

CONSTITUTION

INTERNATIONAL FEDERATION OF AUDIT BUREAUX OF CERTIFICATION

1. NAME

The name of the organization shall be International Federation of Audit Bureaux of Certification (IFABC).

2. PLACE OF BUSINESS

Its place of business shall be at Saxon House, 211 High Street, Berkhamsted, HP4 1AD, England or such other address as may subsequently be decided upon by the Executive Board and approved by the Registrar of Companies (England and Wales) and recorded at Companies House. The IFABC shall carry out its activities only in places and premises which have the prior written approval from the relevant authorities, where relevant.

3. IDENTITY

3.1 The IFABC is a grouping of established audit organisations that verify and report facts about circulations of publications and other media-brand data.

3.2 The Members of IFABC shall be as defined in Clause 6.

3.3 Other non-member statuses comprise the following:

Associates as defined in Clause 9.

Affiliates as defined in Clause 10.

Reciprocators as defined in Clause 11.

4. OBJECTIVES

The objectives of the IFABC are:

4.1 To promote to advertisers, advertising agencies, media agencies and publishers worldwide the benefits provided by independent audit and assurance and the work of audit bureaux that are members of the IFABC.

4.2 To promote an ethical and acceptable business standard of conduct by the Members generally and in all forms of audit and assurance regarding data, good practice and processes for the media market.

4.3 To encourage greater standardization and uniformity in the process, procedure and format of reporting media brand data.

- 4.4 To facilitate and encourage among its Members the exchange of facts, knowledge, experience and innovation in services provided to the media market.
- 4.5 To support work of audit bureaux worldwide, the establishment of audit bureaux in countries where such bureaux do not exist and to promote membership of the IFABC.
- 4.6 To co-operate with international organisations, suppliers and media in any way directly or indirectly connected with, or allied to, IFABC activities.

5. DUTIES AND AIMS

To achieve the objectives the IFABC shall undertake:

- 5.1 To facilitate the growth of audited circulation and other media brand data by introduction of the Members to local interested parties to either assist in the set-up of their own audit bureaux or provide audit services to local media.
- 5.2 To have a central information and resource centre for access by Members and relevant external organisations.
- 5.3 To maintain an IFABC website as a constructive information portal.
- 5.4 To have direct links to all Members from the headquarters of the IFABC.
- 5.5 To conduct research on behalf of the IFABC.
- 5.6 To handle all cross border, regional and international enquiries from external sources.
- 5.7 To conduct international marketing programmes on behalf of the IFABC.
- 5.8 To be represented at relevant international forums and attend relevant international organisations' meetings on agreement by the Executive Board.
- 5.9 To generate and manage contacts with global advertisers, advertising agencies, media agencies and publishers.
- 5.10 To assist in the development of new Members.
- 5.11 To have access, upon request, from the headquarters of the IFABC to Members' current public information (excluding confidential procedures or information as determined by a Member) such as:
 - Rules and regulations.
 - Description of Members' organizational structure and listings of working parties/committees.

5.12 To perform such functions and directions as determined by the General Assembly of the IFABC from time to time.

6. MEMBERSHIP

Organisations that meet and maintain the following conditions and requirements shall be eligible for Membership of the IFABC.

A Member shall:

- 6.1 Have a tripartite membership of advertisers, advertising agencies/media agencies and publishers.
- 6.2 Determine its own definitions, terms, conditions and procedures for reporting circulations and other media within the sphere of their own activities.
- 6.3 Publish its standards and rules for bureau audits and procedures.
- 6.4 Perform independent auditing.
- 6.5 Have transparency in its process.
- 6.6 Issue circulation and/or other media data regularly.
- 6.7 Issue facts about circulations and other media without expressing any opinions.
- 6.8 Operate on the principles of 'not-for-profit'.
- 6.9 Have a founding document inclusive of these conditions and requirements.
- 6.10 Encourage membership and active participation in local audit bureaux by eligible advertisers, advertising agencies, publishers and other media agencies.
- 6.11 Furnish such information to the IFABC and other Members as reasonably requested by the IFABC headquarters and they shall not be obliged to furnish any such information which each Member considers confidential.
- 6.12 Use of the IFABC logo and or slogan wherever and whenever possible.
- 6.13 Notwithstanding the provisions of this Clause, a General Assembly, on the recommendation of the Executive Board may, where special circumstances exist, grant Membership to an organisation that does not meet all of the above criteria.

