

**‘Security in Complex Environments Group’**  
**TERMS OF REFERENCE**

**1. Objectives**

1.1 The Security in Complex Environments Group (SCEG) is a group for responsible Private Security Companies (PSC) and Private Maritime Security Companies (PMSC) and service providers, operating in complex territories in both the land and maritime domain, who demonstrably operate in a transparent and accountable manner with accredited certification against relevant international standards. SCEG has a well established partnership with the UK Government to raise standards and regulation for the private security industry operating in complex environments. SCEG acts as a focal point to promote high standards across the sector and to represent the members’ interests externally to UK Government Departments, and wider stakeholders. The SCEG will in parallel support the collective competitiveness of the industry globally through representation and promotion of the PSC sector.

1.2 Mission SCEG will represent and promote the interests of its members at the highest level within governments, and amongst clients and stakeholders in order to champion and increase awareness of the well regulated and governed private security sector which is embracing accredited certification against international standards, and support the collective competitiveness of the membership.

1.3 In particular, the SCEG is to provide

- a. An authoritative focal point to which members can refer to understand best practices, compliance, accredited certification and resolution of operating issues.
- b. An authoritative voice for the industry providing context and material for the media on a proactive and reactive basis.
- c. An authoritative focal point for UK Government departments, other governments, clients and stakeholders to which they can refer when seeking an industry view, when formulating requirements and policy in the field of the provision of private security services.
- d. Support to the UK Government in its approach to the regulation of companies who operate in this sector. This will be undertaken through encouraging adherence to voluntary codes and associations coupled with independent third party accredited certification against approved international standards and to monitor Members’ compliance.
- e. A focal point for human rights concerns about the sector reflecting the VPSHR, ICoC and UN Global Compact.
- f. A focal point the industry can use to represent its views to UN bodies, Civil Society, Governments, Flag States and clients.
- g. A group in which Members and Associate Members can discuss, in confidence, technical issues of mutual interest, business opportunities and impediments.
- h. Opportunities for informed discussions with governments, stakeholders and other sectors to raise awareness of Members provision of services and issues concerned with the provision of such services.
- i. A focal point for considering and taking forward ways of supporting the commercial interests of SCEG members on a collective basis. SCEG will leverage ADS Group for business opportunities that are in the collective interests of members.

## **2. Membership Criteria**

2.1 There are 3 categories of membership for SCEG. They are: Full, Associate and Affiliate

### **Full Members**

- 2.1.1 Any registered company which is providing security and other services in complex environments has the right to apply for membership of SCEG, provided that they:
- Have read and agreed to abide by the principles in the International Code of Conduct for Private Security Providers (ICoC)
  - Have read the ICoC Articles of Association and if appropriate may wish to give further effect to their commitment to the code by becoming members of the Association
  - Agree to read and where relevant to reflect the UN Guiding Principles on Business and Human Rights in their processes and operations
  - Have auditable processes in place to demonstrate adherence to the voluntary Codes of Conduct or other principles and Associations to which they may adhere
  - Are prepared to play a constructive role which adds value to the SCEG Membership and the objectives of the Group.
  - Can provide evidence that they are delivering security or other services for clients in complex environments.
  - Can demonstrate, that they have accredited certification or an intent to be certified against relevant standards including where appropriate PSC1 and ISO 28007

### **Associate Members**

2.1.2 Associate Membership is open to those companies and individuals who have a professional interest in the work of SCEG and wish to be kept informed of developments and contribute on relevant issues. Associate Members will include companies in the legal and insurance sector, academics and Certification Bodies. Associate Members do not have any voting rights within SCEG.

### **Affiliate Members**

2.1.3 Appropriate UK Government departments and other stakeholders including non-governmental organisations may be granted 'Affiliate' status, at the discretion of the Executive Committee. Affiliates may be included or excluded from sensitive industry-only discussions, at the discretion of the Chairman. Affiliates do not have voting rights within SCEG.

