

MSPA EUROPE HOUSE RULES

These House Rules detail the definition and process for the implementation of the registered Bylaws for our trade association (also known as “notarial Articles”).

Article 1 – Name, registered office and definition

MSPA Europe is a Not-For-Profit Association; registered office in the municipality of The Hague (The Netherlands).

The definition of a mystery shopping provider is developed by the Board as follows: "A company that uses anonymous resources to perform evaluations of service and operations for third party clients."

Article 2 - Objectives

The MSPA has been developed to improve professional and ethical values in the Mystery Shopping sector:

MSPA Code of Professional Standards & Ethics Agreement for Members (in Appendix 1).

MSPA Code of Professional Standards & Ethics Agreement for Shoppers (in Appendix 2).

Guidelines for Mystery Shopping (in Appendix 3).

MSPA Europe shall be responsible for the appropriate and MSPA Global approved use of the MSPA name and logo in the Region, including on any printed or electronic materials, publications, websites, photographs, videos or programs. The appropriate use of the MSPA name and logo is stated in the document named “MSPA Basic Design Manual FINAL” (in Appendix 4).

MSPA Europe shall be entitled to conduct appropriate actions to protect the MSPA trademark.

Articles 3, 4, 5 - Membership

The Association has three kinds of members: members, ‘Affiliate’ members and ‘Associate’ members.

The Association can also have ‘Prospective members’.

a) - **members.**

Are mystery shopping provider companies that operate within Europe and internationally.

Membership Criteria for members:

Company has been in business, conducting mystery shopping for client companies, for at least two years
OR

Company has been in business for less than two years BUT a company principal was employed by another MSPA member company for at least two years AND

Company has a reputation among its clients for conducting itself in a professional manner. Their reputation shall be subject to verification through checking up on six client references who have traded with the company during the past year. The names and contact details for which shall be supplied by the applicant to MSPA at MSPA's request), AND;

Company attests that it has not, for at least the last two years, conducted itself in a manner contrary to the MSPA Code of Professional Ethics, and to the MSPA Guidelines, AND;

The name of the Company and the Company's promotional materials do not reflect negatively on the reputation and image of the industry as an open and legitimate forum for measuring customer service against established standards of service as set forth by companies that engage mystery shopping companies. If the Company is notified that MSPA believes the Company name and/or the Company's promotional materials would reflect negatively on the reputation and image of the industry, MSPA will inform the Company; if the Company opts to change its name and/or marketing materials to something that is not offensive to the industry, MSPA membership will be granted, provided all other criteria are met. MSPA reserves the right to refuse membership to any applicant that does not meet this criterion and that refuses to correct the issue to MSPA's satisfaction.

The Company will not charge individuals to become shoppers or to gain access to shopping opportunities.

The Company agrees to provide, and actually does provide, proven by the official company ownership papers, the name of all of its owners on its application for membership.

The Company acknowledges that MSPA will share the fact that the Company has made application for membership with its members and will invite members to comment on the Company's reputation and business practices.

The Company accepts the MSPA membership application process and waives any claims against MSPA, its Officers, staff, and contractors in connection with a denial of membership, including for defamation, unless such defamation was knowingly and willfully dishonest.

Accepted members can include their additional offices to their MSPA membership. If a member wish to have a second location/office or individual receive MSPA mailings and have a listing in the resource directory, he has to photocopy the application and complete it with the primary company's application. Primary application must be submitted with the additional application, and include an additional fee, determined by the Board.

b) – 'Affiliate' members.

Are organizations or individuals with a vested interest in the professionalism and continued advancement of the mystery shopping providers' industry, but who do not provide products or services to mystery shopping companies.

c) – 'Associate' members.

Are companies or individuals that provide goods or services to MSPA mystery shopping company members.

d) – 'Prospective members'.

Are mystery shopping provider companies that operate within Europe and internationally, that have not been in business for two years and therefore do not meet the criteria for full membership.

