

Membership of The IFT

Guidance Notes for Applicants

The membership application process is split into 3 separate stages:

1. The Applicant prepares paperwork and checks it against The IFT requirements with the option of guidance from the Executive or mentor
2. An accreditation interview with two appropriate and experienced trained members of The IFT
3. Post interview reference checks by the Executive

Stage one-Supply of information

Please collate and send the following information to Jitesh Mistry or Ruby Fitzpatrick, The IFT Membership Executive, at 307 Blackfriars Foundry, 154-156 Blackfriars Road, London SE1 8EN. If you have any questions then please email jmistry@the-ift.com or rfitzpatrick@the-ift.com. Alternatively please ring the office on 020 3668 0422.

<p>Prepare a cv (a specimen is available for your guidance)</p>	<p>This should:</p> <ul style="list-style-type: none"> - be up to date - be chronologically complete with no unexplained gaps - highlight within it the three turnaround assignments you wish to have considered as cases studies or no less than two examples of transformational activities
<p>Competency based case studies or examples of transformational activities (from here in referred to as assignment/s) - specimens are available for your guidance)</p>	<ul style="list-style-type: none"> - Detailed assignments, in The IFT prescribed format. Each assignment will eventually be sent to your referee for their agreement on its content and verification of your role as detailed <p>Note: The assignments should clearly highlight what your role and involvement was; the key elements of your involvement including the results of these; and the overall outcome for the business. Each assignment should be approximately one to one and a half pages long and clearly demonstrate the leadership impact you had. The assessment of suitability of the assignments will be made by members of The Executive using their discretion</p>

Core Competencies Assessment form	<ul style="list-style-type: none"> - assess your own skills and competencies on the form on a scale of 0-5 - select what you consider to be your 5 primary and 5 secondary skills and highlight these
Assignment referees	<ul style="list-style-type: none"> - please select one referee for each assignment - referees will normally be the person to whom you were responsible during the assignment - state your relationship to them - please provide full contact details - we recommend you seek a referee's approval before submission <p>Note: A person will be acceptable as referee if he or she is an individual who either was responsible for the applicant while on the assignment outlined or who has detailed personal experience in working closely with the applicant on the assignment so as to be able to give an independent and frank assessment of the applicant's skills, expertise and compliance with <u>The IFT's Code of Ethics (see page 6)</u>. The referee does not need to be a member of The IFT (although applicants are encouraged to choose members as referees where possible).</p>
Sponsors - you must be proposed for membership of The IFT by two sponsors	<ul style="list-style-type: none"> - they must know you in a broader professional context - they must have an understanding of the turnaround and or transformation environment and preferably of The IFT - they must have some standing in their own profession and have credibility in the eyes of The IFT - they should know you well-usually over a number of years-but they must be in a position to be <u>objective</u> - the sponsor should not be considered to have a commercial interest in the prospective member's application
The IFT Due Diligence checks	<ul style="list-style-type: none"> - conduct Company House, Disqualified Directorship and professional membership checks - any other checks deemed necessary by The Executive

- Note:
1. **ONE** assignment referee **MAY** also act as a sponsor if appropriate
 2. Sponsors will be approached prior to your accreditation interview. Referees will **not** be approached until after your interview, assuming it is successful
 3. All information provided by you will be treated in the strictest confidence

On receipt of the application, members of The Executive will review the assignments and determine, in their discretion, whether they meet the criteria required to progress to an accreditation interview. The Executive may, in their discretion, request that the applicant submits a revised or a new assignment. Once the Executive has determined that the application is acceptable, it will contact the applicant's sponsors to assess whether, in the opinion of The Executive, the sponsors meet the sponsor criteria. Where The Executive has doubts as to whether a sponsor or sponsors meet the criteria, the applicant will be asked to nominate an alternative sponsor who in the eyes of the Executive and at the Executive's discretion meet the criteria.

Where the sponsors meet the sponsor criteria, the applicant will then be asked to attend an interview with two trained Accreditors (Members of The IFT). The conversation lasts between 60 and 90 minutes and its purpose is for the applicant to demonstrate that he/she has the appropriate experience and knowledge to be considered for membership of The IFT.

