

BY-LAWS

INTERNATIONAL FRANCHISE ASSOCIATION, INC.

Al Tunick (1)
W. Rosenberg (2)
G. Huitz (3)
Jack Connolly (4)
~~Robert J. Jolly~~
M. Verstandig?
Bill Levine - Dani Delite
Gilbert Steel
Ethel Winter - Manpower (5)
Ed Morgan - Servicemaster
Marshal Duradean
Paul Dallas. - Your Inc. Tax.

Prepared by William Rosenberg, to be submitted to the proposed organizers at the meeting on January 28, 1960 for distribution and then to be voted upon regarding approval.

Bulter Bros - (6)
Helgusich - Western Auto
Hubert - Mr. Softer
Frank Thomas - Burger Chef

FA
Winter
Franks Shover
Franks
A. J. J.
W. R. H.
Gene H.
Jack Conn
Helgusich
Ben T.
White

ARTICLE I

Name

Section 1. The name of this corporation is:
INTERNATIONAL FRANCHISE ASSOCIATION, INC.

ARTICLE II

Location

Section 1. The location of the principal office of this corporation shall be determined by the Board of Directors.

ARTICLE III

Purposes

1. To maintain a high standard of integrity and efficiency in the conduct of the franchising business.
2. To foster and promote a feeling of fraternity and good will among its members and to advance on broad equitable lines the welfare of the franchising industry.
3. To maintain and promote the franchising industry so that it shall maintain its proper standing with all the respected industries throughout the world.
4. To oppose improper methods and unethical practices in the franchising industry.
5. To assist in the enactment and enforcement of local, state and federal laws to the best interest of the members of the association.
6. To disseminate useful information and inspire members to educate themselves in the scientific and practical features of the franchise business.
7. To encourage the participation of its members in community and civic activities.
8. To hold in conjunction with its meetings educational features, exhibition of franchise businesses and other methods to acquaint business and the public with the opportunities offered by the franchise business.

9. To direct leadership in all affairs pertaining to the franchising industry.
10. To disseminate information of a general economic, social and governmental character; to analyze subjects relating thereto, and to secure and present the views of the members to other organizations, to the government, and to the public.
11. To do all things within this association that shall foster the interests of its members, ~~to promote a better understanding and more friendly business relations among members through regular meetings and otherwise;~~ ~~to represent its members as required before legislative bodies and committees thereof and other governmental agencies with respect to taxes, legislation affecting its members, and other matters.~~ *to doing other matters under laws of state incop.*

ARTICLE IV

Membership

Section 1. (a) Any individual, partnership, corporation or any other entity engaged in granting franchises shall be eligible to membership in this association.

(b) Any individual, partnership, corporation or any other entity operating under a franchise shall be eligible as to an associate membership. *(non voting)*

(c) Any individual, partnership, corporation or any other entity supplying the franchise industry either to the franchisor or the franchisee with services, merchandise, publications or other items incidental to the franchise industry shall be eligible to allied membership. *(non voting)*

Section 2. (a) Application for membership shall be in writing signed by the applicant or his duly authorized representative and shall agree to abide by the By-Laws and the acts pursuant thereto.

(b) The Directors have the right at their discretion to make it a condition for application for membership to require the applicant to submit to a review of his methods of conducting his franchise business together with a copy of his franchise agreement or contract.

(c) The Directors upon receiving the application for membership and other requested information shall not act until two weeks after the secretary has notified the other members of the name and address of the applicant so that the members may advise the Board of Directors as to any knowledge of the applicant they may possess. Upon approval thereafter by two-thirds of the Board of Directors the applicant shall become a member upon payment of the fees as required.

Section 3.

Any member may have its membership suspended or revoked at any meeting of the Board of Directors for failure to comply with the rules and regulations issued by authority of the association, or for conduct unbecoming a member. The suspension or revocation shall require a two-thirds vote of the members of the Board of Directors in attendance at the meeting but such action shall not be taken until the member has been given an opportunity to be heard by the Board of Directors.

Section 4.

Each member, firm or corporation shall appoint and certify to the Secretary of the Association an executive representative in the Association who shall represent, vote and act for the member in all affairs of the Association except that other executives of a member company may hold office in the Association, serve on the Board or on committees, or take part in discussions. A member may change its executive representative at will upon giving notice thereof to the Secretary, or may, when necessary, appoint by written notice to the Secretary an alternate for its executive representative. For the purpose of these By-Laws the term "member" shall mean the member company or the executive representative or the alternate.

Section 5.

