

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION

ARTICLES OF ASSOCIATION

ARTICLE 1

NAME AND REGISTERED OFFICE

- 1.1 The International Code of Conduct for Private Security Service Providers' Association (alternatively known as the Association) is a multi-stakeholder initiative established as a non-profit Association in accordance with Articles 60 et. seq. of the Swiss Civil Code and with these Articles of Association. This Association is an independent legal entity with legal capacity governed by Swiss law. Its duration is unlimited.
- 1.2 The Association has its seat in the Canton of Geneva.
- 1.3 The official language of the Association is English.

ARTICLE 2

PURPOSE

- 2.1 The Association has no profit motive.
- 2.2 The purpose ("Purpose") of the Association is to promote, govern and oversee implementation of the International Code of Conduct for Private Security Service Providers (hereinafter "ICoC" or "Code") and to promote the responsible provision of security services and respect for

human rights and national and international law in accordance with the Code.

- 2.3 The Association may engage in all activities and take all actions necessary and appropriate to carry out this purpose in accordance with these Articles.

ARTICLE 3

MEMBERSHIP

- 3.1 Membership in the Association shall be divided into three membership categories reflecting stakeholder pillars: the Private Security Companies and Private Security Service Providers (collectively “PSCs”) pillar (hereinafter PSC pillar), the civil society organization (CSO) pillar, and the government pillar.
- 3.2 Within six (6) months of adoption of these Articles, the Board shall propose for approval by the General Assembly membership requirements for each of the three stakeholder pillars.
- 3.3 In determining membership requirements for each stakeholder pillar, the Board shall observe the following:
- 3.3.1 The PSC Pillar consists of two categories of member companies.
- 3.3.1.1 The first category shall be referred to as “ICoCA Certified Member” companies. PSCs shall be eligible for membership

in this category upon certification under Article 11 of these Articles.

- 3.3.1.2 The second category shall be referred to as “Transitional Member” companies. As a transitional matter, PSCs that formally endorse these Articles and meet the obligations of membership (with the sole exception of the requirements in Article 11 regarding certification) shall be eligible for membership on a provisional basis for no more than a 2-year period from either April 15, 2018 or from the date their membership in the Association commenced, whichever is later.
 - 3.3.1.2.1 A Transitional Member company may become an ICoCA Certified Member company at any time upon certification under Article 11 of these Articles.
 - 3.3.1.2.2 A Transitional Member company that fails to obtain certification under Article 11 of these Articles following the 2-year period described in section 3.3.1.2 shall lose its status as a member company until such time as it obtains certification under Article 11 of these Articles.
 - 3.3.1.2.3 Transitional Member companies are required to demonstrate that they are meeting substantive and procedural benchmarks based on the Code and Board recognized standards. Should a Transitional Member company fail to act in good faith in accordance with this Article, the Board may terminate its Transitional Membership.
- 3.3.1.3 Both categories of members of the PSC Pillar shall be entitled to all the rights and obligations of membership of the

Association with equal voting rights as members of the PSC Pillar.

3.3.2 States and intergovernmental organizations that have communicated their support of the Montreux Document and who communicate their intent to support the principles of the ICoC and participate in the activities of the Association as specified in these Articles are eligible for membership. States and intergovernmental organizations may indicate on becoming a Member where legal requirements may prevent them from undertaking a specified organizational responsibility set forth in these Articles. In becoming a Member, such States and intergovernmental organizations commit to provide information related to their implementation of the Montreux Document and the Code, including the development of their domestic regulatory framework for PSC activities, and to promote compliance with the ICoC in their contracting practices and policies.

3.3.3 Civil society Members shall be independent, non-profit organizations with a demonstrated institutional record at the local, national, or international level of the promotion and protection of human rights, international humanitarian law or the rule of law. Independence shall be assessed by reference to relationships with other stakeholder pillars, such as via specific, relevant or substantial funding, or through active working relationships. Civil society Members commit to promote the Purpose of the Association.

3.4 In addition to the Member categories described above, the Board shall adopt procedures for approval by the General Assembly in accordance with these Articles to grant non-voting observer status to other parties, including non-state

clients, companies providing services or other support to PSCs, and other stakeholders who have demonstrated support for the principles of the ICoC and the Purpose of the Association.

ARTICLE 4

LIABILITY

- 4.1 The Association's financial obligations shall be satisfied only from its assets. Members of the Association shall not be personally liable for any acts, omissions, obligations or debts of the Association. The Association shall adopt appropriate procedures to address the indemnification of Members of the Board of Directors, Secretariat and the Executive Director.

