



REPUBLIC OF NAURU

NAURU SEABED MINERALS AUTHORITY REGULATIONS 2025

SL No. 32 of 2025

Notified: 22 June 2025

Table of Provisions

PART 1 - PRELIMINARY

1	Citation	4
2	Commencement	4
3	Definitions	4

PART 2 - CONTENT AND PROCESSING OF SPONSORSHIP APPLICATIONS

4	Applications for certificate of sponsorship	7
5	Receipt, acknowledgement and safe custody of applications by the Authority	9
6	Authority may request further information	9
7	Authority may commission expert review of an application	9
8	Consultation with ISA	10
9	Review of application and preparation of assessment report	11
10	Relevant information for consideration of application by Authority	11
11	Request for further information by the Authority	12
12	Amendment of applications during assessment	12
13	Evaluation of applications by Authority against Qualification Criteria	12

14	Recommendation by the Authority	13
15	Content of report to the Cabinet	13
16	Sponsorship decision-making by the Cabinet	13
17	Review of sponsorship decision	14
18	Preparation of Sponsorship Certificate and draft Sponsorship Agreement	14
19	Signing of Sponsorship Agreement	14
20	Submission of application to ISA	14
21	Material change to ISA application	15
22	Approved Plan of Work	15
PART 3 – TERMS AND CONDITIONS OF SPONSORSHIP		
23	Terms and conditions of Sponsorship Agreements	15
24	Specific conditions of sponsorship	17
25	Security Deposit	18
26	Variation of terms and conditions of sponsorship	20
PART 4 - OBLIGATIONS DURING SPONSORSHIP		
27	Notification of material matters	21
28	Keeping and maintenance of records	21
29	Record keeping requirements applicable to certain information	21
30	Making records available	22
31	Annual report	23
32	Compliance statement	24
33	Notifying Reportable Events	25
34	Written report of Reportable Events	26
35	Duty to manage risk	26
36	Management and control of accidents and hazards	27
37	Notifying and responding to incidents	28
38	Inquiries into incidents	29
PART 5 – MONITORING, COMPLIANCE AND ENFORCEMENT		
39	Authority to monitor Seabed Mineral Activities	30
40	Placing of observers	30
41	Transfer of observers of the Authority	31
42	Observers powers and functions	31
43	Complaints about observers	32
44	Real-time data and monitoring	32
45	ISA inspection reports	32

46	Compliance directions	33
47	Emergency directions	34
48	Application for review of direction	35
49	Non-compliance with directions	36
50	Whistle-blowing procedures	36
PART 6 - ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND CHANGE OF CONTROL		
51	Application for approval to assign rights and obligations under an ISA contract	38
52	Decision-making on application for approval of assignment	39
53	Notification of change of ownership, constitution or control of a Sponsored Party	39
PART 7 - METHOD FOR DETERMINING APPLICABLE FEES		
54	Method for determining applicable fees	40
PART 8 - STANDARDS AND GUIDELINES		
55	Standards and guideline documents	41
PART 9 - CHANGE IN SEABED MINERAL ACTIVITIES AND JOINT REVIEWS		
56	Change in Seabed Mineral Activities	42
57	Periodic Review of Seabed Mineral Activities	43
PART 10 - OBLIGATIONS ON TERMINATION OF SPONSORSHIP OR CESSATION OF SEABED MINERAL ACTIVITIES		
58	Information to be submitted on termination of sponsorship or cessation of Seabed Mineral Activities	44
PART 11 - INFORMATION MANAGEMENT		
59	Protection of confidential information	45
60	Information disclosure	46
PART 12 – DISPUTE RESOLUTION		
61	Disputes	47
PART 13 - GENERAL PROVISIONS		
62	Service of documents	48
SCHEDULE 1 - REQUIREMENTS FOR SPONSORSHIP APPLICATIONS		
SCHEDULE 2 – COMPLIANCE HISTORY STATEMENT		
SCHEDULE 3 - ANNUAL COMPLIANCE STATEMENT		

The Cabinet makes the following Regulations under Section 68 of the *Nauru Seabed Minerals Authority Act 2024*:

PART 1 - PRELIMINARY

1 Citation

These Regulations may be cited as the *Nauru Seabed Minerals Authority Regulations 2025*.

2 Commencement

These Regulations come into effect on the day they are notified in the Gazette.

3 Definitions

(1) In these Regulations:

‘Act’ means the *Nauru Seabed Authority Act of 2024*;

‘Applicable Guideline’ means a guideline issued by the Authority under regulation 55 or a guideline issued by the ISA, as the context requires;

‘Applicable Standard’ means a standard approved by the ISA in accordance with the relevant Rules of the ISA, or a standard approved by the Minister under regulation 55 as the context requires;

‘Authorised Representative’ means the Chief Executive Officer of the Authority and any duly authorised officer performing functions of the Authority under the Act;

‘Best Available Techniques’ shall have the same meaning as defined by the relevant Rules of the ISA;

‘Best Environmental Practices’ shall have the same meaning as defined by the relevant Rules of the ISA;

‘Best Available Scientific Information’ shall have the same meaning as defined by the relevant Rules of the ISA;

‘Board’ means the Board of Directors of the Authority;

‘Closure Plan’ means a plan forming part of a Plan of Work that is prepared, approved and implemented under the relevant Rules of the ISA;

‘Continual Improvement’ means a process of enhancing, on an ongoing basis, the measures in order to achieve improvements in overall health, safety and environmental performance consistent with the ISA’s and Sponsored Party’s health, safety and environmental policies and objectives;

‘Control Measure’ means a system, an item of equipment, a person or a procedure, that is used as a basis for managing the health, safety and environmental impacts and risks of an activity;

‘Early Warning Indicator Criteria’ means criteria used to give an early warning that an Environmental Performance Objective or Environmental Performance Outcome may be breached or not met;

‘Environmental Performance’ means the performance of a Sponsored Party in relation to the Environmental Performance Objectives and Environmental

Performance Outcomes set out in an Environmental Management and Monitoring Plan;

‘Environmental Impact’ means any change to the environment, whether adverse or beneficial, that wholly or partly results from the Seabed Mineral Activities;

‘Environmental Impact Assessment’ means an impact assessment conducted in accordance with the relevant Rules of the ISA;

‘Environmental Management and Monitoring Plan’ means a plan forming part of a Plan of Work that is prepared, approved and implemented under the relevant Rules of the ISA;

‘Environmental Management System’, has the same meaning in the relevant Rules of the ISA and used to manage the environmental aspects of the Seabed Mineral Activities;

‘Environmental Performance Objective’ means the performance objectives included in an Environmental Management and Monitoring Plan;

‘Environmental Performance Outcome’ means a measurable level of performance (qualitative or quantitative) for the desired state of the marine environment, including the quantitative value or concentration of a particular substance in the water column, sediment, or biota, arising from the Seabed Mineral Activities, which shall not be exceeded in order to protect the marine environment as set out in the Applicable Standards or an Environmental Management and Monitoring Plan;

‘Environmental Response and Contingency Plan’ means a plan forming part of a Plan of Work that is prepared, approved and implemented under the relevant Rules of the ISA;

‘Environmental Risk’ means the chance of something happening that will have an adverse Environmental Impact, measured in terms of the environmental consequences and the likelihood of those particular consequences occurring;

‘Financing Plan’ means a plan forming part of a Plan of Work that is prepared, approved and implemented under the relevant Rules of the ISA;

‘Good Industry Practice’ has the same meaning in the relevant Rules of the ISA;

‘Health and Safety Management System’ means a system for managing the health and safety aspects of the Seabed Mineral Activities, including occupational health and safety;

‘Health and Safety Plan’ means a plan forming part of a Plan of Work that is prepared, approved and implemented under the relevant Rules of the ISA;

‘Health and Safety Performance Standard’ means a standard, established by a Sponsored Party, of the performance required of a system, item of equipment, person or procedure which is used as a basis for managing the risk of a major accident event;

‘ICC’ means the International Chamber of Commerce as defined under the UNCITRAL Arbitration Rules;

‘Management System’ means a Health and Safety Management System and an Environmental Management System;

‘Material Change’ means a significant change as defined in the relevant Rules of the ISA;

‘Performance Improvement Plan’ means a plan to address the issues identified by the Authority as may be required by regulation 47;

‘Plan of Work’ is a Plan of Work for exploration or exploitation in the Area as defined by the relevant Rules of the ISA;

‘Reportable Event’ means an event that is classified as such under these Regulations or a Sponsorship Agreement, and includes:

- (a) a notifiable event defined under the relevant Rules of the ISA;
- (b) a failure to comply with the fundamental terms and conditions of an Environmental Management and Monitoring Plan, including a failure to achieve, or a breach of, an Environmental Performance Objective or Environmental Performance Outcome;
- (c) a determination by the ISA that the Environmental Management and Monitoring Plan is inadequate in any material respect following a performance assessment under the relevant Rules of the ISA;
- (d) a contravention of, or a failure to comply with, a material term or condition of the Sponsorship Agreement;
- (e) a material reduction in production under a Plan of Work;
- (f) any failure, or likely failure in a Management System that could cause or contribute to a major accident or incident;
- (g) the identification of any new significant health and safety risk or significant Environmental Risk, or a significant change to existing risk calculations;
- (h) the receipt of a written instruction from an inspector appointed by the ISA;
- (i) the receipt of a compliance notice from the ISA;
- (j) a request by the ISA to audit the books of the sponsored entity;
- (k) the taking of any measures under regulation 35;
- (l) a failure to comply with a compliance direction or emergency direction under regulations 47 or 48 within the time allowed in the direction; or
- (m) any event classified by the Authority as a Reportable Event as the Seabed Mineral Activities progress; and

‘Technical Assistance Committee’ means a technical committee, set up by the Authority under the Act;

‘UNCITRAL Arbitration Rules’ means the United Nations Commission on International Trade Law adopted by the United General Assembly on 9 December 2021;

- (2) Terms used in these regulations that are defined in the Act have the meanings given to them by the Act.

PART 2 - CONTENT AND PROCESSING OF SPONSORSHIP APPLICATIONS

4 Applications for certificate of sponsorship

- (1) A Sponsorship Applicant may apply to the Authority for a Sponsorship Certificate under the Act to sponsor an application for an ISA Plan of Work for either exploration or exploitation.
- (2) A Sponsorship Application shall:
 - (a) be made in writing and addressed to the Chief Executive Officer of the Authority;
 - (b) be made at least 120 days prior to the proposed date of submission of an application for the approval of a Plan of Work to the ISA;
 - (c) include details of:
 - (i) how the applicant is governed;
 - (ii) the proposed legal relationship, operational and transactional arrangements between the applicant and all relevant persons that will conduct all or a material part of the proposed Seabed Mineral Activities (including affiliates, associates, proposed investors and financiers) and their respective roles in the proposed activities;
 - (iii) how duties and responsibilities, risk operational, financial, health, safety and environmental and potential liability including environmental liability are allocated or will be allocated between the applicant and relevant persons;
 - (iv) the proposed revenue and expenditure flows, transactions or arrangements between the applicant and its affiliates and associates;
 - (v) the chain of responsibility of individuals, including those employed or engaged by affiliates and associates having decision-making and operational management responsibilities through to board level; and
 - (vi) a timeline for the proposed Seabed Mineral Activities including key milestone dates.
 - (d) be accompanied by:
 - (i) the draft ISA application for the approval of a Plan of Work for exploration or exploitation;

- (ii) a statement that the draft ISA application has been prepared in accordance with the relevant Rules of the ISA;
- (iii) a document setting out the framework of the Management System, including details of the standard operating procedures to monitor and track compliance with the Act, these Regulations, and the relevant Rules of the ISA, including the primary procedures to control the risk of significant accidents and hazards;
- (iv) in the case of proposed exploitation, a statement demonstrating that the Seabed Mineral Activities will take place in accordance with sound commercial principles;
- (v) a summary of the key issues arising from the Environmental Impact Assessment, including the evaluation of the Environmental Risks and Environmental Impacts and the measures to manage, limit or remedy such risks and impacts of the Seabed Mineral Activities on the marine environment;
- (vi) a summary of where applicable, the measurement criteria to be adopted to measure the Environmental Performance Objectives and Environmental Performance Outcomes and how these will be monitored, achieved and reported, including the use of Early Warning Indicator Criteria;
- (vii) a summary of the Control Measures that will be used to reduce the impacts and risks of the Seabed Mineral Activities to human health and safety and the marine environment to as low as reasonably practicable;
- (viii) a summary of any matter in the draft ISA application where the applicant considers there is a significant lack of information or a significant degree of uncertainty, together with a summary of its likely impact on any major assumptions made and how the applicant intends to address such lack of data or information or uncertainty through any further investigations, studies or tests;
- (ix) details of how the applicant has and will continue to adopt and apply the precautionary approach and the extent to which the precautionary approach is integrated into the applicant's risk assessment and management processes;
- (x) details of how the applicant has and will continue to adopt and apply the ecosystem-based management approach;
- (xi) details of how the applicant has and will continue to adopt and apply Best Environmental Practices and Best Available Techniques; and

- (xii) details of how the applicant has and will continue to adopt and apply the use of Best Available Scientific Information;
 - (e) include the results of any consultation conducted by the applicant with any interest groups or the general public in Nauru, including through any Environmental Impact Assessment or social impact assessment process.
 - (f) include the information under Schedule 1; and
 - (g) include the applicable fee.
- (3) Where the information required under this regulation is presented in the draft ISA application, the applicant may make reference to the relevant part of the draft ISA application when providing the information to the Authority.

