The International Executive Search Federation ("IESF")

Partner Charter (2024 Version)

1. Membership

1.1 Membership is open to any company or firm engaged in the business of executive search or recruitment or human resource consultancy and independently owned by its working directors or partners.

1.2 Any country is exclusively represented by one partner (Exclusive Country Partner). Exceptions are permitted if IESF business interests (clearly defined and approved by the AGM) dictate so and this has been agreed with the Exclusive Country Partner. The Exclusive Country Partner has the right to reject an additional partner (partners) for good reasons but not unreasonably.

The Exclusive Country Partner bears full responsibility for delivery of IESF originating projects in his country, executing them either on his own, in cooperation with other IESF partners or attracting professional expertise of other local firms/freelancers.

A continuous failure (e.g., two complaints made to the Leadership Council by two separate partners) to fulfill the business interests of IESF clients from other countries may result in revision by the AGM of the exclusive status of the Country Partner and even termination of his IESF membership.

1.3 New partners can be accepted on provisional basis by the Leadership Council and are subject to endorsement by the AGM. Ideally, new partners have to be established companies for at least 2-3 years and their details/portfolio should be circulated to all members not less than two weeks in advance of an approving meeting. IESF partners have the right to make comments on them before the meeting.

Where a newly established company wishes to join IESF, it should present in the same way information on its staff, practice areas and real office premises. The practice areas should include a minimum of 3 of the 5 strategically important business practices (Industry, LifeSciences, Financial Services, Consumers Goods, IT/Technology) and an intention to work towards establishing the missing practices within 3 years.

For all IESF newcomers, both long-established and newly established firms, the status of Provisional Member is given for a probation period of one year following endorsement by the AGM. This time allows IESF and the newcomer to evaluate each other. At the end of the probation period IESF may either vote the Provisional Member into full partnership or finalize further membership.

During probation period Provisional Members have the same rights and obligations under the Partner Charter as IESF partners except they are not allowed to vote at the AGM, be elected to executive roles or Leadership Council.

1.4 Partners are required to exclusively be members of IESF and not be members of other recruitment groups. Membership of Professional Associations e.g., AESC, IACPR would be allow ed. Membership of search groups which are competitor groups is not permitted.

1.5 On joining IESF, Partners sign the IESF Partner Charter. This is a fixed agreement for the entire period of membership. IESF is a non-tax related association, registered in The Netherlands, so si gning the agreement one time upon entering, is sufficient. If IESF votes at the AGM on new regul ations or add-ons in the Partner Charter IESF partners will be asked to resign the agreement. The Partner Charter is terminable by either party at three months written notice.

1.6 Each Partner shall nominate an individual from its firm or company to act as primary contact and i t is intended that this individual shall be deemed the primary spokesperson for dealings of IESF

1.7 The President of IESF and/or the Leadership Council reserve the right to reject applications for membership in their absolute discretion and shall not be obliged to ascribe a reason for such decision

1.8 An annual subscription and annual conference fee is payable by each Partner firm per Country at the sum fixed by annual general meeting of Partners each year. Fees are due for payment on 1 January of each year and Partners are required to pay their fees within 30 days of being invoiced.

If a Partner has been warned and payment not received by 28 February, the Leadership Council has the right to terminate the membership.

1.9 Partner company's or firms are required to adopt the codes of conduct for their dealings with clients and candidates as from time to time published on the IESF website at www.iesf.com.

1.10 Note: If the word "Federation" causes problems in some countries due to a local understanding of that terminology a Partner may refer to IESF as a "Group". Officially IESF is a Dutch Association by law.

2.Cross Border Business

2.1. In addition to annual subscription fees, each Partner country undertaking cross border assignments shall pay 5% of any fee received resulting from such cross-border work to IESF. This fee shall be payable by the Partner firm that invoices the client.

2.2 IESF recommends a 20/80% fee split between two firms operating cross border assignments after paying 5% for IESF. A potential fee split in cross border business from other service-lines than executive search is among partners to determine.

2.3 IESF 5% Cross Border Fee applies to all cross-border executive search business (e.g., retained search and contingent search) between IESF Offices regardless of who owns them.

2.4 Partners may place business with an ex IESF Partner if there is not currently an IESF Partner in the relevant country.

2.5 If a Partner refers business to, or receives business from, a search firm in a Non IESF country

They should record this on the Intranet for the benefit of other partners who may wish to do business in that country.

2.6 The 5% IESF fee is not payable when carrying out business with a Non IESF Partner. However, if two or more IESF partners together do business with a Non IESF Partner then those two Partners should pay 5% pro-rata to the amount of fee they received.