Stage two-The Accreditation Interview

Accreditation Interview arrangements	<ul style="list-style-type: none"> - The IFT Executive will arrange for you to meet two appropriate and trained Members of The IFT to discuss your application - the meeting will take place in London or within one of The IFT regions at an appropriate venue. You will need to set aside about 90 minutes for the interview itself
Your responsibilities	<ul style="list-style-type: none"> - to talk about your career as a whole, your turnaround and / or transformation activities and in particular discuss your assignments using your experiences to demonstrate your suitability for membership of The IFT - to demonstrate your personal integrity and willingness to abide by The IFT's Code of Ethics, which includes your past career - to reveal your interest and commitment to turnaround and / or transformation and to explain why you wish to become a Member of The IFT
The accreditors' responsibilities	<ul style="list-style-type: none"> - to satisfy themselves that the assignments submitted are genuine and acceptable examples of turnaround and / or transformation - to assess your core competencies self-assessment form against the range of skills and qualities you have including those that have been exhibited in a turnaround and / or transformation environment - to assess your specific experiences under the following key areas: <ul style="list-style-type: none"> • The ability to identify, anticipate and resolve a crisis

	<ul style="list-style-type: none"> • The ability to develop and deliver a viable and workable plan that can be implemented with the necessary speed • Experience in negotiating key changes to the financial and/or operational structure of the business with a range of stakeholders • The skill to take responsibility, leading and / or have a crucial role in delivering and promoting the changes required <p>- to review your referees to ensure they are appropriate and verify your sponsors' responses</p>
<p>Accreditation Interview conclusion</p>	<p>- at the conclusion of the meeting the interviewers will advise whether or not they are prepared to grant you membership of The IFT in principle, subject to satisfactory referencing.</p> <p>- should membership not be granted at the interview, the accreditors will discuss their reasons with you and either: consider any appropriate next steps; or refer your application to The IFT referral panel</p>

Stage three-Completing the process – The IFT Executive

<p>The Executive</p>	<p>- we will then ask your referees to validate your case studies</p> <p>- subject to these being satisfactory you will be formally invited to become a member of The IFT</p>
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Frequently Asked Questions

How do I choose my sponsors? – Sponsors are more than character referees. We are looking for two people who have known you throughout a reasonable portion of your commercial/professional life, including your time in turnaround and / or transformation. They need to know and understand what you do and although they need not necessarily have worked with you it is of help if that aspect forms part of the relationship. They must be independent of you and be prepared to say that they consider you a suitable person to join The IFT.

My sponsor appears to meet your criteria but is unlikely to be known to The IFT. Is this acceptable?-IF this is the case we must be able to independently verify the standing of the sponsor. In many instances this is straightforward e.g. a director of a quoted company or a partner in a reputable professional practice. In other circumstances it can prove more difficult. As each case is unique please discuss this initially with The Executive and then with your interviewers to ensure the process can progress smoothly.

Other than sponsors and referees, do you undertake any further checks? – We will acquire a list of directorships, past and present, search the disqualified directors' register and check professional memberships. **We reserve the right to undertake further checks if we feel it appropriate.**

What do you mean by 'genuine and acceptable examples'? –We want to see genuine turnaround and transformation assignments usually covering a period of at least six months in duration. We recognise that members and prospective members do other work from time to time that is both valuable and satisfying but does not have the turnaround or transformation elements we require. Ideally the assignments submitted for application should have a satisfactory outcome for stakeholders. When this is not the case we need to be satisfied that real added value was displayed during the assignment.

One of my turnarounds/transformations was a subsidiary/division or a critical programme of a larger business. Is this acceptable? – Provided the assignment allowed you to actively employ skills and attributes that we look for in our members then such a turnaround or transformation example would be considered.

Do I need to demonstrate that I have all the skills and attributes on the self assessment form? – We do not expect an applicant to be fully competent in every area identified. We look for a balanced level of experience consistent with the type of work an applicant normally undertakes.

One of my turnaround case studies was undertaken some years ago. Would this be acceptable? – It is essential that applicants are currently active in the turnaround and transformation market. Provided this is the case then we are prepared to consider older assignments.

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1. INTRODUCTION

1.1. This code contains guidance and information on the principles of conduct and ethics for all accredited fellows/ members [hereinafter collectively referred to as 'member']. Nothing in the code shall relieve a member from any obligations, which may be imposed by primary or subordinated legislation or by any professional code or regulation to which the member is already subject.

1.2. A member shall be expected, in performing his or her duties, to observe the spirit, as well as the letter, of the code. The standards set out in the code shall not be lowered and shall apply as a minimum.