5 Receipt, acknowledgement and safe custody of applications by the Authority

- (1) On the receipt of an application the Chief Executive Officer shall immediately make a written record of the date and time of receipt.
- (2) The Chief Executive Officer shall give an applicant written acknowledgment of receipt specifying the date and time of receipt within 5 days after the date the Authority receives an application.
- (3) The Chief Executive Officer shall place the application in safe custody and ensure the confidentiality of all information contained in the application in accordance with the Authority's information management procedures.

6 Authority may request further information

- (1) Where the Chief Executive Officer determines within 10 days after the date the Authority receives an application that the application does not comply with regulation 4 the Chief Executive Officer shall, in writing, request further information from the applicant or require the applicant to revise the application.
- (2) The applicant shall, within 10 days after the date it receives a request or at any other time approved by the Chief Executive Officer provide the information under subregulation (1).
- (3) The Chief Executive Officer may return an application without a decision or further processing of the application where the applicant fails to comply with a reasonable request under subregulation (2).

7 Authority may commission expert review of an application

- (1) The Chief Executive Officer may commission an approved expert to review any part of the application.

- (2) The review may include whether the:
 - (a) application demonstrates that the applicant satisfies or will satisfy the requirements under Section 15 and the Qualification Criteria under Section 17 of the Act; or
 - (b) draft ISA application complies in all material respects with the requirements of the relevant Rules of the ISA.
- (3) Where the Chief Executive Officer intends to commission a review, the Chief Executive Officer shall:
 - (a) notify the applicant in writing; and
 - (b) include, with that notification:
 - (i) the Chief Executive Officer's reasons for deciding to commission a review;
 - (ii) details of the approved expert; and
 - (iii) an estimate of the cost of such review.
- (4) Where the cost of such review is not included in the applicable fee pursuant to regulation 54, the Chief Executive Officer shall consult the applicant and obtain their prior agreement to such cost.
- (5) The Chief Executive Officer shall, within 5 days after the date he or she receives the results of any review, send a copy of the results to the applicant.
- (6) Where the Chief Executive Officer intends to request such advice, he or she may extend the 30 day period specified in regulation 9(1) by an additional period not exceeding 10 days.

8 Consultation with ISA

- (1) The Authority through the Chief Executive Officer shall, pursuant to Section 16 of the Act, consult with the ISA on any matter relating to the Sponsorship Application.
- (2) Consultation may include the following subjects:
 - (a) clarification of the relevant Rules of the ISA;
 - (b) the compliance record, if any, of the applicant with an ISA contract;

- (c) any data, information, reports or studies held by the ISA that may be relevant to the sponsorship application; and
 - (d) any other matters relevant to the application.
- (3) Where required under the relevant Rules of the ISA, including rules relating to the disclosure of confidential information held by the ISA, the applicant shall grant the ISA the necessary permission to disclose any information, whether confidential or otherwise contemplated by subregulation (2), to the Authority.
- (4) The Chief Executive Officer shall ensure that any advice or information arising from consultation under this regulation is provided in the report prepared under regulation 9(1).

9 Review of application and preparation of assessment report

- (1) The Chief Executive Officer shall, within 30 days after the date the Authority receives the application, prepare an assessment report for the Board providing an overview and assessment of the application and the applicant against the Qualification Criteria in Section 17 of the Act taking into consideration the Applicable Guideline.
- (2) The Chief Executive Officer shall:
- (a) seek advice or comments from relevant Departments, the Technical Assistance Committee and approved experts as necessary in order to prepare the report under subregulation (1); and
 - (b) provide a copy of the report to the Sponsorship Applicant for its review and comment.
- (3) The Chief Executive Officer shall submit the application, his or her assessment report and any relevant information under regulation 10 to the Board for its consideration.

10 Relevant information for consideration of application by Authority

- (1) The Authority shall in considering and determining an application under Section 16, and in making a recommendation to the Cabinet under Section 18 of the Act, consider the following:
- (a) the Act and these Regulations;
 - (b) the relevant Rules of the ISA;
 - (c) the Chief Executive Officer's assessment report;
 - (d) any comments provided by the Sponsorship Applicant under regulation 9(2)(b);

- (e) the information contained in the sponsorship application, and any amendments to the application;
- (f) any technical presentation made by the applicant to the Authority during the course of its evaluation;
- (g) any written information received in response to requests made by the Authority under Section 16 of the Act and regulations 6 and 11;
- (h) any expert report, analysis, or advice obtained under regulation 7;
- (i) any information obtained by the Authority from other national, regional or international regulatory agencies, including the ISA; and
- (j) the results of any consultation conducted by the applicant or the Authority with any interest groups or the general public in Nauru.

11 Request for further information by the Authority

The Authority, prior to making its recommendation, may, within 10 days after the date on which the Chief Executive Officer refers the application to the Board under regulation 9(3):

- (a) request, through the Chief Executive Officer, that the applicant provide further information considered necessary by the Board to assess the criteria under Section 17(1) of the Act;
- (b) request that the applicant submit modifications to the application; or
- (c) obtain advice from the Chief Executive Officer who may engage Approved Experts as necessary to assist in the Board's review and assessment of the Qualification Criteria or in formulating any specific conditions under regulation 24.

12 Amendment of applications during assessment

An applicant may, at any time before a recommendation is made to the Cabinet by the Authority, amend an application:

- (a) to correct any error, if the effect of the correction is minor; or
- (b) to address issues raised by the Authority under regulation 11(b).

13 Evaluation of applications by Authority against Qualification Criteria

The Authority shall evaluate an application against the criteria under Section 17 of the Act, taking into consideration the Applicable Guideline.

14 Recommendation by the Authority

- (1) The Authority shall no later than 30 days after the date on which it is given the information, modified application or advice contemplated by regulation 11, make its recommendation to the Cabinet through the Minister under Section 19 of the Act.
- (2) Where the Authority determines that 1 or more of the Qualification Criteria is not met in a material particular and such particular cannot be remedied through the imposition of 1 or more specific and timebound conditions, the Authority shall decline to recommend sponsorship of the applicant to the Cabinet.
- (3) Where the Authority determines that the Qualification Criteria are met, the Authority shall recommend sponsorship of the applicant to the Cabinet.
- (4) The Authority shall provide to the Cabinet, a report prepared in accordance with regulation 15 setting out its decision whether to recommend or not to recommend sponsorship of the applicant.
- (5) The Board may recommend that sponsorship of the applicant be subject to one or more specific conditions.

15 Content of report to the Cabinet

The chairperson of the Board shall prepare a report for the Minister and the Cabinet including:

- (a) a summary of the key issues presented in the application;
- (b) details of any uncertainty or inadequacy in the information available;
- (c) an analysis of the significant opportunities and risks to the Republic identified by the Authority's assessment and consideration of the application;
- (d) the Board's reasons for its recommendation to the Cabinet whether to sponsor or not to sponsor an applicant against the criteria under section 17 of the Act, including if sponsorship of an applicant should be subject to one or more specific conditions contemplated by regulation 25 and the reasons for recommending such conditions; and
- (e) any other information the Board considers relevant for the Cabinet's consideration.

16 Sponsorship decision-making by the Cabinet

Where the Cabinet issues a certificate, the Authority shall prepare the Sponsorship Certificate and any draft Sponsorship Agreement, incorporating any specific conditions recommended by the Authority and approved by the Cabinet.

17 Review of sponsorship decision

Where the Cabinet declines to issue a Sponsorship Certificate under Section 20(3) of the Act, the Sponsorship Applicant may submit further information for the purpose of reviewing and reconsideration of the Cabinet's decision, within 30 days of the date of receipt of the notice of the Cabinet decision.

18 Preparation of Sponsorship Certificate and draft Sponsorship Agreement

- (1) The Chief Executive Officer shall within 10 days after the Cabinet approves the granting of a Sponsorship Certificate and any draft Sponsorship Agreement under Section 25 of the Act, shall:
 - (a) prepare the Sponsorship Certificate in accordance with Section 22 of the Act for signature by the Minister on behalf of the Republic;
 - (b) prepare the draft Sponsorship Agreement in accordance with this regulation and regulation 24;
 - (c) obtain the Minister's comments on the terms and conditions of the draft Sponsorship Agreement; and
 - (d) provide the Sponsored Party with the draft Sponsorship Agreement.
- (2) The Authority shall give the Sponsorship Applicant at least 20 days, or such longer period as the Authority may allow, to make submissions on those terms and conditions before the Authority finalises them.
- (3) Following finalisation of the terms and conditions of the draft Sponsorship Agreement between the Authority and the applicant, the Minister shall, in accordance with Section 25(1) of the Act, refer the draft agreement to the Cabinet for its approval.

19 Signing of Sponsorship Agreement

- (1) Following the Cabinet's approval of the terms and conditions of the draft Sponsorship Agreement, the agreement shall be signed on behalf of the Republic and the Authority by the Minister.
- (2) The designated representative shall sign the agreement on behalf of the Sponsored Party.

20 Submission of application to ISA

The Chief Executive Officer shall:

- (a) pursuant to Section 23 of the Act, cooperate with the Sponsored Party and assist in the submission of an application to the ISA; and

- (b) cooperate with the ISA and provide it with such data and information held by the Authority to assist the ISA in determining whether the Sponsored Party is qualified applicant under the relevant Rules of the ISA, including the results of the Authority's assessment of the sponsorship Qualification Criteria under Section 17 of the Act.

21 Material change to ISA application

- (1) A Sponsored Party shall, pursuant to Section 24 of the Act notify the Chief Executive Officer of any proposed Material Change to an ISA application or new or updated information within 48 hours of becoming aware of such change or information.
- (2) The notification shall include details of the proposed change or new or updated information including its assessment of any significant impact on the terms of sponsorship or ability to continue to satisfy the Qualification Criteria.
- (3) The Chief Executive Officer shall, within 5 days of the date of receipt of the notification review the information provided by the Sponsored Party under subregulation (2) and provide to the Board his or her comments for the Board's consideration.
- (4) The Board shall consider the proposed Material Change or new or updated information, and taking account of the comments of the Chief Executive Officer provide any comments to the Sponsored Party for its consideration pursuant to section 24(2) of the Act.

22 Approved Plan of Work

- (1) On any approval of a Plan of Work for exploration or exploitation by the ISA, the Sponsored Party shall provide a copy of the approved plan to the Authority, including a summary in table form of any conditions attaching to such approval.
- (2) The Chief Executive Officer shall consult with the Sponsored Party with a view to ensuring that the necessary and appropriate procedures and processes, including the recording and reporting of data and information are in place, or will be in place to monitor effectively the implementation of the plan and any related conditions through appropriate Control Measures.

PART 3 – TERMS AND CONDITIONS OF SPONSORSHIP

23 Terms and conditions of Sponsorship Agreements

- (1) For the purpose of Section 25(1), a Sponsorship Agreement may include all or any terms and conditions relating to the following matters:
 - (a) definitions of key terms used in the agreement;
 - (b) the duration of the sponsorship arrangement by reference to the duration of the corresponding ISA contract;

- (c) the scope and nature of the Republic's sponsorship obligation;
- (d) the financial terms and payment obligations of the Sponsored Party;
- (e) the Republic's rights to audit books and records supporting such payments;
- (f) obligations of the Sponsored Party, including:
 - (i) compliance with relevant enactments of the Republic;
 - (ii) compliance with the terms of an ISA contract; and
 - (iii) the funding and implementation of training and technical capacity building programmes;
- (g) provisions for the indemnification of liability of the Republic by the Sponsored Party;
- (h) the protection of the confidentiality of information, including commercially sensitive information;
- (i) the grounds and procedures for any material default by the parties under the agreement;
- (j) the grounds and procedures for any termination of the agreement;
- (k) the governing law and jurisdiction for the agreement, as well as mechanisms for resolving disputes, such as mediation or arbitration;
- (l) the ability of the Sponsored Party to subcontract all or any part of the Seabed Mineral Activities;
- (m) the assignment of all or any interest under an ISA contract;
- (n) notification, reporting and monitoring rights and obligations;
- (o) foreign investment protection and corporate existence;
- (p) appropriate representations and warranties from both parties regarding their authority to enter into the agreement and compliance with applicable laws;
- (q) obligations surviving termination of the agreement; and

- (r) other matters that the parties consider necessary and appropriate to manage and administer the rights and obligations Sponsorship Agreement.
- (2) A Sponsorship Agreement shall also include any specific conditions approved by the Cabinet under regulation 16.

