

BANGLADESH FRANCHISE ASSOCIATION

1. Preliminary

1.1 Definitions

In this Constitution, unless the context otherwise requires:

- (1) "Association" or "BFA" or "Company" means the Bangladesh Franchise Association;
- (2) "Adviser Member (Corporate)" means a member specified in the Members' Register as an Adviser Member (Corporate);
- (3) "Adviser Member (Individual)" means a member specified in the Members' Register as an Adviser Member (Individual);
- (4) "Associate Franchisee Member" means a member specified in the Members' Register as an Associate Franchisee Member;
- (5) "By-laws" means by-laws made from time to time by the Board pursuant;
- (6) "Board" means the directors acting as a Board of directors;
- (7) "President (Chairman)" means the President (Highest authority of Bangladesh Franchise Association) or Chairman of the Board;
- (8) "Chapter Executive" means the persons elected from time to time in accordance with the By-laws;
- (9) "Chapter meetings" means a meeting of a State Chapter held in accordance with the By-laws;
- (10) "Chapter Representative" means the current President of the National Chapter or, if the President is unavailable for nomination, such other member of a Chapter Executive as may be nominated by that Chapter Executive and approved by the Board;
- (11) "Constitution" means the constitution of the Association for the time being in force;
- (12) "Directors" means the directors of the Association from time to time;
- (13) "External Directors" means a person appointed as a director of the Association in accordance with rule 7.11(2) being either a member or non member;
- (14) "Foundation Member" means a member specified in the Members' Register as a Foundation Member;
- (15) "Franchise" means the rights granted by a Franchisor to a Franchisee;
- (16) "Franchise Advisory Council Member" means a member who is an association or council representing collectively the interests of Franchisees and which is otherwise specified in the Members' Register as a Franchise Advisory Council Member;
- (17) "Franchisee" means a company, person or firm which has been granted a Franchise by a Franchisor;
- (18) "Franchisee Member" means a member specified in the Members' Register as a Franchisee Member;
- (19) "Franchisor" means a company, person or firm which in the course of its business grants a contractual license to another party which:
 - (a) permits or requires the Franchisee to carry on during the period of the Franchise a particular business under or using a specific name belonging to or associated with the Franchisor; and
 - (b) entitles the Franchisor to exercise continuing control during the period of the Franchise over the manner in which the Franchisee carries on the business which is the subject of the Franchise; and
 - (c) obliges the Franchisor to provide the Franchisee with assistance in carrying on the business which is the subject of the Franchise (including assistance in relation to the organization of the Franchisee's business, the training of staff, merchandising, management or otherwise); and
 - (d) requires the Franchisee periodically during the term of the Franchise to pay to the Franchisor sums of money in consideration for the Franchise or for goods or services provided by the Franchisor to the Franchisee; and
 - (e) is not a transaction between a holding company and subsidiary or between subsidiaries of the same holding company or between an individual and a company controlled by him.
- (20) "Franchisor Member" means a member specified in the Members' Register as a Franchisor Member;
- (21) "Financial year" has the same meaning as in the Law;
- (22) "Honorary Member" means a member specified in the Members' Register as a Honorary Member;
- (23) "Law" means the Bangladesh Government Law;
- (24) "Master Franchisee Member" means a member specified in the Members' Register as a Master Franchisee Member;
- (25) "Member" means a member for the time being of the Association, admitted to membership in accordance with this Constitution; Any Bangladeshi businessman or Businesswoman who have a government approved Trade License, VAT registration and affiliated with any Franchise activities of over age of eighteen years by paying annual subscription to the Association must specify by BFA President or the Board.
- (26) "Members' Register" means the register of members to be kept under the Law;
- (27) "Memorandum" means the Memorandum of Association for the time being in force;
- (28) "Month" means calendar month;
- (29) "Network Member" means a member specified in the Members' Register as a Network Member;
- (30) "Nominee" means a person appointed by the President to represent the interests of the President;
- (31) "Number of Directors" means not less than three and not more than twelve;
- (32) "Office" means the registered office for the time being of the Association;
- (33) "Postal Poll" means a secret poll taken of all voting papers received through the Postal Voting procedure in rule 5.4;
- (34) "Postal Voting" means the system of voting specified in rule 5.4;
- (35) "Postal Voting Papers" means the papers used to cast a postal vote;
- (36) "Related body corporate" has the same meaning as in the Law;
- (37) "Resolution" means a resolution other than a special resolution;
- (38) "Returning Officer" means a person appointed with the function of administering the Postal Voting process;
- (39) "Seal" means the common seal of the Association or, where appropriate, the duplicate seal or the official seal;
- (40) "Secretary" includes any person appointed to perform the duties of secretary on a temporary basis and any properly appointed assistant secretary;



- (41) "Secret Poll" means a process where only the President or Nominee of the President acts as a Returning Officer for the Postal Poll and counts the votes for and against the resolution and declares the resolution either to be carried or lost;
- (42) "special resolution" has the same meaning as in the Law;
- (43) "Standards of Conduct" means any code of ethics adopted by the members, the franchising code of practice released by the Bangladesh Government or Bangladesh Franchise Association such other standards as the Board may recommend to the members from time to time;
- (44) "State Chapter" means the members of the Association located in a particular District or Territory;
- (45) "Supplier Member (Corporate)" means a member specified in the Members' Register as a Supplier Member (Corporate);
- (46) "Supplier Member (Individual)" means a member specified in the Members' Register as a Supplier Member (Individual); and
- (47) "in writing" or "written" includes printing, lithography, photography and other means of representing or reproducing words in a visible form.
- (48) "Company" or "Association" means Bangladesh Franchise Association. Company used only reference for registration in Company Laws.

1.2 Interpretation

In this Constitution, unless the context otherwise requires:

- (1) the singular includes the plural and vice versa;
- (2) words importing a gender include every gender;
- (3) references to the Law, any section, regulation or schedule of the Law or any other legislation are references to that law as amended, consolidated, supplemented or replaced;
- (4) headings are for convenience only and must be ignored in interpreting this Constitution; and
- (5) references to any person include references to any individual, company, body corporate, association, partnership, firm, joint venture, trust or government agency.