7. APPLICATION FOR AND ACQUISITION OF MEMBERSHIP STATUS

- 7.1 Applicants for membership of the IFABC should present the following to the IFABC President for review by the Executive Committee:

7.1.1 Application for Membership (application for membership shall be made on forms provided by IFABC)

7.1.2 The applicant shall include one letter from each of the following:

- A media owner
- An advertising agency, and
- An advertiser

within the interested country stating the case for admission to IFABC membership. (A letter from an association representing any of the three aforementioned shall be considered the equivalent of one letter.)

7.1.3 Each applicant should state in their letter of application how the audit organization conforms to the objectives of the IFABC as stated in Clause 4 of this Constitution.

7.2 Upon receipt of an application, the IFABC President shall cause a review to be made of the applicant's information in accordance with the Constitution and Byelaws of the IFABC.

7.3 No applicant shall be finally accepted for membership until the application has been approved by a simple majority of the Members of the IFABC.

7.4 An applicant may not publicize the fact that they have applied for membership.

8. SUSPENSION, TERMINATION AND READMISSION OF MEMBERSHIP

8.1 The General Assembly, by two-thirds vote, may suspend or terminate the membership of any Member who has been found by the Executive Board to have breached the provisions of this Constitution or Byelaws.

8.2 A Member whose membership has been suspended shall during such suspension:

8.2.1 Not be entitled to attend a General Assembly unless invited by the Executive Board.

8.2.2 Not be entitled to vote on any General Assembly resolutions.

8.2.3 Cease to be a member of the Executive Board.

8.2.4 Have its suspension posted on the IFABC website.

8.3 A Member whose membership has been suspended may upon written application have the suspension lifted in accordance with:

8.3.1 Review by the President.

- 8.3.2 Recommendation by the Executive Board, being satisfied that the Member has removed or rectified the cause for such suspension.
- 8.3.3 Approval by a simple majority in a vote by post, in person or by suitable electronic means by Members after a ten-day review period during which any comments received are to be distributed to all Members.
- 8.4 A Member whose membership has been terminated shall:
 - 8.4.1 Cease using the IFABC logo and not represent that it is a Member of IFABC.
 - 8.4.2 Cease using IFABC resources.
 - 8.4.3 Have its name removed from all IFABC membership listings.

9. ASSOCIATES

- 9.1 The Executive Board shall be entitled to grant Associate status to an organisation which does not fully comply with the requirements of Membership but which shares the aims of an audit bureau, the objectives of the IFABC and intends to develop and maintain an ongoing relationship with the IFABC.
- 9.2 The application for Associate status shall be made in writing in the form and on conditions stipulated by the Executive Board from time to time.
- 9.3 The Executive Board shall determine the annual subscription payable by Associates.
- 9.4 Associate status shall be suspended or terminated by notice in writing given by either the Executive Board or the Associate to the other party.
- 9.5 An Associate shall be entitled to attend a General Assembly but shall not be entitled to a vote.

10. AFFILIATES

- 10.1 The Executive Board shall be entitled to grant Affiliate status to an organisation which does not act as an audit bureau but is closely aligned to the industries Members serve or is closely associated with in the conduct of their business. As an example, such membership could include web traffic analytics tools, paper suppliers, global advertising agencies and a wide spectrum of others.
- 10.2 The application for Affiliate status shall be made in writing in the form and on conditions stipulated by the Executive Board from time to time.

- 10.3 The Executive Board shall determine the annual subscription payable by Affiliates.
- 10.4 Affiliate status shall be suspended or terminated by notice in writing given by either the Executive Board or the Affiliate to the other party.
- 10.5 An Affiliate member may be invited to attend a General Assembly (or some part of it) at the discretion of the Executive Board but shall not be entitled to a vote.

11. RECIPROCATOR

- 11.1 The Executive Board shall be entitled to admit as a Reciprocator, other similar industry organisations with similar interests.
- 11.2 The application for Reciprocator status shall be made in writing in the form and on conditions stipulated by the Executive Board from time to time.
- 11.3 There shall be no annual subscription payable by the Reciprocator as this will typically be covered by some form of contra arrangement, for example free attendance at a conference relevant to IFABC.
- 11.4 Reciprocator status shall be suspended or terminated by notice in writing given by either the Executive Board or the Reciprocator to the other party.
- 11.5 A Reciprocator may be invited to attend a General Assembly (or some part of it) at the discretion of the Executive Board but shall not be entitled to a vote.

