

# Operations Manual

April 15, 2021

NPAworldwide

Section A.  
Policies



**NPAworldwide™**

Recruitment Network

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CONFIDENTIAL

## Section A. NPAworldwide Policies

Article 5, Section E of the Bylaws charges the Board to “prepare and maintain an Operations Manual to outline procedures and practices implementing the Bylaws.” The procedures, practices, guidelines, and policies documented here are intended for all members and members’ staff, employees, and contractors. Comments may be advisory or statements of required action. ***Violations will be subject to Board review and may expose members to expulsion.***

### 1. Basic Principles

Trust and cooperation among members are essential to the free flow of information which will ensure the success of both NPAworldwide and its members. In order to assure trust and cooperation, members should not interfere with another member’s operations or misuse another member’s contacts or relationships developed while working cooperatively.

The “But For” concept is a central theme to cooperative engagements between members. “But For” information received from an affiliate, a placement would not have taken place; therefore, it is a cooperative or split placement and reported and treated accordingly.

The key to a cooperative placement is the exchange of information—information of such a nature and timeliness that when it is acted upon results in a placement. No member can “own” a client or candidate. What is important is current information regarding the status of a candidate or a client’s needs which can lead to a placement. It should be noted that it is possible for others to develop the same information independently. However, when information is shared which is not common to both members and that shared information results in a placement, a split placement has been made.

It is equitable to compensate the efforts of exporters when “but for” their work an importer would not have had a particular candidate to place. It is also reasonable to limit the “ownership” of candidates by exporters. Clearly one should not forever “own” the placement rights to a candidate referred to members. The NPAworldwide policy is a combination of the “but for” rule and the concept that once a referring member is compensated for a candidate placement, the candidate is free to select his/her own representative.

### Definitions

*Member / Affiliate*—a recruiting firm that is currently a member

*Originating Office* - the office which first originates a candidate or position

*Recipient Office* - the office to which the originating office transmits candidate or position information

*Importer*— the member with the client relationship and position, searching for candidates

*Exporter*— the member with the candidate relationship, looking to place a candidate in a position

*Cooperative Placement / Split Placement* - whenever two members exchange information, whether directly or indirectly, regarding a candidate or a position which, as a result of that exchange, causes the hire of a candidate by a company or the payment of a fee to a member

## 2. Communication

The core of all placement activity is communication. It is important that all employees of NPAworldwide member firms understand their responsibilities and obligations to communicate regarding placement activity.

In all placement activity, the member having contact with the employer is obliged to report to the office that sent the candidate all significant information regarding the placement, i.e. arrangement of any interview(s), offers and acceptances. Whenever candidate contact information is released to a client company, immediate full disclosure of all information concerning a position, including the name of the client and location, must be communicated to the member supplying the candidate.

Members are responsible for cooperating to facilitate successful placements. A member office must consider the other member office as a full and equal partner in the placement activity and involve them fully in all aspects of the placement process. Contacts made to screen candidates before first interview are not considered part of the placement activity; however, all activity from a first interview (by phone or in person) onward is part of the placement activity until the shared information results in a conclusion.

## 3. Primary Information Source Recognition

It is considered unethical and improper to deliberately use information obtained from an affiliate without sharing in the resultant fee. A cooperative placement is made by the exchange of information of such a nature and timeliness that it significantly contributes to a placement. The exchange of information by itself cannot cause a placement. Someone has to act on that information. Any question dealing with whether a placement is cooperative or not requires consideration of the significance of the information, the timeliness of the information, and the intent behind the actions of the recipient of the information. When the timing and significance of the information is such that a member would not normally have made a placement, a cooperative placement may have occurred.

As members market their services to potential client companies and candidates, utilizing resources available outside NPAworldwide to support their efforts, it is expected that members will find themselves soliciting business from the same clients or recruiting the same candidates. Nothing in the rules restricts the right of a member to develop business opportunities based on information available through non-NPAworldwide channels, even though it may have been previously provided by an affiliate, if in its normal and customary business function, the same information would have developed from these non-NPAworldwide efforts.