ARTICLE 5

ASSOCIATION BODIES

- 5.1 The bodies of the Association are: the General Assembly; the Board of Directors; the Secretariat operating under the supervision of an Executive Director; and such other bodies that may be established pursuant to these Articles.

ARTICLE 6

GENERAL ASSEMBLY

- 6.1 The General Assembly is the supreme governing body of the Association and consists of a gathering, either in person or via virtual meeting, of the full membership and shall take place at such times and in such a manner as may be determined by the Board of Directors, or by the request of at least 20 percent of the membership, but in no case shall meet less than once a year.
- 6.2 The General Assembly shall provide a forum for voting on matters as required under these Articles and for multi-stakeholder dialogue and discussion related to the ICoC and shall consider such agenda items as may be provided by the Board of Directors or, with the approval of the Board of Directors, proposed by the membership.
- 6.3 The General Assembly supervises the Association's other corporate bodies. The right of supervision includes the right to dismiss other corporate bodies at any time.
- 6.4 The General Assembly shall also have the power to approve decisions by the Board of Directors in the following areas before such decisions will enter into force:
- 6.4.1 Amendments to the Code;
 - 6.4.2 Amendments to these Articles of Association;
 - 6.4.3 Requirements for membership and observer status in the Association as well as withdrawal from the Association;

- 6.4.4 Establishment of membership dues;
 - 6.4.5 Review and approval of financial statements, including external audits;
 - 6.4.6 Certification Procedures;
 - 6.4.7 Reporting, Monitoring and Assessing Performance Procedures;
 - 6.4.8 Complaints Process Procedures.
- 6.5 Each Member shall have one vote on matters before the General Assembly. Ratification of amendments to the ICoC or to these Articles of Associations shall require a vote of not less than two-thirds of the Members present and eligible to vote in each of the three stakeholder pillars. Election and dismissal of a Board Director shall require a majority vote of Members present and eligible to vote; only Members from a given stakeholder pillar shall be eligible to vote on election and dismissal of a Board Director representing that pillar. All other decisions taken pursuant to this Article shall require a vote of the majority of the Members present and eligible to vote in each of the three stakeholder pillars.
- 6.6 The chair of the Board shall chair proceedings of the General Assembly and shall propose rules of procedure, including proxy voting and virtual meeting procedures, for the conduct of the General Assembly.
- 6.7 Powers not specified in these Articles shall be reserved to the Board of Directors.

- 6.8 A quorum for proceedings of the General Assembly shall be established by the participation in the meeting of at least twenty-five percent of the Members in each of the three stakeholder pillars. Participation shall be defined as being physically present at or returning a voting proxy for such a meeting or, in the case of a virtual meeting and vote, by returning a vote on at least one item before the General Assembly within the time frame established by the chair of the Board or by satisfying such other conditions as may be established by the chair of the Board. Proceedings of the General Assembly may not be convened at less than thirty (30) days' notice.

ARTICLE 7

BOARD OF DIRECTORS

- 7.1 The Board of Directors (alternatively “the Board”) is the executive decision-making body of the Association. The Board manages the affairs of the association in accordance with the provisions of these Articles. In so doing it seeks to represent the interests of the Association Members as a whole.
- 7.2 The Board shall be composed of twelve Directors, with four seats allocated to each of the stakeholder pillars. Each Board Director shall be committed to the Purpose of the Association and shall fairly represent the views of the stakeholder pillar he or she represents. Board Directors shall be selected in accordance with the requirements set forth in this Article and under nomination procedures to be established by each

stakeholder pillar. Directors shall be selected with regard for the need for a high level of competency, commitment to participation, and diversity of experiences, insights and perspectives related to the Purpose of the Association. The Board shall maintain a record of the nomination procedures adopted by each stakeholder pillar. Election and dismissal of Board Directors shall be approved by the General Assembly in accordance with Article 6.5.

