



World Franchise Council Constitution

(As last amended on April 2, 2007 – Cairo)

(Amendments on April 13th, 2011 – Berlin – Articles 18 and 19)

(Amendment on September 19th, 2013 – Kuala Lumpur – Article 15)

Background of the constitution

1. The World Franchise Council is an amicable and a non-political association of National Franchise Associations which was established by decision of a meeting of national franchise association Executives held on Monday, February 14th, 1994 under the auspices of the International Franchise Association (IFA) and supported by the European Franchise Federation during the IFA 1994 Convention in Las Vegas. That meeting considered a draft constitution produced following the first international franchise summit held on December 1st, 1993 under the auspices of the Mexican Franchise Association.
2. A more detailed draft constitution for the World Franchise Council was produced by a working party established at the February meeting under the Chairmanship of the British Franchise Association with representatives of the Canadian, Brazilian, Polish and Mexican Associations. The draft constitution was subsequently debated by the European Franchise Federation and a consolidated draft was considered by a meeting of national associations held in Lisbon on June, 15th, 1994. The bulk of the proposed constitution was agreed at the meeting.
3. This current constitution of the WFC incorporates changes of emphasis agreed at meetings held in Frankfurt in April 1999, in San Diego in February 2000, in London in October 2002 and in Tokyo in March 2006.
4. Purpose of the constitution: All those concerned with these proposals recognise that the World Franchise Council's most significant contribution will come through the opportunity it affords for the informal generation of international understanding and cooperation. A formal constitution is nonetheless essential to guarantee international bodies that a World Council opinion represents a genuine consensus amongst its members and to secure for all the world's properly constituted Franchise Associations confidence that the World Council offers an equitable forum within which to represent their views
5. The WFC is registered as a non-for-profit organisation under UK law. It was registered on April 26th 2005.
6. The WFC has a set of Internal Rules which serve to implement the provisions of this Constitution, but which cannot contradict or change these provisions.



Purpose and objectives of the WFC

1. Purpose:
The encouragement of international understanding and co-operation in the protection and promotion of franchising worldwide.
2. Objectives:
 - (a) To provide a forum within which each properly constituted National Franchise Association in the world can take an equal seat in the confidence that its views and its sovereignty will be respected and in the expectation that their common interests and needs will be supported internationally.
 - (b) To determine those aspects of information on, and experience of, franchising which can be usefully shared internationally and to provide mechanisms for the efficient communication of that 'know-how'
 - (c) To represent international information on franchising and the common views of National Franchise Associations to international bodies.
 - (d) To encourage the developments of properly constituted National Franchise Associations in all countries of the world, as recognised by the United Nations.

Membership of the WFC

Full members:

3. (i) Full membership of the WFC will be open to all National Franchise Associations which are constituted as not for profit organisations and whose constitution requires and which in practice have:
 - (a) A subscribing membership which is in the majority composed of franchising companies or their representatives;
 - (b) A governing body which is in the majority composed of franchising companies or their representatives.
 - (c) A Code of Ethics, which franchising members must comply with and which is consistent with the Code of Ethics, promulgated by the International Franchise Association or the European Franchise Federation or such other equivalent Code.
- (ii) No member can object to or block the application of another member on political or Government grounds.
4. The first Full Members of the World Franchise Council were those National Franchise Associations set out in the schedule to this constitution and which form a part of it.

Associate members:

5. The WFC will also accept as Associate Members, National Franchise Associations which give a written commitment to work towards the WFC's Full Membership requirements and which in practice are seen to be so doing, but which do not meet those requirements at the time of application or up until 28 days after the publication of the minutes of the meeting accepting the Association as an Associate member. Associate membership may be retained for 2 years.
6. Only one National Franchise Association will be recognised by the WFC for each country together with one single properly constituted franchise association for the territory of Hong Kong and such other exceptions, as may be decided by the WFC on a case-by-case basis. The WFC will not accept any subscription from any organisation which is not considered by the WFC to be the prime industry body for the country or territory of origin concerned.

The WFC will not accept any other association of the country as associate member if a full member already exists (amendment agreed to on October 8, 2002).