1.3 Constitution Subject to the Law: This Constitution is subject to the Law and where there is any inconsistency between a rule and the Law, the Law prevails to the extent of the inconsistency.

1.4 Purposes of the Association: The Association is established for the purposes set out in the **MEMORANDUM**.

2. Membership

2.1 Membership of the Association

The subscribers to the memorandum and such other persons as the Board admits to membership in accordance with this Constitution will be members of the Association.

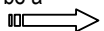
2.2 Categories of Membership

The Association will consist of:

- (1) Network Members;
- (2) Franchisor Members;
- (3) Master Franchisee Members;
- (4) Franchisee Member (Corporate);
- (5) Franchisee Member (Individual);
- (6) Adviser Members (Corporate);
- (7) Adviser Members (Individual);
- (8) Supplier Members (Corporate);
- (9) Supplier Members (Individual);
- (10) Honorary Members;
- (11) Foundation Members;
- (12) Associate Franchisee Member (Corporate);
- (13) Associate Franchisee Member (Individual);
- (14) Provisional Members (Corporate);
- (15) Provisional Members (Individual);
- (16) Industry Association; and
- (17) Franchise Advisory Council Member who for purposes of the Constitution shall be deemed to be a body corporate.

2.3 Qualification for Membership

- (1) Subject to rule 2.3(2) and any:
 - (a) body corporate;
 - (b) person or firm;
 - (c) government agency; or
 - (d) academic institution which agrees to comply with any Standards of Conduct recommended by the Board at that time and applying to them, is qualified to be a member.
- (2) The President or Board may in its discretion invite to become and admit as an Honorary Member any:
 - (a) individual or body corporate which, in the opinion of the Board, warrants such appointment; or
 - (b) overseas organisation having similar objects or subscribing to similar Standards of Conduct.
- (3) The Foundation Members are:
 - (a) persons who became members within 90 days from the date of incorporation of the Association; and No other person may be a Foundation Member.





2.4 Application for Membership

A person qualified for membership may apply for membership in such form as the Board may from time to time prescribe.

2.5 Admission to Membership

(1) On being satisfied of the eligibility of an applicant for membership, the Board may in its discretion admit the applicant as a member. The Board may interpret the member categories as it sees fit.

(2) The Secretary must enter in the Members' Register the name of any person admitted as a member.

2.6 Rights and Privileges of Membership

(1) Subject to rule 2.6(2), 2.6(3) and 2.6(8), and without limiting any other rights conferred on members, members have the right to:

- (a) receive notice of, attend and vote at any general meeting of the Association;
- (b) receive the Association's newsletters or KINGSHUK (If the board approved);
- (c) use the Association's logo in accordance with guidelines determined by the Board from time to time.

(2) Foundation Members have no rights to attend or vote at a general meeting of the Association or privileges and to use the title "Foundation Member".

(3) Honorary Members have no right to attend or vote at a general meeting of the Association and have no right to receive notices of such meeting or other communications issued to members other than the regular publications (KINGSHUK) of the Association.

(4) A Network Member has the right to attend and vote at a State Chapter meeting held in any District or Territory in which a Franchisor, Franchisee or Master Franchisee of that Network carries on business.

(5) Provisional Members (Corporate) and Provisional Members (Individual) may attend a general meeting of the Association but will have no right to vote at a general meeting of the company.

(6) All other members (other than Honorary and Foundation Members) have the right to attend a State Chapter meeting in any District or Territory but may only vote at a State/District Chapter meeting held in their nominated home District or Territory.

(7) A Provisional Member (Corporate) and a Provisional Member (Individual) may only hold that category of membership for two years, after which their membership will lapse unless they qualify for a different category of membership.

(8) Associate Franchisee Members have the right to receive notices of general meetings of the Association and attend all such general meetings but shall not have the right to vote at these meetings.

2.7 Membership Fees

The Board may impose a joining fee and must impose an annual membership fee.

2.8 Cessation of Membership

A person will cease to be a member automatically if that person:

- (1) dies;
- (2) is or is deemed to be insolvent, bankrupt, unable to pay their debts as they fall due, or suffers the appointment of a receiver, receiver and manager, administrator, trustee in bankruptcy, or liquidator;
- (3) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (4) resigns membership by notice in writing to the Association;
- (5) ceases to qualify for membership of the Association in accordance with rule 2.3; or
- (6) has not paid the annual membership fee by the due date for payment as set by the Board, and fails to pay within fourteen days of written notice from the Association advising of such non-payment.

2.9 Cessation of Rights

The rights and privileges of a member cease when the member ceases to be a member or when the member's name is removed from the Members' Register.

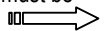
2.10 Censure, Suspension and Expulsion

(1) A resolution passed by not fewer than three quarters of the directors for the time being comprising the Board may censure, suspend or expel from the Association a member:

- (a) who fails to observe and comply with the Constitution;
- (b) who fails to comply with any Standards of Conduct applying to them;
- (c) who makes a willful misrepresentation to the Association in their application for membership; or
- (d) who is, in the opinion of the Board, not a fit and proper person to be a member of the Association.

(2) Any question of the censure, suspension or expulsion of a member must be dealt with by a meeting of the Board of which at least fourteen days' notice is given, specifying the date, time and place of the meeting. The notice must state the nature of the business but need not identify by name the member whose conduct is under consideration.

(3) The member whose conduct is under consideration must receive the same notice of the meeting as the Board, must receive with the notice written particulars of the matter to be considered and must be invited to attend and be heard. The member may be present at the meeting in person or through a representative and must advise the President (Chairman) at least seven days before the meeting whether they will attend in person or through a representative. At the meeting, the member or their representative may make submissions in writing and orally and must be given an opportunity to respond to any matters raised at the meeting.





(4) After the member or their representative has addressed the Board, all submissions have been heard and received and the member has been given an opportunity to respond, they must leave the meeting and the Board will consider its position. A copy of the Board's resolution must be served on the member.

