

A W A R D S
C O M M I T T E E

P O L I C I E S
&
P R O C E D U R E S
M A N U A L

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I N T E R N A T I O N A L F R A N C H I S E
A S S O C I A T I O N

Table of Contents

- I. Introduction
 - A. Purpose of Awards Program
 - B. Background
- II. Committee Membership
 - A. Background
 - B. Composition
- III. Awards - see Appendix A for past winners
 - A. Hall of Fame
 - 1. Description
 - 2. Eligibility
 - 4. Evaluation Guidelines
 - B. Entrepreneur of the Year
 - 1. Description
 - 2. Eligibility
 - 3. Evaluation Criteria
 - 4. Evaluation Guidelines
 - C. Bonny LeVine
 - 1. Description
 - 2. Eligibility
 - 3. Evaluation Criteria
 - 4. Evaluation Guidelines
 - D. Ronald E. Harrison
 - 1. Description
 - 2. Eligibility
 - 3. Evaluation Criteria
 - E. Honorary Life Member
 - 1. Description
 - 2. Eligibility
 - F. Franchisee of the Year
 - G. Special Awards
 - H. Distinguished Service Awards
 - 1. Description
 - 2. Eligibility
 - 3. Evaluation Criteria
 - 4. Presentation
- IV. Nomination Procedures
 - A. Identifying Potential Candidates
 - B. Soliciting Nominations
 - C. Supporting Documentation
 - D. Follow Up
- V. Evaluation Procedures
 - A. Compilation of Files
 - B. Selection Meeting
- VI. Approval and Notification
- VII. Presentations
- VIII. Establishing New Awards

I. INTRODUCTION

A. Purpose of Awards Program

The purpose of the IFA Awards Program is to provide recognition to those individuals who and organizations that have contributed to the growth and success of franchising as a method of distribution in the global economy. With such recognition it is hoped that others will be inspired to emulate those honored and thereby make franchising even more successful in the years to come. Hopefully the resulting publicity will help inform and educate the general public about franchising as a concept, highlighting its benefits to society as a whole.

To avoid conflicts of interest or the perception thereof, members of the Awards Committee and the Executive Committee are deemed ineligible for any IFA awards during their terms of office.

B. Background

IFA first introduced an Awards Program when it established the Hall of Fame Award in 1979. As the Association's oldest and most prestigious honor, it is conferred upon legendary franchisors who are pioneers in franchising and/or founders of companies whose unassailable track records are examples of the best in franchising. This award was intended to identify and recognize publicly those individuals who, as franchisors, had contributed most to making franchising the acknowledged leader in distribution methods. By publicizing the accomplishments of those pioneers who introduced many new innovations while developing successful systems, it was hoped a new generation of leaders would be inspired to reach those same high levels of accomplishment.

In 1982, two new awards were added to the Awards Program—Entrepreneur of the Year and Free Enterprise, the latter of which was discontinued upon creation of the Ronald E. Harrison Award in 2004 which was designed to recognize organizations and/or individuals who have made significant contributions to minorities in franchising either within their franchise organization or within the franchise community. This award is open to any organization and/or individual from an IFA member company, past or present, whether franchisor, franchisee or supplier.

The Entrepreneur of the Year Award was established to recognize an individual while he or she was in the process of building a successful business venture. Franchisors, franchisees and suppliers are all eligible for this award. They need not be an IFA Forum member, but must exemplify the “entrepreneurial spirit” that franchising represents.

In 1990, the Board of Directors created the Honorary Life Member Award to honor those individuals upon retirement who have given much of their time and talents to promoting franchising in general and the IFA in particular during their active business careers. Typically such persons have served on many committees, task forces, the Board of Directors and in other ways contributed much to enhance franchising over a period of several years in leadership roles. While many fitting this profile will often serve as Chair of IFA, these honorees normally have not and this recognition was deliberately designed to express the franchising community's appreciation in much the same way it is accorded to Past Chairs.

In 1994, the Bonny LeVine Award was established in memory of Bonny LeVine, co-founder of PIP Printing, in recognition of her outstanding accomplishments in franchising and of her status as a role model for women in the franchise community. The recipient may be a woman whose

role as a franchisor, franchisee or supplier meets the established criteria.