#### 4. Secondary Information Source Recognition

Secondary information is information gained by a recipient office as a result of communicating with an originating affiliate's client or candidate which results in new positions or candidates. An originating office may give permission to a recipient office to deal directly with his/her candidate or client. New positions or candidates developed as a result of that approved contact belong to the originating office. The exception to this rule is that, should new *unsolicited* positions be received by the recipient office more than 1 year after receiving the original position, "ownership" of those positions will belong to the recipient office.

Permission to contact a candidate is assumed. Permission to contact may be denied by the exporter by completion of the Don't Contact field on the candidate entry screen. Unless a written document is provided that alters this original and documented request, no contact should be made.

While in contact with a client, if the recipient office receives new positions, they are required to notify the originating office immediately and send all documentation developed. If the originating office fills the new positions with its own candidates then no cooperative placement exists. In this situation, the originating office is free to utilize the NPAworldwide system to make a placement in which the recipient office may or may not be the successful cooperative placement partner.

The major test of information source recognition should revolve around the basic "But For" and "extension of service" rule:

But for the direct information received from another member, or indirect information received as a natural extension of their ongoing service with your firm, a placement would not have been made, then a cooperative placement has occurred.

Affiliate relations are founded upon trust. Part of that trust involves confidentiality and proper usage of information submitted both directly and indirectly to an affiliate. In light of this, no affiliate shall use candidate or position information to develop further candidates or positions without permission (written or verbal) from the originating office.

#### 5. Client Source Recognition

Members may consider an employer to be a direct client except in the following situations:

- a. For specific positions where the client has been identified by an affiliate, candidate referrals must be made through that affiliate.
- b. For specific positions where a member has been placed in direct contact with the client of an affiliate for the purpose of facilitating referrals, those placements will be considered to be cooperative. All subsequent positions received by the member introduced to a client of an affiliate for 1 year after the introduction shall be considered cooperative, regardless of when an offer is extended or accepted. The relationship of an affiliate and their client demands

primary respect and the use of an affiliate's information continues to generate split placements. After 1 year it would be unethical to solicit this affiliate's client. If there has been prior agreement between two members, the terms of that agreement shall prevail regarding the term of obligation.

## 6. Solicitation

Fundamental to the success of the network is that members will not knowingly solicit the work entrusted to a trading partner. Solicitation efforts should be focused on positions and candidates other than those being worked by NPAworldwide affiliates.

## 7. Other Ethics and Procedures

### a. A Direct Relationship Must Exist

A direct client/affiliate or candidate/affiliate relationship must be established prior to sending either positions or candidates to other members. Establishment of a direct relationship requires that value be added through supplying information beyond that contained in job ads or resumes sourced from an outplacement service or web postings. Direct contact must be current and first hand, and gained through extended written or voice contact with the client or candidate. Failure to have established a direct relationship with either the candidate or client may result in the forfeiture of any claim to a cooperative placement or other such penalty as determined by the Board. NPAworldwide forbids the use of an alias or fictitious name on a candidate submittal.

### b. Do Not Contact Clients Without Permission

Importers are not required to provide access to their employer/client. Contact with an employer client of an affiliate, without the express permission of that affiliate, relative to that client's consideration of a candidate or the collection of a fee is in violation of these rules. Should there be a significant delay in agreed payment terms by a client, it may be appropriate for the affiliate with the client relationship to allow direct client contact to facilitate accelerated payment or confirmation of the expected date of payment.

### c. Permission is Required Before Contacting Candidates

Permission to directly contact an affiliate's candidate is *automatically assumed* unless prohibited by comment in the Don't Contact field. Members who do not supply a work phone number are expressly requesting that contact at the candidate's place of employment not be made. Members must exercise caution when contacting candidates at work.