(5) The member who is the subject of such a resolution may lodge an appeal within fourteen days of receiving notice of the resolution, by delivering a notice of appeal to the President (Chairman) setting out in detail the grounds of appeal. If a notice of appeal complying with rule 2.10(5) is not received by the President (Chairman) within this period, the resolution will immediately become effective and binding.

(6) If a notice of appeal complying with rule 2.10(5) is received within that fourteen day period, the President/Chairman must convene an arbitration panel comprising:

(a) an employee, partner or director of a Franchisor Member of over five years' standing appointed by the member appealing. The appointment must include a signed statement from the other member of their willingness to act on the panel. The appointment and statement of willingness must be lodged with the notice of appeal. Failure to lodge these at the same time will render the notice of appeal ineffective;

(b) an employee, partner or director of a Franchisor Member of over five years' standing nominated by the President/Chairman and willing to act, who was not present at the meeting of the Board when the decision to censure, suspend or expel was taken; and

(c) a person who is neither a member nor an employee, partner or director of a member of the Association and who is appointed by the two members referred to in rule 2.10(6)(a) and 2.10(6)(b). If these members fail to appoint a third member within fourteen days of the later of their respective dates of appointment, the third member will be a person appointed by the Board who is neither a member nor an employee, partner or director of a member of the Association.

(7) The President/Chairman must give the member appealing at least fourteen days' notice of the time and place of the meeting of the arbitration panel.

(8) The Board may present its case in support of the resolution to censure, suspend or expel through any representative. The appealing member may appear in person or by a representative. The appealing member must notify the Association at least seven days before the hearing date whether or not they will be represented and if so the name and capacity of the representative. The Association will not be entitled to be represented by a barrister or a solicitor unless the appealing member is also represented by a barrister or solicitor.

(9) The appeal will be by way of a complete rehearing. The arbitration panel may uphold, reverse or vary a finding or determination of the Board. Decisions of the arbitration panel will be by majority vote.

(10) Within 28 days of completing the hearing, the arbitration panel must hand down its decision in writing addressed to the Board and copied to the appealing member.

3. General Meetings

3.1 Annual General Meetings

Subject to the Law, a general meeting of the Association called the "annual general meeting" must be held at least once in every calendar year no later than five months after the end of the financial year. All other meetings of the Association will be called "general meetings" and may be convened at any time.

3.2 Deemed Holding of Annual General Meeting

An annual general meeting will be deemed to have been held if the Association has held a general meeting at which resolutions have been passed dealing with all matters required to be dealt with at an annual general meeting, but this does not affect the obligation to hold an annual general meeting as required by the Law or this Constitution.

3.3 Convening of General Meetings

In relation to the convening of general meetings:

(1) the Board may convene general meetings to be held at any place the directors think fit;

(2) a general meeting must be convened by the directors as soon as practicable following a requisition of members in the manner provided for by the Law; and

(3) members have no right to call general meetings of the Association except as provided by this rule.

3.4 Notice of General Meetings

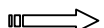
Except as permitted by the Law, at least fourteen days' notice of every general meeting or meeting of any class of members (or if the meeting is one at which it is proposed to pass a special resolution, at least twenty-one days' notice) must be given in the manner provided by this Constitution to the members and the persons entitled under this Constitution to receive notices.

3.5 Contents of Notice of General Meetings

Every notice convening a general meeting must specify the place, the day and the hour of the meeting and the general nature of the business to be transacted at the meeting. Every notice of an annual general meeting must be accompanied by a statement setting out those Board positions which will become vacant at the end of the annual general meeting and subject to the provisions of rule 7 invite nominations for those positions.

3.6 Omission to give notice

Except as prescribed by the Law, the accidental omission to give notice of a meeting to any member or the non-receipt of notice of a meeting by any member will not invalidate any of the proceedings at that meeting.





4. Proceedings at General Meeting

4.1 Business at Annual General Meeting

The business of an annual general meeting will be:

- (1) to receive and consider the profit and loss account and balance sheet and the reports of the directors and of the auditors and the statement of the directors;
- (2) to elect directors in place of any retiring director or any director whose office will be vacated by virtue of rule 8.5; and
- (3) to transact any other business which may be properly brought before the meeting.

4.2 Quorum for General Meeting

No business will be transacted at any general meeting unless a quorum is present at the beginning of the business. A quorum is constituted by fifteen members of the Association present in person or by attorney or proxy.

4.3 Representative of Body Corporate

Where:

- (1) a person present at a meeting is authorized to act as the representative of a body corporate at the meeting under an authority given by the body corporate under Section 250D of the Law; and
 - (2) the person is not otherwise entitled to be present at the meeting,
- the body corporate will, for the purposes of this Constitution, be deemed to be present in person at the meeting.

4.4 No Quorum

If a quorum is not present within twenty minutes after the time appointed for the meeting, any meeting convened on a requisition of members will be dissolved but any other meeting will be adjourned to the same day in the next week at the same time and place or to such other day, time and place as the directors may appoint by notice to the members. If at the adjourned meeting a quorum is not present, the meeting will be dissolved.

4.5 President (Chairman) of General Meeting

The President (Chairman) or, in the President's absence, the Vice-Chairman (if any) is entitled to take the chair at every general meeting. If there is no President or if at any meeting the Vice-Chairman is not present or if the President is unwilling to act, the directors present may choose a new Vice-Chairman. If the directors do not choose a Vice-Chairman, the members present must choose one of the directors to be Vice-Chairman (but not a President) and if no director is present or willing to take the chair, the members must choose one of their number to be Vice-Chairman who will act as temporarily as Chairman of the Board without any financial and administrative power. He will act only to resolve that particular general meeting for electing a new Vice-Chairman (but not a President or Chairman).

4.6 Powers of President (Chairman)

At any general meeting, a declaration by the President that a resolution or special resolution has been carried or carried by a particular majority or not carried and a recording of that declaration in the minute book will be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against that resolution or special resolution. President/Chairman is the Chief Executive Officer (CEO) of Bangladesh Franchise Association with full power of finance, administrative, Director appointing, Vice-Chairman appointing and adjournment of general meeting. The first founder President (Chairman) of Bangladesh Franchise Association will adjourn all general meetings within ten years. The President will be the lone authorized signatory for bank account on behalf of Bangladesh Franchise Association.

