



Statutes

of the International Hotel and Restaurant Association

With effect from 21 November 2004

STATUTES

Article 1

NAME, HEAD OFFICE AND OFFICIAL LANGUAGE

- a) An association has been founded under the provisions of the French law of 1st July 1901 and the decree of 16th August 1901 known as :
International Hotel and Restaurant Association with the acronym : IH&RA.
- b) The headquarters of the IH&RA are established in Paris, at 48 boulevard Sebastopol, 75003 Paris - France. They may be transferred by order of the General Assembly or the Board of Directors.
- c) The official languages of the IH&RA is English.

In the case the head quarters are situated in a country where official documents, with regard to administration, accounting, the General Assembly, the Statutes and the By-laws, must by law or regulation be in the local language. Translations of these documents will merely have the objective of making these texts understood.

- d) The Association is founded in perpetuity.

OBJECTIVES

Article 2

The objectives of the IH&RA shall be as follows:

- a)** To act as the international representative organisation of the global hotel and restaurant industry and to promote its interests, notably through the development of working contacts with other international organisations, governmental and non-governmental.
- b)** To link hotel and restaurant chains and national hotel and/or restaurant associations and all other enterprises, which are part of the international hotel, restaurant and/or tourism industry in all countries of the world.
- c)** To safeguard and promote the interests of the proprietors and operators of hotels and restaurants and to raise the standards and reputation of the international hotel and restaurant industry.
- d)** To monitor areas of major importance to the international hotel and restaurant industry, in particular governmental policy affecting hotels and restaurants, restrictions affecting international travel and international labour relations and also to keep the industry informed about new developments and to take necessary action in order to protect the interests of the industry.
- e)** To consider the legal framework governing the relations between hotels, restaurants and their clients, travel agencies and other intermediaries, and to take whatever action may be required in association, as appropriate, with hotel and restaurant chains and national or regional hotel and restaurant associations and national, regional or international authorities.
- f)** To represent the interests of the industry towards international reservation and distribution systems.
- g)** To organise meetings with a view to the exchange of information and opinions on questions of current importance and to the organisation of common action for the promotion of the interests of the hotel and restaurant industry.
- h)** To create or support existing regional organisations.
- i)** To publish any reports or research as may be decided from time to time.
- j)** To encourage and facilitate the promotion at international level of the best methods of professional training for the hotel and restaurant industry.
- k)** To give advice to members and to distribute information likely to assist members on questions affecting hotels and restaurants and to provide commercial services of use to members.
- l)** To purchase, acquire, hire and sell or otherwise dispose of any property which may be deemed necessary or convenient for the carrying out of the objectives of the IH&RA.
- m)** Generally, to do all such other things as may appear to be incidental or conducive to the attainment of any of the above-named objectives.

MEMBERSHIP

Article 3

Any organisation, company or similar entity or person representing the hotel and/or restaurant industry, who fulfils the requirements set out in these Statutes may upon application become a member of IH&RA.

The Association shall comprise association members, (regional, national, state, local, city - representing a geographical part of a country) international and national chain members, members of honour.

All members in all categories shall be elected by the Board of Directors and approved by the General Assembly.

A. VOTING MEMBERS (members entitled to vote at the General Assembly)

a) Association members representing the hotel and/or restaurant industry

A national, state, local or city association which is a representative association of the hotel and/or restaurant industry in its country or geographical part of a country shall be eligible for Association membership.

In considering whether such an association is representative and eligible for membership, the General Assembly shall have regard to the number of establishments which are in membership of that association, the association's activities, and its legal and economic structure.

Other associations in the same country representing significant and defined sections of the hotel and/or restaurant industry may also be admitted into membership by the General Assembly.

b) Hotel and/or restaurant chain members

A hotel and / or restaurant chain with a minimum of five establishments linked either financially or through common management shall be eligible for membership.

