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**CONSTITUTION**

**OF**

**PAN AFRICAN FRANCHISE FEDERATION**

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## 1. INTERPRETATION

The headings to this Constitution (as defined in clause 1.1 below) are for reference purposes only and shall not affect the interpretation or construction thereof.

1.1 In this Constitution, unless the context otherwise indicates:

1.1.1 “**African Region**” shall mean the entire African continent, including the African islands located in the Indian Ocean and Atlantic Ocean;

1.1.2 “**Associate Member**” shall mean any organisation contemplated in clause 8.5;

1.1.3 “**Associate Membership**” shall mean membership of the Federation granted pursuant to the provisions of clause 8.6 of this Constitution;

1.1.4 “**Business Day**” shall mean any day other than a Saturday, Sunday or official public holiday in the Republic;

1.1.5 “**Chairman**” shall be the person appointed as chairman of the Federation at the annual general meeting of the Federation;

1.1.6 “**Committee**” shall mean the committee provided for in clause 14 of this Constitution;

1.1.7 “**Constitution**” shall mean this constitution for the Pan African Franchise Federation;

1.1.8 “**Federation**” shall mean the Pan African Franchise Federation created in terms of this Constitution

1.1.9 “**Legal Incapacity**” shall mean death, insolvency, liquidation or winding up, sequestration, being placed under curatorship by reason of insanity or prodigality, infancy or minority, or any other event which satisfies the Board that a Director is deprived of his legal capacity to act and that it is vested in some other person;

- 1.1.10 “**Office**” shall mean the registered office of the Federation;
- 1.1.11 “**Ordinary Member**” shall mean any national franchise association that operates within the African Region and that has been granted Ordinary Membership in terms of this Constitution;
- 1.1.12 “**Ordinary Membership**” shall mean membership of the Federation granted pursuant to the provisions of clause 8.1 this Constitution;
- 1.1.13 “**Republic**” shall mean the Republic of South Africa; and
- 1.1.14 “**Secretary**” shall mean any Ordinary Member duly appointed from time to time to perform secretary duties for the Federation.
  
- 1.2 If any provision in a definition is a substantive provision, conferring rights or imposing obligations on any Party, notwithstanding that such provisions is only contained in the relevant definition, effect shall be given thereto as if such provision were a substantive provision in the body of the Agreement.
  
- 1.3 unless inconsistent with the context, the expressions set forth below shall bear the following meanings otherwise indicates:
  - 1.3.1 any gender includes the other genders;
  - 1.3.2 a natural person includes an artificial person and vice versa;
  - 1.3.3 the singular includes the plural and vice versa.
  
- 1.4 The use of the word “including” followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it and the eiusdem generis rule shall not be applied in the interpretation of such general wording or such specific example or examples.
  
- 1.5 Any reference to an enactment in this Constitution is to that enactment as at the Signature Date and as amended or re-enacted from time to time.

1.6 The rule of construction that the contract shall be interpreted against the Party responsible for the drafting or preparation of the Constitution, shall not apply.

1.7 The expiration or termination of this Constitution shall not affect such of the provisions of this Constitution as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

## 2. **NAME AND LOGO**

2.1 The name of the Federation shall be the Pan African Franchise Federation.

2.2 The Federation's name shall be abbreviated as "**PAFF**".

2.3 The Federation will adopt a logo which will symbolise the cooperation amongst the members of the Federation.

## 3. **LEGAL STATUS**

3.1 The Federation shall be a distinct and separate legal entity with the power to acquire, to hold and to alienate property of every description whatsoever and with the capacity to acquire rights and obligations and having perpetual succession.

3.2 The Federation is and shall be a juristic person and can act and be acted against in its own name.

3.3 The property and funds of the Federation vest in the Federation as a juristic person and no member of the Federation shall be liable for the debts of the Federation.

## 4. **PLACE OF BUSINESS**

4.1 The place of business of the Federation will be at, c/o Franchise Federation of South Africa ("**FASA**"), 3rd floor, H Santos Building, 30 Arena Close,

Bruma, 2198, South Africa, or at any other place as may be decided by the Committee from time to time.