### d. Solicitation of an Affiliate's Candidate is Prohibited

An importer is prohibited from soliciting an exporter's candidate by sending update or other communication including, but not limited to, personal and job history questionnaires, agency

promotional letters, brochures, or business cards. An update communication may include, but is not limited to, an email, phone call or letter. An update communication may be sent to an originating member's candidate if a copy of the update communication is also sent to the originating member. Such candidate update communication must include the name of the originating office and recruiter's name as the original referral source.

**e. Secondary Sourcing**

Secondary sourcing occurs when a candidate is asked to provide or voluntarily provides referrals for additional candidates or position openings. Affiliates may note on a candidate record "No Secondary Sourcing." Receiving members are required to comply and a failure to do so can result in arbitration and economic sanctions against the offender.

**f. Recognition of Affiliate Submittals**

It is always appropriate to respond to affiliates with recognition of a submission and provide feedback in a timely manner. If you do not wish to be burdened with recognition of submittals from affiliates (an important component to working within a split fee network), then do not share position openings with partners.

When a member receives the same candidate or position from more than one affiliate, it is acceptable to recognize the first received or, alternatively, to recognize the originating office that furnished the information which caused the placement activity to start.

Position openings shared with affiliates will generate candidate submissions. If such a submittal triggers interest in the candidate and the member with the position then "finds" that same candidate in their files, the current referral is recognized. The current referral is credited for generating the interest. If the submittal identifies a candidate already under consideration by the member with the position opening, the submitting affiliate must be told immediately of the prior consideration of the submitted candidate. This is why recognition of affiliate submittals is a necessary requirement of membership.

If a member receives an unsolicited candidate referral not related to a currently shared position opening and has the candidate in their files, the receiving member does not owe a split on placing that candidate in a future position opening.

**g. Direct Response to Advertising/Marketing**

Clients and candidates referred to you by an affiliate may subsequently come directly to your firm in response to normal advertising or marketing efforts. All referrals made to you prior to this direct contact are shared and will result in a split fee if completed.

**h. Do Not Share NPAworldwide Information Outside of NPAworldwide**

Information regarding your affiliate's clients or candidates may not be shared with any non-member firm at any time without the permission of the originating office. Failure to comply with this rule could result in your paying an affiliate for a cooperative placement if that non-member agency makes a placement as a result of the information you gave them, even if you received no financial benefit.

**i. Referred Candidates Remain Shared**

Candidates placed by members shall not be recruited or solicited for alternative opportunities by either the importing or exporting member. A candidate referred by one member to another remains a shared candidate unless:

- a) Placed by a member in a full-time job, the entire fee collected, and the guarantee period satisfied.
- b) Placed by a member in a contract job that lasts a minimum of one calendar year, and all split fees due were collected.
- c) The candidate responds directly to a member's advertising or other normal marketing or recruiting activities.

If no fee has been shared and a member contacts a candidate previously referred to them by a member because of that referral, or the candidate contacts a member because of another member's original referral, any placement which results from that contact will be a split placement.

**j. Define Client Contact Rules**

Members are cautioned that when you place an affiliate in direct contact with your client, the arrangements must be clearly defined, preferably in writing. Any willful interference by a member with the relationship between the original referring member and their client company will be considered improper conduct. For these provisions to take effect, the affiliate receiving a position opening must first be given an opportunity to refuse the order.

**k. Placement of Hiring Authorities**

Members who make placements by introducing affiliates' candidates into hiring authority positions deserve a degree of protection on position openings subsequently issued by that placed candidate. For a period of 1 year following the start date of that placed candidate and in the absence of documented activity between the exporting affiliate and the importer's client firm during the 1-year period immediately preceding the placed candidate's start date, placements resulting from positions referred to the initial exporting affiliate by that placed candidate are to be considered split placements if still employed by the importing member's client.



## I. Open Position Postings

NPAworldwide discourages the use of open position posting; that is, orders which disclose the client and other client contact information.