B. NON-VOTING MEMBERS (members not entitled to vote at the General Assembly)

a) Members of honour

Members of honour shall be persons who, in the opinion of the Board of Directors, have rendered special service to the hotel and restaurant profession and to the IH&RA. Election to Membership of honour shall be at the discretion of the Board of Directors.

b) Affiliated Members (hotels and/or restaurants, independent or chain affiliated).

c) Allied Members (World Wide Partners, Industry Supporters and Educational Centres)

TERMINATION OR DENIAL OF MEMBERSHIP

Article 4

- a) The membership year and financial year runs from 1st January to 31st December. Membership is automatically renewed each year.
- (i) Unless the IH&RA has been notified by registered letter to the IH&RA headquarters of a request to terminate the membership by 30 September of the preceding year.
- (ii) Provided that all sums due to the association, including in particular the annual subscription with respect to the current financial year, have been paid in full.

Accordingly, if notice of resignation is not received by the Board of Directors of the IH&RA at its headquarters by 30 September of the current year, the annual subscription for the year commencing on 1st January of the following year shall be due.

- b) Membership may be terminated by formal decision of the Board of Directors in the following circumstances:
 - (i) If a member fails to pay the annual subscription within three months of formal request by registered letter, return receipt requested.
 - (ii) If the Board of Directors considers the membership inadvisable due to the disregard or serious infraction of the objectives of the IH&RA.
- c) Any termination or denial of membership may be appealed to the General Assembly. Such appeal should be made in writing at least two months before the next General Assembly and addressed to the IH&RA headquarters.

THE CONGRESS

Article 5

- a)** The Congress shall be open to anyone involved directly or indirectly in the hotel, restaurant and tourism industries.
- b)** The Congress shall meet at least every two years. The date and place of the meeting shall be decided by the Board of Directors.
- c)** The Congress may make recommendations on all matters affecting the hotel, restaurant and tourism industries.

THE GENERAL ASSEMBLY

Article 6

- a) (i) Each national association in membership representing hotels and/or restaurants will have the right to nominate voting delegates to the General Assembly. The following table sets out the distribution of the voting rights:

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|------------|-----------------|
| Category 1 | 1 + 1 = 2 votes |
| Category 2 | 1 + 2 = 3 votes |
| Category 3 | 1 + 3 = 4 votes |
| Category 4 | 1 + 4 = 5 votes |

(ii) In countries where more than one association is in membership, these will have to coordinate and nominate a delegation according to the fee category to which the country is assigned.

- b) (i) Each member hotel and/or restaurant chain shall be entitled to nominate in writing one or more delegates to the General Assembly with the number of votes according to the following table (with a maximum of 5 votes per hotel chain):

| | |
|------------|---------|
| Category 1 | 1 vote |
| Category 2 | 2 votes |
| Category 3 | 3 votes |
| Category 4 | 4 votes |
| Category 5 | 5 votes |

- c) Additional participants at the General Assembly:

1. Without voting rights, without right of proxy to replace any other member of the General Assembly. These include:

- Former Association Presidents
- . Members of Honour,
- . Chairman of the Finance Committee.
- Regional Vice Presidents
- Independent Operators Representative
- World Wide Partner and Industry Supporter Representative

2. Without voting rights. These include:

- . Presidents of regional hotel and / or restaurant associations designated by the General Assembly.

3. *As observers. These include:*

- . All persons that the President and / or the Board of Directors deems valuable to invite.

- d) If any member of the General Assembly nominated by an association or a chain is unable to attend a meeting of the General Assembly, that association or that chain shall have the right to nominate in writing another General Assembly delegate of its choice, or any other member of the IH&RA from its country to act in its place. The designation by an association or by a chain of members authorised to vote must reach IH&RA headquarters one month prior to the date of the General Assembly. The number of proxies held by one person is limited to a maximum of 10.
- e) The Secretary General of a member association, or his/her representative, is entitled to attend General Assembly meetings and may vote if nominated as a member of the association delegation to the General Assembly.

GENERAL ASSEMBLY POWERS

Article 7

The General Assembly holds all powers within the IH&RA. It may, however, delegate some of the powers under its control, for a short term period and under precise circumstances, to the President or to the Board of Directors.