## **Organisation**

### **3.1 Status**

SCEG is a Special Interest Group within ADS Group Ltd. The relationship between ADS and SCEG is subject to a service level agreement which is kept under review by the Executive Committee. The SCEG Administrator is a part time employee of ADS but the employment costs are met from the SCEG account.

### **3.2 Executive Committee (EC)**

3.2.1 SCEG is to be run by an Executive Committee (EC) comprising a minimum of 7 industry members, elected by SCEG Members and representing both the land and maritime sectors. The Director of Exports at ADS has a standing right to be a member of the EC. The Foreign & Commonwealth Office (FCO) and the Department for Transport both have standing rights to be a member of the EC by virtue of their partnership in this regulatory field. It will be for the EC's

Members to determine if there should be a maximum number of EC Members. They will act impartially in any decision-making process that they undertake.

- 3.2.2 The EC shall appoint a Chairman, whose name and company address are to be notified to all Members. The EC may also co-opt additional industry and/or government and/or civil society experts, where appropriate, in an advisory capacity. The Chairman may designate an Acting Chairman in his/her absence. The Chairman may appoint a Vice Chairman after consultation with the EC.
- 3.2.3 The EC shall meet four times a year or more frequently, if deemed necessary to perform its function. These meetings will routinely be held in advance of the SCEG meetings.
- 3.2.4 The SCEG Administrator will act as Secretary to the SCEG, and provide administrative services.
- 3.2.6 Voting rights will be equal across the elected members of the EC. The Chair or acting chairman shall hold a casting vote. Votes may also be cast in absentia or by proxy.

### **3.3 Executive Committee Rotation**

- 3.3.1 The Chairman and EC Members will serve for a period of two years. At the end of this period they may stand for re-election for a further period of one year. If re-elected as a Member of the EC, the Chairman may stand for re-selection by the EC as Chairman and if successful will be permitted to serve for a second consecutive term of one year as Chairman. A third consecutive term will not be permitted.
- 3.3.2 The period of EC Membership will start from the 1st January. If elected during the year then the two year period will start from the closest 1<sup>st</sup> January to their start date.
- 3.3.3 There will be a minimum quorum requirement for EC meetings of three industry representatives and one non-industry representative.
- 3.3.4 Vacancies on the EC will be filled as and when they arise by calling for nominations from Members and, if necessary, a postal/email ballot will be held to determine the successful candidate(s) who will then serve for the periods prescribed in 3.3.1.
- 3.3.5 For future elections, notification of new EC Members and appointments of Chairmen will be delivered at the Main Meeting next occurring after the election/ballot/appointment. No ratification will be necessary.
- 3.3.6 Whilst facilitating the EC elections the Director should encourage the membership to cast their votes to reflect the broad spectrum of interests in the organisation and to encourage a balance between land and maritime interests.

### **4. Applications for Membership**

- 4.1 All aspirant members are to complete the SCEG Membership Applications Form and return this to the SCEG Administrator. All membership applications will be subjected to a due diligence process. Aspirant members may be required to provide additional information to support their applications on request from the Director of SCEG.
- 4.2 All applications for Membership of SCEG will be reviewed initially by the Director to ensure that the applicants meet the agreed Membership criteria included in these Terms of Reference. Copies of the Terms of Reference are forwarded to applicants with the application form.
- 4.4 Membership cannot proceed further without:
  - 1) Confirmation by ADS that the due diligence checks set out in 4.1 have been completed satisfactorily.
  - 2) The EC has approved the application.
- 4.5 A list of Members of the SCEG will be maintained on the SCEG website.