### Sample Scenarios

#### Example 1

Member A sends the resume of candidate X to Member B. B presents the candidate to his/her client, arranges an interview. The client hires candidate X. This IS a cooperative placement.

#### Example 2

Member A sends Member B a position from Client X and authorizes B to contact his/her client directly. B presents one of his/her candidates to the client, arranges an interview, and the client hires the candidate. This IS a cooperative placement and "A" is the billing office.

#### Example 3

Member A sends Member B a candidate. B does nothing but file him/her. Sometime later B receives the candidate's resume directly from the candidate as a result of normal advertising or recruitment efforts. B then places the candidate. As long as B did not use the information gained from A's referral to deliberately target the advertising or recruitment, no cooperative placement occurred. If B had deliberately run an ad, engaged in social media research, et cetera as a deliberate attempt to acquire that candidate directly, then an ethics violation has occurred and a cooperative placement payment would be due A.

The key is the same for candidates or clients (as a result of a shared position opening)—did B use the information and based on that information, intentionally do something to acquire the candidate or client for themselves? Nothing can or should restrict the normal candidate and client acquisition methods of any affiliate.

#### Example 4

Member A discusses a position opening with Member B and reveals the client name. B commences work on A's position. Later, B, through NORMAL marketing or ad follow-up, obtains the same position and makes a placement. That placement on the specific position opening is a cooperative placement. Should a different position from that client be filled, no cooperative placement has occurred if B did not target the company because of the information from A.

**Example 5**

Member A sends/discusses a position with Member B. B takes no action. Subsequently, B discovers the position independently through NORMAL marketing efforts and makes a placement. This is not a split placement, as long as B did not use any information provided by A to acquire that position. B should inform A if a position is received directly to avoid conflict and suspicion at the time of placement.

**Example 6**

Member A sends Member B a candidate. B talks to the candidate and obtains (asks for or is given) the names of other potential candidates. Such additional candidates belong to the original member and all information about such additional candidates must be provided to the original member immediately. If successfully recruited and placed, B owes A a cooperative placement fee.

**Example 7**

Member A refers a candidate to Member B who subsequently places the candidate. Due to a merger, the fee is not paid and the candidate is laid off. The candidate then contacts B for assistance. If B successfully places the candidate, it IS a split placement because no fee was paid on the initial placement.

**Example 8**

Member A refers a candidate to Member B who subsequently places the candidate on a six-month contract. After the contract is completed, the candidate is let go and B places the candidate on another contract. Because the initial contract lasted less than one year, this IS a split placement.

**Example 9**

Member A refers a candidate to Member B who subsequently places the candidate. Ten months later, after the fee and guarantee period are paid and satisfied, the candidate contacts B for assistance and B places the candidate. This is NOT a split placement as the initial placement resulted in a fee being shared.

**Example 10**

Member A refers a candidate to Member B who arranges interviews but does not place the candidate. Eighteen months later the candidate contacts B, who subsequently places the

candidate. Because the candidate only knew of B "But For" A's referral, and no fee was previously earned, this IS a split placement.

**Example 11**

Member A refers a candidate to Member B who arranges an interview but no placement occurred. Later, the candidate responds to B's advertising for a similar position and B places the candidate. As long as the ad was not targeted to acquire a particular candidate, this is NOT a split placement because the candidate responded to B's normal advertising.

**Example 12**

Member A refers Candidate X to Member B who interviews the candidate but no placement occurred. Several months later, in the process of recruiting for a position, B is referred to X by a third party B was attempting to recruit. B calls, recruits, and subsequently places X. This is NOT a split placement because X was contacted through a third party referral and NO information from A was used in the contact. (NOTE: If B, when given X's name by the third party, remembered X and uses information originally provided by A, it IS a split placement.)

**Example 13**

Two members submit the same (or similar) position. The recipient office decides with whom to work. It is possible and allowable to submit candidates to both members. It is highly discouraged to submit the same candidate to each member if it is the same position in the same company.