- 7.3 Except as otherwise provided for the initial Board in the Instrument of Adoption of these Articles, Board Directors shall serve three year terms. The Board shall provide for the staggered re-election of Board Directors as their terms expire and for the replacement of Board Directors when vacancies occur. No Board Director shall serve for more than two consecutive terms.
- 7.4 The Board may select a Chairperson from among its membership or select an additional non-voting Independent Chairperson. The Chairperson is responsible for convening and chairing Board meetings and otherwise managing the Board's business. The Chairperson's term shall be established upon selection, but in no case shall exceed three years or, in the case of a Board Member with less than three years remaining in his or her term, the remainder of the term.
- 7.5 The Board shall meet as necessary, but at least annually, in person or by other means as the Board may determine as necessary to implement its responsibilities under these Articles.
- 7.6 Unless otherwise provided by these Articles, decisions of the Board shall be taken by a majority of eight Board Directors,

which must include a minimum of two votes from Board Directors from each of the three stakeholder pillars.

- 7.7 The Board shall adopt its own rules of procedure to, among other things, address the confidentiality obligations of Board Members, identify and disclose potential conflicts of interest and provide for recusal or other appropriate measures for Board Members in the event of a conflict of interest.
- 7.8 Board Directors shall act on an unpaid basis and be entitled only to the compensation of their effective costs and travelling expenses.

ARTICLE 8

POWERS OF THE BOARD OF DIRECTORS

- 8.1 The Board has authority and responsibility to:
 - 8.1.1 Oversee the operations of the Secretariat, including through preparation, review and approval of an annual budget, and by approving staffing levels and staffing rules;
 - 8.1.2 Provide an annual report on the activities of the Association and the implementation of the ICoC to the General Assembly;
 - 8.1.3 Make recommendations to the General Assembly, including any recommendations for the amendment of the ICoC or these Articles in accordance with these Articles;

- 8.1.4 Develop procedures, for approval by the General Assembly, for the functions of the Association under Articles 11, 12 and 13;
- 8.1.5 Develop requirements for Association membership and observer status and withdrawal in accordance with these Articles including measures, which shall be separately approved by the General Assembly, for suspension, termination or other such activities;
- 8.1.6 Oversee the finances of the Association, including the adoption of appropriate financial controls, arrangements for external audits, and the preparation of appropriate financial statements in accordance with applicable law;
- 8.1.7 Recommend membership dues for approval by the General Assembly in accordance with these Articles; and
- 8.1.8 Establish such other committees or bodies, including an Advisory Board, as may be necessary to provide for the effective operation of the Association.
- 8.2 In exercising its responsibilities the Board will have due regard to the essential nature of any activity and applicable law, the budget and available resources, and the risks associated with the activity.

ARTICLE 9

EXECUTIVE DIRECTOR AND SECRETARIAT

- 9.1 The Executive Director shall be appointed by the Board and shall execute the decisions of the Board and otherwise direct the activities and administration of the Association and Secretariat subject to the authority of the Board and in accordance with these Articles.
- 9.2 Subject to Article 8.1.1, the Executive Director shall hire and supervise such staff as may be required to carry out the activities of the Association as prescribed by these Articles.
- 9.3 The Secretariat shall be responsible for maintaining records necessary for the ongoing governance of the Association (“The Archive”) that shall include, but is not limited to: a) rules; b) bylaws; c) records of votes; and d) any other records of governance.

ARTICLE 10

ADVISORY FORUM OF MONTREUX DOCUMENT PARTICIPANTS

- 10.1 An Advisory Forum of Montreux Document Participants shall be established. The Forum will be open to all Montreux Document Participants irrespective of their membership status in the Association and will be available as a resource to the Board. The purpose of this body is to provide advice to the Association on national and international policy and regulatory matters.

ARTICLE 11

CERTIFICATION

- 11.1 The Association shall be responsible for certifying under the Code that a company's systems and policies meet the Code's principles and the standards derived from the Code and that a company is undergoing monitoring, auditing, and verification, including in the field.
- 11.2 The Board shall develop procedures for this Article based on the following elements and submit them to the General Assembly for approval:
- 11.2.1 The Board shall define the certification requirements based on national or international standards and processes that are recognized by the Board as consistent with the Code and specifying any additional information relevant to the human rights and humanitarian impact of operations it deems necessary for assessing whether a company's systems and policies meet the requirements of the Code and its readiness to participate in the Association;
- 11.2.2 Companies shall provide evidence of certification under a standard recognized by the Board and keep this certification current, and provide such additional information as the Board has specified under Article 11.2.1;
- 11.2.3 Companies shall provide a written, public declaration of their intent to adhere to the Code with such language as the Board may prescribe, and to participate fully in the Association's activities under Articles 12 and 13; and

- 11.2.4 The certification process shall operate in a manner that is complementary to, and not duplicative of, certification under Board-recognized national and international standards.
- 11.3 Certification by the Association shall remain valid for a period of three years.
- 11.4 The Association shall foster and promote the development and harmonization of standards in accordance with the Code, and maintain a registry of companies certified in accordance with this Article.

