



ASSOCIATION OF INTERNATIONAL PROPERTY PROFESSIONALS LIMITED
RULES OF MEMBERSHIP

General

1. Interpretation
 - 1.1 Terms used in these Rules which are defined in the Articles of Association shall have the same meaning as attributed to them in the Articles of Association.
 - 1.2 **Member** shall mean any person or corporate entity admitted to any category of membership permitted under these Rules.
 - 1.3 **Sale** shall include purchase and vice versa.
 - 1.4 **Staff** means any person working for or under the control of a business, including employed persons, self employed contractors and any other person whom the business has the right to control.
 - 1.5 The singular shall include the plural and the male the female.
 - 1.6 Nothing in these Rules is intended to contradict the Articles of Association. Where there is contradiction between these the Articles of Association and these Rules the Articles of Association shall prevail.

Members

2. Categories of Membership
 - 2.1 There shall be the following categories of membership:
 - 2.1.1 Business Members;
 - 2.1.2 Franchise Members (Franchisor Members & Franchisee Members)
 - 2.1.3 Associate Members
 - 2.1.4 Provisional Members
 - 2.1.5 Network Members

2.2 Membership shall, at the entire discretion of the Directors, be open upon application to such persons as meet the following membership criteria:

2.3 Business Members

2.3.1 Their business is engaged actively in the development or sale of International Real Estate; and

- (a) they have been so engaged for a minimum of 3 years or, in the case of a business currently a Provisional Member, that has been so engaged for a minimum of 2 years and has been a provisional member for at least 1 year;
- (b) they hold all of the necessary qualifications and licences to engage in such activity in the country to which they belong and, if this is required in the countries where the real estate is located, also in the place where the real estate is located;
- (c) they are of good standing;
- (d) they commit themselves to conducting their businesses in accordance with the Code of Conduct;
- (e) they commit themselves to resolving any disputes with buyers, if the buyer so wishes, using the Dispute Resolution Procedure; and
- (f) they pay the joining fee and maintain their membership by paying the annual membership fee.

2.3.2 The Directors may, where the person operating the business has extensive experience in the International Real Estate Industry, waive the requirement for the business to have been operating for three years prior to the offering of membership. 'Extensive experience' shall mean that either:

- (a) The applicant has at least 5 years' relevant experience of the international property market; or
- (b) If working at a sufficiently senior level (for example, at Director or Senior Management level in mid-size to large company), or running their own small company, the applicant has at least 3 years' relevant experience.

2.3.3 Recognising that new people join the International Real Estate Industry all of the time and in light of the important role the Association should play in educating the industry and those new to it, the Directors shall also be permitted to admit businesses to membership provided that the Board is satisfied, after due enquiry:

- (a) that the person operating the business has relevant experience:
 - i. Applicants should have at least 5 years' experience of the property market;

- ii. If working at a sufficiently senior level (Director or Senior Management level in a mid-size to large company), or running their own small company, 3 years' experience of the property market may be acceptable
 - iii. Applicants with at least 5 years' experience in a senior position with similar skills required (sales, marketing, business management, finance, law), may be accepted as a Member
 - iv. Applicants with at least 7 years' experience in a position with similar skills required (sales, marketing, business management, finance, law), may be accepted as Member.
- (b) and that the person operating the business is a fit and proper person.
 - (c) and that the business plans, documentation and procedures are consistent with the aims of AIPP.

2.3.4 Business Membership shall survive any change in the constitution or ownership of the business provided that the business still meets the membership criteria.

2.4 Franchise Members (Franchisor Members & Franchisee Members)

- 2.4.1 Franchise Members may be either the holders of Master Franchise Agreements or Franchisees.
- 2.4.2 Franchise Members who are the holders of Master Franchise Agreements shall be called Franchisor Members.
- 2.4.3 Franchisor Members may be admitted to membership if they meet the following membership criteria:
 - (a) Their business is engaged actively in the development or sale of International Real Estate;
 - (b) they hold a Master Franchise Agreement for an area;
 - (c) they have the right to impose working practices upon their franchisees;
 - (d) their working practices, as imposed upon franchisees (whether by reason of the Method or by any other means), meet all of the aims and objectives of AIPP and the obligations it imposes upon its Members;
 - (e) that the business plans, documentation and procedures of the franchise itself are consistent with the aims of AIPP;
 - (f) they have in place adequate supervision arrangements to enable them to ensure compliance with the working practices that they impose upon franchisees;

(g) they make it a specific requirement that all of their franchisees abide by the requirements of this constitution, the Code of Conduct, the Disciplinary Procedure and the Dispute Resolution Procedure; and

(h) they would qualify for membership as a Business Member.