Its main powers are:

ELECTIONS

- a) To elect the President, the two Vice-Presidents, the Treasurer, the Secretary.
- a) To elect the Finance Committee members and its Chairman.
- b) To elect representatives to the Board of Directors from the categories outlined in Article 10.

FINANCE

- c) To determine the fee structure (entrance fee and annual subscriptions or contributions for each category of membership).
- d) To determine the annual rates of subscription or contribution for each category of membership.
- e) To approve the annual balance sheet, the income and expenditure accounts, to discharge the Board of Directors and the CEO and to approve the provisional budget presented for the following year.

GENERAL

- f) To approve, or otherwise, the policy proposed by the Board of Directors.
- g) To approve the annual report of the Board of Directors and the annual report of the CEO.

STATUTES

- h) To determine its own rules of procedure, in so far as they are not laid down by these articles.
- i) To decide any question relative to the interpretation of these articles and, if thought appropriate, to adopt by-laws.
- j) To alter these articles and to dissolve the IH&RA in accordance with article 8 c).

MEETING & VOTING OF THE GENERAL ASSEMBLY

Article 8

- a)** The General Assembly shall meet once in each year and at any other time when convened by the President. The General Assembly may also be convened by the Secretary on the written request of twenty delegates thereof, representing a minimum of 10 associations.
- b)** All decisions shall be taken on a simple majority of votes of those General Assembly delegates or their substitutes present and voting, except in the following cases where a two-thirds majority shall be required before any decision shall become effective:
 - (i)** If an alteration of these articles is proposed, or
 - (ii)** If the dissolution of the IH&RA is proposed.The President shall have a casting vote.
- c)** If it is proposed that a decision concerning the alteration of these articles, or the dissolution of the IH&RA shall be taken at a General Assembly meeting, notice of the proposal shall be communicated to all General Assembly delegates no less than one month prior to the date of that meeting. If such notice has not been given, no decision shall become effective.
- d)** The General Assembly may also be called upon to vote by correspondence under certain conditions and procedures outlined in the by-laws.

NACE AND CHAINS COUNCIL

Article 9

NACE:

The National Association Chief Executives Council (NACE) consists of designee Officers representing association members of the IH&RA. The NACE will serve as an advisory council on IH&RA policy and administrative matters to the Board of Directors.

CHAINS COUNCIL:

The Chains Council consists of designee Officers representing hotel and restaurant chain members of the IH&RA. In his/her absence the designee Officers may delegate, in writing, representation to a senior officer of his/her chain.

BOARD OF DIRECTORS

Article 10

a) The Board is composed of:

- the President
- 2 Vice Presidents (one representing the hotel industry and the other the restaurant industry)
- the Treasurer
- the Secretary
- the immediate Past President
- the Chairman of NACE
- the Chairman of the Chains Council
- 4 members representing NACE
- 4 members representing Chains Council
- 1 representative of the restaurant industry
- 1 Independents representative (*this is an appointed not an elected position*)
- 1 representative of the World Wide Partners (*this is an appointed not an elected position*)

The CEO is a member of the Executive Committee and the Board of Directors.

The past four Presidents may attend meetings of the Board of Directors.

Due consideration will be given to ensure appropriate regional and sectoral representation according to defined criteria (see Article 13).

The Executive Committee has the authority to appoint regional representatives from the members should the need arise. In this case the appointed regional representative will have the title Regional Vice President.

The Executive Committee has the authority to appoint other industry or partner representatives should it be deemed to be in the best interest of the association.