- 4.2 The Federation's initial postal address shall be as follows: Postnet Suite 256, Private Bag X4, Bedfordview, 2008, South Africa.

**5. POLICY**

The Federation shall, in carrying out its objectives and in all its activities and functions, observe the following principles:

- 5.1 to encourage and develop ethical franchising; and
- 5.2 to encourage and develop fair and best franchising practices.

**6. AIMS AND OBJECTIVES**

- 6.1 The Federation intends to provide a forum within which each properly constituted national franchise federation in the African Region can share the experience of, information related to and technical know-how on franchising and to establish better communication channels between Ordinary Members.
- 6.2 The Federation will promote the development of properly constituted national franchise federations in all the countries within the African Region and to strengthen industry networking within the region.
- 6.3 The Federation intends to collect regional information on franchising and any other commonly held views of its Ordinary Members, Associate Members and/or any other national franchise federations within the African Region and it shall communicate such views to the affected international bodies, for example, the World Franchise Council and/or the European Franchise Federation.
- 6.4 The Federation will assist with and facilitate viable franchise expansion in and between member Countries.

## 7. POWERS OF THE FEDERATION

7.1 The Federation may, acting through its Committee and with any necessary consent, for the purpose of achieving its objective:

7.1.1 form and/or have an interest in any company or companies for any purpose, directly or indirectly, calculated to benefit the Federation;

7.1.2 evaluate any bills, laws, ordinances, proclamations, pronouncements, or enactments whether emanating from parliament, provincial authorities, local authorities or from any other entity which either affects or may affect the interests of the Federation, including but not limited to the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS), the East African Community (EAC), the Community of Sahel-Saharan States (CEN-SAD), the Intergovernmental Authority on Development (IGAD) and where appropriate, to support or to oppose, and if necessary, to take appropriate legal action, as circumstances may require, on behalf of its Ordinary Members;

7.1.3 publish, distribute and disseminate magazines, information or promotional material, including results of research or statistics or other information which is either available to or obtained from the Ordinary Members or Associate Members of the Federation;

7.1.4 borrow or raise monies, with or without security;

7.1.5 secure the payment of monies it has borrowed or any of its other obligations in any manner including the pledge of movable property and the mortgage of immovable property, provided that the Federation shall not secure the payment of any obligations other than its own nor secure the obligations of any of the Federation's members;

- 7.1.6 enter into indemnities, guarantees and suretyships, for its own benefit, and may secure payment there under in any way;
- 7.1.7 establish, manage, support, affiliate, co-operate, join or aid in the establishment, management and support of associations, federations, institutions, foundations, funds, trusts and amenities calculated to benefit the Ordinary Members of the Federation;
- 7.1.8 receive, hold, disburse, expend, invest or otherwise receive or dispose of money and other property which the Federation may receive by way of subscription or otherwise provided that, no part of the moneys or assets of the Federation may be distributed amongst its Ordinary Members at any time, including upon its dissolution;
- 7.1.9 acquire, hire or lease any movable or immovable property and to develop, manage, hypothecate, lease (whether as lessor or lessee), deal in or dispose of all or any part or section of the movable or immovable property of the Federation;
- 7.1.10 request and receive contributions from any natural person or juristic person, either by way of donation or annual or other subscription or legacy or otherwise;
- 7.1.11 make, and from time to time alter, amend or rescind any rules and/or regulations for the carrying out of the business of the Federation;
- 7.1.12 employ and enter into agreements regulating to conditions of service and termination of employment, which will apply to officials and employees of the Federation, including the right to recognise and deal with trade unions, staff federations, or any other employee groups, whether in terms of statute or otherwise;
- 7.1.13 cause the Federation to be registered or established, including opening and creating branches, in any part of the world;
- 7.1.14 institute or defend legal proceedings in its own name;



- 7.1.15 conduct disciplinary and professional behavioural inquiries of its Ordinary Members; and
- 7.1.16 generally do anything that may be necessary for or incidental to the attainment of the objectives mentioned in clause 5, including fostering relationships with other international organisations which have similar objectives.