In 1996, IFA opened some awards to sponsorships. Among those companies that have participated are Coca Cola, DeLoitte and Touche, The Entrepreneur's Source, MassMutual and PepsiCo.

The Franchisee of the Year Award was established in 1996 under the sponsorship of MassMutual, which handled the selection with four awards made annually at the Convention. This program was revised in 2000 to enable all franchise companies to participate by annually selecting one outstanding franchisee for recognition.

Special Awards have been given in the past such as the Chairman's Award for Distinguished Service, presented in posthumous honor of Harry L. Rudnick, 1999; the IFA Legislator of the Year Award, presented to U.S. House Small Business Committee Chair James Talent of Missouri and U.S. House Judiciary Committee Chair Henry Hyde of Illinois in 1999 and 2000, respectively.

II. COMMITTEE MEMBERSHIP

A. Background

Membership in the Awards Committee is unique among IFA committees, which is why it is considered an honor to be selected to serve. IFA committees traditionally welcome volunteers to serve as long as they are interested and many make their greatest contributions after a few years' involvement. The Awards Committee members are invited and appointed to serve by the IFA chair in consultation with the three Forum Chairs, the Committee Chair and the President of IFA. Those invited are persons who have had active leadership roles in IFA and all are appointed for fixed terms. This provides for both continuity and rotation for the Committee.

B. Composition

The Awards Committee consists of 13 members. Persons under consideration for an award are excluded from serving on the Committee. Should a member of the Awards Committee be nominated for an award they will be asked to decline the nomination or resign from the Committee and be replaced by a new appointee.

Four members are selected from active members of the Past Chairmen's Council, three of whom serve 3 year terms with one new member each year. The fourth is the Awards Committee Chair, who is appointed for a 1 year term.

Three members are selected from current or past leaders of the Franchisee Forum who serve 3 year terms with one new member each year.

Three members are selected from past leaders of the Supplier Forum who serve 3 year terms with one new member each year.

Three additional members who also serve 3 year terms are selected from the association's membership at-large.

Due to resignations some appointments may be of shorter duration to maintain proper rotation.

III. AWARDS

A. HALL OF FAME

1. Description

As the oldest and most prestigious award conferred by the IFA, the winner must be a franchisor or franchisee who has contributed significantly to the advancement of franchising and to the benefit of IFA and the franchising community. That contribution is made through successful franchising programs, innovative activities within franchising and service to the association. Such individuals if not already a legend in franchising should be expected to become one. Representing the very best in franchising they should meet and exceed the criteria established for this award.

2. Eligibility

Any person (a) with a senior management role with a franchisor, or (b) a franchisee, past or present, is eligible. Typically they will be founders and chief executive officers or franchisees who displayed the vision and implemented the programs that resulted in developing a franchise system at either the franchisor or franchisee level. Any senior management person who had the authority and made the decisions, which in turn made their franchise system outstanding, should be considered.

3. Evaluation Criteria

The nominee should possess—but is not limited to—the following characteristics:

- a) Should have a proven and established record of achievement in franchising.
- b) Must be reputable and enjoy the respect of franchisors and franchisees within the nominee's franchise system and in other franchise systems as well.
- c) Should have contributed significantly to the advancement of franchising and to the franchising community.
- d) Must have built an organization that is self-sustaining through successful innovative franchising programs.
- e) Should be a pioneer and/or legend in the industry, being recognized for a lifetime of achievement which has been sustained over time.
- f) May be retired or deceased.

4. Evaluation Guidelines

- a) Total years in franchising
- b) Either system founder or outstanding franchisee operation
- c) Pioneer in business type
- d) Pioneer in franchising such business
- e) Unassailable personal track record
- f) Innovative activities within franchising
- g) Contributions to franchising
- h) Contributions to franchising outside own system
- i) Proven record of achievement in franchising
- j) Reputation within own system
- k) Reputation with other franchise systems
- l) Built organization through successful franchising
- m) Service within IFA—Committees, Board of Directors, Other
- n) Community contributions

- o) Other leadership roles—Religious & Charitable, Trade & Professional, Political & Government, Military Reserves & National Guard
- p) Now beyond the “vicissitudes of the market place”
- q) Record of personal integrity
- r) No questionable litigation

B. ENTREPRENEUR OF THE YEAR

1. Description

This award is designed to give recognition to those individuals who have the vision to see what might be, are willing to take the risks that traditionally accompany any new endeavor, and possess the management skills to create a successful business enterprise through franchising. Candidates should be currently managing and building a successful business through franchising. If the person selected for this award is willing, they will “reign” for the following year and be on call for speaking engagements at IFA member conventions, give media interviews and work with association leaders to spread the word on franchising.