- b) If a member of the Board of Directors fails to attend three consecutive meetings of the Board of Directors, he shall be deemed to have resigned from office. The Board of Directors shall have power to waive this rule if it considers that his absence was justified in the circumstances.
- c) The President and two Vice-Presidents are elected by the General Assembly. They are elected for one year and may be re-elected once. The Secretary, Treasurer and other Board members are elected for two-year terms by the General Assembly and may be re-elected for a unlimited number of times . The World Wide Partners representative, the Independents representative, the Regional Vice Presidents, and the sectoral representatives, if designated, are appointed for two year terms.
- d) Any candidate for a position on the Board of Directors who serves the General Assembly as a delegate of an association or a chain shall not be elected without the prior written agreement of that association or that chain. All nominations for election to a position on the Board of Directors shall be received no later than 30 days before the date of the election.
- e) All nominees for officers and members of the Board of Directors shall be specifically notified in writing and shall have accepted their nomination, in writing, before their nominations are presented to the General Assembly for election.

MEETING & VOTING OF THE BOARD

Article 11

- a) Half of the members of the Board of Directors shall constitute a quorum. When the quorum is not achieved, the Board of Directors will be recalled 15 days later and its decisions will then be taken on a simple majority vote of those members in attendance.
- b) All decisions of the Board of Directors shall be taken by simple majority of the votes cast by members present. The President shall have a casting vote (in the event of an equality of votes).
- c) The Board of Directors shall meet at least three times each year. The Board of Directors may also be convened by the President or by the CEO if the latter receives the request from at least half of the members of the Board of Directors.
- d) The Board of Directors determines the countries in which the three annual meetings of the Board of Directors shall be held. It also decides on the dates of these meetings.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Article 12

The Board of Directors is responsible by virtue of powers given by the General Assembly for the following:

- a) To set-up advisory groups.
- b) To nominate working groups.

MEMBERSHIP

- c) To decide on the affiliation of a new member.
- d) To decide on the termination of a membership in accordance with Article 4(b).

GENERAL

- e) To make recommendations to the General Assembly and to ensure that the CEO implements approved policy.
- f) To appoint or dismiss the CEO.
- g) To determine the financial policy of the IH&RA, proposing the annual provisional budget.
- h) To determine the strategic plan of the IH&RA.
- i) To determine the main policy lines of the IH&RA.
- j) To create or dissolve any regional offices of the IH&RA should this prove to be appropriate.
- k) To decide on financial investments or loans if necessary to the financial balance of the IH&RA.
- l) To decide on selling or purchasing personal estate or real estate if needed for the activities of the IH&RA.

EXECUTIVE COMMITTEE

- a) The Executive Committee members shall consist of the following officers of the Board of Directors, the President, the two Vice-Presidents, Treasurer, Secretary, Immediate Past President and the CEO.
- b) The Executive Committee shall have the following responsibilities:
 - a. Ensures the ongoing administration of the Association as may be delegated to the Executive Committee by the Board of Directors.
 - b. Executes policies, procedures and plans established by the Board of Directors.
 - c. Monitors the on-going effectiveness of the CEO and Secretariat staff.
 - d. All policy decisions or actions taken by the Executive Committee must be ratified by the Board of Directors at its next scheduled meeting.
 - e. Meetings of the Executive Committee may be called at any time by the President or any of the other four voting members of the Executive Committee.

IH&RA REGIONS

Article 13

The composition of the regions may be re-determined by the Board of Directors from time to time.

NOMINATION OF OFFICERS

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| Article 14 |
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- a) Candidates for the office of President-Elect should be nominated from the members of the Board of Directors and, when this is not possible, from the members of the IH&RA.
- b) Candidates for the office of the two Vice-Presidents should be nominated from the members of the Board of Directors and, when this is not possible, from the members of the IH&RA.
- c) Candidates for the offices of Treasurer and Secretary should be nominated from the members of the Board of Directors and, when this is not possible, from the members of NACE or the Chains Council.
- d) Any candidate for the office of President, Vice-Presidents, Treasurer or Secretary :
 - as a delegate of a hotel and/or restaurant association to the General Assembly, shall not be elected without prior agreement of that association;
 - as a delegate of a hotel and/or restaurant chain to the General Assembly, shall not be elected without prior agreement of that chain.