## 5. Potential Sanctions

- 5.1 Members must not act in any way as to bring the name of ADS or SCEG or their respective Members into disrepute. Membership may be terminated immediately should this occur. Examples of such might include but are not limited to:
- 5.1.1 Acting in a manner which brings ADS and/or SCEG into disrepute, for example, non-compliance, breach of license, non-adherence to the ICoC or relevant Code of Conduct, or equivalent, where applicable
- 5.1.2 Where the application from the Member is found to be materially false or misleading
- 5.2 In addition to summary termination of an organisation's Membership, as the ultimate sanction, there will be a graduated range of sanctions, depending on the seriousness of the alleged infringements, which is available to SCEG to ensure that its Members are complying with its regulations, and not bringing it into disrepute. This includes:
- 5.2.1 Mentoring/guidance/direction
- 5.2.2 Reprimand (oral)
- 5.2.3 Formal warning (written)
- 5.2.4 Fine
- 5.2.5 Dismissal
- Depending on the circumstances, the imposition of these sanctions may be publicised.
- 5.3 If Membership is denied, or a Member is subsequently excluded, a Member may make representations in person or in writing to the EC for the matter to be reviewed.
- 5.4 Membership is vested in the organisation, not an individual. A Member company may terminate their Membership at any time by giving written notice. Fees paid will not be refundable. Where there are multiple representatives, a decision to terminate Membership will be taken as covering the company as a whole.
- 5.5 Members who have left of their own volition (not where they have been asked to leave) may re-join using the same process as that for new Membership applications.
- 5.6 Alleged infringements may be brought to the SCEG's attention through a variety of means, including information from any parties, including complainants. Such allegations will then be investigated by the Director, for assessment as to whether there is sufficient substance to them to warrant a detailed, formal investigation. In the first instance the Director will inform the EC of his findings.

## 6. Meetings

- 6.1 SCEG will routinely meet quarterly but more frequently if required. The EC will meet routinely in advance of the SCEG main meetings.
- 6.2 SCEG Working Groups may be established.
- 6.3 Those eligible to attend SCEG meetings are members, associate members and affiliates. In addition. Invitations may be extended to clients, stakeholders and experts on a case by case basis for the benefit of the membership.
- 6.3 SCEG meetings will normally take place at the ADS offices in Salamanca Square.

## 7. Finance

- 7.1 SCEG is a not-for-profit, self-financing group. Membership Subscriptions will be reviewed annually. Subscriptions rates will reflect a company's Global turnover within the relevant sector – that is the provision of security and services in complex and high-risk environments. The 2016 membership fees are as follows:
- 7.2 ADS Members –
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|--------------------------|-------------|
| (Turnover of up to £5m)  | £920 + VAT  |
| (Turnover of £5m - £50m) | £2320 + VAT |

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|     | (Turnover of £50m+)                       | £3610 + VAT        |
| 7.3 | Non ADS Member<br>(Turnover of up to £5m) | £1290 + VAT        |
|     | (Turnover of £5m - £50m)                  | £2900 + VAT        |
|     | (Turnover of £50m+)                       | £4620 + VAT        |
| 7.4 | Associate Members                         | £1030 + VAT        |
| 7.5 | Affiliate Members                         | No fees applicable |

## 7.6 Subscription Fees

The following is applicable to membership subscription fees:

- Fees should be paid to “ADS Group Ltd”
  - Payments will be made in advance.
  - Membership will be conditional on payment.
  - Payment period will be 1<sup>st</sup> January to 31<sup>st</sup> December.
  - Part year Membership will attract a pro-rata payment.
  - Once made, any payments will be non-refundable.
- 7.7 Attendance at routine SCEG events including meetings will be deemed to have been covered by the Membership fees. Additional attendance charges may be required for other events such as conferences and promotional events. These charges will be agreed by the EC and promulgated to the membership.
- 7.8 The funds will be managed and accounted for through ADS. All payments should be made payable to “ADS Group Ltd”.

## 8. General

- 8.1 Accepting that the Terms of Reference will be amended over time, the application of current Terms of Reference will not be retrospective insofar as eligibility for Membership by existing SCEG Members is concerned. However, if a company lapses its Membership of SCEG and then re-applies to join, the Terms of Reference existing at the time of re-application will be applied.
- 8.2 The intent of the SCEG is to be as transparent as possible in its activities to all stake-holders, though the level of disclosure on individual Member Company contracts, products, customers, activities or any other commercial or security-related information will in all cases be for that company to determine.