ARTICLE 12

REPORTING, MONITORING AND ASSESSING PERFORMANCE

- 12.1 The Association shall be responsible for exercising oversight of Member companies' performance under the Code, including through external monitoring, reporting and a process to address alleged violations of the code.
- 12.2 The Board shall develop procedures for this Article based on the following elements and submit them to the General Assembly for approval:
 - 12.2.1 Using established human rights methodologies, the Secretariat shall gather and receive information from public and other available sources on whether Member companies are operating in compliance with the Code.
 - 12.2.2 Member companies shall provide to the Association a written assessment of their performance pursuant to a transparent set

of criteria covered by necessary confidentiality and nondisclosure arrangements.

- 12.2.3 The Executive Director may initiate a field based review, unless the Board decides otherwise, (i) where the review of available information or a human rights risk assessment has identified a need for further monitoring within an area of one or more Member companies' operations, or (ii) on request from a Member of the Association. In each case such field base review shall be aimed at improving performance or addressing specific compliance concerns.
- 12.2.4 The Secretariat shall review information gathered pursuant to Articles 12.2.1-12.2.3 to identify compliance concerns, assess the human rights impacts of company operations, and identify and analyze broader patterns in particular complex environments.
- 12.2.5 The Secretariat shall offer observations and engage in dialogue with Member companies aimed at improving performance or addressing specific compliance concerns. The Executive Director shall refer alleged violations of the Code to the Board. The Executive Director shall report regularly to the Board on the Secretariat's activities pursuant to this Article.
- 12.2.6 The Board shall review performance and compliance issues referred by the Executive Director or at its own initiative. The Board shall offer observations and advice to Member companies aimed at improving performance or addressing specific compliance concerns.

- 12.2.7 If the Board determines that corrective action is required to remedy non-compliance with the Code, the Board shall request a Member company take corrective action within a specific time period. Should a Member company fail to take reasonable corrective action within the period specified by the Board, or fail to act in good faith in accordance with these Articles, then the Board shall initiate suspension proceedings in accordance with these Articles.
- 12.2.8 Member companies shall be expected to co-operate in good faith, consistent with applicable contractual and legal requirements.
- 12.2.9 The Board shall implement necessary confidentiality and nondisclosure arrangements related to its activities under this Article. Subject to these arrangements and following consultations with relevant parties, the Board may issue a public statement on the status or outcome of the Association's review of a Member company.
- 12.2.10 The Board shall ensure that the Association appropriately respects legal investigations or proceedings and any rights or privileges attached to those investigations or proceedings in carrying out the functions of this Article, but the presence of a legal investigation or proceeding will not necessarily of itself cause suspension of the functions of this Article.
- 12.3 The Association will report publicly, no less than annually, on its activities under this article.
- 12.4 The Association shall serve as a central agency for, and will promote industry best practices on, particular elements of the Code that will be available to companies.

ARTICLE 13

COMPLAINTS PROCESS

- 13.1 The Association shall maintain a process to support Member companies in discharging their commitments under paragraphs 66, 67, and 68 of the Code, which require Companies to address claims alleging violations of the Code by establishing fair and accessible grievance procedures that offer effective remedies.
- 13.2 The Board shall develop procedures for this Article based on the following elements and submit them to the General Assembly for approval:
- 13.2.1 The Secretariat shall receive complaints from individuals or their representatives, which must both (i) contain specific allegations of conduct that, if true, would constitute a violation of the Code, and (ii) allege harm to one or more of those individuals. Complaints, including purely contractual or personnel disputes, that do not meet these criteria, or that are manifestly unfounded, frivolous or vexatious, will not be considered.
- 13.2.2 After a complaint has been received and considered under Article 13.2.1, the Secretariat shall inform the complainant, in a timely manner, of fair and accessible grievance procedures that may offer an effective remedy, including any such grievance procedure provided by a relevant Member company. The Secretariat may facilitate access to such grievance procedures, but shall remain neutral and shall not act in a representative capacity.