Membership Criteria for 'Prospective members', until they are accepted as member:

The Company has been in business for less than two years but is willing to join as a 'Prospective Member' and accept the membership restrictions of: 1) ineligible to purchase banner ads on the MSPA website; 2) ineligible to get access to / or use the MSPA Advertisement tool for publishing assignments at the members area of the MSPA website; 3) ineligible to use the MSPA logo; 4) willing to commit to attend a MSPA Annual Conference within the first year of membership; 5) willing to commit to participate in an orientation to MSPA and the industry; and 6) agreeing that MSPA may revoke its membership if, in MSPA's sole discretion, the company's actions are contrary to the tenets upon which MSPA is based.

The requirements detailed in membership criterias, excepted those related to the duration of business in mystery shopping, are applicable.

Any organization or individual submitting an application for membership shall be approved for membership under criteria and procedures that are established by the Board, and described above. Applicants for membership shall be notified, in advance, 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.

Each member company will be asked to sign an Ethics and Standards Agreement each year (in Appendix 1). This Ethics and Standards agreement is developed by the Professional Ethics and Standards Committee.

All current due-paying members of MSPA Europe shall be members of MSPA Global with benefit of all privileges of MSPA Global membership, according to due characteristics, and peculiar restrictions for 'Prospective members', as defined by MSPA Europe:

- right to use the MSPA logo;
- right to assert membership in MSPA;
- access to all "members-only" resources established by MSPA Europe;
- and right to attend MSPA conferences and events at the member rate.

Voting Rights:

Only members have voting rights.

Each organization shall appoint one corporate representative, transferable on their request. The corporate representative of member shall be entitled to one (1) vote on each matter upon which such member is entitled to vote. Voting by mail, electronic mail or facsimile ballot shall be permitted, in lieu of a vote at a duly called meeting, for any item of business, including the election of Officers and the amendment of Bylaws. Unless the action of a greater number is required by law, the Bylaws, or these Houserules, the act of a majority of voting members returning ballots by a date certain, shall be an act of the members.

Companies that have additional office membership or persons that are registered as additional member representatives do not have additional voting rights within the Association. Only the corporate representative of members have.

Resignation :

Members may resign from the Association at any time. The Association shall not refund any portion of dues or assessments paid by an organization during the period of membership in the Association nor shall resignation forgive any debt to the Association on the part of the member.

Termination :

Any member of the Association may be censured or have his/her/its membership privileges revoked or suspended for (i) professional misconduct, (ii) unethical conduct, or (iii) a violation of the Articles or any rule or practice of the Association (House Rules), as established by the Board and distributed to the membership in the MSPA Europe website. Such disciplinary action may be taken only upon three-quarters vote of the Board, provided that a statement of the charges shall have been mailed by certified mail to the last recorded address of the member in question at least fifteen (15) days before the Board votes on the matter. This statement shall be accompanied by a notice of the time and place of the meeting of the Board 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. 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.

Article 6 – Donors

No specific House Rule for this Article.

Article 7 - Funds

Each member shall owe annual dues, the amount of which is to be determined by the Board and agreed at the General Meeting.

Annual dues will include an additional fee, determined by the Board and agreed at the General Meeting, for any additional office included in an accepted membership.

New members shall owe annual dues, the amount of which is to be determined by the Board and agreed at the General Meeting. The time for paying such dues and other assessments, if any, is to be determined by the Board.

If a membership begins in the course of a financial year, the member will owe the membership dues for the part of the year that they are member. The annual due is split in 4 parts; per yearly quarter. 20% discount is given to the annual fee when a new member enters the Association other than in the First month of a calendar year.

Honorary members shall be exempted of registration fee, by decision of the Board, unless other decision may be taken.

Other income may come from registration fees to events and/or sponsorship of events, paid by members, as determined by the Board.

The fiscal year of the Association shall end on December 31st.

Articles 8, 9, 10 - Management

All appointed Officers shall constitute the Board.

