



*Regulations (adopted 24<sup>th</sup> September 2013) – Amended at SC meeting 10<sup>th</sup> July 2014.*

**STEERING COMMITTEE (THE “SC”)**

The SC is the executive decision-making body of the Foundation. It exercises all powers of the Foundation, including but not limited to:

- selection, contracting, compensation and review of the performance of the Chief Safety Inspector, Executive Director – International Operations and the Executive Director – Bangladesh Operations.
- oversight and approval of the Budget;
- oversight of financial reporting and hiring of auditors;
- oversight and approval of inspection program;
- such other functions as are provided in the Accord; and
- other such management duties as may be required.

Each SC Member shall be committed to the Purpose of the Foundation and the principles of the Accord. The SC shall adopt an appropriate recusal policy in order to address any potential conflicts of interest.

**ALTERNATE SC MEMBERS**

Each SC member may appoint one Alternate member from among the Signatories to attend and participate in meetings of the SC and who may vote when the relevant SC member is not in attendance.

**CHAIR OF SC**

The Chair shall be a representative from and chosen by the ILO.

The ILO will choose an ILO representative to serve as the neutral and independent Chair of the SC, with no voting power. The ILO shall serve as the Chair for the duration of the Accord so long as its service is compatible with ILO’s work in Bangladesh.

Nothing in this Arrangement constitutes a waiver of the ILO’s privileges and immunities recognized by its Members, including in The Netherlands and Bangladesh.

The Chair serves in a non-voting advisory capacity and is responsible for convening and chairing meetings of the SC, and encouraging joint working between the Signatories, through the Foundation, and parties to the NAP towards achieving the goal of the Accord.

In the event that the Chair is not in attendance, then the meeting will be chaired in accordance with Art. 8.8 of the Articles of Association.

The Chair shall publish a public report of each meeting of the SC which shall include key decisions and other information deemed appropriate and agreed by the SC.

**TERMS OF SC MEMBERSHIP**

The membership terms of the SC shall be staggered so that each year the term of at least one Company Member and one Trade Union Member shall expire. Any SC Member whose term is expiring shall continue to serve until his/her successor is named.

**SC MEMBERSHIP ELECTION PROCESS**

One Company SC Member will step down voluntarily from the SC at the end of Year 1 and subsequent years by rotation. In the event of there being no voluntary resignation, a ballot of all Company Signatory Members will be undertaken.

One Trade Union SC Member will step down voluntarily at the end of Year 1 but can be reappointed by the Trade Union caucus for consecutive periods without limitation.

The same provisions for selecting SC Members shall also apply to replacing them at any time.



### **FREQUENCY AND FORMAT OF MEETINGS**

Except as otherwise specified above, meetings of the SC will be closed. The SC may invite other persons to attend its meetings as it sees fit.

### **SC SUB-COMMITTEES**

Any delegation of powers to a sub-committee shall be recorded in the Minutes and may be made subject to any conditions that the SC may impose, and which may be revoked or altered as the SC shall deem necessary.

Members of a sub-committee shall be appointed by the SC and include equal numbers of SC Company Members and SC Trade Union Members or their Alternates.

Committees shall be governed by the relevant provisions of these Articles regulating the proceedings of the SC in so far as they are capable of applying to such sub-committee. The SC may make rules of procedure for all or any sub-committees, which prevail over rules derived from the Articles if they are not consistent with them.

### **WORKING GROUPS**

The SC may establish working groups to assist with the effective operation of the Foundation, but not to exercise powers delegated from the SC. The SC may appoint such members to a working group as it sees fit which may include, but is not limited to: Signatories; Secretariat staff; brands and retailers; suppliers; government institutions; trade unions; NGOs; or anyone else who may provide knowledge or experience to assist with effective implementation of the Accord.

Working groups shall provide regular reports with recommendations to the SC, which the SC shall consider.

### **ADVISORY BOARD (THE "AB")**

The AB will meet at least quarterly.

The AB shall be chaired by an ILO representative, appointed by the ILO.

The Executive Director – Bangladesh Operations shall attend the meetings of the AB and report on Foundation activities. One Trade Union member of the SC and one Company member shall also attend each meeting in an observer capacity.

The Executive Director shall produce minutes of the meetings of the AB. The minutes shall be sent to all Signatories, including Witness Signatories, within 10 days of a meeting and will thereafter be made available publicly.

### **COMPANY SIGNATORY CAUCUS**

The Company Signatories will meet quarterly and produce a report within 10 days following each meeting with recommendations to the Company Members of the SC.

### **TRADE UNION SIGNATORY CAUCUS**

The Trade Union Signatories (including Witness Signatories) will meet quarterly and produce a report within 10 days following each meeting with recommendations to the Trade Union Members of the SC.

