

CONSTITUTION OF DIRECT SELLING ASSOCIATION OF SINGAPORE

NAME:

1. The name of the association shall be "Direct Selling Association Of Singapore" (DSAS) and shall represent the interest of direct selling and servicing companies located or operating in Singapore.

OBJECTS:

2.
 - (a) To foster, promote and protect the method of merchandise distribution and servicing in which its members are engaged.
 - (b) To promote a high standard of merchandising and servicing practices.
 - (c) To foster favourable public relations and present the views of its members to government bodies and consumer groups.
 - (d) To cooperate with government bodies in respect to matters relating to the methods of production marketing and servicing employed by its members.
 - (e) To cooperate with other organisations and groups having similar objectives.
 - (f) To collect and disseminate information and data pertinent to the affairs of the members.
 - (g) To promote among its members friendly business relations, mutual confidence and goodwill, and
 - (h) To meet the collective needs of member companies and to do so always in the public interest.

POWERS:

3. The association shall, among other things, have the power and authority to acquire, hold, own, lease, rent or dispose of property of any kind, necessary and incident to the carrying on of its purposes, to sue and be sued in its associate name, to enter into obligations or contracts and to do any acts incident to the transaction of its business or expedient for the attainment of the purposes and objects for which associated.

CONSTITUTION:

4. The association shall consist of Active, Associate and Honorary Member and such other types of members as may be established from time to time.

QUALIFICATION FOR MEMBERSHIP

5. A person firm or company having a business located in Singapore and engaged in the distribution of merchandise or rendering of services directly to the consumer in the home, as distinguished from sales contacts made by direct mail or any stores of the seller is eligible for Active membership. A person, firm or company engaged in supplying products to Active members are eligible for Associate membership. The Executive Committee may confer Honorary Membership on individuals in recognition of their contribution to the growth and development of the Association. An Honorary Member shall have all the privileges and rights of an Active Member but shall not be required to pay any entrance fee or annual dues.

PLAN OF OPERATIONS:

6. The association shall operate as a non-profit making membership trade association without capital stock of any kind. The association shall not afford pecuniary gain, incidentally or otherwise, to its members; nor shall distribution of associate assets be made to any of its members or past members or to an owner or executive of any such member.

LOCATION:

7. The registered place of business of the association shall be 1 Jalan Kilang Timor, #01-02, Pacific Tech Centre, Singapore 159303 or at any other place from time to time decided by the Committee subject to the approval of the Registrar of Societies.

ADMISSION OF MEMBERS:

8. Admission to membership shall be upon application from persons, firms or corporations properly qualified for membership, which applications shall be subject to acceptance or rejection as provided in the by-laws.

VOTING AT ELECTIONS:

9. Each Active and Honorary Member shall have one vote in the determination of any question before the association or at the election of members.

ENTRANCE FEE & SUBSCRIPTIONS:

10. The entrance fee and the annual subscription required to be paid by each member shall be determined by the committee from time to time, and shall be payable on the 1st day of January in each year.

COMMITTEE:

11. The management of the association shall be deputed to a committee consisting of a Chairman, 1st Vice-Chairman, 2nd Vice-Chairman, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer and minimum of 3 and not more than 7 members who shall be elected at the Annual General Meeting. A committee meeting shall be held at least once on two months after 7 days notice to committee members. The Chairman may call a committee meeting at any time by giving 3 days notice. At least one half of the committee members must be present for its proceedings to be valid.

ELECTION OF COMMITTEE MEMBERS

12. All the committee members shall retire at the Annual General Meeting after a two year term but shall be eligible for re-election, except for the Chairman and Treasurer who has served for two consecutive terms. They may, however, be eligible for re-election to other offices in the Committee.

To fill up the vacancies a person or persons from member firms or corporations may put forth their names for election at the Annual General Meeting to the Committee. The Committee may also recommend as candidates a sufficient number of persons selected from member firms or corporations to fill the vacancies. Every Active and Honorary Member of the association shall be entitled to vote for as many candidates as there are vacancies to be filled and no more. The candidates up to the number of the vacancies who shall receive most votes shall be declared elected and in case of two or more candidates receiving an equal number of votes the Chairman of the meeting shall have a second or casting vote. A committee member so elected shall hold office for a two-year term.