12. GENERAL ASSEMBLY OF MEMBERS

- 12.1 The General Assembly is the supreme governing authority of IFABC and is constituted by the Members.
- 12.2 A General Assembly shall be held biennially at a time and place set by the Executive Board.
- 12.3 An Extraordinary General Assembly must be convened by the President within two months on a resolution by five Members of the Executive Board or by one third of the Bureaux in membership. At least ten (10) days' notice in writing of an Extraordinary General Assembly shall be given by the President setting forth the business that is to be transacted. In the event the President does not convene the Extraordinary General Assembly, the members who requested the Extraordinary General Assembly shall convene the meeting by giving ten (10) days' notice in writing to the Members setting forth the business to be transacted.

- 12.4 A quorum shall consist of one third of the Members, present in person or by proxy at the meeting. For the avoidance of doubt attendance may be via video conferencing or other technology agreed by the Executive Board for the purpose. In the event of a quorum not being present within thirty minutes of the allotted time for the meeting the meeting shall stand adjourned for forty-eight hours at the same place. The Members present at such adjourned meeting shall constitute a quorum but they shall have no power to amend any part of the existing Constitution.
- 12.5 The failure by a Member to receive a notice sent to it convening a General Assembly or the failure by the representative of the Member to receive a copy of such notice sent to such Member shall not invalidate the General Assembly.
- 12.6 Each Member present personally or by proxy shall have one vote, provided such Member's subscriptions are paid up to date.
- 12.7 All decisions shall be taken by a simple majority of votes unless otherwise provided in the Constitution or the By-laws. A confidential ballot may be demanded by a majority of Members present personally or by proxy.
- 12.8 In the event that the Executive Board decides that an issue is sufficiently urgent to require a decision of a General Assembly and that the IFABC would suffer prejudice by following the procedure to convene a General Assembly, the Executive Board shall be entitled to submit a resolution to the Members for their consideration by sending, by post or electronic means, to every Member the proposed resolution accompanied by the relevant voting papers.
- 12.9 Only votes which are properly completed by a duly authorized representative of the Member within the required timescale shall be counted and all voting papers subsequently received after the deadline shall be invalid.
- 12.10 Voting papers shall not be counted and accordingly the resolution shall not be passed unless valid voting papers are received on time from not less than one third of the Members.
- 12.11 The election of the Executive Board at a General Assembly shall be by confidential ballot unless otherwise agreed unanimously by the Members present personally or by proxy at the General Assembly.
- 12.12 All meetings referred to in this Clause 12 are permitted to be held as virtual meetings of any form agreed for the purpose, subject to compliance with the provisions of the company's Articles of Association, and Clause 12 should be interpreted in that light.

13. EXECUTIVE BOARD

- 13.1 The Executive Board shall administer, manage, and control the affairs of the IFABC including the location, selection and program for the General Assembly.

- 13.2 The Executive Board shall be comprised of nine Executive Board Members who shall represent the Members in the following manner:
- a. Six (6) positions will be filled by Members elected by Members present at the General Assembly from amongst the nominated Members
 - b. Three (3) positions will be filled by the elected regional Presidents representing the regional IFABC groups respectively – Asia-Pacific; Europe and Ibero-America

There shall not be two representatives representing the same Bureau on the Executive Board.

- 13.3 The three elected Presidents of the regional IFABC groups must represent their group themselves on the Executive Board and will not be allowed to nominate another person from the regional group.
- 13.4 The Members shall at the General Assembly elect a President from the members of the Executive Board.
- 13.5 The Executive Board shall appoint an Honorary Treasurer and a Secretary from the members of the Executive Board
- 13.6 The Executive Board shall hold office for a period of two years until the next General Assembly.
- 13.7 Should a casual vacancy occur on the Executive Board such vacancy may be filled by the Executive Board co-opting a person representing a Member to fill such vacancy.
- 13.8 The members of the Executive Board shall not receive any remuneration for their services.
- 13.9 A member of the Executive Board however, may receive financial assistance from the IFABC to cover such member's expenses necessarily incurred provided the Executive Board is satisfied on receipt of a properly motivated written request that due to financial constraints of the Member represented by such member of the Executive Board that such financial assistance is justified.
- 13.10 Quorum for all meetings of the Executive Board shall be five members in person or by telephone or video link. Resolutions at such meetings shall be passed by a simple majority vote.
- 13.11 A resolution signed by all the members of the Executive Board shall be deemed to be a resolution passed by the Executive Board at a duly constituted meeting.