**Example 14**

A member is contacted and given the details of a position and declines the opportunity to work cooperatively on the position. The member then directly solicits the client and obtains that position. If the previously received information was used in soliciting the client, a split placement IS due if the position is filled. If the member is contacted by the client and given the same position, provided there was no solicitation, a placement is NOT considered a split placement.

**Example 15**

Member A provides Member B with the details of a position. B says, "We often deal with this client and will supply candidates, but if they call us we will also deal directly with this client." This is an acceptable course of action. If a resume is submitted through A, then a split placement takes place. If a resume is submitted directly by B, a split does not take place. It is not appropriate to submit the same candidate to both A and the client.

**Example 16**

Member A receives a position through the NPAworldwide system and makes a guess as to the client. Member A speculatively sends a resume directly to the client and a placement follows. This IS a split placement as A used the information provided by a member to make a placement. When working with members, it may be wise to identify the client in order to receive protection under NPAworldwide rules.

**Example 17**

A candidate of Member A is placed by Member B. The candidate is impressed with the efforts of B and when next seeking a position change, contacts B. This is NOT a split placement.

**Example 18**

A candidate of Member A is placed by Member B. The candidate is impressed with the efforts of B and tells coworkers about B. "But For" the work of A in obtaining the candidate, in the absence of other factors, these candidates would be considered as sourced from A's original candidate and belong to A.

**Example 19**

A candidate of Member A is placed by Member B. The candidate is impressed with the work of B. Member B advertises for candidates, and coworkers of the candidate respond to the advertisement. These candidates belong to B.

**8. Three-way Placements**

Placements involving more than two members are discouraged. Three-way placements involving a third party outside of the NPAworldwide network are not covered by the Bylaws, including indemnification and dispute resolution.

**9. Restrictive Employer Contracts, Fees, Agreements, or Terms**

The use of restrictive written contracts or agreements developed by employers governing their dealings with recruiting firms is of concern to all members. Any member wishing to refer another member's candidate to a client or use Matchmaker to promote a position where a direct client relationship exists but such a restrictive contract is in place (VMS or other), must first communicate the full meaning of the terms of the contract to the member supplying the candidate or detail the conditions in the Matchmaker posting. Failure to do so could obligate a member to payment of a fee equal to that listed on the

member's published fee schedule in the event of the affiliate's candidate obtaining employment with the client, even if you are not compensated by the client.

Members are prohibited from posting positions to Matchmaker or the NPA Job Board that are obtained through Bounty Jobs, from a VMS portal, or similar services. Members are further prohibited from submitting NPA members' candidates for consideration for any position managed by Bounty Jobs, Job Scout, Recruitify, Reflik, Talentvine, a VMS portal or similar services without first fully informing the NPAworldwide partner and gaining permission to submit a candidate, preferably in writing. While three-way splits are discouraged, members are permitted to enter into partnerships to work positions managed by these services but will not be covered by indemnification or dispute resolution processes. Successful placements are subject to brokerage on the fee amount split.

### **10. Advertising Members' Positions**

Members potentially advertise or otherwise publicize information contained in positions shared through NPAworldwide. The receiving member is required to ensure neither the originating office nor the originating office's client can be identified. NPAworldwide systems have a "Permission to Advertise" selection option that communicates the intent of the originating office. Publication of a position, either in its entirety or in a modified version, for which permission to advertise has not been established is a violation of policies and procedures and may be grounds for expulsion.

### **11. Doing Business with a Former Member/Former Employee**

Members may resign or be terminated for a variety of reasons. Members should carefully consider working with former members. There may be conditions that led to resignation or termination of a firm which should be taken into consideration when continuing to work with that firm. Members are encouraged to work with NPAworldwide members rather than non-members. Members have met strict conditions for membership, have documented payment histories, and have executed agreements protecting confidential client and candidate information.

