# Guide to Agreement Grade Certification



**CERTIFIED** agreement grade

Agreement Grade ("AG") is here to help you be on the right side of history. If you are reading this, you are already aware of the movement toward fair and equitable employment. It's time to do something about it and put your company at the front of this movement through AG Certification.

# Purpose of this guide

From key steps to specific requirements, this guide covers everything you need to get your organization its AG Certification. By the end, you'll have a clear understanding of the criteria our auditors use to evaluate and report on the fairness of your employment agreements and be equipped with a roadmap to follow so that you can become certified and ensure ongoing organizational compliance.

## The problem we solve

Mandatory arbitration clauses within employment agreements prevent employees from suing their employers in court for any number of workplace disputes (and in many cases all workplace disputes), from discrimination and sexual harassment to wage theft and wrongful termination, all in the name of efficiency and finality.

In most cases, employees are not even aware of mandatory arbitration clauses, which prevent individuals from having their case presented in front of a judge and instead force them in front of a third-party arbitrator. Though this arbitrator is meant to be independent and objective, they often have a financial incentive to rule in favor of the company so they can gain a repeat customer. Further, these proceedings are not public record, not subject to judicial review, limit discovery, and generally give companies much more leeway to take advantage of employees.

#### **Our solution - AG Certification**

AG Certification is the first employment agreement rating system in the world designed to stop the practice of harmful mandatory arbitration clauses and create fair and equitable workplaces.

AG Certification is for all types of organizations. Whether you're a startup, non-profit, or large enterprise, by becoming AG Certified, you can demonstrate your organization's commitment to your employees, elevate your brand and bolster your ability to recruit and retain talent.

#### How to use this guide

The path to AG Certification is simple and transparent. The next two section of this guide detail 1) the AG Certification process and 2) the requirements that your employment agreements must comply with to achieve certification

#### **Helpful Resources**

- What is mandatory arbitration?
- Example Stories





# **The AG Certification Process**

To achieve AG Certification, you will need to submit an application so that AG can audit your standard employment agreement and validate that it does not contain mandatory arbitration clauses and meets our certification requirements.

# The path to AG Certification

There are four steps that applicants will follow to achieve accreditation: **1. Application preparation**, **2. Application submission**, **3. Application audit**, and **4. Certification**.

These steps are detailed in the table below.

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# 1. Application Preparation

# 2. Application Submission

# 3. Application Audit

#### 4. Certification

#### Description

Applicant to review certification requirements and adjust policies, procedures, practices, and terms to ensure compliance (if needed)

Applicant to submit documentation for audit, sign the application terms and conditions, and pay application fee

AG auditor to review applicant's employment agreement(s)

If your application passed the audit, you will be AG Certified

#### Outcome

You have ensured your employment agreement meets the certification requirements

You have submitted your application and an AG auditor has been assigned to your account

Your application has been reviewed and has either passed or failed certification.

If your application fails, you will be given recommendations to revise your agreement and you may resubmit a revised application.

Your organization is officially AG Certified. You can use AG Certification seal in your branding and marketing materials.





# **The AG Accreditation Process**

Once you submit your application, an auditor will be assigned to conduct and guide you through the audit.

When preparing to submit your AG Certification application, you should ask yourself the key questions:

- Has your organization already reviewed AG Certification requirements and assessed your employment agreement(s) against those standards?
- Do you believe that your employment agreement(s) meet the AG Certification standards?
- If you believe your employment agreement(s) does not meet the AG Certification standards, have you identified and implemented required changes to ensure compliance?
- Do you require outside legal support to guide you through adjusting your employment agreement(s) to comply with AG Certification standards?

If your organization has already reviewed and implemented the AG Certification standards correctly, the audit process is typically completed within a one-week timeframe and 90% of the work will be handled by the AG team.

# **Maintaining AG Certification**

To ensure continued compliance with AG Certification standards, AG requires that you (and all AG certified organizations):

- 1. Commit to an annual review of your employment agreement, and
- 2. Notify AG of any changes to your employment agreement and submit updated agreements for audit.

Your annual certification fees will cover the cost of annual reviews and ad-hoc audits to updated agreements.







# **AG Certification Requirements**

To achieve AG Certification, all of your employment agreements must meet the following requirements listed in the sections below.

#### **Arbitration Policies**

- Mandatory arbitration is not permitted.
- Arbitration may be permissive as long as it is at the election of the employee <u>at the time of</u> the dispute.
  - Arbitration is <u>not</u> permissive if the employee is coerced into "opting-in" at hiring or failing to opt-out within a set time period after hiring. Any company documents/policies that include default language requiring arbitration or requiring active steps by the employee to avoid arbitration are not acceptable within the AG framework.

# **Confidentiality and NDAs**

- Confidentiality language, whether in NDAs or employment agreements, should be specifically targeted at protecting the legitimate business concerns and trade secrets of the company.
  - Overly broad language that would prohibit employees from openly discussing poor employment practices, harassment, or anything else not directly related to the core business of the company are not appropriate restrictions for employees.
- Confidentiality obligations must not last in perpetuity and should address the realities of the employer/employee relationship. An employee will not forget everything they know about your industry the day they leave, and it is impossible for them not to carry forward some general business knowledge to their next job.
  - Additionally, your business secrets (unless they are trade secrets as defined under applicable law, which can and should be protected for so long as they remain trade secrets) are likely not giving you a competitive edge five years after an employee has left your company.

### **Getting Started**

- 1. Make sure your agreement meets the requirements outlined in this guide
- 2. Submit your application via the form here: Agreement Grade Certification Application
- 3. Our team reach out to you to process your application fee
- 4. One of our auditors will review your application for certification

If you have any questions in the meantime, contact us at Apply@AgreementGrade.com





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