DUTIES

Article 15

- a) The President will chair the Board of Directors, the General Assembly and the Congress.
- b) The two Vice-Presidents shall perform such duties as the President may request.
- c) One of the two Vice Presidents shall act in the absence of the President as the Chairman of the Board of Directors, of the General Assembly and of the Congress (the choice between the two Vice Presidents should be made by consensus and if this is not possible the choice will be made by the members present at the meeting). The Vice Presidents shall also represent the President when requested by the President to do so. If both the President and the two Vice-Presidents are absent, then the Board of Directors will nominate a chairman for the meeting.
- d) The Treasurer is responsible for the management of the IH&RA's finances, and is authorised and required to receive moneys due to the IH&RA, to make payments on behalf of the IH&RA as he or she sees fit, to inform all departments of the IH&RA of material financial developments, to keep regular accounts of all operations, to report at least annually to the Board of Directors and General Assembly, to prepare the balance sheet, to prepare the budget for the IH&RA, to report to the Finance Committee, to transfer money within the budget, to monitor budgetary expenses and the reimbursement of expenses, to supervise the monthly balance of payments and to ensure the effective management of unallocated funds.
- e) The Secretary shall ensure that the directions given by the Board of Directors and the Finance Committee are applied and followed; shall delegate to the CEO, as he or she sees fit, the implementation of legal and administrative initiatives necessary for the IH&RA to function; shall ensure the co-ordination between the permanent departments managed by the CEO and the IH&RA; shall report to the President, Treasurer and the Board of Directors whenever necessary and advisable, and with the CEO and his or her department; shall prepare minutes of meetings of the General Assembly and the Board of Directors.
- f) Board members who also serve as Regional Vice Presidents assume IH&RA representational responsibilities within their region. They shall identify those representation functions that require IH&RA representation by officers or staff. They shall identify the most effective method of distribution of IH&RA materials and identify issues to be covered by IH&RA activities in their areas of geographic responsibility. They will also endeavour to increase the awareness of the goals and objectives of the IH&RA in their geographic areas. They shall assist the IH&RA in identifying and recruiting potential members of the IH&RA in their respective regions. They shall submit both oral and written reports on their activities at regular meetings of the Board of Directors.

ELECTION AND VACANCIES

Article 16

- a) Candidates for the President-Elect, the two Vice-Presidents, Treasurer and Secretary shall be nominated by a Nominating Committee appointed by the Board of Directors. Nominations for these offices may also be made from the Board of Directors. The names of the candidates so selected shall then be presented by the Nominating Committee to the General Assembly of the IH&RA for election in accordance with the provisions of Article 7.

- b) In the event of death, resignation, removal or inability to act on the part of any member of the Board of Directors during his/her term, then the following line of succession will come into effect :

If the President's office becomes vacant, one of the two Vice-Presidents shall automatically succeed to that office for the unexpired term there-of (the choice between the two Vice Presidents should be made by consensus and if this is not possible by the Board of Directors).

If one of the Vice-Presidents offices becomes vacant, the second Vice President shall automatically succeed to that office for the unexpired term there-of.

If both the two Vice-President's offices becomes vacant, the Treasurer shall automatically succeed to their office for the unexpired term there-of.

If the Treasurer's office becomes vacant, the Secretary shall automatically assume that office and serve as both Secretary and the Treasurer for the unexpired term of the Treasurer's office.

If the Secretary's office becomes vacant, the Treasurer shall automatically assume the office of Secretary and serve as both Secretary and Treasurer for the unexpired term of the Secretary's office.

If a position on the Board of Directors becomes vacant for reasons stated above the Board of Directors is empowered to appoint a replacement until the following General Assembly.

In all other cases, the Board of Directors shall have the power to fill an office for the unexpired term at its next meeting.

THE FINANCE COMMITTEE

Article 17

- a)** The Finance Committee shall consist of the chairman and four other members appointed by the General Assembly. The Treasurer is a member of the Finance Committee, *ex-officio*.

The Finance Committee shall be responsible for the general control of finances.