4.7 Adjournment of General Meeting

The President of a general meeting may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but only business left unfinished at the original meeting may be transacted at the adjournment.

4.8 Notice of Adjourned Meeting

If any general meeting is adjourned for more than twenty-one days, a notice of the adjournment must be given to members of the Association in the same manner as notice was or ought to have been given of the original meeting. In the case of all other adjournments, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

5. Voting

5.1 Resolution Determined by Majority

At a general meeting:

- (1) all questions submitted to the meeting will be decided by a simple majority of votes except where a greater majority is required by this Constitution or the Law;
- (2) the President (Chairman) will not have a casting vote in addition to the vote or votes to which the President (Chairman) may be entitled as a member; and
- (3) in the first instance, voting will be on a show of hands. A poll may be demanded on any question before the close of the meeting by the President (Chairman), any member, or their proxy, attorney or representative. The Chairman must decide in each case the manner in which a poll will be taken, and the result of the poll will be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a Chairman or on a question of adjournment will be taken immediately. Any dispute relating to the admission or rejection of a vote



must be determined by the President (Chairman) and the President's determination made in good faith will be final and conclusive.

5.2 Votes

On a show of hands every person present as a member or as a representative, proxy or attorney of a member will have one vote and on a poll every member present in person or by proxy, attorney or representative will have one vote.

5.3 Attorney of Member

Any member may appoint an attorney to act on their behalf at all meetings of the Association or all meetings of the Association during a specified period. Before the first meeting at which the attorney acts on the member's behalf, a power of attorney must be deposited at the Office or at any place specified in the notice convening that meeting. At the first meeting and at any subsequent meeting to which the power of attorney may relate, the attorney must hand to the President (Chairman) of the meeting a properly executed declaration of non-revocation of the power of attorney.

5.4 Postal Voting

- (1) A Postal Poll of the eligible members of the Association may be held subject to rule 7:
 - (a) in respect of any resolution for the election of directors of the Association;
 - (b) in relation to any ordinary or special resolution of the Association; or
 - (c) in relation to any resolution before any annual general meeting of the Association.
- (2) In the case of a Postal Poll the procedures set out in rules 5.4(3) and 5.4(8) shall apply.
- (3) The Postal Poll shall be conducted by the authority of the directors as a Secret Poll and the result shall be deemed to be the result of the resolution upon which it is called.
- (4) In all cases where a Postal Poll is conducted as provided for in this Constitution, the Board shall cause to be sent to each member of the Association entitled to exercise a vote on the Postal Poll, not less than 21 days prior to the date upon which the meeting of the Association to consider the resolution is to be held, a voting paper setting out the resolution and a direction to vote either for or against the resolution.
- (5) For the purposes of rule 5.4(4), the Board shall also cause to be sent to all members with the voting paper an explanatory statement which shall be prepared by the Board and which shall contain the following relevant information in relation to the resolution:
 - (a) a summary of the arguments for and against the resolution, such summary to be derived from discussion on the resolution at the meeting or the Board (as the case may be) at which the Postal Poll was demanded;
 - (b) a summary of the views of the Board in relation to the resolution;
 - (c) a statement whether the views of the Board in relation to the resolution are unanimous or not and if not, setting forth the number of Board members in favour of the resolution and the number only of Board members against the resolution; and
 - (d) the date and time prior to which completed voting papers must be received at the Office in order to be counted.
- (6) The date and time prior to which completed voting papers must be received at the Office in order to be counted shall be no less than seven days prior to the date upon which the meeting of the Association including an annual general meeting to consider the resolution is to be held.
- (7) The President (Chairman) or the Nominee of the President shall act as Returning Officer in respect of the poll and shall, after counting the votes for and against the resolution, declare the resolution either to be carried or lost.
- (8) The accidental omission to send a voting paper in relation to a Postal Poll to any member or the failure of any member to receive any such voting paper shall not invalidate the result of such Postal Poll.

6. Proxies

6.1 Instrument Appointing proxy

The instrument appointing a proxy must be in writing signed by the appointor or by the appointor's attorney properly authorised in writing, or, if the appointor is a body corporate, under its common seal or signed by at least two of its officers.

6.2 Deposit of Proxy with Company

The instrument appointing a proxy and the original power of attorney (if any) under which it is signed or a certified copy of the power of attorney must be deposited at the Office or at any other place specified in the notice convening the meeting not less than forty-eight hours before the time for holding the meeting. An instrument appointing a proxy will only be valid twelve months from the date of its execution unless it states that it is valid for all meetings until revoked, except that any instrument may be used at any adjournment of the meeting for which it was originally intended.

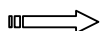
6.3 Validity of Vote Given in Accordance with Proxy

Unless the Association has received written notice of the matter before the start of the members' meeting at which a proxy or an attorney votes, a vote cast by the proxy or attorney will be valid even if, before the proxy or attorney voted:

- (1) the member dies; or
- (2) the member is mentally incapacitated; or
- (3) the member revokes the proxy's or attorney's appointment; or
- (4) the member revokes the authority under which the proxy was appointed by a third party.

6.4 Form of Proxy

Every instrument of proxy must as nearly as circumstances permit be in the form or to the following effect:





"I of being a member of appoint of or failing him/her of as my proxy to vote on my behalf at the general meeting of the Association to be held on the day of 200 and at any adjournment."

Signed this day of 200 .

or in such other form as the directors may from time to time prescribe or accept. The instrument of proxy may be worded so that a proxy may be directed to vote either for or against each of the resolutions to be proposed. Any instrument of proxy deposited in accordance with this Constitution in which the name of the appointee is not filled in will be deemed to be given in favour of the President (Chairman) of the meeting to which it relates.

7. Directors

7.1 Number of Directors

The number of the directors must not be less than three, nor more than twelve, until otherwise determined by the Association in general meeting. A body corporate cannot be appointed as a director. The President can only appoint Directors for the first time.