Amendments approved on April 2, 2007, Cairo

Subscribing members:

7. In addition, the WFC will accept as subscribing members with speaking rights, supra-national federations of National Franchise Associations representing continental or other geographic country groupings in the world, provided their membership requirements are equivalent to the WFC's membership requirements as determined by the WFC and provided the National Franchise Associations within the territory, which are already recognised by the WFC, give their consent.
8. Where a supra-national Federation of Associations is recognised by the WFC, National Associations within the territory of the supra-national Federation will only be recognised if their membership criteria are consistent with those of the supra-national Federation whether or not they are members of that Federation.
9. National Associations whose countries have chosen to submit themselves to the common parliamentary and legislative framework of the European Union shall be Members of the European Franchise Federation in order to be recognised by the WFC.
10. In determining any application for membership of WFC, only the criteria of this Constitution shall be taken into account.

Representation

11. Each Member of the WFC will be entitled, but not obliged, to nominate two representatives to attend and speak at meetings of the WFC.
 - (a) The elected Chairman of the Association
 - (b) The appointed Chief Executive Officer of the Association
 - (c) A representative appointed at least two weeks in advance and in writing by the elected Chairman of the Association.The second, if any, representative will be in order of preference either (b) above, (c) above, or a representative duly appointed at least two weeks in advance and in writing by the elected Chairman of the Association.
12. Each Associate Member of the WFC will be entitled, but not obliged, to send up to two observers (without speaking rights) to meetings of the WFC. Nominations made at least two weeks in advance and in writing by the Chairman of the Association will have priority over observers nominated under paragraph 13.
13. Each Full Member of the WFC, in addition to their speaking representatives, will be entitled, but not obliged, to send up to two observers (without speaking rights) to meetings of the WFC subject to the maximum number of observers as determined by the persons appointed to run the meeting. All nominations must be made at least two weeks in advance in writing by the Chairman of the Association. All such nominations will be circulated by the secretariat to all members of WFC in advance of the meeting.

Minimum Quorum at the WFC meetings

14. (1) The WFC may hold and conduct meetings if a minimum of eight (8) of its Full Members or other subscribers are present provided it is a meeting held under the terms determined by a preceding and properly constituted meeting, except that the date and venue may be varied on 28 days' notice by the persons appointed to run the meeting.



(2) The Secretariat may cancel a meeting if this quorum is not reached within at least two months before the meeting is due to be held.

(Amendment adopted on April 2, 2007, Cairo)

Minimum Attendance at the WFC meetings

Each WFC member should attend at least one WFC meeting in four, which means in practice to attend at least one meeting in 2 years OR to send the Council a full country report at least once in two years.

(Amendment adopted on April 2, 2007, Cairo)

Chairpersons of the WFC meetings

15. The WFC will not have a Chairperson as a permanent body for its existence. Each meeting of the WFC will have two co-Chairpersons, each of whom must be a franchisor, an employee of a franchise company or a franchisee where the host association provides for a franchisee to be a member of its governing body. One of the co-Chairpersons will ordinarily be from a continent other than the host country continent. Only those Full Members who confirm their willingness to act as a co-chairman will be considered.

Secretariat for the WFC meetings

16. The WFC will not have a permanent Secretariat. The first meeting of the WFC will appoint a Full Member National Franchise Association to provide secretariat services for an initial period of one year. In making the initial and any subsequent appointments the WFC will have due regard to the need to appoint a Full Member organisation which has, or has access to, the resources and linguistic capacity to fulfil the function. The same Full Member may be appointed to provide the Secretariat on succeeding occasions. However, the meeting will have due regard to balance the benefits of continuity with the benefits of rotation. Only those Full Members who confirm their willingness to provide the Secretariat will be considered.

Official language and currency of the WFC

17. The business of the WFC will be conducted in English and its subscription will be in US dollars.

The voice of the WFC

18. Unanimity of WFC is required for decisions concerning governance, franchise protection, standards, and ethics. Full Members may authorise any other Full Member or the supra-national Federation to which they belong, to confirm their agreement to a proposition by proxy to that organisation given at least two weeks in advance in writing by the Chairman of the Association and copied to the Secretariat. For the purpose of unanimity at a meeting of the WFC at which all Full Members are not present or represented by proxy, the views of Full Members not represented will be confirmed or rejected subsequently in writing by response within 28 days of the Secretariat's request to do so. Full Members failing to respond will be taken to endorse the proposal. Notwithstanding any WFC agreement on representations to an international or other body, WFC members will remain entirely free to make whatever representations they may determine to any person or body of their choice but not under the name, logo or other endorsement of the WFC.