24 Specific conditions of sponsorship

- (1) The Authority may pursuant to regulation 14(5) recommend to the Cabinet that specific conditions be included in a Sponsorship Agreement as considered necessary and appropriate to promote compliance with the Act and its objectives, taking into account:
- (a) the Republic's obligation to take all necessary and reasonably appropriate measures to secure effective compliance of a Sponsored Party pursuant to article 139(2) of the UNCLOS;
 - (b) the Republic's obligation to assist the ISA to ensure such compliance pursuant to article 153(3) of the UNCLOS;
 - (c) the monitoring and enforcement capacity of the ISA at the time of the application; and
 - (d) the results and findings from the assessment of the Qualification Criteria.
- (2) Specific conditions may be included for the purpose of requiring the Sponsored Party to, for example:
- (a) undertake specific monitoring or reporting on its Seabed Mineral Activities at specified intervals, including information to be supplied to the Authority;
 - (b) taking out a certain category of insurance;
 - (c) undertake specific studies, investigations or analysis;
 - (d) make specific information or records available for audit or verification by the Authority or by an approved expert;
 - (e) align with a specific internationally accepted process standard;
 - (f) provide a Security Deposit pursuant to Section 52 of the Act and regulation 26 to manage any risk and liability exposures;
 - (g) be vicariously liable for any environmental breaches caused by its employees;

- (h) implement specified measures relating to the health, safety and welfare of persons engaged in Seabed Mineral Activities and not regulated by any other competent authority, body or organisation;
 - (i) implement specified measures which may include specified Environmental Performance Objectives and Environmental Performance Outcomes to deal with the potential risks and effects of the Seabed Mineral Activities on the marine environment or other marine users;
 - (j) undertake specific education and awareness programmes in the Republic relating to the Seabed Mineral Activities;
 - (k) provide specific reporting on or compliance with the Qualification Criteria prior to the commencement of the Seabed Mineral Activities; or
 - (l) pay a specified penalty if the Sponsored Party does not comply with a condition of the Sponsorship Agreement.
- (3) The Authority shall consider, where applicable, whether the specific conditions recommended under this regulation are reasonably practicable in relation to the matter the condition is intended to address, and compliance with the condition can be monitored effectively by the Authority and the Sponsored Party.
- (4) The Authority may recommend more stringent conditions than those of the relevant Rules of the ISA pursuant to annex III, article 21(3) of the UNCLOS.
- (5) In formulating any specific conditions, the Authority may seek advice from relevant Departments or an approved expert.

25 Security Deposit

- (1) In determining the requirement for any Security Deposit under Section 52 of the Act, the Authority shall consider the following factors:
- (a) the nature, stage, scale and likely impact of the Seabed Mineral Activities on the marine environment or other marine users;
 - (b) the Sponsored Party's Environmental Performance record;
 - (c) the financial capacity of the Sponsored Party and its access to financial resources, including the Sponsored Party's capacity to respond to incidents;
 - (d) the availability of relevant market instruments, such as insurance;

- (e) the Sponsored Party's capacity to undertake any post closure monitoring;
 - (f) the technical and economic feasibility of rectifying any damage that may be caused to the marine environment; and
 - (g) the type and quantum of any guarantee, deposit or bond that a Sponsored Party is required to deposit with the ISA for an equivalent purpose.
- (2) The terms of any Security Deposit shall provide:
- (a) a date by which the deposit shall be made, which may be before the Seabed Mineral Activities commence;
 - (b) details of the amount and form of security to be given;
 - (c) that the amount of the security is to be reviewed annually and where necessary adjusted;
 - (d) for the terms of forfeiture, repayment or release of all or part of the security; and
 - (e) that the security may be varied, cancelled, or renewed by agreement between the Sponsored Party and the Authority.
- (3) Any Security Deposit shall be held by the Department responsible for finance in accordance with its policy and procedures, and in the case of cash, held in a secured interest-bearing account with a financial institution with a long-term international credit rating of AA or higher.
- (4) Any Security Deposit may be provided by way of instalments over a specified period.
- (5) Where a Sponsored Party is required to lodge a Security Deposit with the Republic prior to the commencement of Seabed Mineral Activities, the Sponsored Party may not commence activities until it has provided the required deposit in accordance with the conditions of the Sponsorship Agreement.
- (6) The terms of any Security Deposit may require that the deposit, or a portion of it, continues for a specified period after sponsorship is terminated to the extent that the Authority considers it may be required to fulfil any obligations of the Sponsored Party under the Act.
- (7) The Authority may appoint an independent assessor to advise on the appropriate amount of any Security Deposit under this regulation.

- (8) The application of this regulation is subject to the Applicable Guideline issued by the Authority.
- (9) The provision of a Security Deposit does not limit the liability of the Sponsored Party under the Act or an ISA contract.

26 Variation of terms and conditions of sponsorship

- (1) Pursuant to Section 25(3) of the Act, the Authority or the Sponsored Party may notify the other at any time to request a variation of a term or condition of a Sponsorship Agreement where a party considers that the variation is necessary:
 - (a) to ensure consistency with:
 - (i) the Republic's international legal obligations;
 - (ii) the relevant Rules of the ISA; or
 - (iii) a modified plan of work;
 - (b) to accommodate new or previously unforeseen significant health, safety or Environmental Risks or Environmental Impacts that have been identified in the conduct of the Seabed Mineral Activities;
 - (c) to take account of changes in Good Industry Practice, Best Environmental Practices, or Best Available Techniques; or
 - (d) to reflect any change in circumstances or assumptions where information shows that the variation of any terms or conditions is appropriate to deal with such change.
- (2) A notice under subregulation (1) shall identify the conditions to be reviewed, give reasons for the review and may propose new conditions.
- (3) The parties shall consult on any variation to the terms and conditions of sponsorship within 30 days following the date of receipt of a notice and work together to amend the Sponsorship Agreement.
- (4) Prior to making any recommendations to the Minister, the Authority may consult with the ISA or an approved expert on the appropriateness of the variation of any terms or conditions.
- (5) The Authority shall make recommendations to the Minister for any proposed variation to any terms and conditions of a Sponsorship Agreement for the responsible Minister's consent and the Cabinet's approval.

PART 4 - OBLIGATIONS DURING SPONSORSHIP

27 Notification of material matters

- (1) For the purposes of Section 26(i) of the Act, the Sponsored Party shall notify the Authority in writing within 24 hours after it becomes aware of any new information or data that materially affects affect its ability to satisfy the Qualification Criteria, comply with the Plan of Work or ability to adhere to the terms of the ISA contract or the relevant Rules of the ISA.
- (2) The notification shall include details of:
 - (a) the new information or data demonstrating why this may materially affect the circumstances contemplated under subregulation (1); and
 - (b) any corrective actions or measures that the Sponsored Party has taken or will take to remedy any inability to satisfy the Qualification Criteria, comply with the Plan of Work or inability to adhere to the terms of the ISA Contract or the relevant Rules of the ISA..
- (3) Following receipt of any notification under subregulation (1), the Chief Executive Officer shall consult with the Sponsored Party as to the nature and circumstances of the Sponsored Party's inability to comply with or satisfy the circumstances contemplated under subregulation (1) and consider such remedial or corrective measures to return the Sponsored Party to compliance, which may include the issue of a compliance direction by the Authority under regulation 47.
- (4) A Sponsored Party that, without reasonable excuse contravenes subregulation (1), commits a strict liability offence and shall be liable to pay a fine of \$25,000.

28 Keeping and maintenance of records

- (1) A Sponsored Party shall at the Sponsored Party's registered address establish, keep and maintain copies of complete, accurate, and up to date books, accounts and financial records pertaining to Seabed Mineral Activities prepared in accordance with internationally accepted accounting principles, and any other records in such form as may be directed by the Authority or in accordance with the relevant Rules of the ISA.
- (2) The records shall include copies of relevant production related-records of associates and affiliates conducting all or any material part of the Seabed Mineral Activities.
- (3) A Sponsored Party that contravenes subregulation (1) or (2), commits a strict liability offence and shall be liable to pay a fine of \$25,000.

29 Record keeping requirements applicable to certain information

- (1) The records under subregulation (2) shall be kept and maintained:

- (a) in electronic form or digital form capable of being retrieved; and
 - (b) manually or in case of electronic or digital form, capable of being produced in printed form.
- (2) A Sponsored Party shall keep and maintain the following records or reports during the conduct of the Seabed Mineral Activities:
- (a) the Environmental Management and Monitoring Plan;
 - (b) the Emergency Response and Contingency Plan;
 - (c) the Health and Safety Plan;
 - (d) records relating to Environmental Performance and the Health and Safety Performance Standards;
 - (e) records of mining discharges into the marine environment;
 - (f) records of calibration and maintenance of monitoring devices used to monitor the Environmental Performance Outcomes;
 - (g) written reports including monitoring, audit and review reports relating to Environmental Performance and the Health and Safety Performance Standards; and
 - (h) other records or reports required under the relevant Rules of the ISA to monitor and assess the performance of a Sponsored Party.
- (3) A Sponsored Party that contravenes subregulations (1) or (2) commits a strict liability offence and shall be liable to a fine of \$25,000.

30 Making records available

- (1) This regulation applies in relation to a document or other record that are required to be established, kept and maintained under regulations 28 and 29.
- (2) The Sponsored Party shall upon request make a copy of the document or record available to any of the following persons:
- (a) an Authorised Representative, including an observer under appointed under Section 11(1)(t) of the Act; or
 - (b) an ISA inspector, or other authorised representative of the ISA.
- (3) The copy of the document or record shall be made available:

- (a) in the case of an emergency or incident relating to the Seabed Mineral Activities, as soon as practicable at any time of the day or night on any day during such emergency or incident; or
 - (b) in any other case, during normal business hours on a working day in the place where the document or record is kept.
- (4) The copy of the document or record shall be made available at the place where the document or record is kept or another place agreed between the Sponsored Party and the person making the request.
 - (5) The document may be made available at another place by means of electronic transmission.
 - (6) Where the document or record is stored on electronically or digitally, the copy shall be made available in printed form or if the Sponsored Party and the person making the request so agree, in electronic or digital form.
 - (7) A Sponsored Party which, without reasonable excuse contravenes subregulations (2), (3), (4) or (6) commits a strict liability offence and shall be liable to a fine of \$25,000.

31 Annual report

- (1) A Sponsored Party shall submit an annual report to the Authority within 90 days of the end of each calendar year containing information on its programme of activities for the previous year.
- (2) For the purposes of preventing duplication of administrative procedures and compliance requirements, the Authority may accept the submission of the ISA's annual report by the Sponsored Party prepared in accordance with the relevant Rules of the ISA and deem submission of such report to be complying with subregulation (1).
- (3) The Chief Executive Officer shall review the annual report and provide pertinent comments and any recommendations relating to the progress of the Seabed Mineral Activities and possible instances of non-compliance to the Board for its review and consideration.
- (4) The Chief Executive Officer shall consult with the ISA on any matter raised by the annual report and cooperate with the ISA to investigate any possible instances of non-compliance under the relevant Rules of the ISA arising from the review of the report.
- (5) Nothing in this regulation precludes the Authority from requesting more frequent progress reports or further information in respect of the Seabed Mineral Activities under the sponsorship of the Republic.

32 Compliance statement

- (1) For the purposes of Section 26(s), a Sponsored Party shall, within 120 days after the end of the financial year provide to the Authority a compliance statement in accordance with the requirements of this regulation and the Applicable Guideline.
- (2) The reportable matters shall be of such matters within each 12-month period, or any period within the 12-month period where sponsorship is granted during the period, ending on 31 December in each year, unless the Authority determines an alternative specified reporting period or frequency.
- (3) For the purposes of Section 26(s) of the Act, the compliance statement shall contain the information under Schedule 3 and shall relate to the period between the end of the last reporting period and the date of the report.
- (4) Where sponsorship is terminated under Section 36 of the Act, a Sponsored Party shall submit a final compliance statement within 60 days after the date of termination.
- (5) Where sponsorship is being assigned pursuant to Section 40 of the Act, the Sponsored Party shall provide to the Authority a compliance report in conjunction with the application for the Minister's consent to the assignment.
- (6) The Chief Executive Officer shall review the reports in order to be satisfied that:
 - (a) any instances of non-compliance have been appropriately addressed;
 - (b) the cause or suspected cause of the non-compliance has been identified; and
 - (c) the actions taken to mitigate any adverse effects and prevent recurrence of the non-compliance are reasonable and appropriate in the circumstances.
- (7) Where the Chief Executive Officer is not satisfied with any statements made in the report relating to the matters contemplated by subregulation (6), he or she may:
 - (a) request further information from the Sponsored Party; or
 - (b) require the holder to submit an amended report.

- (8) The Chief Executive Officer shall consult with the ISA on any instances of non-compliance and following such consultation may recommend to the Board that appropriate administrative action be taken under Section 36 of the Act and these Regulations, including the issue of a compliance direction under regulation 47.
- (9) A Sponsored Party who, without reasonable cause contravenes subregulations (1), (4) and (5) is liable to a penalty of \$5,000 for each day during which the non-compliance continues.