- 13.12 Should one-third of the members present at a meeting of the Executive Board cast dissenting votes against any resolution passed by the Executive Board, a dissenting member shall be entitled to refer the resolution of the Executive Board to the full membership for ratification.
- 13.13 Such dissenting member shall lodge a notice of referral to the Members with the Secretary and President within five days of the resolution being passed.
- 13.14 The minutes of the meeting, including the resolution and notice of the referral, shall promptly be sent to the Members by post or electronic means.
- 13.15 A decision made by a majority of the Members whose replies have been received within twenty one days of the date of sending the notice of referral to the Members by the Secretary and President shall be final and binding on the Executive Board.
- 13.16 A member of the Executive Board shall not be entitled to attend any Executive Board meetings and shall not have a vote on any Executive Board resolutions during any period that the subscriptions or levies of the Member whom the member of the Executive Board is representing remain unpaid.

14. DUTIES OF THE EXECUTIVE BOARD

- 14.1 The Executive Board shall ensure the proper functioning of the IFABC and that the objects referred to in Clause 4 and the duties and aims referred to in Clause 5 are given effect to and implemented.
- 14.2 The Executive Board shall, if they see fit, have the power to assess candidates and recommend the appointment of a candidate to fulfil the duties of a Secretariat for such period and on such terms as it may recommend to the General Assembly for ratification.
- 14.3 The Executive Board shall be entitled to delegate such of its duties and aims to the Secretariat, if appointed, as it may determine.
- 14.4 Without limiting the general authority given to it and without limiting its authority of delegation to the Secretariat, if appointed, the Executive Board shall:
 - 14.4.1 Make, vary and rescind rules and regulations and take all such action consistent with this Constitution and the Articles of Association for the management and control of the affairs of IFABC.
 - 14.4.2 When and where considered necessary, engage employees and professional advisors for IFABC.
 - 14.4.3 Arbitrate on any disputes between Members of IFABC on matters related directly or indirectly to their membership of the IFABC on such Members written request but without prejudice to any legal remedies or rights of such Members.

14.4.4 Generally give effect to and implement any decisions or directives given by a General Assembly.

14.5 The Executive Board shall meet at least twice per annum.

15. SUBSCRIPTIONS

15.1 The subscriptions payable by Members shall be determined by the General Assembly from time to time.

15.2 Subscription invoices shall be posted or emailed to the Members by the 1st December each year. Payment of such invoices shall be made by the 31st January of the following year. All subscriptions unpaid by the 31st January shall bear interest calculated from the 31st January to date of payment at a rate of interest as determined by the Executive Board from time to time.

15.3 Notwithstanding the provisions of Clause 15.2 the Executive Board may, on written application by a Member, in its sole discretion on good cause shown, grant special consideration or dispensation to the Member.

15.4 Notwithstanding Clause 8, should the Member fail to pay its subscription by the due date, the Executive Board shall be entitled to suspend such Member until payment of the subscription and any outstanding interest is received. Notice of such suspension shall be sent to the Members.

15.5 Notwithstanding Clause 8, the Executive Board shall in its discretion be entitled to reinstate the membership of a Member suspended under Clause 15.4 upon the payment of all subscription fees and interest outstanding by the Member.

15.6 The annual subscriptions for Associates and Affiliates shall be determined by the Executive Board from time to time.

15.7 There shall be no subscriptions payable by a Reciprocators.

15.8 There shall be no joining fee payable for Members or non-members.

16. HEADQUARTERS OF THE IFABC AND DUTIES OF THE SECRETARIAT AND HONORARY TREASURER

16.1 The headquarters of the IFABC shall be situated in England.

16.2 Where appointed, the Secretariat shall perform such functions as determined or delegated by the Executive Board from time to time to give effect to objectives set out in Clause 4 and the duties and aims of the IFABC set out in Clause 5. The expenses incurred in the operation of the Secretariat shall be disbursed from the IFABC funds.

- 16.3 A budget which shall include the appropriate subscriptions for each of the next two years shall be prepared by the Honorary Treasurer and President for presentation to the Executive Board which, upon approval, will submit the budget to the full membership for their approval.
- 16.4 The President shall be responsible for the operation of the business of the IFABC in accordance with the budget, and the instructions and directions of the Executive Board as determined from time to time.
- 16.5 The Executive Board shall have the power to open bank accounts for the purpose of depositing funds with a licensed bank of financial institution in any country as required from time to time.
- 16.6 The IFABC's bank accounts and deposit accounts shall be operated, as the case maybe, by any two authorised signatories jointly. The authorised signatories are the President, the Honorary Treasurer and the Secretary.
- 16.7 The Honorary Treasurer shall be responsible for the operation of the budget, the custody and the investment of the funds of the IFABC in accordance with instructions and directions of the Executive Board and the submission of subscription invoices.
- 16.8 The Honorary Treasurer shall submit to the Executive Board quarterly reports on the financial affairs of the IFABC within three weeks of the end of each quarter or on the request of the Executive Board.
- 16.9 The Honorary Treasurer shall submit to the Executive Board by the 31st March each year the annual financial statements duly audited.
- 16.10 The Secretary shall post or email to the Members copies of the minutes of each Executive Board meeting within 21 days of the date of the meeting and a copy of the quarterly report on the financial affairs of the IFABC within 21 days of receipt of the report from the Honorary Treasurer.
- 16.11 The Honorary Treasurer shall be an independent position from the President.

