

BYLAWS OF THE MYSTERY SHOPPING PROVIDERS ASSOCIATION ASIA PACIFIC

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ARTICLE I

NAME AND REGISTRATION

The name of the Company will be the "MYSTERY SHOPPING PROVIDERS ASSOCIATION – ASIA PACIFIC" registered under the Companies Ordinance [Chapter 622] Hong Kong Special Administrative Region Hong Kong.

REGIONAL AREA COVERAGE

The Administrative Region of the Company covers Continent of Asia and Australasia including [Mainland Asia, East Asia, South Asia, Southwest Asia, Australia, New Zealand, Oceania [Islands entirely within the Pacific Ocean known as Micronesia, Melanesia and Polynesia] and the Middle Eastern Region].

ARTICLE II

PURPOSES

Section 1 Not-For-Profit

The Company is organized under and shall operate as an Company for membership purposes, and shall have such powers as are now or as may hereafter be granted by the Hong Kong Special Administrative Region.

Section 2 Purpose

The Company is a group of individual organizations united as a common body for the purpose of strengthening the mystery shopping industry. It is the goal of the Company to improve and stimulate the acceptance, performance, reputation and use of mystery shopping services throughout the Asia Pacific Region.

Section 3 Rules

The following rules shall conclusively bind the Company and all persons acting for or on behalf of it.

No part of the net earnings of the Company shall inure to the benefit of, or be distributable to its trustees, officers, or other private persons, except that...

1. The Company shall be authorized and empowered to pay reasonable compensation for services rendered
2. Make payments and distributions to further the purpose of the Company.

Notwithstanding any other provision of these Bylaws, the Company shall not carry on any other activities not permitted to be carried on under The Companies Ordinance Hong Kong Special Administrative Region.

ARTICLE III

The Company shall have and continuously maintain in the Hong Kong Special Administrative Region a registered office and a registered agent whose office shall be identical with such registered office, and may have such other offices within or outside of the Hong Kong Special Administrative Region and such other registered agents as the Board of Directors may, from time to time, determine.

ARTICLE IV

MEMBERSHIP

Section 1 **Classes of Membership**

Membership of the Company shall be composed of following classes:

1. **Regular Members** are mystery shopping provider companies that operate within the Asia Pacific Region for atleast a year. Mystery shopping provider companies are defined as companies that contract with client firms to provide them with customer experience measurements through the use of mystery shoppers.

Note: Mystery shopping provider companies that charge fees to individuals to be given access to mystery shopping opportunities are ineligible for membership.

2. **Chartered Members** are mystery shopping provider companies that were accepted for Membership prior to November 2004.
3. **Associate Members** are firms or persons that provide goods or services to Mystery Shopping Provider Companies or are Users [Clients] of the Program.

Note: Firms or persons that otherwise would be eligible for Associate Membership are ineligible if they charge individuals fees to be given access to mystery shopping opportunities.

4. **Affiliate Members** are companies whose primary membership is in another MSPA Region.
6. **Shopper Members** are individual certified Mystery Shoppers providing field services to Mystery Shopping Providers.

Section 2 **Membership Privileges**

Only the primary representative of Regular and Charter Members have voting privileges.

Section 3 **Application**

Any organization submitting an application for membership shall be approved for membership under criteria and procedures established by the Board of Directors.

Applicants for membership shall be notified, in advance for Board review, of current criteria for membership and shall be required to attest that they meet the criteria.

In the event that the application submitted by the applicant includes all current criteria, the applicant shall be deemed to have been notified of current criteria without further action.

Section 4 **Voting Rights**

Each Member organization shall appoint one corporate representative. The corporate representative shall be entitled to one (1) vote on each matter upon which such Member is entitled to vote.

Voting by mail, electronic mail or fax shall be permitted in lieu of a vote at any meeting called for any item of business, including the election of officers and directors and the amendment of Bylaws.

Unless the action of a greater number is required by law, the Constitution, or these Bylaws, the act of a majority of voting Members returning ballots by a date certain, assuming the number of Members' ballots received constitute a quorum, shall be an Act of the Members.

Section 4 **Dues and Assessments**

The annual dues for all Members of the Company and the time for paying such dues and other assessments, if any, shall be determined from time to time by the Board of Directors.

Section 5 **Resignation**

Members may resign from the Company at any time by giving written notice to the Secretary or the Executive Staff of the Company. The Company shall not refund any portion of dues or assessments paid by an organization during the period of membership in the Company, nor shall resignation forgive any debt to the Company on the part of the Member.

Section 6 **Termination**

Any member of the Company may be censured or have his/her/its membership privileges revoked or suspended for...

1. Professional misconduct, or
2. Unethical conduct, or
3. Violation of these Bye-Laws, code of conduct for Board Members or any rule or practice of the Company, as established by the Board of Directors and distributed to the membership.

Such disciplinary action may be taken only upon a two-thirds vote of the Board of Directors, provided that a statement of the charges has been mailed by certified mail to the last recorded address of the member in question at least fifteen (15) days before the Board of Directors votes on the matter.

This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered, and the member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Board of Directors.