2.4.4 Franchise Members who are franchisees shall be called Franchisee Members.

2.4.5 Franchisee Members may be admitted to membership if they meet the following membership criteria:

(a) Their business is engaged actively in the development or sale of International Real Estate;

(b) they hold a franchise and operate the business under that franchise;

(c) nothing in their franchise agreement is inconsistent with their obligations as a Member of AIPP; and

(d) they would qualify for membership as a Business Member.

2.4.6 Franchise Membership shall survive any change in the constitution or ownership of the franchise and/or (in the case of Franchisee Members) their own franchised business provided that the business still meets the membership criteria.

2.5 Associate Members

2.5.1 Individuals or businesses engaged in activities ancillary to the sale of International Real Estate and that have been so engaged for a minimum of 3 years, providing that:

(a) They hold all of the necessary qualifications and licences to engage in their business in the country to which they belong;

(b) they are of good standing;

(c) they commit themselves to conducting themselves in accordance with the Code of Conduct; and

(d) they pay the joining fee and maintain their membership by paying the annual membership fee.

2.5.2 The Directors shall, in exceptional cases and where the person operating the business has extensive experience in the International Real Estate Industry, be empowered to waive the requirement for the business to have been operating for three years prior to the offering of membership. The definition of 'extensive experience' shall be the same as that applied in the case of Business Members.

2.5.3 Associate Membership shall survive any change in the constitution or ownership of the business provided that the business still meets the membership criteria.

2.6 Provisional Members

2.6.1 Any individuals or businesses engaged in International Real Estate or ancillary activities not eligible for Business, Franchisor, Franchisee Network or Associate membership due to a lack of experience may become a Provisional Member providing that:

- (a) If required, they hold, or are in the process of obtaining, all of the necessary qualifications and licences to engage in their business in the country to which they belong;
- (b) They are of good standing;
- (c) They commit themselves to conducting themselves in accordance with the Code of Conduct; and
- (d) They pay the joining fee and maintain their membership by paying the annual membership fee.

2.6.2 Provisional Members shall not have all the rights of Business, Franchise Network or Associate Members. They shall enjoy certain benefits of membership, as provided from time to time, however:

- (a) They must not refer to themselves as Members of the Association of International Property Professionals.
- (b) They must not use its logo.
- (c) They cannot vote at all general meetings of AIPP.
- (d) They cannot refer to themselves as “AIPP – Specialists in Country”, even if they have completed the relevant training course.

2.6.3 Provisional Members shall, depending on the nature of business in which they are engaged, have all the same duties as Business and Associate Members

2.6.4 Provisional Membership shall survive any change in the constitution or ownership of the business provided that the business still meets the membership criteria.

2.7 Membership fee: The annual membership fee shall be due each year on the anniversary of membership commencement. Members shall remain liable for the membership fee if they do not provide 4 months notice to AIPP of their intention not to renew their membership. Failure to provide 4 months notice of intention to not

renew their membership and in cases where an invoice has not been paid within the designated credit term will result in an £80 administration fee.

3. Duties of Members

3.1 In addition to those duties set out in the Articles of Association, all Members shall:

3.1.1 Ensure that all of their staff abide by the Code of Conduct.

3.1.2 Ensure that their staff receive appropriate training.

3.1.3 Notify AIPP of any material change in their structure, management or ownership.

3.1.4 Business, Franchise, Provisional & Network Members shall in addition:

3.1.5 Ensure that all of their sub agents are aware of the business obligations under the Code of Conduct and agree to comply with those obligations.