2. GENERAL OBLIGATIONS

2.1. A member shall maintain his or her knowledge of the practice of turnaround, crisis management and corporate renewal and shall at all times respect the practice and contribute to its enhancement. All members are required to continually enhance and update their knowledge within this field through the completion of annual CPD requirements (see Note 153), in order to maintain professional standards and to retain membership of the IFT.

2.2. A member shall not accept work or carry out work in a way which will involve a breach of the law. If the work requires authorisation or licensing, a member must not perform such work unless and until they are properly authorised or licensed.

2.3. A member must not, and must not permit another person to do anything on his or her behalf, which is likely to bring the turnaround profession and/ or the IFT into disrepute by their actions or words. All members are encouraged to proactively promote the IFT and the importance of accreditation.

2.4. Members are required to act at all times in the spirit of the IFT's Mission, which is "to be the recognised UK professional body for the highest quality individuals and institutions implementing, advising and funding successful turnarounds".

3. FUNDAMENTAL PRINCIPLES

3.1. A member is to uphold the following principles:

Integrity. Behave with integrity in all professional appointments. Integrity implies not merely honesty but fair dealing and truthfulness.

Objectivity. Strive for objectivity in all professional judgements. Objectivity is the state of mind that has regard to all considerations relevant to the task in hand and is independent of personal feelings or opinions in considering and representing the facts.

Competence. Not accept or perform work which the member does not have the necessary ability or knowledge to undertake, unless the member obtains advice and assistance which will enable the member to competently carry out the work.

Due Skill. Carry out work with care and skill, diligence and promptness and with proper regard for the technical and professional standards expected of a member.

Courtesy. Behave with courtesy and consideration towards all with whom the member comes into contact during the course of an assignment.

4. OBLIGATIONS

4.1. A member shall owe a duty of confidentiality to clients and shall safeguard the confidentiality of any information acquired during the course of an assignment. The duty of confidentiality is not determined by the end of the assignment on which the member was engaged.

4.2. There may be exceptional circumstances where the member's duty of confidentiality can be overridden. These may include where:

- i. express consent is granted by a client or other suitably authorised person. Where a member is in possession of confidential information received from joint clients, the consent of both clients is required to waive the duty of confidentiality;
- ii. there is a statutory right or duty to disclose;
- iii. a court orders that such matters are to be disclosed; or
- iv. to maintain confidentiality would assist in the commission of a crime.

4.3. A member shall not use confidential information to promote his or her private interests.

4.4. Members may suspect or encounter evidence of a number of criminal offences during the course of their work. These may include:

- i. drug trafficking or terrorism;
- ii. theft, obtaining funds by deception, false accounting, suppression of documents, fraud and forgery;
- iii. offences in breach of Company Law;
- iv. perjury and offences under the Prevention of Corruption legislation;
- v. bankruptcy or insolvency offences, frauds on creditors, false trade descriptions and offences arising out of relations between employers and employees;
- vi. conspiracy, soliciting or inciting crime and attempting to commit crime;
- vii. tax evasion;
- viii. insider dealing.

4.5. A member who suspects or becomes aware that an officer or employee of a client has committed some fraud or other unlawful act should normally notify the client's management at an appropriate level. However, where the conduct may involve money laundering or dealing in criminal property, the member may be under an obligation to make a suspicious activity report (SAR) to the Serious Organised Crime Agency (SOCA) and in such cases may be under a legal obligation not to 'tip-off' the person who is the object of their

suspicion. The obligation to make an SAR and not to tip-off is more likely if the client operates in the 'regulated sector'. This is defined in Schedule 9 of the Proceeds of Crime Act 2002 (as amended) and, broadly, means financial and insurance businesses but it also covers estate agency, tax advice, dealing in property and company and trust formation. Full details are outside the scope of this code of ethics but guidance is available from the UK Financial Intelligence Unit section of the SOCA website www.soca.co.uk. In cases of any doubt, members should seek urgent advice before making any disclosure to the client or otherwise.

4.6. Members are advised to maintain appropriate working records whenever engaged in turnaround activities. These remain the member's own property and any request for their production should normally be refused.

5. ENGAGEMENT WITH CLIENTS

5.1. A member shall not accept an assignment or, where relevant, shall cease acting further where:

- i. the assignment would involve the member in a breach of a law or a breach of this code of ethics, unless the assignment can be changed appropriately;
- ii. the member cannot carry out his obligations with Due Skill or knows in advance that the assignment cannot be fulfilled in the agreed time frame due to other commitments;
- iii. there is a conflict of interest (further details on this are set out below).