7.2 Consent

Before being appointed as a director a person must give the Association a signed consent to act as director which must be retained by the Association.

7.3 Election of Directors by Association

The election of directors (other than External Directors and those who fill casual vacancies) must be by resolution of the Association in general meeting or by Postal Poll.

7.4 Nomination for Election

(1) Each candidate for election as a director must:

- (a) be proposed by a member or the nominated representative of a corporate member; and
- (b) be seconded by another member or the nominated representative of another corporate member.

(2) No member or nominated representative of a member may propose more than one person as a candidate but may second more than one nomination.

(3) A nomination of a candidate for election must:

- (a) be in writing;
- (b) be signed by the candidate; and
- (c) be signed by the proposer and seconder.

(4) A nomination of a candidate for election must be received at the registered office of the Association not later than 5 p.m. on the day which is twenty eight days prior to the annual general meeting at which the candidate seeks election.

(5) A list of the candidates' names in alphabetical order together with the proposers' and seconds' names must be sent to members with the notice of the annual general meeting.

(6) For purposes of rule 7.4(3) and 7.4(4) the Association shall call for nominations in writing not less than forty five days prior to the annual general meeting at which candidates for election as directors will be considered.

7.5 Election Procedure

(1) If the number of candidates for election as directors is equal to or less than the number of vacancies on the board the chair of the annual general meeting must declare those candidates to be duly elected as directors.

(2) If the number of candidates for election as directors is greater than the number of vacancies on the board a ballot must be held for the election of the candidates.

(3) If a ballot is required balloting lists must be prepared listing the names of the candidates only in alphabetical order.

(4) At the annual general meeting each person entitled to vote and voting on the ballot may vote for a number of candidates equal to the number of vacancies.

(5) The candidates receiving the greatest number of votes cast in their favour must be declared by the chair of the meeting to be elected as directors.

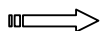
(6) If an equality of votes would otherwise prevent the successful candidate for a vacancy from being determined, the names of the candidates who received the same number of votes must be put to a further ballot immediately.

7.6 Qualification for Election as a Director

Any member (or, in the case of a body corporate, any employee, director or partner of such member) may be elected as a director (except for External Directors).

7.7 No Qualification for Election as an External Director

Any member or non member may be appointed as an External Director.





7.8 Composition of the Board

Until otherwise determined by a special resolution of the Association in general meeting, the Board must comprise of at least ten directors but may in accordance with rule 7.1 may comprise of up to twelve directors:

- (1) five of whom must be Chapter Representatives (each of a different State Chapter); and
- (2) three of whom must be (or be an employee, partner or director of) Franchisor Members; and
- (3) two of whom may be (or be an employee, director or partner of) any category of membership specified in rule 2.2; and
- (4) two of whom may be appointed by the Board as External Directors in accordance with rule 7.117.4.

7.9 Auditor cannot be Director

Subject to the Law, an auditor of the Association or partner or employee or employer of an auditor must not be appointed a director of the Association.

7.10 No alternate Directors

No director may appoint a person to act as an alternate director.

7.11 Casual Vacancies and External Directors

Notwithstanding any other provision set out in this Constitution, the directors have the power at any time to appoint:

- (1) any other member or member representative as a director to fill a casual vacancy; and,
 - (2) two other members or non member representatives to act as External Directors of the Association;
- except that the total number of directors must not at any time exceed the number referred to in rule 7.1 and the composition of the Board referred to in rule 7.8 must be retained.

8. Directors' Tenure of Office

8.1 Directors' tenure of office

Subject to the Law, each director excluding External Directors will hold office until removed in accordance with this Constitution or until the director's office is vacated in accordance with this Constitution and, for the avoidance of doubt, must be re-elected annually.

8.2 External Directors' Tenure of Office

External Directors will have a 12 month tenure (unless removed by the Board before the end of the 12 month tenure) and may be re-appointed by the Board at the end of the 12 months.

8.3 Retiring Director Eligible for Re-election

A director who retires or whose office is vacated under this Constitution is eligible for election or re-election to the Board except as limited by rule 8.5.

8.4 Removal of Director by the Association

The Association may by resolution remove any director at any time.

8.5 Vacation of Office

The office of a director will be automatically vacated if the director:

- (1) is a Chapter Representative and either:
 - (a) ceases to be a Chapter Representative; or
 - (b) has held the office of director for a term of one year
- (2) is not a Chapter Representative and has held the office of director for a term of one year.
- (3) is no longer a member (or, in the case of a director nominated by a member which is a corporation or partnership, the relevant body corporate or partnership is no longer a member);
- (4) has not paid by the due date as prescribed by the Board any annual membership fee required to be paid under rule 2.7 or, in the case of a director nominated by a member which is a body corporate or partnership, the body corporate or partnership has not paid such fee;
- (5) commits an act of bankruptcy or enters into an arrangement or composition with all or a substantial number of his or her creditors;
- (6) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (7) resigns office by notice in writing to the Association; or
- (8) vacates office or is prohibited from being a director in accordance with any of the provisions of the Law or any order made under the Law.

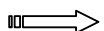
A director whose office is vacated under rule 8.5(1) or 8.5(2) will be eligible for re-election.

A director whose office is vacated under rule 8.5(3), 8.5(4), 8.5(5), 8.5(6), or 8.5(8) will not be eligible for re-election until the disability (or disabilities) referred to is (or are) removed.

9. Proceedings of Directors

9.1 Board Meetings and Quorum for Board Meetings

- (1) The directors may meet for the despatch of business and adjourn and otherwise regulate their meetings as they think fit but must meet on at least four occasions each year.





(2) The directors may determine the quorum necessary for the transaction of business. Until such a determination is made, the quorum will be four directors. If the number of directors falls below four, the directors may act for the sole purpose of filling the casual vacancy or vacancies pursuant to rule 7.11.

9.2 Conduct of Board Meetings

The directors may conduct their meetings by telephone or other means of communication without a director or directors being in the physical presence of another director or other directors.

9.3 Convening of Board Meeting and Place of Meeting

A director may at any time and the secretary on the request of a director must convene a meeting of directors. Meetings may be held outside Bangladesh.