## 8. **MEMBERSHIP**

- 8.1 There shall be two forms of membership of the Federation: Ordinary Membership and Associate Membership.
- 8.2 Ordinary Membership of the Federation is open to all national franchise associations that are within the African Region, and whose constitutions require and provide for the following practices:
  - 8.2.1 a subscription of membership which is in the majority composed of franchising companies, service providers to the franchise industry or their representatives;
  - 8.2.2 a code of ethics which the subscribing members must comply with and which is consistent with the code of ethics promulgated by the International Franchise Association; and
  - 8.2.3 that national franchise association has given a written commitment to work towards the Federation's Ordinary Membership requirements and/or has a practice in place which is closely related to the requirements of the Federation's Ordinary Membership, but which may not meet those requirements at the time of application.
- 8.3 Only one national franchise association per country will be recognised by the Federation for Ordinary Membership and applications from the national franchise associations of the different countries within the African Region will be considered by the Federation on a case-by-case basis.

8.4 Every application for the Federation's Ordinary Membership shall be proposed and seconded by 2 (two) existing Ordinary Members of the Federation, and shall be forwarded to the Secretary of the Committee, and shall be considered for approval by the Committee. The Committee may in its discretion reject any application to the Federation without giving any reasons therefore.

8.5 Associate Membership shall be open to only the following:

8.5.1 organisations that are not national franchise associations, but that have an interest in franchising and that have objectives and policies that are similar to those of the Federation and, as such, wish to be observers of the Federation's activities; or

8.5.2 a national chamber of commerce in an African country that does not have an existing national franchise association, provided that such chamber of commerce's Associate Membership shall cease upon a national franchise association being created in that country and becoming an Ordinary Member of the Federation.

8.6 Every application for the Federation's Associate Membership shall be proposed and seconded by 2 (two) existing Ordinary Members of the Federation, and shall be forwarded to the Secretary of the Committee, and shall be considered for approval by the Committee. The Committee may in its discretion reject any application to the Federation without giving any reasons therefore.

## 9. **MEMBERSHIP SUBSCRIPTION**

9.1 The Ordinary Members shall pay an initial subscription fee and thereafter shall continue to pay an annual subscription fee, all such fees to be determined by the Committee on an annual basis.

9.2 In order for an application to be considered for Ordinary Membership, the applicant must upon submitting the application pay an application fee

determined by the Federation from time to time for the administration of the application.

9.3 The applicant shall be liable to pay the initial subscription fee and the annual subscription fee upon communication by the Federation of its application being successful. Subscription to the Federation is renewable on a year-to-year basis, upon renewal the annual subscription fee shall become payable on or before the end of February of each year for Ordinary Membership.

9.4 The annual subscription fee for an application which is approved subsequent to the month of February in any year shall be determined proportionally according to the remaining period in that specific year.

9.5 Any Ordinary Member in arrears of its annual subscription fee for more than 1 (one) year shall receive written notification signed by or on behalf of the treasurer of the Committee, and shall be denied the privileges of Ordinary Membership to the Federation, until payment has been made.

## 10. **RESIGNATION AND EXPULSION**

10.1 Any Ordinary Member who wishes to resign from the Federation shall give 4 (four) weeks written notice to the Secretary and should fully pay all outstanding fees due to the Federation.

10.2 Any Ordinary Member or Associate Member who fails to comply with the rules of the Federation or who has acted in a manner that brings disrepute to the Federation, may be expelled or suspended for a period of time as the Committee deems fit.

10.3 The Committee shall inform the Ordinary Member or Associate Member who is subjected to expulsion or suspension in writing of the reasons for the expulsion or suspension. The expelled or suspended Ordinary Member or Associate Member shall be given an opportunity to appear before the Committee to explain and clear himself in person. Such suspension or expulsion shall be enforced, unless otherwise reversed by the Committee

at the abovementioned meeting at the hearing of the said Ordinary Member or Associate Member and the Committee shall, in its absolute discretion decide on the duration and/or terms of the suspension or expulsion.