NPAworldwide has a significant investment in its membership. Therefore, for one year following termination, if a member works with a former member, or two former members work together, all placements made with the former member are subject to brokerage, payable by the current and former member, to NPAworldwide.

Brokerage is due on split placements made between a member and any person who in the previous 12 months has been employed or contracted to a member. Brokerage is to be collected by the member (irrespective of whether they are an importer or exporter) and remitted to NPAworldwide in accordance with standard procedure.

## 12. Brokering of Candidates

Members must have a direct relationship with each candidate submitted. Members shall not submit candidates through NPAworldwide systems, or directly to members, who belong to another organization, placement firm, or agency.

## 13. Marketing of NPAworldwide / Self-Promotion

Members are not authorized to solicit business by representing themselves as NPAworldwide's exclusive representative. No member may use the NPAworldwide name or logo as its primary identifying name or logo.

NPAworldwide functions shall not be used to foster or promote members' products or services that extend beyond the normal exchange of positions or candidates. In some situations, sponsorship opportunities are available for a fee.

Confidential information derived from or provided by NPAworldwide is to be used by members *only* for business activity relating to the exchange of candidates and positions. Member use of confidential NPAworldwide information (emails, addresses, phone numbers, etc.) for unsolicited promotion of products and/or services, charitable activities, political activities, or any other personal non-NPAworldwide interest, is inappropriate. The offending member is subject to expulsion. NPAworldwide will designate appropriate methods or locations for unsolicited promotion, if the Board agrees to make such an option available.

## 14. Professional Staff

Each member has a significant investment in training and developing recruiters, employees, and staff ("professional staff"). For reasons described above, no member shall hire professional staff of another member during the term of employment and for a period of one year following termination of employment. This restriction may be waived only by written consent by the affected member. Such consent may be withheld in the sole and absolute discretion of the affected member. In the event of denial, the hiring member may, by written appeal to the Board of Directors, seek relief.

The restrictions imposed by this section only restrict hiring by members and the restrictions are not intended to prevent any recruiter or employee from seeking new employment outside of the NPAworldwide network. Since members constitute a small percentage of recruiting firms, the restrictions imposed by this paragraph should have nominal impact upon an individual's ability to obtain alternate employment. Nothing contained in this paragraph shall relieve a departing individual from his or her continuing obligation to protect confidential or proprietary information of NPAworldwide and its members.

NPAworldwide policy considers the circulation of positions for recruiters, managers, associates, etc. to the offices of NPAworldwide affiliates to be unethical conduct. A member shall neither entice nor recruit another member's employee to change companies.

## 15. In-house Recruiting

In-house recruiting occurs when a member or member employee(s) works on contract exclusively for a client. In such instances all members are required to:

- a. Notify NPAworldwide immediately of such a client relationship.
- b. If an affiliate is engaged in a search for the contract client they must be notified in advance of this relationship.
- c. Ensure strict adherence to NPAworldwide bylaws and policies with specific attention to policies on candidate ownership.
- d. If a placement occurs, brokerage is due.