Resignation of a member shall be in writing addressed to the Secretary. No member of this Association shall be permitted to withdraw from the Association unless he shall have given one month's written notice in advance to the Secretary of the Association and shall have paid in full to the Association, to the effective date of the resignation, all membership dues and other obligations to the Association. The resignation of a member company shall include the resignation of the executive representative and of any alternate, or of any other person connected with the member company.

ARTICLE V

Meetings and Voting

- Section 1. The annual meeting of this Association shall be held ~~on the~~ *at such time & place as shall be desig. by board of directors* of each year, or at such other time and such place as the Association shall determine. Notice of the annual meeting shall be sent to each member at the latest recorded address at least ten days prior to the date of meeting.
- Section 2. The Board of Directors shall, from time to time, determine the number of members required to constitute a quorum for the transaction of business at the annual or any special meeting of this Association. The Board of Directors shall, from time to time, determine the conditions under which a vote of the membership by mail, telegraph or telephone, as provided elsewhere in this Constitution and By-Laws, shall be conducted, including the conditions under which such a vote by mail, telegraph or telephone shall be considered approved or disapproved. (Telephone vote shall be confirmed in writing).
- Section 3. The Secretary shall have the right, with the approval of the President, to call a special meeting at any time deemed necessary by him, or upon the request in writing signed by twenty-five (25) members for a special meeting, the Secretary shall call such a meeting. When such meetings are called and less than a quorum is in attendance, any action taken must be verified by a mail vote in accordance with the conditions determined under the authority of Article V, Section 2.
- Section 4. At any meeting of the Association each member shall be entitled to one vote on each question put to a vote.
- Section 5. Presence at or waiver of notice of any meeting shall constitute proper and adequate notice of such meeting.
- Section 6. Voting shall be by executive representative or alternate as certified to the Secretary of the Association as provided in Article IV, Section 4.
- Section 7. When it shall be inexpedient to call a meeting of the Association, a vote by mail, telegraph or telephone on any question on which an expression is deemed necessary may be taken by the President or by the Secretary. Notice of the result shall be given to

all members within fifteen (15) days of completion of such vote. (Telephone vote shall be confirmed in writing).

ARTICLE VI

Directors

Section 1.

(a) The governing board of the Association shall be its Board of Directors, which shall consist of nine (9) elected members, one-third of whom shall be elected annually by the membership to hold office for a three year term. The first election of directors shall designate three (3) directors for a three (3) year period, three (3) directors for a two (2) year period, and three (3) directors for a one (1) year period.

*limited
to voting
members.*

(b) In addition to the elected members, the immediate past-president shall be an ex-officio member of the Board for a period of three (3) years following the expiration of his elected term as Director, provided that he continues as a member in good standing, or with a member company in good standing. At the expiration of this three (3) year period he shall become an Honorary member of the Board for life or for as long as he continues as a member in good standing, or with a member company in good standing.

(c) Honorary members of the Board of Directors shall be entitled to all the rights and privileges of elected members except that of voting. Honorary members of the Board shall be eligible for nomination and election as elected members of the Board of Directors.

Section 2.

Vacancies by resignation or otherwise on the Board of Directors may be filled by unanimous vote of the remaining members of the Board, except that not more than two vacancies may be so filled during any one year. The filling of more than two vacancies on the Board may be done only by the Association at its next Annual Meeting, or at a special meeting called for the purpose.

Section 3. The Board may employ, at its discretion, legal counsel for the Association, and shall fix his compensation and term of office.

Section 4. In the event that any officer or director of the Association shall terminate his connection with the member company he represented at the time of his election as officer or director of the Association, the official connection of such officer or director in the Association shall automatically terminate.

ARTICLE VII

Meeting of Directors

Section 1. A meeting of the Board of Directors shall follow directly after the annual meeting of the Association for the purpose of electing from the Board a President, First Vice President, Second Vice President and Treasurer. There shall be two other regular meetings of the Board to be held at such times as the Board shall determine. Special meetings of the Board may be held at such time and place as shall from time to time be determined by it.

Section 2. A majority of the elected members of the Board shall constitute a quorum for the transaction of business at any meeting.

Section 3. Presence at or waiver of notice of any meeting shall constitute proper and adequate notice of such meeting.

Section 4. When it shall be inexpedient to call a meeting of the Board of Directors, a vote by mail, telephone or telegraph on any question on which an expression is deemed necessary, may be taken by the President or by the Secretary. Notice of the result shall be given all directors within ten (10) days of the completion of such vote. (Telephone vote shall be confirmed in writing).