9.4 Board Meeting Competent to Exercise all Powers

A meeting of the directors at which a quorum is present may exercise all or any of the powers and discretions vested in or exercisable by the directors generally.

9.5 Resolution Passed Deemed to be Determination of Board

Any resolution properly passed at a duly convened meeting of the directors at which a quorum is present will be deemed to be a determination by all the directors of the Board for the purposes of this Constitution.

9.6 President (Chairman) of Board Meetings

The directors may elect a President (Chairman) and Vice-Chairman of their meetings and determine the period they are to hold office. If no President/Chairman or Vice-Chairman is elected or if at any meeting neither the Chairman nor the Vice-Chairman is present at the time appointed for the meeting, the directors present at the meeting must choose one of their number to be only Vice-Chairman of the meeting. If the directors do not choose a Vice-Chairman, the members present must choose one of the directors to be Vice-Chairman (but not a President). He will act only to resolve that particular general meeting for electing a new Vice-Chairman (but not a President or Chairman).

9.7 Questions to be Decided by Majority

Questions arising at any meeting will be decided by a majority of votes of directors present and voting. The President/Chairman will have a casting vote as well as a deliberative vote.

9.8 Resolution in Writing

A resolution in writing of which notice has been given to all directors entitled to receive notice of a meeting of the directors and which is signed by a majority of directors entitled to attend and vote at meetings of the directors is valid as if passed at a meeting of the directors duly convened and held. Copies of the document may be distributed for signing by different directors but each copy must have identical wording. The resolution is passed when the last director signs the document.

9.9 Committee Powers and Meetings

The directors may delegate any of their powers to a committee of directors and may revoke any such delegation. Any committee must exercise the powers delegated to it in accordance with any directions of the Board. The meetings and proceedings of any committee consisting of two or more directors will be governed by the provisions of this Constitution regulating the meetings and proceedings of the directors so far as they are applicable and are not superseded by any direction made by the Board under this rule.

9.10 Validity of Acts of Directors

All acts done by any meeting of the directors or by a committee of the directors or by any person acting as a director are valid even if it is afterwards discovered that there was some defect in the appointment or election of any director or person acting as a director or that any director was disqualified or had vacated office or was otherwise not entitled to vote or act.

9.11 Directors to Declare Potential Conflicts

Any director who holds any office or possesses any property which might (whether directly or indirectly) create duties or interests in conflict with his duties or interests as a director of the Association must declare the fact of the holding and the nature and extent of any conflict at the first meeting of the directors held after the director becomes a director or (if already a director) at the first meeting of the directors held after the relevant facts came to the director's knowledge.

10. Directors' Contracts

10.1 Directors not Disqualified from holding office or Contracting with Association

Notwithstanding any rule of law or equity:

- (1) no director shall be disqualified by virtue of his office from holding any office or place of profit (other than as auditor) with the Association or with any company promoted by the Association or with any corporation in which the Association is a shareholder or which is a shareholder of the Company or in which the Association is otherwise interested;
- (2) no director shall be disqualified by virtue of his office from contracting with the Association (whether as vendor, purchaser or otherwise); and
- (3) no contract referred to in rule 10.1(2) or any contract or arrangement entered into by or on behalf of the Association in which any director is



in any way interested shall be avoided and no director shall be liable to account to the Association for any profit arising from such a contract or arrangement or from any office referred to in rule 10.1(1) (or other place of profit) by reason only of that director holding that office or of the fiduciary relations established by it.

10.2 Director may hold office or Act in Professional Capacity

Subject to the Law (and in particular Chapter 2E), a director:

- (1) may hold any office in connection with the Association's business except that of auditor; and
- (2) may act individually or through the director's firm in a professional capacity for the Association (except as auditor) and shall be entitled to remuneration for professional services as though the director were not a director.

10.3 Director may Vote on Contract in which he/she is Interested

Subject to the Law (and in particular section 195), a director may vote in respect of any contract or arrangement in which the director is interested (whether directly or indirectly) and may be counted in a quorum, may affix the Seal and may otherwise act in respect of such contract or arrangement.

10.4 Director not Deemed to be Interested in Certain Contracts or Arrangements

A director shall not be deemed to be interested (whether directly or indirectly) or to have been at any time interested in any contract or arrangement or proposed contract or arrangement:

- (1) relating to any loan to the Association, merely by reason of the fact that the director has guaranteed or joined in guaranteeing the repayment of such loan or any part of such loan; or
- (2) made or to be made with a corporation which under any provision of the Law is deemed to be related to or associated with the Association, merely by reason of his being a director of that corporation.

10.5 Directors to Declare Interest

Any director who is directly or indirectly interested in any contract or arrangement or proposed contract or arrangement with the Association must declare the nature of the interest at the meeting of the directors at which the contract or arrangement is first considered (if the interest then exists) or, in any other case, at the first meeting of the directors held after the interest is acquired. A general notice by a director that the director is a member of any specified corporation or firm and is to be regarded as interested in any contract which may be made with that corporation or firm after the date of that notice shall be deemed to be a sufficient declaration of interest in relation to any contract so made provided the notice complies with the provisions of the Law and in particular Section 191 of the Law.

10.6 Directors to Declare Potential Conflicts

Any director who holds any office or possesses any property which might (whether directly or indirectly) create duties or interests in conflict with his duties or interests as a director of the Association must declare the fact of his holding such office and the nature and extent of any conflict at the first meeting of the directors held after the director becomes a director or (if already a director) at the first meeting of the directors held after the relevant facts came to the director's knowledge.

10.7 Secretary to Record Declarations of Directors

It shall be the duty of the secretary to record in the minutes of the meeting any declarations made or notices given by a director under this Constitution.

10.8 Effect of Failure to Make or Record Disclosures

Failure to make or to record any disclosures will not render voidable or void any contract, transaction or arrangement to which the disclosure relates.