2.7 Both the Assignor and the Assignee of a Cross Border Search are responsible to ensure the cross border search is posted on the intranet and kept updated e.g., if it is put on hold or cancelled and to record when it is completed. A problem can arise when the Assignor is the originator and while the Assignee is responsible for execution in some cases it is still the Assignor who is responsible for invoicing rather than the Assignee. All Partners are required to update the intranet on a quarterly basis.

In case of noncompliance the Partner responsible for fee invoicing will have one official warning

and when repeated may be terminated by a majority vote of the AGM.

2.8 If an IESF Partner wishes to open a marketing office in another Partner's Country he must seek the agreement of the "Host" Resident Country Partner. Such permission should not be unreasonably withheld. The purpose of such an office would be solely to market to clients who have operations in his home country. If a search is successfully obtained for the marketing partners Home Country the details should be notified to the Host Resident Partner as a courtesy and to see if the Host Partner want to be introduced to the client. If a lead for a search or actual search is obtained in the Host Partners Country it must be communicated to the Host Partner on a first refusal basis.

3.0 Suspension or termination of membership

3.1 Membership of IESF may be suspended or terminated under the following circumstances:

- The membership year is 1 Jan – 31 Dec. Failure to pay the IESF annual fees or other sum(s) owing within 30 days of receiving an invoice for the same from IESF and in any event no later than 28 February each year.
- Continued breach of any of the articles of the IESF Partner Charter.
- Continued failure to supply on a timely basis reasonably requested information by the Leadership Council or Presidents about the members' current business circumstances.
- If the company or firm shall become insolvent or otherwise placed into the process of insolvency or bankruptcy or an order for the same shall be presented to that firm or company.
- If the Partner shall bring IESF, its name or goodwill into disrepute and that they shall fail to rectify such matter fully within a period of 30 days from being advised of such event by the IESF President or Regional President.
- If the Partner shall seek to trade in a country outside its own territory without the express permission of the Resident Partner, such permission not to be unreasonably withheld.
- Failure of the Resident Country Partner to attend the Annual Meeting in any one year. The Resident Country Partner is required to attend the Annual Meeting. In the event of illness, extenuating circumstances, or compelling reasons the Resident Country Partner after consulting the Leadership Council, may nominate a senior member based in the country of their firm to attend in their place.
- Failure to pay to IESF and their cross-border Partner any introductory commission earned from cross border assignments, in accordance with Paragraph 1.7 above, within 30 days of such being paid by the client.
- Failure to notify IESF of cross border assignment activity within one month of such commencing.
- Breach of any part of the Partner's Charter. There will no refunds or prorating of fees if membership ceases

3.2 Suspension from membership of IESF may be authorised in writing by the IESF President and the Leadership Council subject to final ratification at the subsequent AGM. No refund of annual fees or dues shall be payable upon either suspension or termination of membership.

3.3 Pursuant to the law and the Charter of the International Executive Search Federation (IESF), the Annual Global Meeting is requested to grand discharge to the directors and the internal auditor of IESF in respect of the exercise of their office during the past financial year.

Once the discharge is given at the AGM, the partners will be not able to take any legal actions against the governing body or its auditors.

The liability of the Leadership Council members, President and Treasurer is limited to their approved mandate in IESF, and no member can claim any amount from the Leadership Council, President, and Treasurer in case of any dispute arising between members and the association.

4 Use of IESF image material

4.1 Membership of IESF shall entitle use of the IESF logo for purposes of signifying membership of IESF and for no other purpose.

4.2 Each country office should be branded IESF (for international transactions) on business card, website and presentational materials. IESF website will have a common IESF landing page for all IESF Partners.

4.3 Partners may not register the IESF name without first obtaining the written permission of the Leadership Council and signing a written agreement. Unauthorised usage of the IESF name will be discussed by the Leadership Council and may result in the termination of membership.

4.4 Logos must not be used to suggest endorsement of a Partners website, either in content or design.

4.5 In the event of termination, Partners agree to remove all references, statements and logos from their website and all forms of offline marketing material within 3 months of termination.

5 IESF Meetings

5.1 IESF shall hold a minimum of one annual meeting of Partners at which each Partner firm or company may send one or more delegates as they desire, save that at such proceedings only one vote per fully paid-up Partner shall be allowed from each Resident Country Partner.

5.2 It is obligatory that each Partner is present at the AGM The Country must be represented by its Exclusive Resident Partner and not a delegate from another Country.

5.3 The nominated delegate in each fully paid Partner firm unable to attend an annual meeting for whatever reason may appoint a proxy from within their Partner firm to attend and vote in their stead. A proxy appointing another Partner firm to vote in their stead will be invalid.