33 Notifying Reportable Events

- (1) A Sponsored Party, or where applicable through its affiliates or associates shall notify a Reportable Event in accordance with this regulation.
- (2) The notification:
 - (a) shall be given to the Authority as soon as practicable, and in any case within 24 hours after:
 - (i) the first occurrence of the Reportable Event; or
 - (ii) if the Reportable Event is not detected by the Sponsored Party at the time of the first occurrence, the time the Sponsored Party becomes aware of the event;
 - (b) may be made orally or in writing;
 - (c) shall specify:
 - (i) all material facts and circumstances concerning the Reportable Event;
 - (ii) any action taken to avoid or mitigate any adverse effects of the event; and
 - (iii) whether the event and circumstances concerning the event have been reported to the ISA.
- (3) Nothing in this regulation shall relieve the Sponsored Party of any notification or reporting obligations to the ISA or the Authority under the relevant Rules of the ISA.
- (4) A Sponsored Party that, without reasonable excuse contravenes subregulations (1) and (2) commits a strict liability offence and is liable to a fine of \$25,000.

34 Written report of Reportable Events

- (1) A Sponsored Party shall submit a written report of a Reportable Event in accordance with this regulation.
- (2) The report:
 - (a) shall be submitted to the Authority as soon as practicable, and in any case within 7 days after the first occurrence or detection of the Reportable Event; and
 - (b) shall specify:
 - (i) all material facts and circumstances concerning the event;
 - (ii) any action taken to avoid or mitigate any adverse effects of the event; and
 - (iii) any action taken, or proposed to be taken, to prevent a similar event.
- (3) To avoid duplication in regulatory reporting, the Sponsored Party may submit a written report provided to the ISA in respect of the same event that is reportable to the ISA under the relevant Rules of the ISA provided that such report contains the information set out in subregulation (2)(b).
- (4) Where the Chief Executive Officer is not reasonably satisfied that a report is sufficient to enable the Authority to determine whether the action taken or proposed to be taken is adequate in the circumstances, the Chief Executive Officer may request the Sponsored Party to modify the report.
- (5) A request under subregulation (4) shall:
 - (a) be in writing; and
 - (b) identify the reasons the Chief Executive Officer is not reasonably satisfied with the report.
- (6) A Sponsored Party which, without reasonable excuse breaches this regulation commits a strict liability offence and is liable to a fine of \$25,000.

35 Duty to manage risk

- (1) A Sponsored Party shall take necessary and appropriate measures to manage the risk of hazards and accidents, taking into consideration appropriate risk assessment consistent with the requirements of the relevant Rules of the ISA and Good Industry Practice.

- (2) Where an activity carried out by a Sponsored Party significantly increases the risk of a major hazard or accident, the Sponsored Party shall take such necessary and appropriate measures, including any adjustment to the Control Measures to ensure that the risk is reduced as low as is reasonably practicable.
- (3) The measures referred to in subregulation (2) may include, where necessary, suspending the relevant activity until the risk is adequately controlled.

36 Management and control of accidents and hazards

- (1) A Sponsored Party, its Affiliates and Associates shall pursue Continual Improvement in their Management Systems, including through specifying the requirements for the audit of such systems and the frequency of such audits.
- (2) The Authority may request the Sponsored Party at any time to review its Management Systems, or that of its Affiliates or Associates and to provide to the Authority sufficient information to demonstrate that:
 - (a) the Sponsored Party's Management System is adequate to ensure:
 - (i) that the relevant provisions of the Act, these Regulations and the relevant Rules of the ISA will, in respect of matters within the Sponsored Party's control, be complied with; and
 - (ii) that the management of arrangements with Affiliates and Associates is satisfactory;
 - (b) the procedures and arrangements described in the Management System documentation which may affect the health and safety of persons or the marine environment are followed;
 - (c) the Sponsored Party has established adequate arrangements for audit and for the making of reports of the audit, including audit of the Management Systems of its Affiliates and Associates;
 - (d) all accidents and hazards with the potential to cause a major accident or incident have been identified; and
 - (e) all major accident and hazard risks have undergone a risk assessment process to determine that their likelihood and consequences assessed, including any health, safety and Environmental Risks and that suitable Control Measures, have been, or will be, taken to control those risks to ensure that the relevant Rules of the ISA and these regulations will be complied with.

- (3) In this regulation, **'audit'** means the continual and systematic assessment of the adequacy of the Management System to achieve the purpose referred to in subregulation (2)(a) carried out by a qualified person in accordance with Good Industry Practice.
- (4) Details of the qualified person carrying out the audit, including name and qualifications shall be submitted together with the information provided under subregulation (2).
- (5) The demonstration of the matters referred to in subregulation (1)(e) shall include the response effectiveness of the Emergency Response and Contingency Plan in respect of the Seabed Minerals Activities, as well as the adequacy of the Health and Safety Plan.
- (6) This regulation is to be applied consistently with the relevant Rules of the ISA and with a view to avoiding any duplication of administrative procedures and compliance requirements.

37 Notifying and responding to incidents

- (1) A Sponsored Party shall, on becoming aware of an incident in relation to the Seabed Mineral Activities:
 - (a) notify the Authority immediately by telephone, and within 24 hours in writing and provide a summary of the known facts surrounding the incident, including the location and any known or likely effects on the marine environment, human health and safety, marine users or another State's interest;
 - (b) comply with the requirements of the relevant Rules of the ISA, including to implement immediately, where applicable, the Emergency Response and Contingency Plan;
 - (c) take other necessary and appropriate measures to limit the adverse effects of the incident;
 - (d) undertake promptly, and within any time frame stipulated, any instructions received from the ISA or the Authority; and
 - (e) record the incident in an incidents register in accordance with the relevant Rules of the ISA.
- (2) On being notified by the Sponsored Party or other person that an incident has occurred, the Chief Executive Officer shall, immediately:
 - (a) notify the Board and the Minister by providing a summary of the facts concerning the incident;
 - (b) consult with the Sponsored Party; and

- (c) cooperate and consult with the ISA on any recommended action to be taken.
- (3) A report shall be provided to the Authority within 60 days after the Sponsored Party becomes aware of the occurrence of the incident.
- (4) The Authority may accept any report provided to the ISA under the relevant Rules of the ISA relating to an incident reported under subregulation (3).
- (5) A person who, without reasonable excuse, breaches subregulation (1) commits an offence and is liable on conviction to a fine not exceeding \$1,000,000.
- (6) The Authority shall notify the Secretary of Foreign Affairs and Trade if an incident has had, or is reasonably expected to have, substantial effects on persons or things under the jurisdiction of another State.

38 Inquiries into incidents

- (1) For the purpose of Section 62 of the Act, the Authority may, in cooperation with the ISA and other concerned organisations or otherwise, initiate an inquiry into any incident with a view of:
 - (a) establishing available facts and findings in respect of the incident;
 - (b) acquiring information to be used for the future management of the effects of the incident;
 - (c) avoiding, minimising and managing the future risk of incidents;
 - (d) forming a view as to whether enforcement action should be taken against the Sponsored Party under the Act or these Regulations.
- (2) As part of any inquiry into an incident, the Authority shall form a view on:
 - (a) the facts and circumstances of the incident;
 - (b) the actual, likely, or possible causes of and contributing factors to the incident;
 - (c) the extent of any harm to the environment, any person, or any interest arising from the incident;
 - (d) the actions taken in response to the Incident and the effectiveness of those actions taken by any person to mitigate or remedy the harm caused by the Incident;

- (e) potential future consequences of the incident, and options for preventing or minimising those consequences;
 - (f) options for mitigating the risk of future incidents, whether or not of a similar nature to the Incident that is the subject of the inquiry.
- (3) After completing an inquiry, the Authority shall:
- (a) prepare a report setting out its findings, views and recommendations, if any, arising from the inquiry;
 - (b) provide a copy of the report to the Minister and the ISA;
 - (c) make available to the public the final report, including through publication on its website; and
 - (d) consider any action to be taken under the Act or these Regulations.
- (4) An inquiry shall be conducted as soon as practicable after an incident.
- (5) The Authority may:
- (a) conduct the inquiry itself or appoint an approved expert to conduct it and make a report to the Authority; and
 - (b) invite any person contributing to or directly affected by the incident, representatives of the ISA, other relevant organisations and flag States and other persons having knowledge or facts of the incident to present information at the inquiry.

PART 5 – MONITORING, COMPLIANCE AND ENFORCEMENT

39 Authority to monitor Seabed Mineral Activities

- (1) The Authority shall, in cooperation with the ISA monitor the Seabed Mineral Activities of a Sponsored Party, including a Sponsored Party's environmental monitoring programme to determine whether the activities are compliant with the obligations imposed by the Act, these Regulations, the relevant Rules of the ISA and the terms and conditions of an ISA contract and Sponsorship Agreement.
- (2) The Authority may engage Approved Experts to monitor, evaluate and analyse such data and information made available to the Authority by a Sponsored Party, including the provision of real-time data as is necessary for the Authority to make any determination under subregulation (1).

40 Placing of observers

For the purposes of Section 31(1)(a) of the Act, the Authority shall in an Applicable Guideline establish appropriate mechanisms and procedures for the

placing of observers onboard vessels engaged in Seabed Mineral Activities, including matters relating to:

- (a) the relevant qualifications and experience of persons appointed as observers by the Authority;
- (b) the training, supervision and direction of observers;
- (c) a code of conduct for observers;
- (d) the reporting requirements for observers, including the frequency and content of such reporting; and
- (e) cooperation with ISA inspectors, or other authorised representatives of the ISA.

41 Transfer of observers of the Authority

A Sponsored Party shall, to the extent practicable, comply with any reasonable request of the Chief Executive Officer of the Authority to:

- (a) transfer any duly appointed observer of the Authority to or from any vessel used for the Seabed Mineral Activities, together with any necessary equipment;
- (b) provide such observers with appropriate accommodation and subsistence and access to communication equipment while on board any vessel; and
- (c) notify the Chief Executive Officer of proposed vessel schedules in a timely manner to facilitate the transfer of the Authority's observers and representatives.

42 Observers powers and functions

- (1) An observer shall, for the purposes of monitoring the Seabed Mineral Activities while onboard a vessel:
 - (a) question any relevant person engaged by the Sponsored Party, its Affiliates or Associates in the conduct of Seabed Mineral Activities on any matter relating to the compliance of the Sponsored Party with the Act, these Regulations and the Sponsorship Agreement;
 - (b) request any relevant person to produce any document that is necessary to monitor the Sponsored Party's compliance and examine such a document and make a copy of it;
 - (c) examine any equipment that records data and information; and

- (d) document any activity using any means to do so, including video, audio, photograph, or other form of recording.
- (2) An observer shall report to the Chief Executive Officer in accordance with the Applicable Guideline and provide a final report to the Chief Executive Officer within 30 days following the completion of his or her duties.
- (3) The Chief Executive Officer shall review the report, and following any consultation with the Sponsored Party on the report provide to the Board his or her comments and recommendations for the Board's consideration.

43 Complaints about observers

- (1) A Sponsored Party may complain in writing to the Chief Executive Officer where an observer has acted unreasonably in the execution of his or her monitoring duties including a failure to follow instructions and directions relating to the safety of life at sea or unnecessary interference with the operations of the Sponsored Party.
- (2) The Chief Executive Officer shall consider any complaint under subregulation (2) within 5 days of receiving such complaint, and where required take such action as is necessary in response to the complaint including the issue of a letter of reprimand to an observer setting out any corrective action to be taken.
- (3) The Chief Executive Officer shall provide to the Board details of any complaint received under subregulation (1) and any action taken under subregulation (2).

44 Real-time data and monitoring

- (1) A Sponsored Party shall, when conducting Seabed Mineral Activities pursuant to the relevant Rules of the ISA and this regulation gather and monitor real-time data using an independent, automatic, and continual monitoring system capable of recording, storing, and transmitting data.
- (2) To assist the Authority in monitoring compliance of the Sponsored Party, the Sponsored Party shall transmit to the Authority such types of operational and monitoring data required under the relevant Rules of the ISA at the same time such data is transmitted to the ISA under the relevant rules of the ISA, taking into consideration any technical limitations on the transmission of such data in real-time.

45 ISA inspection reports

The Chief Executive Officer shall, within 30 days of the date of receipt of an ISA inspection report:

- (a) review the report;

- (b) consult with the Sponsored Party on the results and recommendations of the report;
- (c) make any recommendations to the Board following such consultation, including any compliance or enforcement action to be taken under the Act or these Regulations; and
- (d) provide comments to the ISA on the report together with details of any regulatory action taken or to be taken by the Authority.

46 Compliance directions

- (1) The Authority may by Board resolution issue a compliance direction under these Regulations for the purpose of:
 - (a) securing compliance with a requirement under the relevant Rules of the ISA, the Act, these Regulations, or a term or condition of a under an ISA contract or a Sponsorship Agreement; or
 - (b) preventing or bringing to an end specified activities that have been determined by the ISA or another authorised investigative process that includes consultation with the Sponsored Party to be contrary to the relevant Rules of the ISA, the Act, these Regulations, or a term or condition under an ISA contract or a sponsorship agreement.
- (2) A compliance direction:
 - (a) shall be in the form of a written notice given to the Sponsored Party's duly designated representative;
 - (b) shall specify the grounds on which it is issued; and
 - (c) may impose any requirement reasonably required for the purpose for which the direction is issued and consistent with the Sponsored Party's obligations under the relevant Rules of the ISA, the Act, these Regulations, or a term or condition of an ISA contract or a Sponsorship Agreement including 1 or more of the following that the Sponsored Party:
 - (i) discontinue, or not commence, specified operations indefinitely or for a specified period or until further notice from the Authority;
 - (ii) not carry on specified operations except at specified times or subject to specified conditions;

- (iii) take specified action or measures within a specified period;
or
 - (iv) submit a Performance Improvement Plan for the Authority to consider.
- (3) The Authority may, by written notice given to the duly designated representative to whom a compliance direction is issued, vary or revoke the direction.
- (4) The representative to whom a compliance direction relates shall ensure compliance with a direction under this regulation within the time allowed in the direction.
- (5) The Chief Executive Officer shall consult with the ISA prior to the issue of a compliance direction under this regulation with a view to avoiding any duplication of compliance and enforcement action, unless the content of the compliance direction relates to a Sponsored Party's compliance with the Qualification Criteria under the Act, these Regulations or a term or condition of a Sponsorship Agreement.