MANAGEMENT:

13. (a) The Chairman shall act as the Chief Executive of the association in charge of the association's place of business until a paid executive director who will have no voting rights is appointed by the committee.
- (b) The two Vice-Chairmen shall assist the Chairman and in the latter's absence, the 1st Vice-Chairman shall deputise for him, and in the absence of 1st Vice-Chairman, the 2nd Vice-Chairman shall deputise. In the event that the office of the Chairman is vacated for any reason whatsoever, the 1st Vice-Chairman shall assume the office of Chairman until the following election.
- (c) The Hon. Secretary shall keep all records except financial of the association and shall be responsible for their correctness. He will keep minutes of all general and committee meetings. The Assistant Hon Secretary shall assist the Hon Secretary in his duties.
- (d) The Hon. Treasurer shall keep all funds and collect and disburse all moneys on behalf of the association and shall keep an account of all monetary transactions and shall be responsible for their correctness. The Assistant Hon Treasurer shall assist the Hon Treasurer in his duties. The Hon Treasurer is authorised to expend up to \$200.00 per month for petty expenses on behalf of the association. He will not keep more than \$250.00 in the form of cash and money in excess of this will be deposited in a bank to be named by the committee. Cheques, etc. for withdrawals from the bank will be signed by either the Chairman or Secretary in addition to the Treasurer.
- (e) In the case of any casual vacancy in the office of the Chairman, 1st Vice-Chairman, 2nd Vice-Chairman, Hon. Secretary, Asst. Hon Secretary, Hon. Treasurer, Asst. Hon Treasurer or any member of the committee, the Committee may fill the vacancy therein, by co-option or as soon as practicable convene an Extraordinary General Meeting for the election of some member to fill the casual vacancy for the remaining term.

ANNUAL GENERAL MEETING:

14. An Annual General Meeting of the members of the Association shall be held not later than 30th day of June for the following purposes:
 - (a) To receive from the committee a report, balance sheet and statement of accounts for the preceding financial year and an

estimate of the receipts and expenditure for the current financial year.

- (b) To fill the vacancies in the committee and to appoint an auditor for the ensuing year.
 - (c) To decide on any resolution which may be duly submitted to the meeting as hereinafter provided.
15. Any member desirous of moving any resolution at the Annual General Meeting shall give notice in writing to the Secretary not less than 30 days before the date of such meeting.

EXTRAORDINARY GENERAL MEETING:

16. The committee may at any time for any special purpose call an Extraordinary General Meeting and it shall do so forthwith upon the requisition in writing of any four Active or Honorary Members stating the purpose for which the meeting is required.

CONVENING GENERAL MEETING:

17. Fourteen days at least before the Annual General Meeting or any Extraordinary General Meeting, a notice of such meeting and of the business to be transacted thereat shall be posted in the association's premises and a copy thereof shall be sent to every member, and no business other than that of which notice has been so given shall be brought forward at such meeting.

PROCEEDINGS AT GENERAL MEETINGS

18. At the general meetings of the association, the Chairman or in his absence, the 1st Vice-Chairman shall take the chair. In the absence of both the Chairman and the 1st Vice-Chairman. The 2nd Vice-Chairman shall take the chair. In the event the Chairman and both the Vice-Chairmen are absent, a member selected by the committee shall take the chair. Every Active and Honorary Member shall be entitled to one vote upon every motion and in case of an equality of votes the Chairman shall have a second or casting vote. The committee shall be empowered, if it thinks fit, to make regulations for enabling members unable to be present to vote by proxies or in writing.

QUORUM:

19. The quorum at all general meetings shall be not less than four Active or Honorary Members or 20% of the members entitled to vote whichever is the higher. In the absence of a quorum, the general meeting shall be adjourned for at least 14 days. When the members then present be insufficient to form a quorum, those present shall be considered a quorum but they shall have no power to alter, amend or make additions to any of the existing rules.

REFERENDUM:

20. The by-laws may provide that in the interim between membership the association may settle and determine questions which may arise, by mail vote or written referendum when submitted by authority of the Committee or by the Chairman after notification to the Committee. Upon receipt of such notification the submittal may be vetoed by majority vote of the Committee by mail within seven days of date of such notification. Such a vote shall have all of the effects of a vote taken at a regular or special meeting of members, provided that at least 20% of the membership or 4 members (whichever is the higher) vote for the question issue or subject matter so presented unless there is a larger adverse vote.

BY-LAWS:

21. This association shall have by-laws, the first by-laws to be adopted by the ad-hoc committee and thereafter the power and authority to establish, alter, repeal, amplify or amend shall be vested in the committee, subject to the power of the members to change or repeal such by-laws. The by-laws shall provide the manner in which firm, corporate or other members shall participate in the affairs of this association. The by-laws may provide for the adoption of an association seal and for the adoption of an association emblem or emblems denoting membership in this association.