3.1.6 Ensure that any agents or developers with whom they work overseas as suppliers of property are aware of their obligations under the Code of Conduct and, wherever it is possible to do so, ensure that those agents or developers agree to comply with its terms.

(a) In considering whether it is possible for the Member to comply with this obligation account shall be taken of the relative size and economic power of the parties, the commercial practice in the area and the existence of any standard form documentation in use by the agent or developer in question.

(b) Even if it is not possible to secure the agent's or developer's direct adhesion to the provisions of the code the Member shall be responsible for adhering to the code in all respects as far as the conduct of their business is concerned.

3.1.7 Ensure that all of their potential customers are aware of the existence of the Code of Conduct and the Dispute Resolution Procedure and resolve any disputes using that code if the customer so wishes.

4. Rights of Members

4.1 In addition to the rights set out in the Articles of Association, Business Members shall have the following additional rights:

4.1.1 Subject to the payment of the relevant charge, to take advantage of the Dispute Resolution Procedure arranged by AIPP.

4.2 Franchisor Members shall have the same rights as Business Members plus the following additional rights:

4.2.1 The right to use the AIPP logo and make reference to AIPP membership within any part of their franchise operation, including in franchised businesses where the franchisees would not themselves be eligible for membership of AIPP

- 4.2.2 Subject to the payment of the relevant charge, to permit their franchisees to take advantage of the Dispute Resolution Procedure arranged by AIPP.
- 4.2.3 Subject to the payment of the relevant charge, to enrol their franchisees staff on the staff training courses arranged by AIPP.
- 4.3 Franchisee Members shall have the same rights as Business Members but with the following restrictions:
 - 4.3.1 They may only use the AIPP logo and make reference to AIPP membership within their own business. They may not use it in any location or in any marketing or other materials where its use might cause a reasonable person to infer that the franchisor or other franchisees were also AIPP Members.
 - 4.3.2 In any marketing materials used in a context where any such confusion might arise and making reference to their AIPP membership or using the AIPP logo they must make it clear that it is their franchise alone that is the AIPP Member.
 - 4.3.3 If the Member uses only the main franchise brand in any materials then it may not make reference to AIPP membership or use the AIPP logo.
- 4.4 These rights shall be suspended if the membership is suspended.
- 4.5 These rights shall end at the same time as the membership ends.
- 5. Board Meetings
 - 5.1 Minutes shall be taken of all Directors meetings and circulated to the Directors within 7 days of the meeting.
- 6. Disciplinary
 - 6.1 Members by accepting membership agree to submit themselves to AIPP's Disciplinary Procedure.
 - 6.2 The Board may discipline any Member who is adjudged to be in breach of the provisions of these Rules, the Articles of Association, the Code of Conduct or any rules made under the Articles of Association or whose conduct is adjudged inconsistent with continued membership of AIPP.
 - 6.3 The disciplinary procedure shall be conducted in accordance with AIPP's disciplinary code as revised from time to time.
 - 6.4 The sanctions available to the Board shall, in all cases, include:
 - 6.4.1 a reprimand
 - 6.4.2 suspension of membership
 - 6.4.3 expulsion from membership

- 6.5 In the case of proceedings in relation to a breach of the provisions of this constitution, the Code of Conduct or any rules made under this constitution the Board may also instead of or in addition to the other remedies available, fine a Business, Franchisor or Franchisee Member a maximum of £25,000.
- 6.6 In addition to any sanction permitted under these Rules a Member may be required to give written assurances that the conduct will not be repeated or to agree in writing the steps to be taken to avoid a repetition of the conduct complained of.
- 6.7 In addition to any sanction permitted under these Rules a Member may be required to pay all or part of the costs associated with the disciplinary proceedings.
- 6.8 No Member shall be permitted to resign from Membership once notified of the commencement of any disciplinary proceedings unless those proceedings have been concluded.
7. Other
- 7.1 AIPP Business, Franchise and Provisional Members must not engage in the sale or promotion of property in the area of northern Cyprus until further notice.

Appendices

Schedule I: The Code of Conduct

Schedule II: Disciplinary Procedure

Schedule III: Dispute Resolution Procedure