47 Emergency directions

- (1) The Authority under the hand of the Chief Executive Officer may issue emergency directions where, based on factual evidence the Chief Executive Officer determines that:
 - (a) authorised Seabed Mineral Activities are being carried out in a manner that results in, or that is reasonably likely to result in:
 - (i) material risk to human life and safety;
 - (ii) serious and unlawful harm to the marine environment;
 - (iii) a breach of an Environmental Performance Objective Environmental Performance Outcome; and
 - (b) it is urgently necessary to take action under this regulation, the Chief Executive Officer may, by written notice given to the duly authorised representative of the Sponsored Party.
- (2) Subject to subregulation (3), an emergency direction:
 - (a) shall be in the form of a written notice given to the duly authorised representative of the Sponsored Party;
 - (b) shall specify the grounds on which it is issued; and

- (c) may impose any requirement reasonably required for the purpose for which the direction is issued including 1 or more of the following:
 - (i) a requirement that the Seabed Mineral Activities, or part thereof are temporarily discontinued, or not to commence a specified activity for a specified period or until further notice from the Chief Executive Officer;
 - (ii) a requirement to take specified action within a specified period; or
 - (iii) a requirement that the Sponsored Party furnish the Chief Executive Officer with a specified report or reports.
- (3) The Authority under the hand of the Chief Executive Officer may, where the Chief Executive Officer deems that urgent action is required under this regulation, issue an emergency direction imposing requirements under subregulation (2)(c) orally and the Chief Executive Officer shall confirm such orally issued emergency direction within 48 hours by written notice given to the duly authorised representative.
- (4) Subject to subregulation (5) an emergency direction issued under this regulation shall cease to have effect at the expiration of 3 days after the day on which it is issued.
- (5) The Board may within the period under subregulation (4), confirm the direction and such direction shall continue to have effect for a period determined by the Board or until revoked by the Board.
- (6) The Chief Executive Officer shall immediately upon issuing an emergency direction:
 - (a) provide to the ISA a copy of any direction issued under this regulation; or
 - (b) consult with the ISA on any regulatory compliance or enforcement action taken, or to be taken by the ISA in respect of the matters contemplated by subregulation (1) and provide the results of such consultation to the Board for its consideration under subregulation (3).

48 Application for review of direction

- (1) A Sponsored Party required to comply with a direction under regulations 46 or 47 may request the Authority in writing to review the grounds for the issue of the direction within 48 hours of receipt of the relevant direction, or such other time as the Chief Executive Officer, in consultation with the Sponsored Party may approve.

- (2) A Sponsored Party shall include in its request such information it considers necessary for the Authority to take into consideration in reviewing the grounds for the issue of a direction.
- (3) The Chief Executive Officer shall, within 5 days of receipt of the request, review such request in consultation with the Sponsored Party and where necessary the ISA, and issue his or her recommendation to the Board.
- (4) Subject to subregulation (5), an application for review of a direction shall not suspend operation of the direction.
- (5) On review of a direction, the Authority may:
 - (a) confirm the direction with or without modification; or
 - (b) revoke the direction.
- (6) Any review under subregulation (3), shall consider any regulatory compliance or enforcement action to be taken by the ISA in respect of the same matter to which the direction relates.
- (7) The Authority may determine that an application for review of a direction is suspended upon receipt of an application for review under subregulation (1).

49 Non-compliance with directions

- (1) A Sponsored Party which does not comply with a direction under regulations 46 or 47 is liable to pay a penalty not exceeding \$1,000,000.
- (2) It is a defence for a Sponsored Party subject to the payment of a penalty under subregulation (1) that:
 - (a) the Sponsored Party took all reasonable steps within its control to ensure that the required action would be complied with in time; or
 - (b) compliance with the direction would cause the Sponsored Party to breach or is inconsistent with other obligations, including obligations under a corresponding ISA contract and the relevant Rules of the ISA.

50 Whistle-blowing procedures

- (1) The Authority shall, in cooperation with the ISA, the Sponsored Party and relevant stakeholders establish a whistle-blowing policy and mechanism for its own staff and personnel of a Sponsored Party, its Affiliates and Associates to raise genuine concerns in respect of the activities or practices of the Sponsored Party, its Affiliates or Associates, or the Authority in the implementation of the Act, the relevant Rules of the ISA and other applicable enactments.

- (2) The Chief Executive Officer shall, in cooperation with the Sponsored Party and the ISA where appropriate, promptly investigate, verify and deal with any credible report received relating to any allegation of non-compliance or potential non-compliance with the Act, the relevant Rules of the ISA and other applicable enactments by the Sponsored Party, its Associates and Affiliates or by the staff of the Authority.
- (3) The Chief Executive Officer shall prepare a report of findings and recommendations within 10 days of completing such investigation for the Board's consideration.
- (4) The Board shall within 30 days following the date of receipt of the report:
 - (a) consider any regulatory or other action to be taken under the Act or these Regulations;
 - (b) cooperate, through the Chief Executive Officer with the ISA on any matter relating to potential non-compliance with the relevant Rules of the ISA; or
 - (c) provide to the Minister details of any matters relating to non-compliance by the staff of the Authority for his or her consideration.
- (5) Where the Board decides to take any action under subregulation (4), prior to taking such action:
 - (a) the Board shall give notice in writing to the Sponsored Party or person or persons against whom the Board proposes to take action, together with a copy of the Chief Executive Officer's report of findings and recommendations to the Board;
 - (b) within 30 days following the date of receipt of any notice under subregulation (5)(a), the person or persons against whom the Board has decided to take action may appeal the Board's decision in writing to the Board.
- (6) Within 14 days following the date of receipt of any appeal under subregulation (5)(b), the Board shall:
 - (a) accept the appeal and withdraw its decision to take any action under subregulation (4); or
 - (b) reject the appeal and provide reasons for its rejection to the relevant person or persons, and proceed to take necessary steps to proceed with any action under subregulation (4).
- (7) In the absence of any appeal under subregulation (5), the Board shall confirm its decision to take any action under subregulation (4).

PART 6 - ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND CHANGE OF CONTROL

51 Application for approval to assign rights and obligations under an ISA contract

- (1) For the purposes of Section 40(4) of the Act, if the intended assignee is under Nauru's effective control, the Sponsored Party and intended assignee shall apply jointly in writing to the Authority for the issue of a new Sponsorship Certificate to such assignee, being a body corporate registered or incorporated in the Republic or a Nauruan public enterprise.
- (2) The application shall be accompanied by:
 - (a) a certified copy of the relevant transfer agreement or instrument concluded or to be concluded between the sponsored party and the intended assignee;
 - (b) a copy of the application for approval to transfer rights and obligations under an ISA contract made to the ISA;
 - (c) a statement of the reasons for the assignment and details of the activities to be conducted by the intended assignee for the remaining term of ISA contract;
 - (d) a statement of the intended assignee's ability to satisfy the Qualification Criteria under Section 17 of the Act supported by the relevant information prescribed in Schedule 1 to these Regulations;
 - (e) an undertaking that the intended assignee assumes all of the obligations of the transferor;
 - (f) a final compliance statement under regulation 32(5); and
 - (g) the applicable fee.
- (3) The application may include a statement of any matter that the Sponsored Party and intended assignee requests the Authority, the Minister and the Cabinet to consider in deciding whether to consent and approve to the assignment.
- (4) Where the Authority requests further information pursuant to Section 40(8)(c) of the Act, the Sponsored Party or intended assignee shall, within 10 days after receiving such request provide the information requested.

52 Decision-making on application for approval of assignment

- (1) The Authority shall, within 30 days after the receipt of an assignment application, determine whether the intended assignee meets the Qualification Criteria in Section 17 of the Act.
- (2) Where the Authority determines that the intended assignee meets the Qualification Criteria, the Authority shall within 5 days after making the determination refer the application and the Authority's recommendation to the Minister for his or her consent, including any conditions that the Authority considers necessary for any approval.
- (3) Where the Authority determines that the intended assignee does not meet 1 or more of the Qualification Criteria in a material particular, and such particular cannot be remedied through the imposition of 1 or more specific and timebound conditions, the Authority shall notify the Minister within 5 days after making such determination.
- (4) Where the Minister consents under subregulation (2), he or she shall within 10 days of receiving a recommendation from the Authority, refer the application to the Cabinet for its approval.
- (5) The Authority shall give the applicants a written statement of the reasons for any refusal to agree to the assignment of sponsorship within 5 days of the decision being made.
- (6) The applicants may, within 30 days of the date of receipt of the written statement submit a revised application to the Authority for its consideration under this Part.

53 Notification of change of ownership, constitution or control of a Sponsored Party

- (1) For the purposes of Section 41(2) of the Act a notification by the Sponsored Party shall:
 - (a) be given as soon as practicable before the change and where it is not practicable to notify before the change, such change shall be notified no later than 20 days after the effective date of the significant change;
 - (b) be accompanied by:
 - (i) a copy of any agreement or other relevant document or instrument that specifies the change;
 - (ii) full particulars of the new owners or controllers, including their beneficial owners;
 - (c) include a declaration:

- (i) from the Sponsored Party that it continues to meet the Qualification Criteria under Section 17 of the Act; and
 - (ii) in the case of the change of control of a guarantor of any Security Deposit provided under Section 52 of the Act or any performance guarantee or bond provided under the relevant Rules of the ISA, a statement from the guarantor that it has the financial capability to meet its obligations under any such deposit, guarantee or bond.
- (2) Where, pursuant to Section 41(4) of the Act, the Authority determines that one or more Qualification Criteria is not met in a material particular, the Authority shall issue a compliance direction under regulation 46 requiring the Sponsored Party to rectify any deficiency within 30 days or such longer period as the Authority considers reasonable in the circumstances.

PART 7 - METHOD FOR DETERMINING APPLICABLE FEES

54 Method for determining applicable fees

- (1) The Board shall, when determining applicable fees under the Act and these Regulations, take all reasonable steps to recover from an applicant or Sponsored Party the actual, reasonable and relevant costs incurred by the Authority in relation to the processing of an application for sponsorship under the Act and these Regulations, as well as the ongoing administration and supervision of the sponsorship granted under the Act and these Regulations.
- (2) Where the Authority considers that it is appropriate to do so, it may:
- (a) require the applicant to make a reasonable advance payment for the relevant costs that it is entitled to recover;
 - (b) determine the balance of the amount payable after carrying out the work necessary to process an application or provide assistance in accordance with the Regulations; and
 - (c) require the applicant to pay the balance that it is entitled to recover prior to the notification of the decision of an application.
- (3) Prior to incurring any direct costs, including the costs of approved experts, the Authority shall seek the prior agreement of the applicant or Sponsored Party to such costs.
- (4) In determining applicable fees under this regulation, the Authority shall take account of any annual administration fee payable by a Sponsored Party under Section 46 of the Act to ensure there is no duplication of costs payable under this regulation.

- (5) For the purpose of this regulation, '**relevant costs**' means administrative and other expenses which the Authority reasonably incur under the Act and these Regulations relating to the following functions and services, including:
- (a) providing assistance to an applicant in the preparation of an application to the ISA;
 - (b) receiving, processing or deciding an application for sponsorship;
 - (c) administering and supervising a sponsorship arrangement;
 - (d) gathering and processing information required under these Regulations or the conditions of Sponsorship Agreement;
 - (e) reviewing the conditions of a Sponsorship Agreement; and
 - (f) contracting approved experts.

PART 8 - STANDARDS AND GUIDELINES

55 Standards and guideline documents

- (1) The Minister may, based on the recommendations of the Authority, approve standards relating to:
- (a) the protection of the marine environment, including environmental assessment, management and monitoring of the Seabed Mineral Activities;
 - (b) the protection of the health and safety and rights of persons engaged directly in exploration or exploitation operations.
- (2) Standards approved under subregulation (1) shall be consistent with or supplement existing international law, including the UNCLOS and the relevant Rules of the ISA.
- (3) Notwithstanding subregulation (2), the Minister may approve standards more stringent than those contained in the relevant Rules of the ISA.
- (4) Standards are legally binding on a Sponsored Party.
- (5) The Authority may also, from time to time, issue guidelines of a technical or administrative nature to help support the implementation of the Act, these Regulations, the standards and the terms and conditions under a Sponsorship Agreement.
- (6) Prior to issuing a standard or guideline, the Authority shall:

- (a) notify persons, including a Sponsored Party who are likely to be affected by the standard or guideline;
- (b) provide those persons a reasonable opportunity to comment on the content of the proposed standard or guideline;
- (c) consult with approved experts on the content of the proposed standard or guideline depending on the technical content of the document; and
- (d) consider the relevant Rules of the ISA, including Applicable Standards, Applicable Guidelines or recommendations issued by the ISA or other competent organisations as representing internationally agreed standards and recommended practices and procedures.