## 11. RIGHTS OF MEMBERS

11.1 Each Ordinary Member will be entitled but not obliged, to nominate two representatives to attend, speak and vote at general meetings of the Federation on behalf of the Ordinary Member, provided that each Ordinary Member shall only be entitled to one vote at general meetings of the Federation. The persons to represent the Ordinary Member at the general meetings of the Federation and to vote on behalf of such Ordinary Member must be nominated in the following order of preference:

11.1.1 the elected Chairman of the federation;

11.1.2 the appointed chief executive officer of the federation; and

11.1.3 a representative appointed at least two weeks in advance and in writing by the elected chairman of the federation.

11.2 Each Ordinary Member of the Federation in addition to their speaking representatives will be entitled, but not obliged, to send up to two observers (without speaking rights) to the Federation meetings, subject to the maximum number of observers as determined by the Secretary appointed to organise the meeting. All nominations must be made at least 2 (two) weeks prior to the relevant meeting in writing by the chairman of the relevant Ordinary Member.

11.3 An Ordinary Member entitled to attend and vote at any meeting or annual general meeting of the Federation is entitled to appoint a proxy to attend, participate in and vote at the meeting or annual general meeting, as the case may be, in the place of the Ordinary Member.

11.4 Associate Members may only attend a meeting of the Federation if the Committee resolves to allow such attendances. It is specifically recorded

that only Ordinary Members shall be allowed to vote at any meetings of the Federation.

## 12. GENERAL MEETING

- 12.1 The supreme authority of the Federation is vested in the general meeting of the Ordinary Members. At least 50% (fifty) percent of the total voting Ordinary Members of the Federation or voting Ordinary Members representing twice the total number of Committee members, whichever is the lesser, must be present at a general meeting for its proceedings to be valid and to constitute a quorum.
- 12.2 If within an hour after the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to a date (not exceeding 30 days) to be decided by Committee. If at such adjourned meeting, the quorum is not present half an hour after the time appointed for the adjourned meeting, the members present shall have power to proceed with the business of the day but they shall not have power to alter the rules of the Federation or make decisions affecting the whole membership.
- 12.3 At any meeting, a decision put to the vote of the Ordinary Members shall be decided on a show of hands and a declaration by the Chairman that a resolution has, on a show of hands by the Ordinary Members, been carried unanimously or by a particular majority or, opposed by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Federation. In order for a decision to be valid, it must be passed by a simple majority above 50% (fifty percent), provided that the following decisions shall require a 75% (seventy five percent) majority in order to be valid:
- 12.3.1 dissolution of the Federation (subject to the provisions of clause 20);
  - 12.3.2 amendments to this Constitution (subject to the provisions of clause 22);
  - 12.3.3 the delegation of Ordinary Members' powers to any committee or

- person except in the ordinary course of business;
- 12.3.4 the borrowing of moneys or the giving of any security for such borrowing;
- 12.3.5 the creation and modification of mortgages, liens or charges on the Federation's assets.
- 12.4 In the case of an equality of votes, the Chairman shall not have a second or casting vote in addition to the deliberate vote to which the Chairman may be entitled to as a representative of an Ordinary Member.
- 12.5 An annual general meeting of the Federation shall be held as soon as possible after the close of each financial year but no later than 1st June, on a date and at a time and place to be decided by the Committee, provided that the Committee shall endeavour to choose a date, time and place that best accommodates the needs of the Ordinary Members and the Federation in general.
- 12.6 The business of the annual general meeting shall *inter alia* be to:
  - 12.6.1 receive the Committee's report on the working of the Federation during the previous year;
  - 12.6.2 receive the treasurers' report and the audited accounts of the Federation for the previous year;
  - 12.6.3 elect and mandate a Committee to manage and represent the Federation in fulfilment of the defined responsibilities for the Committee;
  - 12.6.4 appoint auditors for the following year; and
  - 12.6.5 deal with such other matters as may be put before the annual general meeting by any of the Ordinary Members.
- 12.7 The Secretary shall send to all Ordinary Members at least 30 (thirty) days before the meeting an agenda including copies of minutes and reports,

together with the audited accounts of the Federation for the preceding year. Copies of these documents will also be made available at the registered place of business of the Federation for perusal by its Ordinary Members.