## 16. NPAworldwide Job Board Usage and Policies

- a. The use of the Job Board requires payment of a fee when a candidate sourced from the Job Board or a secondarily sourced candidate is placed by a member. The current fees as established by the Board of Directors are:
  - i. 12% of the amount to be paid by the client for candidates that applied to your job posting. Candidates so identified remain shared candidates for 1 year. Placed secondarily sourced candidates require a 12% fee if sourced (not placed) within 12 months of the initial candidate referral from the Job Board and will remain shared candidates for 12 months from the point they are secondarily sourced.
  - ii. If the candidate is registered to the system and not a direct applicant to your posted job, then a 17% fee is due upon client payment.
  - iii. Job Board candidates used in member-to-member splits require a 5% brokerage from the parties engaged in the split.
- b. It is permissible to post "recruiter" positions on the Job Board in an effort to locate non-NPAworldwide applicants. Refer to "Professional Staff" above for policies concerning member applicants to posted positions.
- c. Members may not post their contact details anywhere on NPAworldwide Job Board position descriptions.
- d. A position shared with affiliates and/or on the NPAworldwide Job Board must be a bona fide, current position from a client company with which you have a direct relationship. Speculative or generic positions used to solicit commonly-required candidates are not permitted.
- e. Filled positions must be removed immediately.
- f. Falloffs will be refunded when the member recruiter refunds a client fee. If a replacement guarantee is in place and the candidate is replaced either via another Job Board candidate or otherwise, no refund will be provided. When replaced by a member-to-member split, brokerage is not required from the importer's side.
- g. For falloffs that require a client fee refund, NPAworldwide will base the refund on the time after the candidate start date and consistent with prorated refund policies a member has extended to a client. If the falloff is:
  - i. 1-90 days after start date, up to a 100% refund will be considered

- ii. 91-180 days after start date, up to a 50% refund will be considered
- iii. 181 plus after start date, no refund will be offered
- iv. For example, if the fee schedule is a 90-day prorated refund and the candidate left after one month, then two-thirds of the job board fee would be refunded to the firm required to refund a fee to their client.

## 17. TEAM Split Placements

NPAnworldwide has entered into a partnership with TEAM (The Employment Agents Movement) to increase coverage and opportunity for NPAnworldwide members outside the UK. When working with TEAM the following apply to the NPAnworldwide member or a dual NPAnworldwide/TEAM member:

- a. When an NPAnworldwide/TEAM dual member, based in the UK, engages and completes a split with a TEAM-only member, no brokerage is due if the position, candidate, and every aspect was managed and sourced outside of NPAnworldwide systems.
- b. In all other instances, brokerage is due. The NPAnworldwide or DUAL NPAnworldwide/TEAM member should request confirmation, in writing, of the terms for the split being worked, including the percentage (typically 47.5% NPAnworldwide firm – 47.5% TEAM firm – 5% NPAnworldwide), guarantee period, currency, minimum acceptable fee, and any other needed details.
- c. If a split is made, the NPAnworldwide member must report the placement and submit the brokerage. List your firm as the importer and list TEAM #8000 as the Exporter. In the comments field please list "TEAM Split" and the name of the TEAM firm. Collect and submit NPAnworldwide's 5%. Failure to report placements and submit brokerage from splits with TEAM shall constitute grounds for suspension or expulsion from NPAnworldwide.

## 18. Verification Procedures

As provided for in the bylaws, the Board, by majority vote, may authorize an inspection of the operations of any member for the purpose of verifying compliance with policies and procedures. An inspection may be conducted by the Chairperson/CEO and/or individuals appointed by the Board of Directors. These individuals may be officers or other members of NPAnworldwide, attorneys, accountants, or other agents with such investigative, business or other skills as the Board shall deem necessary or beneficial in order to conclude the verification. Procedures may include review and copying of business records or other information regarding a member's operations. The examination shall be limited to those records and information pertaining to NPAnworldwide-related matters and only to the specific complaint or items closely related to the complaint.

Anyone appointed to conduct an investigation shall, as a condition of accepting the appointment, execute an agreement of confidentiality. This agreement shall require the appointee to maintain confidentiality of matters that do not relate to NPAnworldwide, do not relate to the complaint, or are not closely related to the complaint coming to the appointee's attention, while conducting an examination. The appointee will only disclose information relevant to NPAnworldwide matters to those officers authorized to receive it. The Board of Directors shall not be required to provide any advance notice of any verification procedures. Any member subject to verification procedures shall immediately comply with any and all requests for



information and with any and all requests to secure business records or other information regarding the member's operations.

The Chairperson/CEO of NPAworldwide shall provide any appointee with written authorization confirming his or her authority to conduct verification procedures. A member may also confirm authorization of any such appointee by telephone with the Chairperson/CEO, Secretary/ Treasurer, Director, or President.