AMENDMENTS TO RULES:

22. The Rules of the Association may be amended by majority vote of the Active and Honorary Members present in person or by proxy at a duly convened general meeting at which a quorum is present. No amendment of the Rules may be made at such meeting unless notice of the resolution to amendment shall have been sent to every member entitled to vote at least 14 days previous to the meeting and they shall not come into force without the prior sanction of the Registrar of Societies.

INTERPRETATION:

23. The Committee shall be the sole authority for the interpretation of these Rules and Regulations and by-laws thereunder and the decision of the committee upon any question of interpretation or upon any matter affecting the association and not provided for by these Rules or by the by-laws and regulations made thereunder shall be final and binding on the members.

DISSOLUTION:

24. (a) The association shall not be dissolved, except with the consent of not less than 3/5 of the members of the association for the time being resident in Singapore expressed, either in person or by proxy at a general meeting convened for the purpose.
- (b) In the event of the association being dissolved as provided above, all debts and liabilities legally incurred on behalf of the association shall be fully discharged, and the remaining funds will be donated to charitable organisations or divided equally among members.
- (c) Notice of dissolution shall be given within 7 days of the dissolution to the Registrar of Societies.

AUDIT:

25. The Association shall appoint a firm of Public Accountants as its Auditor at each Annual General Meeting. The firm of Public Accountants shall be eligible to seek re-appointment each year. It will be required to audit each year's account and present a report upon them to the Annual General Meeting. It may be required by the Chairman to audit the association's accounts for any period within their tenure of office at any date and make a report to the committee.

TRUSTEES:

26. If the association at any time acquire any immovable property such property shall be vested in Trustees subject to a declaration of trust. Any Trustee may at any time resign his trusteeship. If a trustee dies or becomes a lunatic or of unsound mind or moves permanently or is absent from the Republic of Singapore for a period of one year, he shall be deemed to have resigned his trusteeship. If a trustee is guilty of

misconduct of such a kind as to render it undesirable that he continue as a trustee, a General Meeting may remove him from his trusteeship. Vacancies in the trusteeship may be filled at a General Meeting, but the number shall not be greater than five or less than two. Notice of any proposal to remove a trustee from his trusteeship or to appoint a new trustee to fill a vacancy must be given by affixing in the premises of the association a document containing such proposal at least two weeks before the meeting at which the proposal is to be discussed. The result of such meeting shall then be notified to the Registrar of Societies.

PROHIBITIONS:

27. (a) Gambling of any kind such as the playing of paikow or mahjong, whether for stakes or not, is forbidden on the association's premises. The introduction of materials for gambling or opium smoking and of bad characters into the premises is prohibited.
- (b) The funds of the association shall not be used to pay the fines of members who have been convicted in Court.
- (c) The association shall not attempt to restrict or in any manner interfere with trade or prices or engage in any Trade Union activity as defined in any written law relating to trade unions for the time being in force in Singapore.
- (d) The association shall not hold any lottery whether confined to its members or not, in the name of the association or its office-bearers, committee or members.
- (e) The association shall not indulge in any political activity or allow its funds and/or premises to be used for political purposes.

ARTICLE I MEMBERS

SECTION 1 - CLASS OF MEMBERSHIP

There shall be 3 classes of membership - Active, Associate and Honorary - as defined in the Constitution.

SECTION 2 - ADMISSION

Applications for membership shall be made in writing on prescribed forms and all

such applications shall be first considered by a membership Committee comprising the Chairman and any two other Committee Members to be nominated by the Committee. Upon the favourable recommendation of the Membership Committee such applications shall be presented to the main Committee for a final decision to be carried out by ballots.

In the event of a tie, the Chairman shall have a second or casting vote. A person, firm or company must abide by the following guide-lines to be eligible for Membership with the Direct Selling Association Of Singapore:-

1. Person, firm or company must be registered in Singapore and the business must have been in operation for one (1) year.
2. On completion of the Application Forms and presentation of documents and payment as required by the Association, the person, firm or company shall undergo an 'Observation Period' of six (6) months.
3. During the 'Observation Period' the cheque shall be banked into the Association's account and the person, firm or company shall be allowed to attend all functions organised by the Association i.e. lunch meeting, seminars, etc. with the exception of Executive Committee Meetings of the Association.
4. Towards the close of the 'Observation Period' the Membership Sub-Committee shall meet with the person, firm or company to explain fully the role of the Association and its expectations of Members.
5. Subject to the Membership Sub-Committee's recommendations and on completion of the 'Observation Period', the person, firm or company shall be invited to an interview with the Members of the Executive Committee.
6. At that interview, the Executive Committee shall decide if the person, firm or company should be accepted as a Member of the Association. However, part or all of the above guidelines may be waived at the discretion of the Executive Committee.