In addition, any member who becomes ineligible for membership or who shall be in default in the payment of any dues or assessments shall automatically lose his/her/its voting rights, and if such ineligibility or default is not corrected within 60 days, his/her/its membership shall be terminated. In special circumstances, such termination may be delayed by the Board of Directors. However, non-payment by any Board Member during stipulated period will result in his/her removal from the Board.

ARTICLE V

MEMBERSHIP MEETINGS

Section 1 **Annual Meeting**

An Annual Meeting of the Members for receiving annual reports, and for such other business as may properly come before the meeting, shall be held at such day, time and place as may be determined by the Board of Directors. Each year at least one General Meeting must be held. This meeting may also occur electronically.

The Board shall submit the Account of the Company including Balance Sheet and the statement of Income and Expenses with notes for approval by the Meeting.

Section 2 **Special Meeting**

A Special Meeting of the Members may be called by the President or by majority of Board of Directors. In addition, a Special Meeting of the Members may be called upon written application of Members representing at least twenty percent (20%) of the smallest quorum of Members required for a vote upon any matter at the Annual Meeting of the Members. No business shall be transacted at a Special Meeting except that stated in the notice of such meeting.

- Section 3 **Notice**
 Notice of the Annual Meeting and any Special Meeting shall state the time, date and place of the meeting. Notice must be served with minimum 30 days' notice.
- Section 4 **Quorum**
 Twenty percent (20%) of the Members of the Company shall constitute a quorum for the transaction of business at any duly called meeting of the Members.
- Section 5 **Manner of Acting**
 The act of a majority of the Members present and eligible to vote, and voting at a membership meeting, or responding in the case of an electronic meeting, shall be the act of the membership, except where otherwise provided by law or by these Bylaws.

ARTICLE VI

OFFICERS

- Section 1 **Officers**
 The officers of the Company shall be a President, Immediate Past President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors.
- Section 2 **Election and Term of Office**
 Only current voting Members shall be eligible for electing for the officers positions. The President, Vice President, Secretary, and Treasurer shall be nominated by the Board and presented to voting Members of the Company for majority approval. Each officer shall serve until a successor has been duly elected and qualified.
- The Terms of office for President, Vice President, Secretary and Treasurer shall be two years or as determined by the Board of Directors.
- Section 3 **Removal**
 Any officer may be removed by a two-thirds vote of the Board of Directors whenever, in its judgment, the best interests of the Company would be served thereby.
- Section 4 **Vacancies**
 Vacancies that occur in the offices of Vice President, Secretary and Treasurer are filled by the Board of Directors for the remainder of the term. A vacancy in the office of President is filled by the Vice President. A vacancy in the office of immediate past president will not be filled.
- Section 5 **President**
 The President shall...
1. Preside at all the meetings of the Board of Directors
 2. Serve as an ex-officio member of all the committees except as otherwise stated in the Bylaws.
 3. Appoint Committee Chairs (with approval of the Board of Directors).
 4. Serve as the Chief Elected Officer of the Company.
- Section 6 **Vice President**
 At the conclusion of the two-year term as Vice President, the Vice President is eligible to be nominated for the position of President.
- In the event of the absence, inability or refusal to act by the President, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions on the President.

Section 7 **Immediate Past President**
The immediate past president shall serve a two-year term and shall have all the rights and privileges of a Director.

Section 8 **Secretary**
The Secretary shall...

1. Be custodian of records, and shall oversee the preparation of records of all proceedings of the Company
2. Perform such duties as may be delegated to him/her by the President, or the Board of Directors. The functions of the Secretary may be delegated to executive staff as identified in Article VIII.

Section 9 **Treasurer**
The Treasurer shall...

1. Have charge and custody of and be responsible for all funds and securities of the Company.
2. Oversee the receipt of monies due and payable to the Company from any source whatsoever, and deposit all such monies in the name of the Company in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws.
3. Oversee the preparation of budgets and financial reports; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. The functions of the Treasurer may be delegated to executive staff as identified in Article VIII.

ARTICLE VII

BOARD OF DIRECTORS

Section 1 **Officers**
The officers of the Company shall be a President, Immediate Past President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors.

Section 2 **Composition, Election, and Term of Office**
The Board of Directors shall be composed of not more than seven directors, including the officers stipulated in Article VI, Section 1. However, the Board may determine with simple majority the number of Directors for a given term but not exceeding nine (9) Directors. Directors must be the corporate representatives of the member company.

A Member is eligible to be elected on the Board provided he/she is Corporate Representative of a company with main office registered in Asia Pacific Region. He/She must be a Regular member for a continuous period of three (3) years and has served as member of a committee for a period of not less than one (1) year and meets any other criteria set by the Board.

Any member charged for any misconduct or his/her membership suspended for any reason is not eligible to contest or be on the Board.

Directors may serve no more than three (3) consecutive terms (6 years), unless election to an office of the Company require further service on the Board, or unless otherwise specifically approved by the Board.