5.4 The annual meeting of Partners shall consider matters concerning all IESF business and the regulation of IESF affairs including adopting accounts, ratifying member termination proposals, modifying the rules of order and electing officers from amongst their number

5.5 One vote at the AGM is held by each partner present but no more than one vote per each country. However, if a Partner owns offices in 2 or more countries and pays full fees for each office there shall be a limit of 3 on the total number of votes that may be cast

5.6 Decision making voting at AGM:

- Unanimously on Charter amendments, accepting new members/membership termination, electing President and Leadership Council members. If far most of the IESF partners vote

positively, but there is 1 or some partners which vote is against, they should present their objections in a clear matter supported with substantial reasons. The final decision can be made by the Leadership Council.

- 75% - on all other issues.

5.7 Other regional meetings of Partners shall be held as required and desired by the regional membership in consultation with the President. Such meetings are informal meetings for information sharing and do not have any authority to pass resolutions of transact any business of IESF.

6 New Country Office Opening

A Partner who wishes to open an office in a vacant territory shall make a request to the President for a six-month exclusivity to open an office. The President will advise Partners and ask any Partner who also has an interest in the vacant country to declare that interest. If the two Partners are unable to agree and/or work together on the new office, they will then both make their own plans and present them to the next Regional Meeting or Global meeting following the expiry of six months for the Presidents and partner meeting to make a decision on the preferred Partner.

If an IESF Partner opens a recruitment office in another Partners Country which is not an IESF Office will be referred immediately to the Leadership Council who have the discretion to terminate their membership

7 Other matters

7.1 President - Nominations for the role of President shall be made by notice in writing to the Leadership Council not less than one month before the AGM signed by the applicant and two other sponsor Partners from different countries. The Candidate:

1. Must be an IESF member at least for 5 years.
2. Must form part (or have been part in the past) of the board (the Leadership Council/Treasurer)

The President shall be appointed for a three-year term which may be renewed.

7.2 Leadership Council

The Leadership Council was set up in 2008 considering cultures and regions to be globally representative of opinions and normally comprises: -

The President, plus representatives for: -

- Asia Pac
- Eastern Europe
- Western Europe
- North America
- Central and South America
- Treasurer

The role of the Leadership Council is: -

- Advise President on Long term Strategy
- Development and interpretation of Partner Charter
- Resolve Partner Disputes
- Resolve Partner Performance Issues

There will be a policy of rotation of members of the Leadership Council, so that IESF gets more Partners involved in policy development. Membership of the Leadership Council will be for 3 years. With an option for prolongation with 1 year, approved by the AGM.

7.3 If no nominations are made, then the incumbents will continue in office. If the incumbents do not wish to continue in office and no advance nominations have been received then nominations may be made by the members present at the AGM.

7.4 The Partners shall appoint any administrative officers by one vote per fully paid-up Resident Country Partner attending at an annual meeting of the Association.'

7.5 The President and Leadership Council members can be recalled before the end of their term. For this, a written application, signed by at least three partners from different countries, should be made to the Leadership Council not less than 3 months ahead of the AGM, and then put to a vote at the AGM.

7.6 IESF Countries must be represented by a professional full-service office(s) and not operated as a virtual Country/Office. Partner of IESF is required to have and always maintain a permanent business office that employs at least one full time member of staff. Should a Partner cease to meet this requirement then the territory will become vacant, and the membership status be changed to that of Provisional Partner. If there is no office or employee presence in the territory for a period of six months, then the membership in respect of that territory will cease.

7.7 All tangible and intangible benefits that may accrue to a Resident Country Partner under the terms of their membership of IESF are deemed to be non transferable and may not be sold or passed in any other manner to a third party.

7.8 Partners have a duty of confidentiality concerning all matters relating to IESF or any of its members and shall not disclose any proprietary information without IESF's or such relevant Partners' consent.

7.9 Partners agree to abide by all prevailing policy and procedure statements as may be issued from time to time.

8 Transparency & Obligations

Elected officers (President and LC) are obliged to secure for all partners maximum transparency on all activities of IESF, and above all financial matters such as:
- Accounts/Profits and Loss Report
- Audit Report
- Cross Borders statistics
and other relative information as required by AGM decisions.

The above information, as well as information pertaining to strategic development of IESF and therefore requiring vote at the AGM, must be circulated to all partners not later than four weeks ahead of the AGM.