- 13.2.3 If a complainant alleges that a grievance procedure provided by a relevant Member company is not fair, not accessible, does not or cannot offer an effective remedy, or otherwise does not comply with paragraph 67 of the Code, the Secretariat shall review that allegation.
- 13.2.4 After conducting such a review, the Secretariat may offer observations to the Member company, the complainant and the Board and engage in dialogue with the Member company and the complainant to address how, if at all, the grievance procedure provided by the Member company does not comply with paragraph 67 of the Code and on the possible need for corrective action, including the suitability of the complaint being referred to another, identified fair and accessible grievance procedure that may offer an effective remedy.
- 13.2.5 After receiving the observations of the Secretariat, the Board may suggest that the complaint be referred to another, identified fair and accessible grievance procedure that may offer an effective remedy, and/or recommend that the Member company take corrective action within a specified period. This may include cooperation with the Association's good offices, the provision of a neutral and confidential mediation process, or other arrangements that may assist the Member company to offer an effective remedy as required by paragraphs 66 and 67 of the Code. The Association shall not impose a specific award on the parties.
- 13.2.6 If, after further consultation with the complainant and Member company, the Board considers that the Member company has taken reasonable corrective action or the parties have referred the claim to a fair and accessible grievance

procedure that may offer an effective remedy, it may determine that the complaint has been addressed.

- 13.2.7 Member companies shall be expected to cooperate in good faith, consistent with applicable law and contractual requirements. If, after further consultation with the complainant and the Member company, the Board considers that the Member company has failed to take reasonable corrective action within a specified period or cooperate in good faith in accordance with this Article, it shall take action, which may include suspension or termination of membership.
- 13.2.8 Member companies shall provide, in good faith, to the Association information relevant to the complaint, consistent with applicable law and contractual requirements.
- 13.2.9 The Association shall discharge its function under this Article in a timely manner and respect the confidentiality of the complainant, Member companies, and other stakeholders, and, where relevant, consider the complainant's fear of reprisal.
- 13.2.10 The existence of legal investigations or proceedings addressing the alleged conduct shall be considered, but will not of itself cause a suspension of the complaints process. The Board may suspend or otherwise limit the complaints process as necessary and appropriate in order to avoid serious prejudice to any such investigations or proceedings or party thereto.
- 13.3 From time to time the Board shall publish guidance to Members on best practice and compliance with paragraphs 66, 67 and 68 of the Code, based on a review of complaints

brought to the Association and claims brought to Member companies, and other relevant developments.

ARTICLE 14

FINANCES

- 14.1 The Association shall derive its resources from membership dues; contributions provided by its membership; public and private donations, grants, fees and other payments; in-kind contributions and support; and its own assets. The Association shall strive to achieve an appropriate balance of public and private funding.
- 14.2 The membership dues for companies shall be set as an annual fixed amount for small, medium and large Members. The three categories shall be based on each Member company's revenue related to the provision of security services as defined in the Code.
- 14.3 The Association's assets shall be used entirely and exclusively in furtherance of the Association's public utility purposes as defined in Article 2 of the present Articles of Association. Surplus revenues realized by the Association may in no case be distributed to Members of the Association.
- 14.4 The Board may suspend or terminate the membership of a company, or suspend processing of the certification application of a company, where such company is in arrears in its financial obligations to the Association and does not cure such arrears within sixty (60) days after notice from the Association. A company that fails to cure financial arrears

within the 60-day period shall not be entitled to vote in a meeting of the General Assembly.

- 14.5 The Association shall not normally be responsible for the costs of Board Directors fulfilling their duties nor make payment for fulfilling duties as a Board Director.

ARTICLE 15

FORMATION AND DISSOLUTION

- 15.1 Private Security Service Providers who have signed the ICoC, together with civil society organizations and governments, have adopted these Articles of Association and have thereby created the ICoC Association, and have selected the first Board of Directors of the Association, on the occasion of its inaugural meeting, held in Geneva, Switzerland on 20 September 2013.
- 15.2 The Association may be dissolved by the General Assembly upon a recommendation by the Board or by resolution from among the membership of the General Assembly. Dissolution shall require a vote of not less than two-thirds of the Members in each of the three stakeholder pillars who are present at the General Assembly and eligible to vote and may be decided only if such decision is included in the General Assembly's agenda. Dissolution is also de jure in the event of insolvency or if its bodies can no longer be constituted.
- 15.3 In the event of liquidation of the Association, its remaining assets shall be entirely assignable to another public utility and tax exempt entity pursuing similar objectives to those of the Association. In no cases shall the Association's assets be

returned to the Founders, Members or Board Members or be used for their profit in whole or in part and in whatever manner.