Failure of any member to cooperate fully with the verification procedures shall constitute grounds for suspension and/or expulsion. If the Chairperson/CEO or his/her appointee encounter the refusal by any member to cooperate with verification procedures set forth herein, then the Chairperson/CEO or his/her appointee may seek such legal or equitable relief from the courts as they shall deem appropriate. If verification procedures reveal a breach by a member of the NPAworldwide Membership Agreement, Bylaws, or Operations Manual, and there is financial harm or potential financial harm to another member or NPAworldwide, then such member shall, in addition to other damages, be required to reimburse NPAworldwide for all fees and expenses incurred with respect to verification procedures, including without limitation, actual attorney fees incurred to enforce such procedures. Such reimbursement shall be limited to direct costs and expenses incurred in the investigation and verification procedure.

### **19. Discrimination and Privacy**

Discrimination and privacy laws vary widely from country to country and within each country. Members must comply with relevant discrimination and privacy laws and statutes.

Positions submitted through NPAworldwide may never contain any reference which would be a blatant violation of applicable anti-discrimination policies. Candidate descriptions fall under the same restriction. Information on the resume/CV is supplied by the candidate. However, recruiters should never solicit or suggest the inclusion of discriminatory information on the candidate's resume/CV.

Sometimes members will share candidate and position records through NPAworldwide that contain offending comments. Members should be aware that with a real-time sharing system, records are immediately available "as is" to other trading partners. NPAworldwide does not guarantee that records are reviewed for objectionable content or that objectionable content is removed prior to posting.

In no event shall NPAworldwide or any other member be liable for any damages arising out of a member or a member's client's unlawful discriminatory use of NPAworldwide's database information or services, however arising, including negligence. Members agree to indemnify and hold NPAworldwide and its subsidiaries, affiliates, officers, directors, agents, employees, and other members harmless from any claim or demand including reasonable attorney fees arising out of a member's, or that member's client's, breach of the Bylaws and Operations Manual prohibitions on discrimination.

### **20. Member Disputes**

Past experience has proven most incidents involving members have been the result of inexperience or lack of knowledge regarding recognition and handling of other affiliates' candidates or positions. Whether

a member is new or a veteran to the concepts of networking and split placements, members and recruiters who are new to the network must become familiar with NPAworldwide policies and procedures. It is the member's obligation to become knowledgeable in these matters. Further, each owner should make it mandatory for their professional staff to be aware of NPAworldwide policies and procedures. In the history of arbitration, never has there been a case where ignorance was grounds to excuse an offending member's actions.

Reference materials to educate members, owners, and professional staff about NPAworldwide policies, procedures and practices include:

- Bylaws
- Operations Manual

These items are available on the members-only website. Members are further advised to seek the guidance of a Director before taking action if there are questions about what is right or wrong.

If you have a dispute with another member, the progression of resolution is as follows:

- Recruiter to recruiter
- Owner to owner
- Owner to Director
- Director with Director
- Directors with Executive Committee
- Board Review
- Arbitration

## 21. Code of Conduct and Ethics

NPAworldwide operates for the mutual benefit of its members, client companies or employers, and candidates and is committed to the highest standards of ethical business practices.

Members and their employees, while representing NPAworldwide, are prohibited from all forms of harassment of other members and their employees, employees of outside contractors and vendors, visitors, candidates, or clients. This includes any demeaning, insulting, embarrassing, or intimidating behavior directed at anyone related to gender, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion, veteran status, national origin, or any legally protected status.

NPAworldwide specifically bans unwelcome sexual advances or physical contact, sexually-oriented gestures and statements, and prohibits retaliation against anyone who rejects, protests, or complains about such sexual harassment.

Members and their employees are expected to act in compliance with this Code. Violation of these principles will be dealt with in an appropriate disciplinary action, including expulsion. Any member or employee under investigation may be suspended pending completion of the investigation.