Each MSPA Europe Officer must be actively working and devoting his or her time in the mystery shopping industry in order to remain qualified to serve as an Officer. This is not a paid position; it is all volunteer time and requires desire and discipline. Some of the considerations in making the decision to run for a Board position are as follows:

Officer positions are for a maximum of period of 3 years, with possibility for re-appointment after resignation

There are up to four Board meetings per year that Board members must attend (one is at the MSPA event)

You or your company will pay for any travel expenses to Board meetings or MSPA functions

We would like members on the Board who have attended at least two conferences in the last 4 years

You will be asked to serve as liaison with at least one MSPA committee and report its progress

You should estimate that you will need to devote approximately 10 hours per month to the position

Your focus will be on the long term strategic planning, growth and financial strength of the MSPA, or any other matter decided by the Board

You must serve on the Board in order to be considered for the MSPA President's position

Service on the MSPA Board is challenging, but at the same time service is highly rewarding

To be elected, you need to be your company primary representative. If you are not now the primary representative but have been active in MSPA, you may become the primary representative if you wish to pursue election'

In the event that an Officer ceases to actively work in the mystery shopping industry or voluntarily leaves the mystery shopping industry for more than ninety (90) days during his or her term, his or her position on the Board shall be deemed vacant.

Officers must be the corporate representative of the member company. No more than two Officers on the Board shall be employed by, or hold share(s) in the same firm or corporate entity. No MSPA Board Member will seek to promote his or her company or strategic alliance as a result of his or her position on the Board.

Each Officer shall serve until a successor has been duly elected and qualified. The Nominating Committee, as specified elsewhere in these House Rules, is charged with making nominations for Officer positions.

Vacancies that occur in the offices of Vice President, Secretary, Treasurer are filled by the Board for the remainder of the term. A vacancy in the office of President is filled by the active Vice President.

The Board shall have supervision, control and direction of the stewardship of the MSPA logo and MSPA brand and the Regional strategic planning and positioning of the Association. Specifically, the Board shall have authority to arbitrate disputes among members, devise and enforce global ethical standards. It may establish such committees, subcommittees and task forces for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

Executive Board.

The executive Board shall exercise all powers and authority of the Board during the periods between meetings of the Board.

President

The President shall: preside at all meetings of the Board; work closely with the Executive Manager to carry out the policies, procedures and programs established by the Board; serve as an ex-officio member of all committees except as otherwise stated in the House Rules (eg Ethics committee if a vested interest arises); with approval of the Board, appoint special committee chairs and liaisons (subject to confirmation by the Board).

Immediate Past President.

The immediate past president shall have all the rights and privileges of an Officer. The immediate past president shall serve as the chair of the Nominating Committee.

Secretary.

The Secretary shall be custodian of records, and shall oversee the preparation of records of all proceedings of the Association and will perform such duties as may be delegated to him/her by the President or the Board. The functions of the Secretary may be delegated to the Executive Manager.

Treasurer.

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; oversee the receipt of monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; 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. The functions of the Treasurer may be partly delegated to the Executive Manager.

The Treasurer shall also assume the duties of Vice President. In the event of the absence, inability or refusal to act of the President, the Vice President shall perform the duties of the President, and when so

acting, shall have all of the powers of and be subject to all of the restrictions of the President, until the General Meeting appoint new Officers. At the conclusion of the term as Vice President, the Vice President automatically becomes eligible to be nominated for the position of President.

The Association shall keep correct and complete books and records of account.

The Association shall keep minutes or action notes of the proceedings of its Board.

Regular Meetings.

The Board may provide, by resolution, the time, date and place for the holding of a regular annual meeting and additional regular meetings of the Board without other notice than such resolution. Meetings of the Board may occur by phone, video conference or other means.

Special Meetings.

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

Quorum.

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

Manner Of Acting.

The act of a majority of the members of the Board present at a meeting, or responding in the case of an electronic meeting, shall be the act of the Board.

Vacancies.

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

Resignation Or Removal.

Any member of the Board may resign at any time by giving written notice to the President. Any member of the Board may be removed by a majority vote of the Active Membership whenever, in their judgment, the best interests of the Association would be served thereby. Officers may be removed from the Board if they fail to attend 2 consecutive Board meetings.