2. Eligibility

This award open to all members of the franchising community—franchisors, franchisees, and suppliers. They need not be a member of IFA but must have demonstrated the “entrepreneurial spirit” that franchising represents.

3. Evaluation Criteria

Qualities sought are that the recipient:

- a) Must be actively involved in operating the business for a franchisor, franchisee or supplier.
- b) Must demonstrate highly skilled and innovative management skills.
- c) Should be a “risk taker” in the conventional sense of being an entrepreneur.
- d) Must operate a business which has been in operation for at least three continuous years, is still in its growth phase, yet is a financially sound, reliable business that has sufficient critical mass to endure over a reasonable period of years.
- e) Has managed to the benefit of franchising.
- f) Should demonstrate a history of community involvement that goes beyond commercial concerns.

4. Evaluation Guidelines

- a) Actively involved in operating business
- b) Demonstrates innovative management skills
- c) Risk taker/entrepreneur
- d) Years operating business (3-year minimum)
- e) Company still in growth phase
- f) Company financially sound
- g) Has reached sufficient critical mass to endure
- h) Managed to the benefit of franchising
- i) History of community involvement
- j) Leadership roles outside of company
- k) Record of personal integrity
- l) Years in franchising
- m) Reputation among peers

n) Any questionable litigation

C. BONNY LEVINE

1. Description

This award recognizes women who are role models for all, but especially women, by their business and professional accomplishments within franchising and their contributions to our entire society.

2. Eligibility

Any woman involved in franchising, whether as a franchisor, franchisee or supplier is eligible for this award.

3. Evaluation Criteria

The recipient of this award must be a woman who meets the following criteria:

- a) Has demonstrated ability in or contributions to franchising as evidenced by her contributions to the growth and development of the business and other major accomplishments.
- b) Has contributed actively to the community through activities such as board positions, volunteer work, teaching and participating in activities that promote the professional advancement of women.
- c) Has leadership qualities and enjoys that reputation among peers.
- d) Serves as a mentor to other women.

4. Evaluation Guidelines

- a) Demonstrated ability in franchising
- b) Contributions to growth and development
- c) Other major accomplishments
- d) Contributions to community activities—board positions, teaching, volunteer work, leadership roles in non-business groups
- e) Promotes professional advancement of women
- f) Demonstrated leadership qualities
- g) Mentor to women—within own system and outside own system
- h) Reputation among peers
- i) Record of personal integrity
- j) Total years in franchising
- k) Service within IFA

D. RONALD E. HARRISON

1. Description

To recognize organizations and/or individuals who have made significant contributions to minorities in franchising either within their franchise organization or within the franchise community.

2. Eligibility

This award is open to any organization and/or individual from an IFA member company, past or present, whether franchisor, franchisee or supplier.

3. Evaluation Criteria

- a) Must be or have been actively involved in operating or supporting a franchise business (franchisor, franchisee or supplier).
- b) Holds or held leadership positions on diversity councils, committees and organizations within their franchise company or franchise community.
- c) Considered a leader in promoting diversity within the franchise community.
- d) Created and/or implemented specific diversity initiatives within their franchise company, or franchise community that resulted in increasing opportunities for or success of minorities in franchising.
- e) Candidate has taken specific actions that demonstrate their passion and consistent commitment to diversity in franchising.
- f) Candidate has demonstrated service or affinity to the IFA personally or through other representatives from his/her member company within the past five years.

E. HONORARY LIFE MEMBER

1. Description

This award honors those individuals—franchisees, franchisors or suppliers—upon retirement from active franchising, who have given much of their time and talent to promoting franchising in general and the IFA in particular during their active business careers. Typically such persons have served on many committees, task forces, the Board of Directors and in other ways contributed much to enhance franchising over a period of several years in various leadership roles. While many fitting this profile will often serve as Chair of IFA, these honorees normally have not and this recognition was deliberately designed to express the franchising community's appreciation in much the same way it is accorded to Past Chairs.

