

1. Purpose

The purpose of the Foundation is to promote, govern and oversee the implementation of the Accord to further the goal of a safe, sustainable Bangladesh Ready-Made Garment industry in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures.

2. Bodies

The bodies of the Foundation are: the Steering Committee (SC); the Advisory Board (AB) and other such bodies that may be established under these Articles.

3. Steering Committee

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 Safety Inspector and a Training Coordinator;
- 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.

The SC shall have six members comprised of:

- three Company Members; and
- three Trade Union Members.

The Company Members shall be selected by a majority vote of the Company Signatories at the time of election.

The Trade Union Members shall be selected in the following manner: UNI and IndustriALL shall each appoint one Member. The third Trade Union Member shall be selected from among the Bangladesh signatory trade unions.

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.

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.

4. SC Chair

The Chair and an alternate chair shall be representatives 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.

The alternate chair shall act as chair where the chair is not in attendance at a meeting of the SC. In the event that neither the Chair nor alternate chair is in attendance, then the SC members in attendance may elect a chair from amongst themselves for that meeting.

5. Terms of SC membership

In the first year of the Foundation, Company Members shall serve a one-year term. Thereafter, Company Members shall serve a term of not longer than two years. Each Company Member shall be eligible to participate for two consecutive terms, after which he or she may run again following a one term hiatus.

Trade Union Members shall serve a term of no longer than two years and shall not have any limitation in the number of terms they may serve.

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.

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

6. Removal of SC members

To be developed in order to satisfy the minimum requirements of the jurisdiction of the legal entity

7. Frequency and format of meetings

The SC shall meet as it deems necessary but at least on a quarterly basis. It shall strive to meet in person, but can meet by other means as the SC deems necessary to implement its responsibilities under these Articles.

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.

8. Notice

Notice for meetings of the SC will ordinarily be decided at the preceding meeting of the SC. A meeting of the SC may otherwise be called by two or more members where at least one member is a Company Member and one is a Trade Union Member with written notice delivered in reasonable time to all SC Members.

9. Decision-making

Unless otherwise noted herein, the SC will strive to make decisions by consensus but, in the absence of consensus, decisions shall be made by majority vote.

10. Quorum

Quorum of the SC shall be two Company Members, and two Trade Union Members.

11. Proxy votes

Each voting member of the SC shall nominate another voting member to exercise their vote in the event that they are not in attendance at a meeting of the SC.

12. Minutes

Minutes shall be kept of meetings of the SC with a draft to be circulated to SC members within five days of a meeting of the SC for adoption. The minutes shall be sent to all Signatories (including Witness Signatories) within fourteen days of a meeting but will not be made available publicly.

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.

13. SC Sub-Committees

The SC may from time to time delegate powers to a sub-committee it establishes as necessary to provide for the effective operation of the Foundation.

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.

Adopted 28th June 2013

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.

14. 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.

15. Advisory board

The SC shall appoint an AB to ensure that all stakeholders, local and international, can engage in constructive dialogue with each other and provide feedback and input in to the SC to enhance the quality, efficiency, credibility and synergy of the Foundation.

Stakeholders shall be invited to participate in the AB as follows:

- Four representatives appointed by the Bangladeshi government;
- One representative each from BGMEA and BKMEA;
- Four brand and retailer representatives;
- Four supplier representatives;
- Four Bangladeshi trade union representatives
- Two Bangladeshi NGO representatives; and
- Two international NGO representatives.

The SC may invite additional representatives to and change the composition of the AB as it deems necessary.

The AB will meet at least quarterly, and aim to meet at least twice per year in-person in Bangladesh.

The AB shall produce a report within 10 days following each meeting with input to the SC.

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

The Executive Director 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 but will not be made available publicly.

The Executive Director shall publish a public report of each meeting of the AB.

16. 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 on the SC.

17. 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 on the SC.

18. Executive Director

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

19. Safety Inspector

The SC is responsible for oversight of the 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 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 Safety Inspector's performance of duties, including the scheduling of inspections or publishing of reports. In the event that the SC finds that the 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 Safety Inspector.

20. 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 Safety Inspector.

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

21. Training Coordinator

The SC 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.

22. 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 this Accord.

23. 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, Safety Inspector and Training Coordinator.)

24. Dissolution

Add dissolution language to conform with legal requirements.

25. Duration of the Foundation

The Foundation will operate for the period of the Accord.

26. Amendments to Articles

These Articles may be amended by vote of a minimum of 5 Members the SC except where such amendment would be inconsistent with the Accord or applicable laws.

27. 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.

28. Confidentiality

Adopted 28th June 2013

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.

29. 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 Steering Committee shall take into account the above when establishing policies on confidentiality, reporting and public communications which are not otherwise specified in the Accord or within these Articles.

Definitions

“Accord” shall mean the Accord on Fire and Building Safety in Bangladesh, dated 13 May 2013 and effective 23 May 2013.

“AB” shall mean the Advisory Board of the Foundation as described herein.

“Company Member” shall mean a member of the SC elected from and by the Company Signatories to the Accord to participate on the SC.

“Company Signatory” shall mean a brand or retailer that has signed onto the Accord.

“Foundation” shall mean the Bangladesh Fire and Building Safety Accord Foundation.

“ILO” shall mean the International Labour Organisation.

“Trade Union Member” shall mean a member of the SC elected from and by the Trade Unions to participate on the SC.

"NAP" shall mean the 'National Tripartite Plan of Action on Fire Safety for the Ready-Made Garment Sector in Bangladesh', developed by the Bangladesh Ministry of Labour and Employment (MoLE) with the International Labour Organization (ILO) and outlined in a Joint Statement on January 15, 2013

“SC” shall mean the steering committee of the Foundation.

“SC Member” shall mean the Company Members and the Trade Union Members.

“Signatories” shall mean any company or organization that signs the Accord.