PART 9 - CHANGE IN SEABED MINERAL ACTIVITIES AND JOINT REVIEWS

56 Change in Seabed Mineral Activities

- (1) A Sponsored Party may modify its Seabed Mineral Activities under a Plan of Work in accordance with the relevant Rules of the ISA.
- (2) Where the Sponsored Party proposes to modify a Plan of Work, and the proposed modification constitutes a Material Change under the relevant Rules of the ISA or these Regulations, the Sponsored Party shall submit details of the proposed modification for the Authority's consideration at the same time it notifies the ISA of the same proposed modification.
- (3) A submission under subregulation (2) shall:
 - (a) specify the change that is being proposed;
 - (b) set out any changes that would apply if the application for the change is to be approved by the ISA in relation to:
 - (i) the health, safety and Environmental Risks and effects of the Seabed Mineral Activities, and any measures that are used, or to be used, to manage, limit or remedy those risks and effects;
 - (ii) the Environmental Performance Objectives and Environmental Performance Outcomes;
 - (iii) the terms and conditions of the Sponsorship Agreement, including any impact on the recovery level of the seabed minerals;

- (c) detail any consultation undertaken or proposed to be undertaken on the proposed modification under the relevant Rules of the ISA; and
 - (d) be accompanied by a statement demonstrating that the change will not adversely affect the ability of the Sponsored Party to comply with the requirements of the Act, these Regulations and the relevant Rules of the ISA.
- (4) The Chief Executive Officer may, within 10 days after receiving details of the proposed modification request further information from the Sponsored Party or consult with the ISA on any matter relating to the modification, and shall submit a report to the Board including any recommendations relating to the modification.
- (5) The Board may, within 20 days after receiving the Chief Executive Officer's review provide comments, through the Chief Executive Officer to the Sponsored Party on any proposed modification including as they may relate to the terms and conditions of sponsorship.
- (6) The Sponsored Party shall consider the Authority's comments in relation to the proposed modification.

57 Periodic Review of Seabed Mineral Activities

- (1) Pursuant to Section 11(1)(l) of the Act, the Sponsored Party and the Authority shall undertake a joint annual review of the Seabed Mineral Activities, at intervals not exceeding 5-years from the date of the sponsorship certificate.
- (2) In order to avoid any unnecessary duplication of administrative procedures and compliance requirements, the timing of such reviews shall, where practicable, coincide with the review of a Plan of Work by the ISA under the relevant Rules of the ISA and where the Authority is invited to participate in such ISA reviews.
- (3) Notwithstanding subregulation (2), the Authority may request a review of the Seabed Mineral Activities in accordance with the terms and conditions of a Sponsorship Agreement.
- (4) Nothing in this regulation shall preclude the Authority or the Sponsored Party from making a request to initiate a review of the Seabed Mineral Activities.
- (5) The Authority may invite representatives from the ISA, any relevant Ministry, or Approved Experts to participate in the joint review.
- (6) A review under this regulation will be conducted in accordance with the Applicable Guideline.

PART 10 - OBLIGATIONS ON TERMINATION OF SPONSORSHIP OR CESSATION OF SEABED MINERAL ACTIVITIES

58 Information to be submitted on termination of sponsorship or cessation of Seabed Mineral Activities

Upon termination of a Sponsorship Certificate or a cessation of Seabed Mineral Activities a Sponsored Party shall submit the following information to the Authority:

- (a) a statement, accompanied by supporting evidence:
 - (i) that where applicable, the Closure Plan has been or will be implemented effectively;
 - (ii) that significant residual Environmental Risks and effects have been identified and will be monitored and managed in accordance with the Closure Plan;
 - (iii) that all remediation, restoration rehabilitation required to be undertaken under the Closure Plan has been completed or will be put in place;
- (b) details of the expected costs to implement the closure requirements under paragraph (a);
- (c) the final compliance statement, final seabed minerals recovery payment report and any other technical reports that may be requested by the Authority or required under the Applicable Guideline;
- (d) the following declarations, in the form of a statutory declaration:
 - (i) a declaration that the Seabed Mineral Activities have ceased;
 - (ii) a declaration that there are no outstanding liabilities under the Act or these Regulations;
 - (iii) a declaration that all fees, royalties, or penalties under the Act or these Regulations have been paid;
 - (iv) a declaration that outlines any legal proceedings in respect of the Seabed Mineral Activities that involve the Sponsored Party as a party to those proceedings; and
 - (v) a declaration that demonstrates that the Sponsored Party has the financial resources to meet the expected costs to implement the requirements of the Closure Plan, where applicable.

PART 11 - INFORMATION MANAGEMENT

59 Protection of confidential information

- (1) The Authority through the Chief Executive Officer is responsible for maintaining the confidentiality of information received by the Authority pursuant to Section 33 of the Act.
- (2) The Authority shall establish and maintain procedures governing the classification and handling of information by the Board and employees of the Authority, Approved Experts or consultants engaged by the Authority, and any person performing a function or exercising a power under the Act.
- (3) The procedures shall include:
 - (a) the storage and maintenance of information in secure facilities, the development of security procedures to prevent unauthorised access to or removal of information and the development of procedures to ensure the safe and secure dissemination of information;
 - (b) the development and maintenance of a classification, log, and inventory system of all written information received, including its type and source and the routing from the time of receipt until final disposition; and
 - (c) the training of persons who have access to information.
- (4) A person who is authorised under the Act and these Regulations to access information shall not disclose such information except as permitted under the Act and these Regulations.
- (5) The Authority shall require any person who is authorised to access information to make a written declaration witnessed by the Chief Executive Officer to the effect that the person authorised to access the information:
 - (a) acknowledges their legal obligation under Section 33 of the Act and these Regulations with respect to the non-disclosure of information;
 - (b) agrees to comply with the applicable procedures established to ensure the confidentiality of such information; and
 - (c) agrees to use the data for the purpose for which it was disclosed or, if no purpose was stated, for the effective administration of the Act and these Regulations and to ensure the conduct of Seabed Mineral Activities consistent with enactments.

- (6) The Board and staff of the Authority shall protect the confidentiality of information and shall not disclose or use, even after the termination of their functions with the Authority, any:
 - (a) trade secret, or other commercially sensitive information including technical or proprietary information regarding equipment, process or innovations transferred to the Authority; or
 - (b) other information coming to their knowledge by reason of their connection with the Authority.
- (7) A person who contravenes subregulations (4) or (6), commits an offence and shall be liable upon conviction, to a fine not exceeding \$50,000 or to a term of imprisonment not exceeding 5 years, or both.

60 Information disclosure

- (1) Subject to regulation 59, for the purposes of Section 33(2)(b) of the Act, the Authority may disclose information:
 - (a) to protect the marine environment, other marine users or health and safety, including in connection with an incident; or
 - (b) where it is necessary for the formulation by the Authority of policies, regulations, guidelines, and procedures concerning the protection of the marine environment and of human health and safety.
- (2) Any person that receives confidential information provided under the Act or these Regulations shall not disclose the information to any other person.
- (3) Any person, including an applicant or Sponsored Party submitting information to the Authority may specify that information is confidential information under the Act and may not be publicly disclosed and provide the Authority with the details of the basis for such a specification.
- (4) Where any information submitted to the Authority is specified as confidential information, the Chief Executive Officer shall review the basis for the specification, taking into consideration any Applicable Guideline.
- (5) Where the Chief Executive Officer objects to a specification of information as confidential, the Chief Executive Officer shall, within 30 days after receiving the information, consult with the person that submitted the information on:
 - (a) the nature of the information; and
 - (b) whether the information constitutes confidential information pursuant to the Act, taking into consideration any Applicable Guideline.

PART 12 – DISPUTE RESOLUTION

61 Disputes

- (1) Pursuant to Section 56 of the Act, if a dispute between the Republic and a Sponsored Party arises under the Act, either the Republic or the Sponsored Party may give to the other disputing Party a notice of dispute in writing adequately identifying the matters and the subject of the dispute together with detailed particulars of the dispute.
- (2) Within 20 days of service of a notice of dispute, the parties shall make best efforts to meet at least once, to attempt to resolve the dispute.
- (3) After 20 days of service of a notice of dispute, if the dispute is not resolved, the Parties shall make best efforts to meet and use their best endeavours, acting in good faith, to resolve the dispute in whole or in part.
- (4) Where the dispute is resolved at a meeting of the parties, then any such resolution shall be reduced to writing and be contractually binding on the parties.
- (5) The Republic shall submit to arbitration in accordance with this regulation any dispute, controversy or claim arising out of or relating to this Act, that has not been resolved.
- (6) Any dispute, controversy or claim arising out of or relating to the Act, that has not been resolved shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at presently in force, unless the parties otherwise agree on governing rules of procedure for arbitration.
- (7) The appointing authority shall be the International Chamber of Commerce acting in accordance with the UNCITRAL Rules for Arbitration.
- (8) The number of arbitrators shall be 3.
- (9) The seat of the arbitration shall be Singapore.
- (10) The language to be used in the arbitral proceeding shall be English.
- (11) The governing law shall be the laws of Singapore and applicable international law principles and rules regarding the protection of foreign investors to the extent such rules do not contradict the provisions of the Act or would reduce the rights of a Sponsored Party under the Act.
- (12) Notwithstanding anything in this regulation:
 - (a) nothing shall prejudice the right of a party to seek urgent injunctive, interrogatory or declaratory relief from a court of competent jurisdiction; and

- (b) each party shall continue to perform its obligations under the Act.

PART 13 - GENERAL PROVISIONS

62 Service of documents

- (1) Where a notice or other document is to be served by the Authority on a person for the purposes of the Act and these Regulations, it may be served:
 - (a) by:
 - (i) sending it to the electronic address or addresses specified in the Sponsorship Agreement; or
 - (ii) delivering it to the business or registered office of the Sponsored Party in the Republic as specified in the Sponsorship Agreement; and
 - (b) requesting confirmation of receipt of the notice or other document.
- (2) Where a notice or other document is to be served on the Authority by a Sponsored Party for the purposes of the Act and these Regulations, it may be served:
 - (a) by:
 - (i) sending it to the electronic address or addresses specified in the Sponsorship Agreement; or
 - (ii) delivering it to the Authority's principal place of business in the Republic as specified in the Sponsorship Agreement; and
 - (b) requesting confirmation of receipt of the notice or other document.
- (3) Where the Authority or person does not confirm receipt under subregulation (1) or (2) respectively within 7 days after the sending of an electronic mail or the expected delivery date to the place of business or registered office, the sender shall contact the other party by telephone or in person to confirm receipt, otherwise receipt shall be deemed served the day after delivery pursuant to Section 65 of the Act.

SCHEDULE 1 - REQUIREMENTS FOR SPONSORSHIP APPLICATIONS

Part 1- General requirements about applications

Application to be in approved form and include information required by this Schedule

The approved manner of making an application for a Sponsorship Certificate requires applications to:

- (a) be submitted:
 - (i) in the English language or in any other language together with a certified English translation;
 - (ii) electronically, including all text enclosures in a full text searchable format; and
- (b) include the information described in this Schedule.

Information does not need to be in particular form

The applicant is not required, unless otherwise specified, to provide the information in a particular format or layout, but it shall be presented in a clear and logical manner, including, where applicable, an explanation as to why the applicant is unable to provide the information requested.

Applicant may be required to provide additional information relating to other enactments

The applicant may be required to provide additional information under the Act, these Regulations and other enactments applicable to it.

Attachments

- (1) The application shall list all the attachments and annexes.
- (2) The application may include any other information the applicant wishes the Authority to consider in support of its application.

Part 2 - Declarations to accompany application

Declarations

- (1) Pursuant to Section 15(d) of the Act, the application shall have attached to it a declaration that the applicant:
 - (a) will together with its relevant associates and affiliates fully comply with its obligations under the UNCLOS, the Rules of the ISA and the Act;
 - (b) warrants that the content of the Sponsorship Application is true and accurate to the best of its belief; and
 - (c) intends to apply for a contract with the ISA to conduct exploration or exploitation in the Area under the sponsorship of the Republic.
- (2) The declaration shall be signed by the applicant's duly designated representative and submitted to the Authority in hard copy format.

- (3) Pursuant to Section 17(f) of the Act, the applicant shall include a completed and signed compliance history statement and declaration in the form set out in Schedule 2.

Part 3 – Information to be submitted

Information

An applicant shall submit the following information.