The President through the Leadership Council provides for keeping detailed Minutes of the AGM decisions and 'voted issues'. The Minutes are to be circulated to the partners within four weeks after the end of the AGM and will be considered valid only if there are no partners' serious objections to the coverage of the 'voted issues' made within 20 days of issue of the minutes to all Partners

The Partner Charter provides all IESF Partners with a simple set of rules, obligations, and responsibilities which they are obliged to follow as IESF Partners relating to administration, payments, cross border notifications and responsiveness to official IESF requests.

9 Code of Conduct

We are committed to fostering an environment of respect, integrity, and professionalism. The Code of Conduct outlines the expectations for all partners in their interactions with colleagues, clients, and other stakeholders, promoting a culture of mutual respect, especially when navigating cultural and language differences. Maintaining a culture of respect, integrity, and inclusivity is crucial for the strength and success of our network.

Expectations for behavior

- **Acknowledge and appreciate diversity:** Recognize and value the diverse backgrounds, cultures, and perspectives of all IESF partners, clients, and stakeholders. Treat everyone with dignity and respect.
- **Professional communication:** Communicate with professionalism, clarity, and patience. Be mindful of language differences and ensure communications are clear and understood.
- **Cultural awareness**: Educate yourself about the cultural norms and practices of your colleagues and clients. Show consideration and respect for different customs, traditions, and viewpoints.
- **Integrity, honesty, and ethical AI use:** Maintain the highest standards of integrity and honesty in all professional dealings. Avoid any actions that could be perceived as deceptive or unethical. As part of our commitment to integrity, we also ensure the ethical development and use of artificial intelligence (AI). This includes safeguarding privacy and data security, preventing discrimination and bias, providing transparency, and ensuring fairness and accuracy in AI-driven decisions.
- **Confidentiality:** Respect the confidentiality of sensitive information shared by colleagues and clients, ensuring it is only used for its intended purpose.

Shared responsibility

All IESF partners share the responsibility of fostering an inclusive and respectful environment. This includes the obligation to intervene or report any behavior that violates this Code of Conduct. It is our collective duty to ensure that the principles outlined here are upheld consistently across all interactions.

Procedure for handling misunderstandings

It is crucial that all matters related to misunderstandings or potential violations of the Code of Conduct are handled with confidentiality. The person receiving such reports must ensure the appropriate procedures are followed, and consistent criteria are applied.
If a member feels unsafe or dissatisfied, the following steps should be taken:

1. Contact the IESF President: The primary point of contact for any concerns or misunderstandings related to the Code of Conduct should be the IESF President. This ensures a confidential and consistent approach from the outset, with further involvement of the Leadership Council (LC) or Advisory Board if necessary.
2. Contact a Leadership Council (LC) member: If contacting the President is not possible, reach out to any LC member for advice and assistance. However, LC and Advisory Board members should refer matters to the President to ensure a consistent and confidential handling of the issue.
3. Independent mediation: For independent mediation or a conversation with our confidant, you can contact Tim Smith, our trusted advisor and former partner in the USA, at tsmith712@gmail.com. This provides a neutral external resource to act as soundboard or assisting in resolving conflicts.

Consequences of violations

Any breach of this code may result in an internal investigation, which could lead to disciplinary actions. These actions may include a revision of the Country Partner status and, in severe cases, may result in the termination of IESF membership. The enforcement of this code is critical to maintaining the trust and integrity of our network.

10 Register of Partners Interests

Partners are required to register in writing with the Leadership Council (LC): -

- business interests with any IESF Partner both in executive search and outside executive search
- business interests in any other executive search or recruitment firms
- executive search business conducted outside of their own country

The registration should take place at the signing of the Partner Charter. If one of the events cited above takes place after the charter is signed during the year, it should be notified no later than 30 days after the event. The LC will decide what action is required in respect of any conflicts of interest

11 Cross Border Trophy

The Cross Border Trophy is given to the Assignee who completes the most assignments in the financial year.
The Cross Border Trophy is given to the Assignor who activates the most assignments in the financial year.
The information on the completed searches can be seen on the website if Partners keep it updated! *(NB: A search that is fully paid up but no candidate appointed (e.g. where providing candidates for client to benchmark against an internal candidate the search will be considered to be "completed ")*

Signed and agreed this _____(day) of_____(month) _____ (year)

Authorised Signature of (IESF Partner)

Name of IESF Partner Firm and Country

Signed and agreed this _____(day) of_____(month) _____ (year)

Authorised Signature of (IESF Partner)

Name of IESF Partner Firm and Country

Signed and agreed this _____(day) of_____(month) _____ (year)

Authorised Signature of (IESF Partner)

Name of IESF Partner Firm and Country

Signed and agreed this _____(day) of_____(month) _____ (year)

Authorised Signature of (IESF Partner)

Name of IESF Partner Firm and Country