- 12.8 An extraordinary general meeting of the Federation shall be convened:
  - 12.8.1 whenever the Committee deems it desirable; or
  - 12.8.2 at the joint request in writing of not less than 20% (twenty) percent of the Ordinary Members, stating the objectives and reasons for such meeting.
- 12.9 An extraordinary general meeting requested by Ordinary Members shall be convened for a date within 30 (thirty) days of the receipt of such request.
- 12.10 Notice and the agenda for an extraordinary general meeting shall be forwarded by the Secretary to all Ordinary Members at least 15 (fifteen) days before the date fixed for the meeting.
- 12.11 Clauses 9.1 and 9.2 shall apply to extraordinary general meetings, but subject to the provision that should no quorum be present after half an hour from the time appointed for the extraordinary general meeting, the meeting shall be cancelled and no extraordinary general meeting shall be requested for the same purpose until after the lapse of at least 6 (six) months from the date thereof.
- 12.12 The Secretary shall forward to all Ordinary Members a copy of the draft minutes of each annual and extraordinary general meeting within 10 Business Days after conclusion of the meeting.

### 13. **SECRETARY FOR THE MEETINGS**

- 13.1 The Federation will elect an Ordinary Member at its annual general meeting to provide secretary services to the Federation.
- 13.2 In making the initial and any other subsequent elections the Federation will have due regard to the need to elect an Ordinary Member which has

access to the resources and linguistic capacity to fulfil the Secretary functions of the Federation.

13.3 The same Ordinary Member may be elected to provide the Secretary services on succeeding annual general meetings. However, in electing the Secretary Ordinary Member will have due regard to balance the benefits of continuity with the benefits of rotation of such Secretary functions.

13.4 Only those Ordinary Members who confirm their willingness to provide the Secretary will be considered.

#### 14. **THE COMMITTEE**

14.1 The management of the Federation will be vested in the Committee comprising the following:

14.1.1 Chairman

14.1.2 Deputy Chairman

14.1.3 Secretary

14.1.4 Treasurer

14.1.5 Ordinary Committee Members

14.2 Each Ordinary Member will be entitled to appoint 1 (one) representative to represent that Ordinary Member on the Committee as an Ordinary Committee Member.

14.3 The function of the Committee is to organize and supervise the day-to-day activities of the Federation and to make decisions on matters affecting its running within the general policy laid down by the annual general meeting. The Committee may not act contrary to the express wishes of the annual general meeting without the prior reference to it and shall always remain subordinate to the mandate provided at the annual general meeting. It shall furnish a report at each annual general meeting on its activities during the preceding year.



- 14.4 Meetings of the Committee may be held by means of telephone, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
- 14.5 The Committee shall meet at least once every 6 (six) months and 30 (thirty) days prior notice shall be provided for each meeting to the Ordinary Members. The Chairman of the Federation acting alone, or alternatively not less than 3 (three) Ordinary Members acting together may call for a meeting of the Committee to be held at any time. At least 50% (fifty) percent of the Committee members must be present for the proceedings to be valid and to constitute the required quorum.
- 14.6 At a meeting of the Committee, a decision of the Committee must be obtained by a majority vote above 50% (fifty) percent in order to be valid.
- 14.7 Where any urgent matter requiring the approval of the Committee arises and it is not possible to convene a meeting, the Secretary may endeavour to obtain such approval by means of a circular letter. The following conditions must be fulfilled before a decision of the Committee is deemed to have been obtained:
- 14.7.1 the issue must be clearly set out in the circular letter and forwarded to all Ordinary Members of the Committee;
  - 14.7.2 in order to constitute a quorum, at least 50% (fifty) percent of the Ordinary Members of the Committee must participate in the decision by indicating whether they are in favour of or against the proposal; and
  - 14.7.3 for the decision to be taken, it must be approved by more than 50% (fifty) percent of the Ordinary Members voting in respect of the decision.
- 14.8 The decision obtained through a circular letter shall be reported by the Secretary via notification to the Ordinary Members of the Committee, and at

the subsequent Committee meeting shall be recorded in the minutes thereof.