The Nominating Committee, as specified elsewhere in these byelaws, is charged with preparing a list of nominees for Board positions. Following Board ratification, the list of nominees shall be presented to the membership at the Annual Meeting. The list of nominees shall include at least one person for each open position on the Board, including Vice President, Secretary, and Treasurer. The Nominating Committee is empowered to make recommendations

Section 3 **Regular Meetings**

The Board of Directors may provide by resolution, the time, date and place for the holding of a regular annual meeting, and additional regular meetings of the Board of Directors without notice.

Meetings of the Board of Directors may occur by phone, video conference or other means.

Section 4 **Special Meetings**

Special meetings of the Board of Directors may be held only upon notice to all Board members.

Section 5 **Quorum**

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the Directors are present, a majority of the Directors present may adjourn the meeting to another time without further notice.

Section 6 **Manner of Acting**

The act of a majority of the Members of the Board of Directors present at a meeting, or responding in the case of an electronic meeting, shall be the act of the Board of Directors, except where otherwise provided by law or by these Bylaws.

Section 7 **Vacancies**

Any vacancy occurring in the Board of Directors for any reason before the end of the term shall be filled by the Board of Directors from the voting members. A member selected according to this provision shall fill the unexpired portion of the term.

Section 8 **Resignation or Removal**

Any member of the Board of Directors may resign at any time by giving written notice to the President.

Any member of the Board of Directors may be removed by a majority vote of the Active Membership whenever, in their judgment, the best interests of the Company would be served thereby.

Directors may be removed from the Board if they fail to attend two consecutive Board of Directors meetings without taking prior approval from the Board in writing with valid and reasonable reasons.

ARTICLE VIII

EXECUTIVE STAFF

The administrative and day-to-day operation of the Company shall be conducted by a salaried staff person or firm who shall be appointed by the Board of Directors.

The executive staff shall report to the officers of the Company.

The executive staff shall undertake tasks assigned by the Board of Directors and shall assist in carrying out the functions of the offices of the Secretary and the Treasurer.

The executive staff shall have no fixed term of office and will serve as per contract awarded by the Board of Directors. The Board of Directors may assign working titles to the executive staff as needed.

ARTICLE IX

COMMITTEES

Section 1 The Board of Directors will establish the following Committees...

- A Nominating Committee, chosen by the President and approved by the Board, shall be formed with Immediate Past President as Chair. This committee shall approve nominees for election to the Board and place for the Board approval.

- Special Committees, which, in the Board's sole discretion, are advisable to further the aims and objectives of the Company or deem necessary to ensure its efficient management.

Section 2 **Committee Membership**

Committee memberships shall be open to any corporate representative or nominee. Each committee would have only one Board Director as its member, however if the Board considers then an additional Director may be included in a committee.

Section 3 **Terms of Office**

Each member of a committee shall continue as such until his or her successor has been duly appointed or elected, as the case may be, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

Section 4 **Chair of Committees**

The Director on each Committee shall be the Committee Chair, however in case of his/her refusal/inability to be the Chair, the President with approval of the Board will appoint the Chair.

Section 5 **Vacancies**

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointment.

Section 6 **Quorum**

Unless otherwise provided by resolution of the Board, a majority of the whole committee shall constitute a quorum and the act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Committee.

Section 9 **Minutes**

Minutes or action notes of all committee meetings shall be provided to the Secretary of the Company.

Section 10 **Rules**

Each committee may adopt rules for its own government consistent with these Bylaws, Code of Conduct for BODs and with any rules adopted by the Board of Directors.

ARTICLE X

CONTRACTS, CHEQUES, DEPOSITS AND FUNDS

Section 1 **Contracts**

The Board of Directors (or Executive Committee) may authorize any officer or officers, agent or agents of the Company, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company and such authority may be general or confined to specific instances.

Section 2 **Cheques, Drafts, etc.**

All cheques, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Company shall be signed by

such officers; agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Executive Committee/Board.

In the absence of such determination by the Board or the Executive Committee, such instruments shall be signed by the Treasurer and countersigned by the President or the Secretary.

Section 3 **Deposits**

All funds of the Company shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4 **Gifts**

The Board of Directors may accept on behalf of the Company any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Company.

ARTICLE XI

BOOKS AND RECORDS

Section 1 The Company shall keep correct and complete books and records of account and shall also keep minutes or action notes of the proceedings of its Board of Directors and Committees.

Section 2 Consolidated financial statement shall be presented and report in United States dollars.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Company shall be a calendar year ending on 31st December.

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given by law of the Hong Kong Special Administrative Region or under the provisions of the Constitution or the Bylaws of the Company, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

INDEMNIFICATION

The Company shall indemnify all officers, employees, and agents of the Company to the full extent permitted by the General Laws of Hong Kong Special Administrative Region, for actions taken within the scope of their duties for the Company, and shall be entitled to purchase insurance for such indemnification to the full extent as determined from time to time by the Board of Directors of the Company.

ARTICLE XV

AMENDMENTS TO BYLAWS

These Bylaws may be amended by a majority vote of the Board of Directors.

ARTICLE XVI

DISSOLUTION

The Company may be dissolved by a vote of two-thirds of the Members present at a Meeting of the Membership, or by two-thirds vote of the membership by a mail or facsimile ballot.