A. General Information

The following general information is required:

- (a) Nauru company registration number (and attach a copy of applicant's certificate of registration and memorandum and articles of incorporation or constitution or equivalent);
- (b) details of the applicant's shareholders including a copy of the shareholders' agreement (if applicable);
- (c) details of the applicant's ultimate parent company and the date and country of incorporation of the parent company as well as the registered address and headquarters of the parent company, including the details of all the parent companies where the applicant is not wholly owned by one parent company;
- (d) details of any change of name the applicant has made since incorporation;
- (e) details of the applicant's ultimate beneficial owners (see Note 1);
- (f) directors' and company officer names, date of birth, nationality, occupation, and place of primary residence together with a certified copy of ID document (national ID or passport) (see Note 2);
- (g) District address;
- (h) registered address in Nauru (if different from street address);
- (i) telephone number;
- (j) website address;
- (k) social media user names or links;
- (l) name(s) of duly designated representative(s) of applicant (attach a copy of an official letter or Board resolution authorising the representative(s) to act on behalf of the applicant);
- (m) street address of duly designated representative(s);
- (n) postal address of duly designated representative(s) (if different from street address);
- (o) telephone number of duly designated representative(s);
- (p) e-mail address of duly designated representative(s);
- (q) principal bankers and copies of last 6 months bank statements;
- (r) auditors; and
- (s) details of any subsidiaries or joint venture partners or other interests.

Note 1: Further information may be requested on shareholders for the purposes of background checks, including checks on individual shareholders or directors of corporate shareholders. These checks may be more detailed where such shareholders provide or will provide for example financing for the Seabed Mineral Activities.

Note 2: Police and criminal checks for directors and officers will be requested for country/ies of nationality or residence. Searches will also be made of databases of proscribed terrorist groups or organisations. Where required, an individual's prior written electronic consent will be requested for such checks and searches.

B. Governance and control

Purpose of information requirement: to determine that an applicant is governed by a corporate structure and risk management model, and staffed, in a manner that is appropriate for the proper performance of obligations under an ISA contract and Sponsorship Agreement, including the management of Affiliates and Associates (Section 17(a), (c) and (d) of the Act).

The following governance and risk management information is required, unless such information is contained in the draft ISA application:

- (a) a copy of the company's strategic plan, or equivalent;
- (b) a copy of the company's business or operational plan, or equivalent;
- (c) details of the applicant's risk management standards and internal systems and processes adopted, and evidence of the same, including evidence of alignment with ISO 31000:2018 Risk Management, or equivalent;
- (d) copy of any risk registers maintained;
- (e) details of the applicant's corporate governance model and structure, including:
 - (i) details of Board committees and membership, including copies of Board minutes for the last 12 months;
 - (ii) risk oversight reporting structures up to and including Board, or equivalent, level;
 - (iii) copies of internal policies, procedures or codes of conduct in relation to:
 - human resource management;
 - ethical business practices;
 - risk control and management;
 - internal controls and audit;
 - whistle-blower practice;
 - prevention of sexual exploitation, abuse and harassment;
 - child exploitation;
 - diversity, equity, and inclusion;
 - fraud, bribery, and corruption;
 - facilitation (or grease) payments;
 - cybersecurity;
 - procurement;
 - responsible supply chain management;
 - training; and
 - conflict of interest;
- (f) details of plans and procedures to ensure that employees, contractors, Associates and Affiliates hold appropriate qualifications, experience and certifications to perform the required tasks;
- (g) details of any internal audit programme, including process, procedures and board review and accountability;

- (h) details of any membership of national or international industry and other associations or bodies, and any standards, codes of conduct or practice adopted, or principles adhered to;
- (i) a copy of the applicant's (or where relevant affiliates or associates of the applicant) Corporate Social Responsibility (CSR) or ESG reports or a detailed description of its CSR or ESG initiatives for the past 5 years;
- (j) copy of communication and engagement plan, or equivalent document and details of how the applicant manages reputational risk;
- (k) details of business continuity plans or equivalent;
- (l) copy of delegated authority, including copy of board minute approving the same;
- (m) details of any proposed corporate restructuring (including at corporate group level).

C. Technical information

Purpose of information requirement: to determine that an applicant has or will have access to sufficient technical resources and capability to perform the proposed seabed mineral activities under a proposed Plan of Work (Section 17(b) of the Act).

The following technical information is required, unless such information is contained in the draft ISA application:

- (a) detailed documentary proof of the applicant's technical capability, or access to technical capability, to conduct Seabed Mineral Activities including:
 - (i) the applicant's experience (or that of any affiliates or associates), including copies of all annual reports submitted to the ISA by the applicant;
 - (ii) current and previous operating experience (day-to-day management of activities) in the exploration for or recovery of seabed minerals or comparable exploration or mining operations in similar physical conditions (water depth, distance from land) or relevant mining or extractive industry experience in the last ten (10) years, including details of:
 - (A) mineral discoveries made;
 - (B) mineral production activities;
 - (C) related levels of investment made in exploration or production development activities made to date;
- (b) evidence of experience in the collection and analysis of resource data, environmental baseline data, Environmental Risk assessment, the conduct of environmental assessment, and in environmental monitoring and reporting;
- (c) data management practices, including quality assurance and quality control processes;
- (d) details of any due diligence or viability assessments undertaken, or undertaken by a third party, on key technical and operational partners engaged in or potentially to be engaged in the Seabed Mineral Activities. Include details of the processes undertaken and references to their applicable policies, procedures and systems, including Management Systems relating to the application;
- (e) details of processes and systems in place or being implemented for the supervision of operations, including operational management of in-house and external expertise, in accordance with Good Industry Practice;

- (f) details of policies and processes established for monitoring technical (including health, safety and environment), financial and overall performance, including use of internal and external audits;
- (g) a general description of the technical capability to respond to any incident or activity that may cause serious harm to the marine environment, health and safety or adversely impact other marine users;
- (h) copies of any technical studies and surveys undertaken by or made available to the applicant in respect of the area under application, together with any technical assessments and modelling undertaken in preparing the application;
- (i) details of any internationally accredited certification standards (including for example, ISO or equivalent) and any independent certification or verification of the standards adopted, including evidence of compliance with ISO 9001:2015 Quality Management Systems, or equivalent. Details of any relevant standards that the applicant intends to adopt should be included, and an indication of the timing for such adoption;
- (j) details of any known commitments which may impact the applicant's ability to deliver its work programmes under a proposed Plan of Work;
- (k) details of any performance issues raised by the ISA through its review of annual reports or periodic review process;
- (l) details (name(s) and contact information) for third party professional referees who can verify the applicant's (or relevant associates or affiliates) technical skills and operational performance;
- (m) details of any gaps or weaknesses known to management which would materially impact technical capability or capacity and details of how the same will be addressed; and
- (n) details of operational areas or subject matters where the applicant has cooperated on with other ISA contractors to share knowledge or information.

D. Financial information

Purpose of information requirement: to determine that an applicant is financially viable and has or will have access to sufficient financial resources to perform the proposed seabed mineral activities under a proposed Plan of Work, and to support the commitments presented in the Financing Plan (Section 17(b) of the Act).

The following financial information is required, unless such information is contained in the draft ISA application, including the Financing Plan and information to support the Financing Plan:

- (a) copies of the applicant's audited financial statements, including balance sheets and profit-and-loss statements, for the most recent 5 years, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants;
- (b) current and last 5 years gearing ratio, where applicable;
- (c) copies of current financial policies or manuals setting out the financial and accounting processes and procedures for the applicant;
- (d) copy of most recent management accounts for the period since that covered by last audited accounts, including balance sheet;
- (e) copies of audited financial statements for the applicant's shareholders, parent company, and relevant affiliates where the applicant is a group of companies, investors, or potential investors, including balance sheets and profit-and-loss statements for the most recent five 5 years, in

- conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants relating to the shareholder;
- (f) copy of the most recent management accounts for the applicant's shareholders and parent company for the period since the period was last covered by audited accounts, including the balance sheet;
 - (g) the latest group structure chart showing the parent company, principal operating subsidiaries, and management structures;
 - (h) detailed information and evidence about how the applicant intends to finance the work programme under a Plan of Work, including, where applicable:
 - (i) commentary of funding plans specific to the future cash flow profile;
 - (ii) details of the current level of borrowings and borrowing history, including details of any defaults together with any credit rating reports and credit reference checks and bank references;
 - (iii) breakdown of debt by funding type, lender, rates and security specifically identifying lending from shareholders and other connected parties, separately from third party lenders, together with an executive summary of key terms;
 - (iv) provide certified copies of executed loan agreements or terms and conditions of any borrowing, including repayments schedules for all 3rd party, parent guarantor or shareholder or director loans;
 - (v) details of any issue of additional share capital proposed and evidence that funds have been irrevocably committed to the share issue;
 - (vi) provide details where future provision of committed financing is contingent upon award of ISA contract, or other approvals or key milestones;
 - (vii) a budget or financial forecast including a consolidated statement of cash flows for the existing operations and proposed Seabed Mineral Activities programme costs for the next 5 years (see Note 1);
 - (viii) copy of the applicant's integrated financial model including all key underlying assumptions and methodologies for the proposed exploitation activity (see Note 2);
 - (ix) evidence of any cash or near cash reserves, guarantees, lines of credit, agreements, or other arrangements and understandings between the applicant and any persons, including directors or shareholders, undertaking to finance the applicant. Other arrangements may include prepayment facilities, contractor financing, farm-outs and tolling arrangements;
 - (i) details of any international standards or principles to which any financial institutions providing funding subscribe to, for example the Sustainable Blue Economy Finance Principles or Equator principles, and details of relevant national regulatory bodies;
 - (j) the nature and terms of any financial guarantee (Security Deposit) to be provided, including copy of deed of guarantee on guarantor's corporate headed stationery or details of proposed insurance products in respect of the financing of exposure to risk commensurate with the proposed Plan of Work;
 - (k) estimate and basis of estimate for costs to implement the Closure Plan;

- (l) a description of the applicant's financial capacity or access to financial resources, including appropriate insurances in place which covers potential contingent liabilities that may be incurred in the event of an unforeseen scenario, to:
 - (i) respond to any incident or activity which may cause serious harm to the marine environment or adversely impact other marine users; and
 - (ii) to implement the Emergency Response and Contingency Plan;
- (m) a list and quantification of any current or known future financial commitments or contingent liabilities (post balance sheet events), and a written statement on whether or how these are likely to materially affect the financial capability to meet Plan of Work obligations, including commitments and liabilities of persons who may finance the applicant;
- (n) details of the applicant's and parent company tax filings within the last 5 years;
- (o) information on planned mergers, acquisitions and dispositions as well as any medium-term plans which are expected to alter materially the financial status of the applicant or any financial guarantor;
- (p) copies of current insurance certificates and policies relating to the existing operational activities and proposed coverage for exploitation activities;
- (q) copies of any intercompany agreements between the applicant and its affiliates relating to the provision of goods or services, together with details of the pricing structure and evidence that this is at an arms-length price;
- (r) details of unsettled monetary judgments (if any); and
- (s) all information submitted to support the basis of financial assessment shall be accompanied by a statement from the applicant (or parent company where it is acting as a guarantor) stating that, to the best of applicant's (or parent company's) knowledge and belief, the submitted information is a fair and accurate reflection of the applicant's (or parent company's) business and proposed Plan of Work. The statement shall be signed by a director or by another individual authorised by the applicant's (or parent company's) board of directors.

Note 1: Cash flow forecasts should include details of all sources of free cash flow expected to be available to the applicant for the period of the cash flow forecast (including full details of debt facilities), the costs of all committed projects (including but not limited to the Plan of Work costs) the costs of any uncommitted projects where cash flows from those projects are subsequently included in the cash flow forecast, and any other expenses or repayments that the applicant will need to satisfy, in particular, repayment of debt and interest expenses.

Note 2: To aid the Authority's understanding of the forecasts and the output from its integrated financial model, details of all key assumptions and methodologies underlying the cash flow forecasts, in particular metal prices, interest, and inflation rates how project costs have been estimated, any contingencies that have been applied to those costs, and expectations as to the timing of commercial production and rate of production from exploitation activities. The forecast should also align with any Financing Plan required by the relevant Rules of the ISA.

E. Labour standards and practices

Include evidence of the labour standards and practices to be adopted and applied during the conduct of the proposed activities, and details of any significant employee/industrial relations issues in the past 5 years.

F. Health, safety and environmental capability and systems

Purpose of information requirement: to determine that an applicant has the necessary capability and systems likely required to meet and manage health, safety and environmental requirements, including the applicant's ability to meet international standards, including ISA standards while conducting seabed mineral activities under a proposed Plan of Work (Section 17(c) of the Act).