5.2. A member shall not proceed with an assignment without a contract or engagement letter (see Note 33), which should cover among other things:

- i. the objective and scope of the assignment;
- ii. the strategy of approach to the assignment;
- iii. the duty of care of the member to the company or client, including confirmation that the member is not aware, at the date of the engagement letter, of any conflict of interest which would prevent him or her from accepting engagement;
- iv. the remuneration structure.

5.3 The basis of remuneration must be agreed in writing. The method of making amendments to the structure of remuneration must be agreed in advance and confirmed in writing and any such amendments must be confirmed in writing with the consent of both the client and the member.

5.4 A member may accept a performance bonus or contingency fee, provided the amount of such bonus/fee or the method of calculation of such bonus/fee is agreed in advance and confirmed in writing.

5.5 A member may take an equity participation in lieu of or in addition to fees, provided the basis and terms of such participation is agreed in advance and confirmed in writing. Any company granting such participation should be advised by the member to take separate advice before agreeing to such an arrangement.

6. COMMISSION AND GIFTS

6.1. Objectivity may be threatened or appear to be threatened by acceptance of goods, services or hospitality from a client, other than explicitly provided for in the engagement letter. A member should be aware of the difficulties which may arise from the offer or acceptance of any gift, benefit, favour or hospitality which may be intended, or may be seen by others as intended, to influence the member.

6.2. A member must not solicit gifts of any amount and should decline any gift, benefit, favour or hospitality unless the gift, benefit, favour or hospitality is of a nominal value or is entertainment that is a routine social amenity, which a reasonable third party would not consider was intended to influence the recipient.

7. OBLIGATIONS TO FELLOW MEMBERS AND THE PROFESSION IN GENERAL

7.1. A member shall act with integrity at all times and shall not disparage, or make unprofessional statements about another member competing for an assignment.

7.2. If a member shall cease to act, for any reason, on an assignment and another member proposes to take his or her place, the proposed incoming member shall write to the outgoing member to establish if there are any reasons why he or she should not accept the appointment.

8. PROVISION FOR DISCIPLINARY PROCEEDINGS

A member is obliged to notify the IFT of any matter which may render him or her liable to disciplinary action, including but not limited to, disciplinary action by another professional body, criminal conviction, or civil finding of dishonesty. For further details, please see the separate document entitled, 'Disciplinary Proceedings'.

9. CONFLICTS OF INTEREST

9a Clients

9a.1. Members should always place their clients' interests before their own and act in the spirit of the IFT's Mission. For this reason members should not accept or continue an assignment where his or her interests conflict with the interests of a client or potential client. For example, if a member (or immediate family of the member) holds office in a client company, or has a comparable business relationship with a client, the member should be aware of the dangers inherent in seeking to combine a role with that of adviser, whereby his or her necessary objectivity as a professional adviser is imperilled, or may be perceived to be by third parties.

9a.2. For the avoidance of doubt, any form of financial gain which accrues or is likely to accrue to a member as a result of an assignment, otherwise than in an agreed form under the engagement letter, will always amount to a significant conflict of interest.

9a.3. The member should not accept or continue an engagement for two or more clients where a conflict of interest exists or may reasonably be expected to arise between those clients.

9a.4. Prior to accepting an engagement, and while an engagement is on-going, a member should take all reasonable steps to ascertain whether any conflict of interest exists, or is likely to arise in the future. This should include consideration of the existing or potential implications arising from the possession of confidential information.

9b IFT

9b.1. The IFT members who have access to privileged information on IFT through their involvement with the Board, committees, or other policy-forming gatherings may have an actual, potential or perceived conflict of interest as a result of their membership of and/or involvement with other competing organisations.

9b.2. Members should always place the IFT's interests before their own and act in the spirit of the IFT's Mission.

9b.3. Members should consult the IFT Chairman, Deputy Chairman or Chief Executive for guidance on any policy-forming or policy-influencing role that may place them in a potential conflict with the IFT's interests. Usually, but not always, these will be pro bono roles.

9b.4. Prior to accepting such a role, a member should take all reasonable steps to ascertain whether any conflict of interest exists, or is likely to arise in the future. This should include consideration of the existing or potential implications arising from the possession of confidential or privileged information.

9b.5. The member should either not accept or continue a role where a conflict of interest exists or may reasonably be expected to arise between the IFT and other parties; or should cease to engage in IFT activities that offer access to privileged information such as policy or commercial matters.

9b.6. For the avoidance of doubt, a Non-disclosure Agreement is not considered adequate in the circumstances described above.