2. Eligibility

Formal nominations are not accepted for this award. The Board of Directors has vested the sole authority for initiating such nominations with the Past Chairmen's Council who submit them to the Awards Committee. The members of the Past Chairmen's Council with their many years of service are deemed best equipped to identify those individuals who should receive this honor. Such nominations are designated as an agenda item for each meeting of the Past Chairmen's Council. The Awards Committee may return any nomination for reconsideration or forward with their endorsement to the Executive Committee and the Board of Directors for approval.

F. FRANCHISEE OF THE YEAR

Franchisors may recognize their system's outstanding "Franchisee of the Year" by participating in the recognition ceremonies for such winners provided at the IFA Annual Convention. This is a voluntary program. Recipients are determined by their parent companies. The Awards Committee is not tasked with consideration of those nominated.

Franchisors are encouraged to recognize their most outstanding franchisees at their own company conventions and/or throughout the year by presentation of the IFA sponsored "Franny Award," which can be purchased from the association.

G. SPECIAL AWARDS

Periodically the Awards Committee may recommend a special award for a specific one-time

event, such as the “Chairman’s Award for Distinguished Service” conferred posthumously to Harry L. Rudnick at the 2000 IFA Convention.

In 1994, in recognition of his efforts to oppose anti-franchising legislation in Iowa, IFA presented a special award to William Kimball, chairman and CEO of Medicap Pharmacies.

In 1999, IFA presented its first IFA Legislator of the Year Award to U.S. House Small Business Committee Chairman James Talent of Missouri. The following year, the award was presented to U.S. House Judiciary Committee Chairman Henry Hyde of Illinois. The selection of this award recipient is the responsibility of IFA’s Legislative Action Committee (LAG).

H. DISTINGUISHED SERVICE AWARDS

1. Description

Approved by the IFA Board of Directors in June, 2003, the IFA Distinguished Service Awards category was established to recognize individuals from each of the three categories of association membership who have devoted many years to promoting franchising through helping IFA fulfill its mission by active participation on committees, task forces and the Board of Directors. The award(s) would be given when deemed appropriate and do not carry a requirement of regularity.

2. Eligibility: Any employee/owner of an IFA member, whether franchisor, franchisee or supplier, who has been actively involved in franchising for a minimum of 10 years and has served on one or more IFA committees, task forces or Board of Directors for a minimum of five years will be eligible.

3. Evaluation Criteria: The Executive Committees of the Franchisor, Franchisee and Supplier Forums may submit nominations to the Awards Committee upon determination of qualified candidates. The Awards Committee will review the nominations and present its recommendations to the Executive Committee and Board of Directors for consideration.

4. Presentation

The IFA Distinguished Service Awards will be presented during the association’s annual Fall Leadership Meeting in conjunction with the presentation of the Legislator of the Year Award.

IV. NOMINATION PROCEDURES

A. Identifying Potential Candidates

After each annual IFA convention, the Board of Directors and Past Chairs will be asked to identify those individuals they consider as potential candidates for the various awards. Form E is the form used for this purpose.

B. Soliciting Nominations

Since Awards Committee members must evaluate nominees rather than be advocates, they are excluded from making nominations, as are members of the Executive Committee. They can encourage others to make nominations.

The IFA staff solicits the IFA membership for nominations for the Hall of Fame, Entrepreneur of the Year, Bonny LeVine and Ronald E. Harrison awards by using the form shown as Form A. This is done at all IFA meetings, through *Franchising World* magazine, the *IFA Insider* newsletter, *SmartBrief* and other communications to the general membership. There is no

limitation on who may nominate candidates, including the general public. Nominations must be received no later than June 30 to be considered for the awards made at the following year's IFA Convention. In addition, sponsors of awards will be encouraged to solicit nominations.