SECTION 3 - REPRESENTATION

No Active Member may have more than two representatives on the Committee except with the full consent of the Committee and unless it is warranted by special circumstances.

SECTION 4 - TERMINATION OF MEMBERSHIP

A member shall cease to be a member of the Association upon:-

- (a) his death, in the case of an individual;
- (b) a resignation, submitted in writing and accepted in writing by the Committee;
- (c) disqualification in the class of membership held;
- (d) expulsion by the Committee on any valid ground;
- (e) failure to pay any dues within 45 days from the due date.

Memberships are not transferable to successors in business or otherwise.

SECTION 5 - EXPULSION FROM MEMBERSHIP

The Committee may, at any regular meeting, cancel the membership of any member for any reason, if it decides that retention of such membership is not in the best interest of the association or of the direct selling industry. Before expulsion or cancellation of membership for such cause, the Committee shall give the member the opportunity to explain his conduct orally and in writing. The vote for expulsion shall carry if a majority of the Committee is present and vote, by ballot, in favour of it.

ARTICLE II MEMBERS' MEETING

SECTION 1

An annual general meeting of the Association shall be held at such time and place as shall be designated by the Committee.

Only duly authorised persons employed by member firms and Honorary Members shall be permitted to attend. Notice of such meetings shall be mailed to each member not less than 14 days prior to the date of the meeting.

SECTION 2

An extraordinary general meeting shall be convened upon the written request of four Active or Honorary Members. Fourteen days written prior notice, stating the purposes for which the meeting is required, shall be given to every member.

SECTION 3

At all general meetings the quorum shall be not less than 4 Active or Honorary Members or 20% of the total Active and Honorary membership whichever is less.

In the absence of a quorum the meeting shall be adjourned for at least 14 days and those then present shall form the quorum but they shall not alter, amend or make additions to the existing rules.

ARTICLE III DUES

SECTION 1

Each member shall pay dues in accordance with the schedule fixed from time to time by the Committee and approved at a general meeting. Such dues shall be paid on 1st January or on admission. Failure to pay any dues later than 45 days from the due date may result in the member being expelled from the association.

Members whose membership has been terminated shall not receive a refund of dues already paid.

ARTICLE IV COMMITTEE MEMBERS

SECTION 1

The association shall be managed by a Committee comprising the Chairman, Secretary, Treasurer and a minimum of 2 and not more than 7 members, all of whom shall be elected at the annual general meeting. All the office bearers may offer themselves for re-election when their term of office expires.

SECTION 2

Immediately following the annual general meeting, a regular meeting of the committee shall be held at the same place. The committee shall meet at least once in two months and notice of such meetings shall be given 7 days in advance.

SECTION 3

As provided in the Constitution, a Committee meeting may be called by the Chairman provided 3 days' prior notice has been given.

SECTION 4

A quorum for the transaction of business at such meetings shall consist of a

majority of members of the Committee. In the absence of a quorum the meeting shall be adjourned for at least 7 days and those then present shall form the quorum but they shall not alter, amend or make additions to the existing rules.

SECTION 5

Only persons actively engaged in the day-to-day operations of their respective member firms and Honorary Members shall be eligible to hold the office of committee members.

SECTION 6

Vacancies on the committee arising out of death, resignation or termination of a member may be filled up by a majority vote of the remaining committee members.

SECTION 7

The Committee shall be empowered to regulate control or dispose of any property belonging to the association and to have the power to retain counsel and fix the compensation thereof and shall exercise such other powers as may be delegated to or conferred upon it by law, the Constitution of the association or the bylaws.

ARTICLE V OFFICERS

SECTION 1

The Chairman

The Chairman shall preside at all meetings of the association and shall act as the chief executive officer of the association. In the absence of the Chairman, any committee member present may be elected by majority vote of those members present at the meeting to act on behalf of the Chairman.

The Secretary

The Secretary shall maintain all records except that of finance of the association and shall be responsible for their correctness. He shall keep the minutes of all meetings and maintain membership lists, draw up the annual report, preserve all

documents received and present at all meetings such documents as are of importance either to the association or to the members, announce all meetings and keep general records of the association. Upon the expiration of his term of office or earlier determination he shall hand over all documents and records to the successor or the Chairman.