The following occupational health, safety and environmental information is required, unless such information is contained in the draft ISA application:

- (a) details of similar activities undertaken, including a summary of the occupational health, safety and environmental regulatory environment;
- (b) details of the applicant's understanding of the regulatory requirements relating to health, safety and environment as they apply to the Seabed Mineral Activities in the Area;
- (c) a description of the health, safety and Environmental Risks associated with the activities under the proposed work plan, together with proposed management of those risks;
- (d) a description of the applicant's Management System (health, safety and environmental systems), processes and capabilities to meet the requirements and manage the risks during the conduct of the activities proposed in the proposed Plan of Work, including details and evidence of:
 - (i) the policies in relation to health and safety;
 - (ii) the policies in relation to environmental management and performance;
 - (iii) the management structure (directors/managers) identifying specific responsibilities for health, safety and Environmental Risk management;
 - (iv) the health, safety and environmental management systems adopted or to be adopted;
 - (v) where available, the key personnel with relevant qualifications and experience to meet safety and environmental standards and manage risks;
 - (vi) the health, safety and environmental certifications held;
 - (vii) future plans regarding health, safety and environmental certifications and practices;
- (e) overview of any health, safety and environmental related incidents that have occurred in the applicant's, associates or affiliates operations in the last 5 years together with a summary of response or improvement actions taken;
- (f) copies of any health, safety and environmental verification reports (e.g. compliance audits) and quality assurance documents produced in the last 5 years;
- (g) evidence of alignment with ISO 45003:2021 Occupational health and safety management and ISO 45005:2020 Occupational health and safety management - General guidelines for safe working during the COVID-19 pandemic, or equivalents;

- (h) if the applicant does not currently have the appropriate health, safety and environmental systems, processes, capabilities or personnel that are likely to be required to comply with the requirements and manage the risks, the applicant shall set out the process and timeframe by which the appropriate systems, processes, capability will be put in place or suitable personnel engaged;
- (i) evidence that any system does or will align with ISO 45001:2018 Occupational Health and Safety Management Systems and ISO 14001:2014 Environmental Management Systems, or equivalents;
- (j) details of future plans regarding HSE certification and practices; and
- (k) details of notification protocols in place, or to be put in place for HSE-related incidents or accidents including with: ISA, the Authority, flag State, relevant coastal States or other users of the marine environment potentially affected.

G. Current and previous contracts, sponsorships, licences, approvals, and consents held and compliance history

Purpose of information requirement: to determine whether the sponsorship applicant (including its directors and officers, affiliates and associates) are fit and proper persons to be awarded a sponsorship certificate, and to indicate the likelihood to comply with, and give proper effect to the proposed Plan of Work and the sponsorship arrangement (Section 17(f) of the Act).

The following information about current and previous contracts, sponsorships, licences, approvals, consents held, and compliance history is required unless such information is contained in the draft ISA application:

- (a) completed compliance history statement (to include associates and affiliates);
- (b) details of any approvals, including licences, permits, consents or other permissions held or previously held by the applicant relating to sea- or land-based mineral activities or comparable activities relevant to the application, including approvals held or previously held by affiliates or associates who will be or are likely to be engaged in the regulated activity or involved in the management of the applicant's business;
- (c) details of:
 - (i) any approvals held that have been cancelled for non-compliance; and
 - (ii) any enforcement action taken or current investigations by any regulator relating to the breach of a term or condition of an approval, or non-compliance with the provision of any enactment relating to the following:
 - (A) any mining, health, safety or environmental legislation;
 - (B) non-compliance with any reporting, monitoring and payment obligations;
 - (C) non-compliance with any work plan commitment or condition of an environmental approval;
 - (D) where applicable, details of the corrective action taken by the applicant and enforcement action taken by a regulator, including details of any penalty imposed;
- (d) details of any convictions for offences relating to any mining, health, safety or environmental legislation or any fraud or dishonesty in any jurisdiction;

- (e) evidence of tax compliance including tax returns and payments for the last 5 years;
- (f) details of any existing or threatened litigation, administrative or regulatory proceedings, investigations or governmental actions involving the applicant or any member of its board or senior management in connection with the affairs of the applicant in any jurisdiction;
- (g) details of any consent, decree, judgment, order, settlement, or other similar agreements by which the applicant or any of its assets is bound;
- (h) details of any sanctions against the applicant or any member of its board or senior management by a regulatory agency or an international institution, such as the World Bank, for the past 10 years;
- (i) if the applicant or any Associate or Affiliate is subject to USA SEC rules, latest evidence that the entity is SOX (Sarbanes Oxley Act) compliant;
- (j) where applicable, evidence of compliance with latest securities and capital market regulatory filing of applicant's shareholders; and
- (k) details (name(s) and contact information) of relevant regulatory bodies to confirm HSE compliance history, including the ISA.

H. Benefit to the Republic

Purpose of information requirement: to assess the financial, economic and other benefits that will likely accrue to the Republic because of sponsorship of the Seabed Mineral Activities and that there will be no irreparable harm to any community, cultural practice or industry as a result of sponsorship (Section 18(1)(d)(i) and (ii) of the Act).

The following information is required:

- (a) details of the applicant's financial, training and employment commitments provided to the Republic under its existing exploration sponsorship arrangement;
- (b) details of local employment and capacity building programmes for local persons;
- (c) details of effective engagement with the Nauruan community in the past;
- (d) the projected seabed minerals recovery payment and business profits taxes to the Republic;
- (e) the applicant's local procurement policy and plan for the seabed mineral project;
- (f) the applicant's local employment policy and plan for the seabed mineral project;
- (g) the applicant's capacity-building policy and plan for the training of Nauruan's in connection with the seabed mineral project;
- (h) the applicant's plan for technology transfer to Nauru in connection with the seabed mineral project;
- (i) the applicant's plan for engagement with the Nauruan community; and
- (j) details of any positive or negative anticipated social impacts on the government and people of Nauru arising from a social impact assessment.

I. Associates and Affiliates, including key technical and financial partners

In connection with the applicant's Associates and Affiliates the following information is required, unless such information is contained in the draft ISA application or provided in the applicant's responses to the above requirements:

- (a) a list of known key Associates and Affiliates of the applicant that are or will be engaged in the Seabed Mineral Activities through the performance of operational functions or in the provision of funding;
- (b) for any group parent company and relevant operating and holding companies within a group, same information as for the applicant under paragraphs A. to G above;
- (c) certified copies of all relevant agreements concluded with Associates and Affiliates relating to the Seabed Mineral Activities, whether concluded directly with the applicant or otherwise;
- (d) in connection with Associates:
 - (i) same information as for an applicant under Governance and Control above;
 - (ii) details of technical capability and financial capability and capacity, including details of relevant operational experience and past performance (may be addressed in applicant responses under technical information requirements above);
 - (iii) details of labour standards and practices;
 - (iv) details of health, safety and environmental management systems, including independent audits and verification;
 - (v) details of risk assessment and management frameworks;
 - (vi) details of compliance history, particularly health, safety and environmental (last 5-years);
 - (vii) details of any material contingent liabilities or litigation pending;
 - (viii) details of any relevant international standards adopted or aligned with, and copies of certification (e.g., ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 or equivalent);
 - (ix) details and copies of applicable insurance policies;
 - (x) copies of audited financial statements for the last 5 years;
 - (xi) details of (where applicable) monitoring, management and audit processes of key technical partners or sub-contractors;
 - (xii) details of relevant operating entities if activity not to be conducted by counterparty to agreement(s);
 - (xiii) details (name(s) and contact information) of third-party professional referees who can verify associate past performance to be satisfactory;
 - (xiv) details (name(s) and contact information) of relevant regulatory bodies to confirm HSE compliance history.

Further information may be requested following a review of the information submitted in the application.

SCHEDULE 2 – COMPLIANCE HISTORY STATEMENT

An applicant shall submit and sign the following compliance history statement:

Compliance History Statement

The applicant shall indicate whether any of the following apply to the applicant, its Affiliates or Associates (in the last 10 years).

If one or more of the following are applicable, the applicant shall attach details of the offence, any corrective action taken and any mitigating circumstances for consideration by the Authority.

- 1 I/we are insolvent or under administration: Yes / No

- 2 I/we have breached a material term or condition of an approval (however described) to conduct Seabed Mineral Activities or other sea- or land-based exploration or mining activities in any jurisdiction, relating to:
 - (a) Protecting or rehabilitating the environment: Yes / No
 - (b) Safeguarding the interests of the local community: Yes / No
 - (c) Obligations under a plan of work or equivalent: Yes / No
 - (d) Any reporting, monitoring and payment obligations: Yes / No

- 3 I/we have breached a material provision, term or condition of the Rules of the ISA: Yes / No

- 4 I/we have been convicted of an offence relating to the conduct of Seabed Mineral Activities or other sea- or land-based exploration or mining activities:

Yes / No

- 5 I/we have had approval (however described), including an environmental approval authorising the conduct of Seabed Mineral Activities or other sea- or land-based exploration or mining activities in any jurisdiction varied, suspended or cancelled:

Yes / No

- 6 I/we have been convicted of an offence under the provision of any mining, environment or health and safety legislation in any jurisdiction, or have the charges pending:

Yes / No

- 7 I/we have been subject to a direction, issued a penalty or been subject to administrative action under the Act under relevant legislation, in any jurisdiction, including the rules, regulations and procedures of the International Seabed Authority:

Yes / No

8 I/we have been convicted for offences of money laundering, terrorism financing or corruption in any jurisdiction, or have charges currently pending:

Yes / No

9 I/we have been convicted of an offence involving fraud or dishonesty in any jurisdiction, or have charges currently pending:

Yes / No

10 I/we have been convicted of an offence in any jurisdiction that is punishable by imprisonment for a term of 5 years or more or by a fine of AUD 500 000 or more:

Yes / No

11 I/we have been disqualified from holding office in a company under any law:

Yes / No

List all individuals and entities (applicant, Associates and Affiliates covered by this compliance form

Declaration

I/we declare that the responses provided in this compliance history statement are correct to the best of my/our knowledge and belief and that I/we have made all necessary enquiries of the individuals and entities listed in this form to confirm the accuracy of the responses.

Name / Position / As duly designated representative of [].

Date

SCHEDULE 3 - ANNUAL COMPLIANCE STATEMENT

1 Format and submission of statements

A compliance statement shall:

- (a) be submitted in electronic format (one single Acrobat PDF file) in the approved form contained in the Applicable Guideline; and
- (b) include a signed (digital signature accepted) statement by the duly designated representative of the Sponsored Party declaring that the content of the statement has been reviewed and is accurate.

2 Compliance reports prepared to satisfy rules of ISA

The Authority will accept duly referenced reports prepared for the ISA in accordance with the relevant Rules of the ISA to avoid duplication in regulatory reporting provided they include the information specified in this Schedule.

3 Content of annual compliance statement

A. General information

Include:

- name of Sponsored Party;
- name(s) of key technical partners engaged in the Seabed Mineral Activities during the period and dates of engagement;
- general location details / name of area;
- dates of the reporting period and statement submission date; and
- statement author and contact details.

B. Compliance status

Provide:

- a statement on the Sponsored Party's compliance with:
 - the Qualification Criteria;
 - the Act, the regulations and the terms and conditions of the Sponsorship Agreement;
 - the relevant Rules of the ISA; and
 - the Plan of Work.
- evidence to support the statement of compliance.

C. Compliance with the Health and Safety Performance Standards and Environmental Performance Objectives and the Environmental Performance Outcomes

Provide:

- a statement that the Seabed Mineral Activities were, or were not, compliant with each Health and Safety Performance Standard, each Environmental Performance Objective and each Environmental Performance Outcomes specified in the Environmental Management and Monitoring Plan, Health and Safety Plan or Applicable Standard. The statement shall be supported by a summary of measurement criteria data that clearly demonstrates the conclusion that the objectives and outcomes were (or were not) fully achieved.

D. Correcting non-compliances

Provide:

- a summary of findings where instances of non-compliance have occurred during the current reporting period together with any corrective measures taken.

Include:

- the date of the event or circumstance giving rise to non-compliance;
- type and description of the instance, event or circumstance;
- the date the instance, event or circumstance was reported to the Authority or the ISA;
- the cause of the non-compliance and how it was detected;
- the measures taken or yet to be taken to correct the non-compliance and to prevent the re-occurrence of any such non-compliance, including dates and timeframe for completion; and
- where non-compliances have previously been reported in compliance reports and not fully corrected at the time of reporting, a status update to assess the effectiveness of the measures taken.

E. New health, safety and Environmental Risks

Provide:

- a statement that all major health, safety and Environmental Risks are identified, assessed and managed through the relevant risk management framework, and that suitable Control Measures have been taken to control such risks.
- evidence to support the statement of compliance.

Include:

- details of any major failures in any Control Measure and corrective action taken.

F. Complaints

Provide:

- a summary of any significant complaints received during the reporting period relating to allegations of non-compliance, including:
 - the date of complaint;
 - the nature of the complaint;
 - what action was taken to address the complaint (or yet to be taken); and
 - the date the complaint was resolved.

G. Management System reviews

Provide:

- a summary of any health, safety and management system audits or reviews undertaken during the reporting period in order to ensure compliance with the relevant Rules of the ISA.

Include:

- when an audit or review was undertaken;
- who undertook the audit or review;
- what aspect(s) of the management system was audited or reviewed;

- what significant issues, or recommendations for improvement, were highlighted;
- an assessment of any issues identified in the audit or review with the potential to lead to a non-compliance with the Health and Safety Plan, the Emergency Response and Contingency Plan and the Environmental Management and Monitoring Plan; and
- what corrective action has been, or will be, taken to address any issues identified.

H. Verification of uncertainty

Provide:

- a summary description and status of studies or investigations undertaken during the reporting period or proposed to be undertaken to address any identified uncertainties in data and information or assumptions made in the Environmental Management and Monitoring Plan.

I. Changes to authorised Seabed Mineral Activities

Provide:

- a summary list of any Material Change(s) to the Seabed Mineral Activities and date of approval by the ISA or any changes to the ISA contract or sponsorship terms and conditions approved for the reporting period.

J. Appendices

Include:

- any appendices to support or demonstrate compliance statements made in the report.