17. REGIONAL GROUPINGS

- 17.1 Regional groupings may be established with the prior approval of the Executive Board.
- 17.2 The regional groupings shall implement and develop the objectives and aims of the IFABC in accordance with the provisions of this Constitution.
- 17.3 The President shall be an ex-officio Member of each regional grouping and shall have the right to attend regional meetings.
- 17.4 The reasonable costs of the President's attendance may be borne by:

17.4.1 The regional group, if the attendance is at the invitation of the regional group and the regional group agrees in advance to cover these costs.

17.4.2 The IFABC, if the attendance is at the discretion of the President and the Executive Board agrees in advance that IFABC will cover the costs.

17.5 Each regional grouping shall submit minutes of its meetings to the Secretary the Executive Board.

18. INSIGNIA

18.1 The insignia (logo form or other identity) and slogan of the IFABC will be determined by the General Assembly from time to time.

18.2 The IFABC insignia and slogan shall only be used and displayed by Members or such other organisations duly authorised thereto by the Executive Board.

18.3 In addition to each bureau's own insignia, each Member shall be encouraged to use and display the IFABC insignia and/or slogan on all correspondence, documents, internet pages and all forms of advertising material used by the Member.

18.4 Should a Member cease to be a Member of the IFABC such organisation shall immediately cease using the IFABC insignia and/or slogan and shall immediately destroy all letterheads and other printed documents, internet pages and all forms of advertising material reflecting such insignia and/or slogan.

19. AUDIT AND FINANCIAL YEAR

19.1 A firm legally qualified to do so shall be appointed as Auditor at each General Assembly for a term of two years and shall be eligible for re-appointment. They:

19.1.1 will be required to audit each year's accounts and present a report upon them to the Executive Board.

19.1.2 may be required by the President to audit the IFABC's accounts for any period within their tenure of office at any date and make a report to the Executive Board.

19.2 The financial year shall be from 1 January to 31 December.

20. AMENDMENT TO CONSTITUTION

20.1 No alteration or addition/deletion to this Constitution shall be passed at a General Meeting without the consent of two-thirds (2/3) of the voting members present at the General Meeting. No amendment of this constitution shall be of any force and effect unless passed by a two-thirds majority of Members present or by proxy at a General Meeting.

21. BY-LAWS

The General Assembly shall establish and amend By-laws to this Constitution from time to time.

22. INTERPRETATION

Should any doubt or dispute arise as to the interpretation of this Constitution or the Byelaws it shall be decided by the Executive Board, with right of appeal to the General Assembly, whose decision shall be final and binding.

23. PROHIBITIONS

23.1 Gambling of any kind, excluding the promotion or conduct of a private lottery which has been permitted under relevant legislation, is forbidden on the IFABC's premises. The introduction of materials for gambling or drug taking and of bad characters into the premises is prohibited.

23.2 The funds of the IFABC shall not be used to pay fines of Members who have been convicted in a court of law.

23.3 Subject to at all times complying with the relevant law in England and Wales, the IFABC shall not engage in any trade union activity as defined in any written law relating to trade unions for the time being in force in England and Wales.

23.4 The IFABC shall not indulge in any political activity or allow its funds and/or premises to be used for political purposes.

23.5 The IFABC shall not hold any lottery, whether confined to its Members or not, in the name of the IFABC or any of its office-bearers, Executive Board or Members unless with the prior approval of the relevant authorities.

23.6 The IFABC shall not raise funds from the public for whatsoever purposes without the prior approval in writing of the relevant legal and other authorities.

24. DISSOLUTION

24.1 The IFABC shall only be dissolved by consent of not less than a two-thirds majority of Members, expressed either in person or by proxy, at a General Assembly convened for the purpose.

24.2 In the event of the IFABC being dissolved as provided above, all debts and liabilities legally incurred on its behalf shall be fully discharged, and any remaining funds will be disposed of in such manner as the General Assembly may determine, failing which those funds will be donated to an approved charity or charities.