The Treasurer

The Treasurer shall keep all funds and collect and disburse all monies on behalf of the association and shall keep an account of all monetary transactions and shall be responsible for their correctness. The Committee may from time to time decide on the amount that he is authorised to expend on behalf of the association for petty expenses and the maximum amount he may keep in the form of cash. He shall prepare for distribution at the annual general meeting a Statement of Account and shall report the financial position of the association at each committee meeting.

ARTICLE VI COMMITTEES

SECTION 1

The Committee shall meet at least once in two months to deal with administration and general matters. In addition, the following specific subjects will also be included on the agenda:-

Legal and Legislative Matters

The Committee shall consider laws and regulations affecting direct selling in Singapore as well as areas outside Singapore. It will also keep track of legal action taken by government bodies, consumer groups, individuals, member companies or the association

Consumer Relations

The Committee shall consider problems brought to its attention by bonafide consumer groups, individuals, the press or government agencies and recommend ways to deal with problems so that the interests of the members and the public are served. It will handle the public relations and code of ethics promotion activities for the association and maintain general communications within Singapore.

ARTICLE VII CONTRACTS, CHEQUES, DEPOSITS AND FUNDS

SECTION 1

The Committee may authorise any officer or agent of the association to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the association.

SECTION 2

All cheques, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the association shall be signed by such officer or agent of the association and in such matter as shall from time to time be determined by resolution of the Committee. In the absence of such determination, such instruments shall be signed by the Treasurer and countersigned by the Chairman or Secretary.

SECTION 3

All funds of the association shall be deposited from time to time to the credit of the association in such banks as the Committee may elect.

ARTICLE VIII SEAL

The corporate seal of the association shall be an impression upon paper or wax of a device bearing the words, "Direct Selling Association of Singapore".

ARTICLE IX FINANCIAL YEAR

The financial year of the association shall commence on 1st January and end on 31st December in each year.

ARTICLE X AMENDMENTS

SECTION 1

Amendment by Members

The members of the association may at any meeting amend these bylaws by the affirmative vote of a majority of the members present provided the substance of the proposed amendments shall have been stated in the notice of the meeting.

SECTION 2

Amendment by Committee Members

The committee shall have the power to alter or amend or repeal any of these bylaws by an affirmative vote of a majority of the members present provided the substance of the proposed amendments shall have been stated in the notice of the meeting.

ARTICLE XI OBLIGATION OF MEMBERS

Members shall be bound:

- (a) to comply with the bylaws, regulations, committee resolutions and any code of ethics adopted by the association
- (b) on request, to furnish complete and accurate information to the Committee verbally and in writing on any subject that may be of importance in furthering the selling practices. The Committee shall maintain such information in strict confidence until the matter has been completely dealt with

ARTICLE XII DISCIPLINARY MEASURES

In the event of violation of the bylaws, or the code of ethics, the Committee may impose the following penalties commensurate with the offence:-

- (a) Reprimand
- (b) Suspension
- (c) Expulsion
- (d) Referral to the appropriate authority for disposition.

The above measures shall not be taken until the Committee has considered the matter and given the offending party an opportunity to present his defence.

The reprimand shall be transmitted to the party in writing by registered mail to its last known address on the record of the association.

Suspension may be imposed for a maximum term of one year. A suspension may be followed by expulsion if the party does not take steps to remedy the problem which give rise to the suspension. A committee member may be suspended or expelled by the membership at an extraordinary general meeting only. Such suspension or expulsion shall automatically result in immediate termination of his office on the Committee.

Facts that may be cause for suspension or expulsion are as follows:-

- (a) Deliberate violations of any duly adopted code of ethics;
- (b) Wilful acts which are at variance with the Constitution and bylaws;
- (c) Failure to meet financial or other obligations arising from membership in the association;
- (d) Any other wilful act that may be detrimental to the good name or reputation of the association in the judgement of the Committee.

A resolution for suspension or expulsion shall with statement of the reasons be communicated to the party in writing without delay. The party may appeal at the next general meeting. During the term of suspension, any activity wherein use is made of the rights and privileges connected with membership in the association is prohibited. In the case of expulsion, all rights and obligations as between the association on the one hand and the party of the other hand, shall cease beginning with the date on which the resolution for expulsion is taken.

Matters which constitute a violation of law shall be referred to the proper authority for further investigation and prosecution if appropriate.

Neither the Committee nor the association shall be liable for any damage suffered by any member upon whom penalties are imposed.