- 14.9 The Committee shall assess and interpret any rules made by the Federation, and when necessary, report back to the annual general meeting any point relevant to the Federation on which the rules are silent.
- 14.10 Except where contrary to or inconsistent with the mandate provided at the annual general meeting, the decisions of the Committee shall be binding on all Ordinary Members and Associate Members of the Federation unless and until counter marked by a resolution of a general meeting.
- 14.11 Any Ordinary Member of the Committee who fails to attend 3 (three) consecutive meetings of the Committee, without satisfactory explanation shall be deemed to have resigned from the Committee.
- 14.12 In the event of the death or resignation of a representative of an Ordinary Member in the Committee, the Committee shall request the affected Ordinary Member within a time specified by the Committee to provide a replacement for the deceased or resigned representative, should the Ordinary Member fail to appoint a new representative within the required time, the Committee will have the power to co-opt any other Ordinary Member of the federation to fill the vacancy until the next annual general meeting.
- 14.13 The Committee is empowered to give instruction to the Secretary and any other officers of the Federation for conducting the affairs of the Federation. It may appoint such officers and such staff, as it deems necessary. It may suspend or dismiss any officers or members of the staff for neglect of duty, dishonesty, incompetence, refusal to carry out decisions of the Committee, or for any other reason which it deems good and sufficient in the interest of the Federation.

**15. DUTIES OF OFFICE BEARERS**

15.1 The Chairman of the Federation shall during his term of office preside at all general meetings and all meetings of the Committee and shall be responsible for the proper conduct of all such meetings. He shall sign the minutes of each meeting at the time they are approved.

15.2 The deputy chairman shall deputise for the Chairman during any absence by the.

15.3 The Secretary shall conduct the business of the Committee in accordance with the rules, and shall carry out the instructions of the general meeting of the Committee. The Secretary shall be responsible for conducting all correspondence and keeping all books, documents and papers except the financial records of the Committee. The Secretary shall:

15.3.1 attend all meetings, and record all proceedings of the Committee; and

15.3.2 maintain an up-to-date register of Ordinary Membership and Associate Membership, consisting of at least their names and addresses.

15.4 The treasurer shall be responsible for the finances of the Federation.

15.5 The ordinary Committee members shall carry out such duty as directed by Chairman of the Committee.

**16. FUNDING AND FINANCIAL PROVISIONS**

16.1 The direct costs of the meeting of the Federation will be funded by the subscriptions from the Ordinary Members and any other available sources of income.

16.2 The funds of the Federation may be expended on payment of cost and expenses of the administration of the Federation including audit of accounts of the funds.

- 16.3 Any project outside the administration of the Federation meetings will be subject to separate funding proposals for each project.
- 16.4 No such project will be considered and agreed except in conjunction with proposals warranting the availability of the funds required in the specified country.
- 16.5 All Ordinary Members and Associate Members and observers will be responsible for meeting their own travel, accommodation and subsistence costs for attending annual general meetings of the Federation.
- 16.6 The Federation may agree to meet all or part of the costs of its representation to an international body by one or more of its Ordinary Members.
- 16.7 Where an Ordinary Member or Associate Member is invited to a meeting to represent the views of the Federation towards an organization in the representative's own country, the Ordinary Member or Associate Member concerned will be expected to meet any costs involved.
- 16.8 All monies which belong to the Federation and which are not required or used for the approved purpose or to settle any expenses on behalf of the Federation, shall be deposited by the treasurer of the Federation to a bank approved by the Committee, within 7 (seven) days of receipt. The bank account shall be in the name of the Federation.
- 16.9 All cheques or withdrawal notices on the Federation account shall be signed jointly by the treasurer, the Chairman (or in his absence deputy chairman) and the Secretary. In the absence of the Secretary or treasurer, the Committee shall appoint the assistant secretary or the assistant treasurer to sign his place respectively.
- 16.10 The treasurer of the Committee may hold such amount of petty cash as determined by the Ordinary Members from time to time.
- 16.11 No expenditure of the funds of the Federation exceeding such amount as may be determined by the Ordinary Members shall be incurred without the