11. Powers of Directors

11.1 Powers of directors

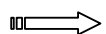
Subject to the Law and this Constitution, the business of the Association will be managed by the directors, who may pay all expenses incurred in promoting and forming the Association and may exercise all such powers of the Association as are not, by the Law or by this Constitution, required to be exercised by the Association in general meeting.

11.2 Powers to Borrow or Raise Money

Without limiting the previous rule, the directors may from time to time borrow or raise any sum or sums of money or incur other financial obligations for the purposes of the Association and may give or take security over the repayment of such sum or sums or the payment, performance or fulfillment of any debts, liabilities, contracts or obligations incurred or undertaken by the Association on terms and conditions as they determine.

11.3 Security over Association's Assets

Subject to the Law, if any director or any other person becomes personally liable (whether as surety or otherwise) for the performance of any of the Association's obligations, the directors may, despite their interest, execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Association by way of indemnity to secure the liability.





12. Executive Directors

12.1 Executive Appointments

The directors may (but need not) at any time appoint one or more directors to the office of managing director, chief executive officer, State Chapter executive officer or to any other executive office for any period and on any terms they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any appointment. Any appointment will be automatically terminated if the person ceases to be a director, unless otherwise agreed.

12.2 Remuneration of Executive Directors

An executive director will, subject to the terms of any particular agreement entered into, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine.

12.3 Directors may Confer Powers on Executive Directors

The directors may grant an executive director any of the powers exercisable by the directors on such terms and conditions and with such restrictions as they think fit. Any powers so conferred may be concurrent with or to the exclusion of their own powers. The directors may at any time revoke, withdraw, alter or vary all or any of those powers.

13. State Chapter and Other Local Management and Attorneys

13.1 State Chapter and other Local Representatives and Agencies

The directors may at any time provide for the management of the affairs of the Association in any place and in any manner they think fit and without limiting the generality of this rule, the directors may:

- (1) establish any local managers, representatives or agencies for managing any of the affairs of the Association (including, without limitation, any State Chapter) in any locality and may appoint any persons to act as managers, representatives or agents of the Association and, in connection with any appointment, may fix remuneration, impose conditions and remove any appointee as the directors think fit;
- (2) subject to law and their obligations as directors, delegate to any person referred to in rule 13.1(1) any of their management responsibilities and authorities and vary or annul such delegation.

13.2 Appointment of Attorney

The directors may at any time by power of attorney under the Seal appoint any person or persons to be the attorney or attorneys of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) and for such period and subject to such conditions as the directors think fit. Any appointment may be made in favour of any company or the members, directors, nominees or managers of any company or firm or in favour of any fluctuating body of persons (whether nominated by the directors or otherwise) and any power of attorney may contain provisions for the protection or convenience of the attorney or attorneys and of persons dealing with the attorney or attorneys.

13.3 Sub-delegation of Powers

Any delegate, manager, agent or attorney appointed by the directors may be authorised by the directors to sub-delegate all or any of the powers, authorities and discretions given to them.

14. Directors' Remuneration

14.1 Remuneration of Non-Executive Directors

There will be no remuneration for services rendered as directors (excluding any remuneration payable to any director under any executive service contract with the Association or a related body corporate), except as the Association in general meeting may determine.

14.2 Expenses of Directors

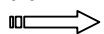
In addition to any remuneration, the directors may also be paid all travelling and other expenses incurred by them in attending and returning from meetings of the directors, any committee of the directors or any general meetings of the Association or otherwise in connection with the business of the Association, as permitted by the Association in general meeting.

15. Minutes and Registers to be kept

15.1 Minutes

The directors must ensure minutes of directors meetings are prepared within one month of the relevant meeting, which minutes must contain details of:

- (1) the names of the directors present at each meeting of the directors and of any committee of directors;
- (2) all declarations made or notices given by any director (either generally or specially) of his or her interest in any contract or proposed contract or of his or her holding of any office or property whereby any conflict of duty or interest may arise;
- (3) all orders made by the directors and committees of directors; and
- (4) all resolutions and proceedings of general meetings of the Association, meetings of the directors and meetings of any committee of the directors.





Any minutes of any general meetings of the association, meetings of the directors or meetings of any committee of the directors must be signed by the President (Chairman) of the meeting or by the president of the next succeeding meeting and once signed will constitute evidence of the matters stated in the minutes.

15.2 Registers

In accordance with the Law, the directors must set up and maintain:

- (1) a Members' Register;
- (2) a register of charges;
- (3) if the Association issues debentures, a register of debenture holders; and
- (4) any other registers required to be kept under the Law.

The registers may be kept either in a bound or loose leaf book or on computer. If a register is kept on computer, its contents must be capable of being printed out in hard copy.

16. The Secretary

16.1 Secretary

A secretary or secretaries of the Association must be appointed by the directors in accordance with the Law. The directors may also appoint acting and assistant secretaries. Any such appointment may be for such term, at such remuneration and on such conditions as the directors think fit and any person so appointed may be removed by the directors.

17. The Seal

17.1 Use of Common Seal

The directors must provide for the safe custody of the Seal. The Seal must be used only by the authority of the Board or a committee of the directors with authority from the Board to authorise the use of the Seal. Every document to which the Seal is affixed must be signed by a director and countersigned by another director, a secretary, an assistant secretary or another person appointed by the directors to countersign that document or a class of documents in which that document is included.

18. Negotiable Instruments

18.1 Negotiable instruments

All cheques, bills of exchange, promissory notes and other negotiable instruments must be signed, drawn, accepted, made or endorsed (as the case may be) for and on behalf of the Association by such persons and in such manner as the directors may determine.

19. Accounts

19.1 Accounting Records

The directors must cause accounting and other records to be kept to correctly record and explain the transactions and financial position of the Association, to enable true and fair profit and loss accounts and balance sheets to be prepared and to permit preparation of any other documents required by the Law or this Constitution. The records must be kept:

- (1) in such manner to enable them to be conveniently and properly audited;
- (2) for seven years after the completion of the transactions or operations to which they relate; and
- (3) at such place as the directors think fit and at all times be open to inspection by the directors.