19. (a) Super Majority (which is consisted by $2/3 - 60\%$) of the full members present is required for all decisions, except as provided for in paragraph 18 herein above, including, inter alia, membership admission/termination, international franchise promotion added value for member associations, WFC administration including fees and all other decisions.

Abstentions and non-votes would not count.

If the quorum for the validity holding a WFC meeting is met, according to paragraph 14.1 herein above, the number of full members voters do not matter.



(b) Simple Majority - The appointment at one meeting of the co-Chairs, or Secretariat for the following meeting, may be determined by a simple majority of those Full Members represented either in person or by proxy.

20. The signatories to the WFC's letterhead and other documents will be the co-Chairs and Secretariat for the next meeting.
21. The co-Chairs and the Secretariat will be authorised to speak in the WFC's name only on those matters which fall clearly and unambiguously within the policies previously and properly agreed for external communication by the WFC. The WFC may also agree at a properly constituted meeting to appoint any Full Member to represent its views on a specific subject to a specific organisation.

Funding the WFC

22. The direct costs of administering the meetings of the WFC (stationery, facsimile charges, etc) will be met from the subscriptions of Full, Associate and other Members at the rate of \$3500 annually, to be reviewed at the first meeting of each year. The staff costs of administration are expected to be met by the national association volunteering and appointed to provide or arrange the Secretariat (rate was amended in October 2005, Brussels).
23. Annual subscription rates will be determined annually by a properly constituted meeting of the WFC. Subscriptions will be paid into an account maintained and separately audited by the International Franchise Association or such other organisation as may be elected for the purpose by a properly constituted meeting of the WFC.
24. Subscriptions will become due and payable 30 days after invoicing by the Secretariat for the calendar year concerned.
25. Any projects outside the administration of WFC meetings will be subject to separate funding proposals for each project (including the specification of the respective currency). No such project will be considered and agreed except in conjunction with proposals warranting the availability of the funds required in the specified country.
26. The WFC may only commit its funds on the signature of both co-Chairs and the Full Member Association holding the WFC's account and only on the basis of funds already held in the WFC's name. Commitments outside these limits, which are not subsequently approved by a meeting of the WFC, will become the liability of the Associations whose representatives entered into those commitments.
27. The organisation responsible for holding and accounting for the WFC funds shall provide annual accounts for the preceding calendar year and a budget for the next calendar year.
28. All Members and Observers will be responsible for meeting their own travel, accommodation and subsistence costs for attending meetings of the WFC. The WFC may agree to meet all or part of the costs of its representation to an international body by one or more of its Full Members. In case that a National Association is invited to a meeting of the WFC to represent the WFC's view towards an organisation in the representative's own country, the Full Member concerned will be expected to meet any costs involved.

Records of the WFC

29. The proceedings of the WFC will be recorded in Minutes produced by the Secretariat. The Minutes will be signed off by the co-Chairs of the succeeding meeting on the agreement of those present that they are accurate as a record of the meeting.



30. Copies of the WFC records, letters and other documents will be maintained by the Secretariat in office at the time of issue, and passed on in their entirety to any succeeding Members appointed to provide Secretariat services.
31. Records of any separate agreed and funded WFC project will be kept by the organisation appointed to undertake it, and will be freely open to any WFC Full or Associate member. requesting access. The benefit of any database using WFC funds will reside in the WFC and will be held in trust for the WFC's benefit by the Secretariat or by the organisation appointed to undertake the project concerned.

Use of the WFC name

32. Any member may request the WFC at a meeting to agree to give its endorsement to an event, function, publication or other service intended to offer a benefit to the franchising community in their country. Any commercial gains must be beneficial to the majority of the companies in the respective country and can only be permitted if the event, function, publication or other service has some international dimension which cannot be adequately or appropriately covered by endorsement from the Member concerned or by a supra-national Federation of which they are a Member.
33. The WFC may, but is not obliged, to seek a fee or fee share in respect of the use of its name; such fees are to be used in meeting WFC Secretariat costs or project costs as determined by the WFC.

Confirmed under the signature of the co-Chairs for the April 1-2, 2007 meeting of the WFC held in Cairo, Egypt.

Mr. Moataz AL ALFI
Chairman of the Egyptian Franchise
Development Association
Co-Chairman of the WFC meeting

Mr. Richard EVANS
CEO of the Franchise Council of Australia
Co-Chairman of the WFC meeting