- b)** No member of the Finance Committee shall be eligible for election to the Board of Directors, with the exception of the Treasurer.
- c)** The term of office of the Finance Committee chairman and members shall be two years renewable.
- d)** A Finance Committee member cannot be replaced by a substitute. If s/he fails to attend three subsequent meetings, his/her term of office shall cease.
- e)** The responsibilities of the Finance Committee:

The Committee shall be responsible for the general control of finances.

ANNUAL ACCOUNTS

Article 18

- a)** The General Assembly, annually, shall examine the report from the Chartered Accountants as at the last day of the preceding financial year, and an Income and Expenditure Account with respect to that period.
- b)** The financial year is from 1st January to 31st December according to article 4 in the By-laws.
- c)** The IH&RA shall employ a firm of Chartered Accountants.

CHIEF EXECUTIVE OFFICER

Article 19

The CEO of the IH&RA is responsible for management, planning and carrying out policies and objectives of the IH&RA as directed by the IH&RA Board of Directors.

The CEO is also responsible for fiscal affairs and shall have control over all fiscal matters subject to policies and Board of Director's decisions.

Together with the Board of Directors, s/he shall represent the IH&RA as its spokesperson for purposes of member relations and public relations or assign such responsibilities to others depending on circumstances.

The CEO shall work directly with the Board of Directors interpreting to them the needs, problems and administrative plans of the IH&RA and may recommend policy and other matters for Board of Directors' action.

The CEO shall communicate the actions and decisions of the Board of Directors to the staff and serve as the principal liaison between the staff and the Board of Directors. S/He shall also determine or approve all administrative policy as it relates to staff, their assignments, supervision, evaluation and salaries. S/He shall have official responsibility and authority for hiring and employment termination of all staff.

The CEO shall prepare and present to the Board of Directors an annual schedule of recommended compensation covering the IH&RA staff.

The CEO shall develop and maintain high-level contacts with policy-makers and international organisations and shall monitor their activities that may favourably or unfavourably affect the hotel and restaurant industry. Additionally, s/he shall develop and maintain close working relationships and co-operation with the Chief Executives of national and regional hotel and/or restaurant associations.

The CEO is responsible for implementing and recommending programmes that will increase the membership of the IH&RA. S/He is also responsible for developing strong relationships with international and national hotel and/or restaurant chains. Additionally, s/he is responsible for developing and maintaining memberships of suppliers as allied members of the IH&RA. S/He is also responsible for developing and maintaining strategic alliances with international consulting companies to the hotel and restaurant industry and with academia.

The CEO is responsible for ensuring the continuing financial viability and integrity of the IH&RA through implementation of all financial policies prescribed by the Board of Directors and as directed by the IH&RA Treasurer. S/He is also solely responsible for all IH&RA expenditure.

Finally, the CEO is responsible for implementing effective public relations programmes that promote the purposes of the IH&RA, give international recognition to the programmes, research and other industry informational efforts.

DISSOLUTION OF THE ASSOCIATION

Article 20

- a)** As provided in article 8 b), the IH&RA can be dissolved only by a vote of two-thirds of those General Assembly members or their substitutes present and voting on a motion communicated to all General Assembly members no less than two months prior to the date of the meeting. In order for the declaration of the dissolution to be valid, it must be voted by at least half of the entire membership of the General Assembly.
- b)** If the IH&RA is dissolved, the funds of the IH&RA shall be distributed to each member in the proportion that the last annual subscription paid by it bears to the total distributable funds.

ENTRY INTO FORCE

Article 21

These articles enter into force with effect from 21 November, 2004.

Special transitional provisions:

- i) The revisions to the Statutes will take effect as of 21 November, 2004. The current officers and the Board of Directors will have authority to take such steps as may be necessary to ensure an orderly transition to implement these revisions. These steps shall be ratified at the next meeting of the General Assembly.
- (ii) Article 10, paragraph c) and Article 12, paragraph j) shall come into effect on 21 November, 2004 and be applied to the incumbent IH&RA President.
- (iii) The CEO is mandated to carry out all the regulatory administrative procedures with regards to the French authorities which arise from the modifications carried out.

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