19.2 Accounts to be Laid before Annual General Meeting

At the annual general meeting, the directors must lay before the Association:

- (1) a profit and loss account for the last financial year of the Association;
- (2) a balance sheet as at the date to which the profit and loss account is made up; and
- (3) attached to the documents referred to in rule 19.2(1) and 19.2(2), a report by the directors with respect to the state of the Association's affairs, a statement by the directors in accordance with the Law and the auditors' report in respect of the documents unless the Association in accordance with the Law has resolved not to appoint auditors.

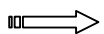
The profit and loss accounts, balance sheets and reports must comply with all applicable provisions of the Law.

20. Audit

20.1 Auditors

(1) Auditors of the Association must be appointed and removed and their remuneration, rights and duties will be regulated in accordance with the Law.

(2) The accounts of the Association must be audited in respect of each financial year of the Association and the correctness of the profit and loss account and balance sheet must be ascertained by the auditors of the Association in accordance with the Law.





20.2 Approval of Accounts

Accounts of the Association when prepared by the directors will be conclusive except as regards any error identified within three months after the date of preparation. If any error is identified within this period, the accounts must immediately be corrected and will then be conclusive.

21. Inspection of Records

21.1 Inspection of records

Subject to the Law, the directors will determine whether, to what extent, at what times and places and under what conditions the accounting and other records of the Association or any of them will be open to the inspection of the members. A member who is not a director will not have any right to inspect any account, book or document of the Association or receive any information concerning the business, trading or customers of the Association or any trade secret or secret process of the Association except as provided by the Law or as authorised by the directors or a resolution of the Association in general meeting.

22. Notices

22.1 Service of Notices by Association

A notice may be given by the Association to any member either personally, by telex or facsimile to the relevant telex or facsimile number of the member as shown on the Member's Register, by sending it by post addressed to the member at the address shown in the Member's Register or otherwise by any other method, including by advertisement, as the directors determine.

22.2 Posting Notices to Overseas Members

In the case of a member whose registered address is outside Bangladesh, a notice sent by post must be sent by pre-paid airmail in an envelope.

22.3 Notice Deemed to be Served

Any notice by advertisement will be deemed to have been served on the day of publication of the newspaper containing the advertisement. Any notice sent by post will be deemed to have been served on the day following the day on which the notice is posted unless sent by airmail to an address outside the country in which it was posted, in which case it will be deemed to have been served on the fifth day following the day on which it is posted. A notice sent by telex or facsimile or email will be deemed to have been served on the same day that it is sent.

22.4 Service by Post

To prove service by post, it is sufficient to prove that the notice with required postage was properly addressed and posted. A certificate of posting in writing signed by any manager, secretary or other officer of the Association that the notice was properly addressed and posted will be conclusive evidence of such matters.

22.5 Notices to Members whose whereabouts Unknown

Where:

(1) the Company has a genuine reason to believe that a member is not known at the address shown for that member in the Members' Register; (2) the Company has subsequently made an enquiry at that address as to the whereabouts of the member; and (3) the enquiry either elicits no response or a response indicating that the member's present whereabouts are unknown, all future notices will be deemed to be given to the member if the notice is exhibited in the Office for a period (not including weekends and public holidays) of forty-eight hours and will be deemed to be duly served at the end of that period. This rule will apply unless and until the member informs the Association of a registered place of address or that the member has resumed residence at the member's address shown in the Member's Register or notifies the Association of a new address to which the Association may send the member notices (which will be deemed to be the member's registered address).

22.6 Notice to Deceased or Bankrupt Members

Any notice or document given to a member will be deemed to have been properly given despite the member's death or bankruptcy and whether or not the Association has notice of death or bankruptcy until some other person is registered in place of the member.

22.7 Signing of Notices

The signature to any notice to be given by the Association may be written or printed.

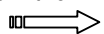
22.8 Counting of Days

Where a given number of days' notice or notice extending over any other period is required to be given, the day on which notice is deemed to be given will be included in the number of days or other period.

23. Winding Up

23.1 Winding-up

The provisions of the Memorandum of Association relating to the winding up or dissolution of the Association have effect as if repeated in this Constitution.





24. Indemnity

24.1 Indemnification of Officers of the Association

The Association indemnifies every person who is or has been an officer (as defined in section 9 of the Law) of the Association or of a wholly-owned subsidiary of the Association (the "Officer") against:

- (1) any liability for costs and expenses incurred by the Officer in his or her capacity as an officer of the Association or of a wholly-owned subsidiary of the Association, in defending any proceedings, whether civil or criminal, in which judgment is given in the Officer's favour, or in which the Officer is acquitted, or in connection with an application in relation to any such proceedings in which relief under the Law is granted to the Officer by a Court; and
- (2) any liability incurred by the Officer in his or her capacity as an officer of the Association or of a wholly-owned subsidiary of the Association, to a person other than the Association or a related body corporate, unless the liability arises out of conduct by the Officer involving a lack of good faith.

25. By-Laws

25.1 By-laws

The Directors may from time to time make, amend or rescind such by-laws, rules and regulations, not inconsistent with the memorandum and this Constitution, as in the opinion of the directors are necessary and desirable for the proper control, administration and management of the Association's operations, finances, affairs, interests, effects and property and the duties, obligations and responsibilities of the members.

25.2 State or District Chapter By-laws

Without limiting rule 25.1, the Directors may make by-laws dealing with the election of Chapter Executives and the meetings of State Chapters. Such by-laws must include provisions to the effect of (and until made will be deemed to comprise) the following:

- (1) State Chapters will meet at the dates, times and places determined by the relevant State Executive;
- (2) non-members may attend State or District Chapter functions but must pay a greater fee than members for attendance;
- (3) no joining or annual fees apply to State Chapters;
- (4) the right to vote at a State Chapter meeting will be as set out in rule 2.6;
- (5) Chapter Executives must be elected annually at least 30 days before the Association's Annual General Meeting. The procedures for nominations, voting and elections will be the same as those set out in this Constitution for the calling and holding of general meetings and the election of directors.

25.3 Incorporation

The District or State Chapters are part of the Association and will not be formed as separate entities, unless the members in General Meeting resolve that this should occur.



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