ARTICLE VIII

Officers

- Section 1. The officers of the Association shall be a President, First Vice President, Second Vice President, and a Treasurer, elected by and from the Board of Directors, and a Secretary appointed by the Board of Directors who shall be the Executive Officer. Election or appointment shall be for the term of one year or less, in case of filling an interim vacancy, or, in both cases, until successors are elected or appointed.
- Section 2. No officer except the Treasurer and Secretary may succeed himself in office more than once.
- Section 3. No officer shall hold more than one office at one time.
- Section 4. The President shall be the chief executive officer of the Association and shall preside at all meetings, and appoint standing and temporary committees. He shall direct the business of the Association in accordance with its Constitution and By-Laws and instructions of the Board of Directors. He shall be ex-officio a member of all regular committees, and of special committees as may be designated.
- Section 5. During the absence or incapacity of the President, the First Vice President shall perform the duties and have the powers of the President. He shall also perform any and all regular or special duties from time to time assigned to him by the Board of Directors.
- Section 6. During the absence or incapacity of the President and the First Vice President, the Second Vice President shall perform and have the duties of the President. He shall also perform any and all regular or special duties from time to time assigned to him by the Board of Directors.

- Section 7. The Treasurer shall receive and disburse the funds of the Association as directed by the Board of Directors and perform such other duties as may be required by the Board of Directors. The duties of the Treasurer, under the authority of the Board of Directors, may be assigned in full or in part to an Assistant Treasurer.
- Section 8. The Secretary shall act as secretary at all regular and special meetings of the Association, and keep in proper book or books for that purpose minutes of all proceedings of such meetings, including a record of vote cast for the election of directors and other purposes. He shall be the secretary for the Board of Directors, and may, by delegation, be the secretary for any committee or committees appointed by the Association, or by the Board of Directors. He shall keep proper minutes of any and all such meetings.
- Section 9. The Secretary shall give notice in proper form, as required, of all meetings of the Association and of the Board of Directors, and of any committee of which he may be designated as secretary.
- Section 10. The Secretary shall be the custodian for the Association of all records, as minute books, reports, etc., and files of the Association.
- Section 11. The Secretary shall prepare for the annual meetings of the Association a report upon the activities of the Association for the year, its membership, and other matters of importance to the Association.
- Section 12. The President shall, with the approval of the Board of Directors, at least 120 days before the annual meeting, appoint a Nominating Committee of five (5) members, which committee shall propose nominees for Directors. The Committee's report shall be sent to the members at least forty-five (45) days before the annual meeting. Additional nominations for directors may also be made by any fifteen (15) members in good standing by filing with the Secretary, at least ten (10) days before the annual meeting, a written nomination signed by all the nominating members.

Section 13. The Secretary and executive officer shall be employed by the Board of Directors who will fix his title, salary and duties and may authorize him to receive from the members information as to the number of employees, amount of sales, or other facts regarding each member's business, as may be authorized from time to time by the Board of Directors. The executive officer shall perform such duties as may be required of him by the Board of Directors of the Association.

Section 14. Any officer or employee shall, if required by the Board of Directors, furnish satisfactory bond and expense of the same shall be borne by the Association.

ARTICLE IX

Type of Corporation

This corporation shall be a non-profit organization under the laws of the State of ~~the~~ ^{such} ~~as determined by board of directors.~~

ARTICLE X

Dues

Section 1. The bases and rates of dues for any class or group of members may be established by a majority vote at the annual meeting or at any special meeting called for that purpose, or by a majority vote of the members of the Board of Directors, either at a regular meeting or at a special meeting called for that purpose, or by mail, telephone or telegraph ballot. Telephone vote shall be confirmed in writing.

ARTICLE XI

Compensation of Officers

Section 1. The Presidents and Vice Presidents shall receive no compensation for their services. The compensation, if any, to be paid to the Treasurer and Secretary shall be determined and authorized by the Board of Directors.

ARTICLE XII

Statistics

Section 1. All statistical data received from any member for any purpose shall be held strictly confidential and no statistical data furnished by any member shall be divulged to any one other than the member or authorized representative thereof furnishing it, except with the express permission of the member, and then only if approved by the Board of Directors.

ARTICLE XIII

Procedure

Section 1. Except as otherwise provided in these By-Laws, Robert's Rules of Order shall govern in any question of parliamentary procedure.

ARTICLE XIV

Standing Committees

Section 1. (a) This Association shall have the following standing committees consisting of at least three (3) members appointed by the President:

- (1) Ethical Standards
- (2) Membership
- (3) Program
- (4) Promotion

(b) This Association shall have an executive committee composed of the President, Vice President, Secretary and Treasurer.

ARTICLE XV

Section 1. These By-Laws or any part or parts thereof may be amended, enlarged or repealed by an affirmative vote of a majority of members of the Association, or by a majority of the members of the Board of Directors, either at a meeting called for such purpose, or by mail, telephone or telegraph ballot. Telephone vote shall be confirmed in writing.