prior permission of the Committee, and no expenditure exceeding such amount as may be determined by the Ordinary Members shall be incurred without the prior written permission of general meeting. Expenditure less than amount as may be determined by the Ordinary Members may be approved by the Chairman in conjunction with the Secretary or treasurer.

- 16.12 The Committee shall ensure that it keeps full and proper books of account in accordance with international practice. As soon as possible after the end of each financial year, a statement of income and expenses for the year and a balance sheet shall be prepared by the treasurer and audited by auditors appointed. The audited accounts shall be submitted for the approval of the next annual general meeting, and copies shall be made available at the registered place of business of the Federation for the perusal of its Ordinary Member.
- 16.13 The Federation's financial year shall begin on 1<sup>st</sup> January and end on 31<sup>st</sup> December of each calendar year.

## 17. **AUDIT**

- 17.1 The Ordinary Member shall appoint 2 (two) representatives from the annual general meeting as honorary auditors. They shall hold office for 1 (one) year only and may be reappointed.
- 17.2 The auditors shall be required to audit the accounts of the Federation for the year, and to prepare a report or certificate for the annual general meeting. They may also be required by the Chairman to audit the accounts of the Federation for any period within their tenure of office at any date, and to make a report to the Committee.
- 17.3 In addition to the honorary auditors referred to in clause 17.1 above, the Ordinary Members shall be entitled to appoint professional auditors to audit the accounts of the Federation and to prepare a report in this regard.

**18. RECORDS**

- 18.1 The proceedings of the annual general meeting of the Federation will be recorded in minutes produced by the Secretary.
- 18.2 The minutes will be signed by the Chairman of the succeeding meeting on the agreement of those present that they are accurate as a record of the meeting.
- 18.3 Copies of the Federation records, letters and other documents will be maintained by the Secretary.
- 18.4 Records of any separate and funded the Federation project will be kept by the treasurer, and will be freely open to any of the Federation Ordinary Members requesting access.
- 18.5 The benefit of any database using the Federation funds will reside in the Federation and will be held in trust for the Federation.

**19. USE OF THE FEDERATION'S NAME**

- 19.1 Any Ordinary Member may request the Committee of the Federation 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.
- 19.2 Any commercial gains to the Federation must, in the Committee's reasonable opinion, be beneficial to the majority of the Ordinary Members and can only be permitted if the event, function, publication or other service has some international dimension that cannot be adequately or appropriately covered by endorsement from the Ordinary Member concerned.
- 19.3 The Federation 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 the Federation Committee costs or project costs as determined by the Federation.

## 20. DISSOLUTION

- 20.1 The Federation may be dissolved by a resolution passed at a general meeting called for that purpose, provided that such resolution must be passed by 75% (seventy five percent) of the Ordinary Members present and entitled to vote at such a meeting, and such resolution must be confirmed at a further general meeting held not less than 30 (thirty) days thereafter by a majority vote of Ordinary Members entitled to be present and to vote thereon.
- 20.2 Upon its dissolution, the assets of the Federation remaining after the satisfaction of all its liabilities shall be given or transferred to another federation or institution having objectives similar to the objectives of the Federation, to be determined by the Ordinary Members of the Federation at the second special general meeting provided for in clause 20.1.

