial resources to carry out their planned mining operations, but to also pay for all of their financial obligations, including the

obligations in proposed new clause 18 in the March 3 markup to cover costs of remediating any environmental damage the applicant may cause via Exploitation Activities, which could vastly exceed the costs of mining. Such costs may not adequately be captured by insurance, the Fund (especially if insufficiently capitalized), or by the Environmental Performance Guarantee, which as currently drafted is only applicable to closure activities. Section 21(c)(ii) should be clarified that audited financial statements should be provided for all entities in the corporate ownership chain up through the Ultimate Beneficial Owners (not just for the direct parent of the applicant).

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:
COUNCIL - PART III**

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council@isa.org.jm.

1. Name of Working Group:

President's Text

2. Name(s) of Delegation(s) making the proposal:

The Ocean Foundation, Observer

3. Please indicate the relevant provision to which the textual proposal refers.

Annex I: Application for approval of a Plan of Work to obtain an exploitation contract

Section IV: Financial information

4. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the "track changes" function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

Subsection 21:

(a) If the application is made by the Enterprise, attach certification by its [competent authority] [Director-General] that the Enterprise has the necessary financial resources to meet the estimated costs of the proposed Plan of Work, and fulfil its financial obligations to the Authority;

(b) If the application is made by a State or a State enterprise, attach a statement by the State or the Sponsoring State certifying that the applicant has the necessary financial resources to meet the estimated costs of the proposed Plan of Work, and fulfil its financial obligations to the Authority; and

[...]

(c) (ii) If the applicant is a subsidiary of another entity, attach copies of such financial statements of each entity with a direct or indirect ownership interest in the applicant, up through and including each Ultimate Beneficial Owner of the applicant (if such Ultimate Beneficial Owner is a juridical entity), that entity and a statement from each such that entity, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants, that the applicant will have the financial resources to carry out the Plan of Work; and

5. Please indicate the rationale for the proposal. [150-word limit]

Applicants must be able to demonstrate that they not only have the financial resources to carry out their planned mining operations, but to also pay for all of their financial obligations, including the

obligations in proposed new clause 18 in the March 3 markup to cover costs of remediating any environmental damage the applicant may cause via Exploitation Activities, which could vastly exceed the costs of mining. Such costs may not adequately be captured by insurance, the Fund (especially if insufficiently capitalized), or by the Environmental Performance Guarantee, which as currently drafted is only applicable to closure activities. Section 21(c)(ii) should be clarified that audited financial statements should be provided for all entities in the corporate ownership chain up through the Ultimate Beneficial Owners (not just for the direct parent of the applicant).