C. Supporting Documentation

Nominations are effected by submitting the appropriate form to IFA. Once nominations are received, IFA staff sends a letter to both nominee and nominator acknowledging the nomination and requesting supporting documentation which demonstrates the candidate meets the criteria established for that award and this must be received by the stated deadline each year. Such documentation should include a biography of the nominee, the most recent Uniform Franchise Offer Circular, if appropriate, filed by their company and information that will respond to the questions posed in the Evaluation Guidelines for that award. Any nominee who does not submit supporting information will not be considered for an IFA award.

D. Follow Up

While the IFA staff will follow up to insure the required documentation is complete for consideration by the Awards Committee, it is the responsibility of the nominees to insure that such requirements are timely met. All nominations are valid for three years. IFA staff will advise nominees to update their information when being considered in subsequent years.

V. EVALUATION PROCEDURES

A. Compilation of Files

The IFA staff submits all nominations with supporting documentation to the Awards Committee by the stated deadline each year in preparation for the meeting typically scheduled in late August each year for review and selection. (Reminder letters to nominees (and their nominators) who have not provided supporting information will be mailed annually on June 1.)

B. Selection and Approval Procedures

Each Awards Committee will organize the selection meeting as it sees fit with full disclosure of any relationships between committee members and nominees being considered. Committee members who are employed by the same or closely related company to that of a nominee must excuse themselves from those discussions.

Committee members must be present to vote. No proxies are permitted.

The Committee may recommend to the Executive Committee/Board of Directors up to three candidates for each award and will indicate a first, second and third choice. However, most Committees choose only one alternate to the winner. At the association's Fall Leadership Meeting, the Committee Chair will present the recommendations first to the IFA Executive Committee for review, then upon that body's approval, submit the slate to the Board of Directors for approval.

VI. APPROVAL AND NOTIFICATION

Candidates who have been approved by the Board of Directors to receive an award must attend the next IFA annual convention in order to receive the award (see Distinguished Service Awards exception below). Posthumously conferred awards will be presented to either immediate family

members of the award winner or a senior executive of the company with which the award winner was associated.

To confirm that first selectees for each award will be available to attend the next IFA convention, the Committee Chair typically advises the nominee informally by telephone of their selection with the admonition that the approval of the Board is necessary to finalize the award. Once the Board approves, the IFA staff sends an official notification letter to the nominee.

The Board shall receive recommendations from the Committee, review the nominations and approve recipients for each award. There shall be only one recipient for each award, except there may be more than one recipient for the Hall of Fame Award. Nothing herein shall prevent the Board from conferring one award on joint recipients. If, in the judgment of the Committee, there is no worthy candidate for an award, then no award will be given for that year.

Board approval is final pending notice to the recipient and verification that the award recipient can attend the next IFA Annual Convention.

VII. PRESENTATIONS

All awards, except the Distinguished Service Awards, will be presented at the IFA annual convention. Typically, the Hall of Fame Award is presented during the Hall of Fame banquet. The Entrepreneur of the Year Award should be presented by the “outgoing” award winner. The other awards are presented during general sessions throughout the event. The Distinguished Service Awards will be presented during Franchise Appreciation Day ceremonies, typically held during IFA’s Fall Leadership Meeting.

The IFA staff will coordinate with the recipients how to best publicize the award.

A publicity effort will be undertaken by IFA to promote the recognition and prestige of all awards via its comprehensive press list. Recipients will be encouraged to provide specific media outlets to allow targeted publicity within their industries and geographic locations. *Franchising World* magazine will, in its convention issue, provide feature coverage of the award winners and sponsors. Throughout the year following the event, IFA staff will be encouraged to recommend these “Brightest and Best” honorees for speaking engagements, public appearances and media interviews wherever possible.

VIII. ESTABLISHING NEW AWARDS

The IFA Board of Directors has reaffirmed the long-standing policy that all requests for new Awards must follow these procedures:

1. Information about the proposed award must be submitted in writing to the Awards Committee.
2. Included in the information submitted must be the following:
 - a) Name of Award
 - b) Purpose of Award
 - c) Description of Award
 - d) Justification for Award

e) Criteria for Selection/Eligibility

3. The Awards Committee will provide a recommendation to the IFA Board of Directors as to whether the award should be created as an official IFA recognition.
4. Only the Board of Directors of the International Franchise Association has the authority to approve the creation of a new award or elimination of an existing award.
5. Unless otherwise provided, only the Awards Committee may receive nominations and select award winners.