## 21. LIABILITY AND INDEMNITY

- 21.1 Neither the Federation nor the members of the Committee or the Federation shall be responsible or may be held liable for any loss, damage or injury including consequential losses, suffered by or caused to any person or property anywhere on or about the Federation's property or premises, whether or not such loss, damage or injury is occasioned by any act or omission of the Federation, the members of the Committee or the Federation, or anyone else for whose actions they or any of them would be liable in law, or by reason of vis major, casus fortuitus, rain or other water, riots, strikes, theft or burglary with or without forcible entry, or by reason of any condition on or off the grounds of the Federation or any building structures, or any defective facilities of the Federation, or caused by any sporting activity carried out on the Federation's premises, or by any other cause of whatsoever nature and howsoever arising.
- 21.2 Each member of the Federation shall, at all times, hold the Federation and all members of the Federation indemnified against and harmless from and shall in no manner whatsoever seek to hold any of them liable for any

injury, loss or damage suffered by such member of the Federation as a result of personal injury or patrimonial loss arising directly or indirectly from the participation of any person in any match or practice or related activity or any other activity of the Federation or any of the members of the Federation whether or not such injury, loss or damage can be attributed directly or indirectly to negligence of whatsoever nature or degree on the part of the Federation, any member of the Federation, and/or any of their officials, employees and/or agents.

21.3 The Chairman, Deputy Chairman, Secretary, Treasurer and Ordinary Committee Members (“**the Indemnified Parties**”) shall be indemnified by the Federation against any liability incurred by him/her from time to time arising as a result of functioning in that capacity.

21.4 The Federation may obtain insurance to protect an Indemnified Party against any liability or expenses for which the Federation is permitted to indemnify the Indemnified Party.

## 22. **AMENDMENTS OF CONSTITUTION**

22.1 The Constitution of the Federation or any part thereof as contained herein shall not be rescinded, added to or amended, save by a resolution, adopted by a majority of 75% (seventy five percent) of the members of the Federation present at a general meeting of members for which due and proper notice has been given.

22.2 Notice of the intention to rescind, add to or amend the Constitution, if required to be dealt with at an annual general meeting of the Federation, shall be given, in writing, by the intending mover thereof, to the Federation not later than 20 (twenty) days prior to the date fixed for such meeting; and the Secretary shall give written notice of the intended amendment, rescission, addition or amendment to all its members at least ten (10) days prior to the date of the relevant meeting. If it is required that any such rescission, addition or amendment be dealt with at a special general meeting of the Federation, written notice thereof must be given to the



Secretary and the Secretary shall within ten (10) days of receipt of such notice, call a special general meeting of the Federation by giving at least twenty (20) days' notice thereof and of the intended rescission, addition, or amendment in writing, to all its members.

**23. GOVERNING LAW AND JURISDICTION**

This Constitution shall in all respects be governed by the laws of the Republic of South Africa. The North Gauteng High Court, Pretoria, shall have non-exclusive jurisdiction in respect of any dispute or claim arising out of or in connection with this Constitution.

This Constitution is adopted at Sandton on this 16<sup>th</sup> day of April 2015 by the founding member of the Pan African Franchise Federation

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**Franchise Association of South Africa NPC**

herein represented by

Name: Vera Valasis

Capacity: Executive Director, Franchise  
Association of South Africa  
NPC

The adoption of this Constitution was observed and witnessed by the undersigned persons at Sandton on this 16<sup>th</sup> day of April 2015:

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Name: Mr Eugene Honey

Country: South Africa

Capacity: Chairman of the Steering Committee of the Pan African Franchise Federation

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Name: Dr Mulugeta Dessie

Country: Ethiopia

Capacity: \_\_\_\_\_

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Name: Mr Michael Babalola

Country: Nigeria

Capacity: \_\_\_\_\_

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Name: Mr Mubashir Adedodun

Country: Nigeria

Capacity: \_\_\_\_\_

---

Name: Mr Peter Moyanga

Country: South Africa

Capacity: \_\_\_\_\_

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Name: Mr Banie Claasen

Country: South Africa

Capacity: \_\_\_\_\_

---

Name: Ms Diana S Butungi

Country: Tanzania

Capacity: \_\_\_\_\_

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Name: Ms Elizabeth Tamale

Country: Uganda

Capacity: \_\_\_\_\_

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Name: Mr Benjamin Kwaramba

Country: Zimbabwe

Capacity: \_\_\_\_\_