Executive Manager

The administrative and day-to-day operation of the Association shall be insured by a salaried staff person or firm who shall be appointed by the Board and shall report to the Officers of the Association. The Executive Manager shall undertake tasks assigned by the President and shall assist in carrying out the functions of the offices of the Secretary and the Treasurer.

Governor

The governance of the Association may be ensured by a salaried staff person who shall be elected for an annual term by the Board and shall report to the President of the Association. The Governor shall undertake tasks assigned by the President. All present or past Officers may be elected.

Prevention of Conflict of Interest

All Officers and Contributors to working parties of MSPA Europe must avoid at all times of any interests that may be seen by members as a potential Conflict of Interest.

For the purposes of this rule Conflict of Interest is defined as a partnership, ownership or part ownership of a supplier to the Association or any other interest where either reputational damage to the Association or unethical financial gain could result.

In order to prevent potential Conflict of Interest the following applies:-

Applicants to the positions listed above must disclose any interest where they believe conflicts exist or could arise in the future. These will be reviewed by the Ethics committee prior to Applicants selected for vote and/or appointed. The Ethics committee have full authority to approve or dismiss an Application in accordance with the complaints procedure.

Existing Officers and Contributors to working parties must re-affirm by way of statement to the Ethics committee any interest where they believe conflicts exist or could arise in the future. This should be conducted on an Annual basis and whenever a new partnership, ownership or part ownership is entered into. The Ethics committee have full authority to approve or dismiss in accordance with the complaints procedure.

Failure to disclose any interests that may be of Conflict to the Ethics committee will result in Immediate suspension of duties pending review by the Ethics Committee by using the complaints procedure.

OTHER COMMITTEES

The Association will also maintain other Committees as follows:

Nominating Committee.

The Nominating Committee shall be chosen by the Board and shall include the immediate past President, who will chair this Committee. This Committee shall present a slate of nominees to the Board for consideration and vote at least one month before the Annual Meeting. The slate of nominees shall include at least one person for each open position on the Board, including President, Secretary, and Treasurer. The Board may vote on this slate as a regular Board meeting or by teleconference or mail. Following Board vote, the slate as approved by the Board shall be submitted to the voting membership for vote.

Special Committees.

The Board may, from time to time, appoint such other Special Committees which, in the Board's sole discretion, are advisable to further the aims and objectives of the Association.

This is the case for Ethics and Complaint Committee, for instance, as specified in the Complaint process.

Term of Office:

Each member of a Special 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. Chair: The President, with confirmation by the Board, will appoint all committee chairs other than the Nominating Committee Chair.

Vacancies.

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

Quorum.

Unless otherwise provided by resolution of the Board, a majority of the whole Special 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 Special Committee.

Minutes.

Minutes or action notes of all Special Committee meetings shall be provided to the Secretary of the Association.

Rules.

Each Special Committee may adopt rules for its own government subject to consistency with these House Rules.

The Association shall keep minutes or action notes of the proceedings of its Special Committees.

Articles 11, 12, 13, 14 - General Meeting

The General Meeting is held, in principle, in the same place and time where the annual Conference is organised.

The General Meeting which shall be held each year shall be called Annual Meeting.

The General Meetings which may be called in addition of the Annual Meeting will be called Extra-ordinary Meetings.

The meeting may also occur electronically.

In case of vote of amendments of Global Bylaws as stated in Global Bylaws (Article IX – Amendments – Section 1 – Procedures), the due procedure will be applied in all extents.

Article 15 – Amendment to the Articles

No specific House Rule for this Article.

Article 16 – Dissolution and liquidation

No specific House Rule for this Article.

Article 17 – Standing orders

No specific House Rule for this Article.

These House Rules count 4 appendices as follows:

- 1: MSPA Code of Professional Standards & Ethics Agreement for Members,
- 2: MSPA Code of Professional Standards & Ethics Agreement for Shoppers,
- 3: MSPA Guidelines for Mystery Shopping,
- 4: MSPA Basic Design Manual FINAL.

END OF THE HOUSE RULES