### **EXECUTIVE DIRECTORS**

The Executive Directors will be responsible for managing the business of the SC, including but not limited to implementing its decisions, managing the funds related to the obligations contained in the Accord, overseeing public communications and undertaking other duties as prescribed by the SC.

The Executive Directors shall be appointed by and report to the SC. The Executive Directors shall be supported as required by administrative and technical staff in order to ensure the efficient and effective administration of the Foundation offices.

### **CHIEF SAFETY INSPECTOR**

The SC is responsible for oversight of the Chief Safety Inspector, who shall be responsible to direct the inspection and remediation program and to undertake other activities as specified



under the Accord. In order to support this oversight, the Chief Safety Inspector shall make quarterly reports to the SC in form and substance developed by the SC.

Except as specified herein, the SC shall not restrict or otherwise interfere with the Chief Safety Inspector's performance of duties, including the scheduling of inspections or publishing of reports. In the event that the SC finds that the Chief Safety Inspector has acted in a manner inconsistent with his or her mandate and there is clear evidence of incompetence or malfeasance, the SC may intervene as it sees fit and, if deemed necessary, may remove the Chief Safety Inspector.

#### **INSPECTION PROGRAM AND STANDARDS**

The inspection program, which shall be approved by the SC, shall include, but not be limited to, the following:

- Establishment of an inspectorate
- Establishment of standards
- Design and structure of program; and
- Such other elements as determined by the Chief Safety Inspector.

Inspection standards shall be based on internationally recognized workplace safety standards and/or national standards; the higher standard shall be adopted.

#### **TRAINING COORDINATOR**

The Executive Director – Bangladesh Operations shall appoint a training coordinator to establish an extensive fire and building safety training program. The training programs shall be delivered to workers, managers and security staff by skilled personnel selected by the Training Coordinator.

The Training Coordinator shall develop the safety training programs with involvement from trade unions and specialized local experts. These training programs shall cover basic safety procedures and precautions, as well as enable workers to voice concerns and actively participate in activities to ensure their own safety.

#### **FINANCIAL SUPPORT**

The SC shall set financial contributions for each Company Signatory in accordance with their obligations under paragraph 24 of the Accord.

As set forth paragraph 24 of the Accord, a sliding scale of contributions, with annual revisions, will be determined by the SC based on factors such as revenues and annual volume, subject to a maximum contribution of \$500,000 per year of each year of the term of the Accord.

#### **FINANCE / ACCOUNTS**

The SC shall establish each year the draft annual accounts of the past financial year, as well as the budget for the next financial year.

The SC shall appoint an independent third party to audit the annual accounts.

The SC shall ensure that there are credible, robust, and transparent procedures for the accounting and oversight of all contributed funds.

The SC shall adopt a budget each year which ensures sufficient funding for the activities of the Foundation, the SC, Chief Safety Inspector and Training Coordinator.

#### **DURATION OF THE FOUNDATION**

The Foundation will operate for the period of the Accord.

#### **DISPUTE RESOLUTION**

The SC shall establish and maintain a complaints process to ensure that signatories to the Accord are meeting their commitments under the Accord through addressing alleged violations of their commitments under the Accord.



The principles in the complaints process shall include:

- Procedural fairness;
- A Signatory can file a petition to the SC alleging a breach or breaches of the Accord by another Signatory.
- The SC shall consider the petition and issue its decision within a maximum of 21 days after the petition is filed.
- Upon request of either party to the dispute, the decision of the SC may be appealed to a final and binding arbitration process. The dispute may also be submitted to the arbitration process by either party in the event that the SC is unable to issue a decision supported by the majority.
- The process for binding arbitration, including but not limited to the costs relating to any arbitration and the process for selection of the Arbitrator, shall be governed by the UNCITRAL Arbitration Rules (as revised in 2010). The SC shall appoint by unanimous vote a panel of at least three arbitrators from which the parties to the dispute shall select (through a process of elimination) one arbitrator to consider an appeal.
- If the SC, after using best efforts to resolve, has a disagreement regarding interpretation of the Accord, any Member of the SC shall be able to refer the disagreement to an arbitrator.

#### **CONFIDENTIALITY**

Information that is not public knowledge such as certain financial data or trade secrets and that is viewed as property of the holder shall be treated as confidential insofar as this is not inconsistent with the Accord.

#### **TRANSPARENCY AND REPORTING**

There is a need for transparency and public communication in order to build trust and confidence among the workers and the wide community of those who are affected by the implementation of the commitments as set forth in the Accord.

This need for transparency needs to be balanced with the need of Company Signatories for confidentiality of certain information for legal and business reasons.

The SC shall take into account the above when establishing policies on confidentiality, reporting and public communications which are not otherwise specified in the Accord, the Articles of Association, or the Regulations.

#### **CHOICE OF LAW**

These regulations and any dispute arising out of or in connection with such regulations shall be governed and construed in accordance with Dutch law.