

THE IASH CONSTITUTION

Revision date: January 2009

1 Purpose of IASH

- 1.1 Internet Advertising Sales House (“IASH”) is a voluntary organisation for online media sales houses which wish to ensure that display ads placed via their networks do not appear on websites which could jeopardize Advertisers’ brands. It is a Council of the UK Internet Advertising Bureau (the “IAB”).
- 1.2 The purposes of IASH are:
 - 1.2.1 to establish, maintain, administer, audit compliance with, and promote a Code of Conduct (the “Code”) for online media sales houses;
 - 1.2.2 to anticipate, lead (and be seen to lead and promote actively) developments in the professionalism of online media sales houses:
 - by proactively formulating opinions and taking necessary action to meet the future requirements of the industry; and
 - by responding to market developments, originating policy on behalf of the industry and implementing action as appropriate; and
 - 1.2.3 to establish working parties as necessary to consider individual issues relating to online media sales, reporting to the IASH Steering Committee and IASH Council as necessary.

2 Scope and Purpose of the IASH Code

- 2.1 IASH has established, and administers, a Code of Conduct (the “Code”) which specifies best practice for IASH Members to follow when dealing with Advertisers, networks and Publishers.
- 2.2 The Constitution of IASH provides the framework within which the Code operates, the means by which the Code is administered by IASH and the sanctions that apply for any breach of it.
- 2.3 The Code gives those buying, selling or brokering Inventory a clear understanding of the types of Inventory which can and cannot be used when fulfilling an ad insertion order.
- 2.4 The Code applies to all traded Inventory, whether paid or free.
- 2.5 Note: any business involved in the placement of online display ads, whether or not it is an IASH Member, is free to use the Inventory categories and Permissions specified by IASH for its insertion orders, but this does not imply any status with IASH and IASH does not take responsibility for any use by non-IASH Members.
- 2.6 IASH Members must ensure that they act in accordance with not only the letter but also the spirit and purpose of the Code, including by:
 - 2.6.1 conforming to generally accepted good business ethics; and
 - 2.6.2 taking no action that the IASH Council would consider damaging to the status of IASH.

- 2.7 An IASH Member will be responsible for infringement of the Code if it or a member of its Group actively misleads Advertisers that IASH Inventory or types of IASH Inventory are being used when this is not the case. "Group" means, in relation to any company, that company and every other company which is for the time being a subsidiary or holding company of that company or a subsidiary of any such holding company (and the terms "subsidiary" and "holding company" shall have the meanings given to them by Sections 736 and 736A of the Companies Act 1985).
- 2.8 The Code may be amended from time to time by vote of the IASH Council in accordance with Article 4 below.
- 2.9 A key element of the success of IASH is industry endorsement and the regular, independent accreditation of IASH Members' adherence to the Code. The elements of the Code that will be audited have been and will continue to be ratified by JICWEBS, the industry committee consisting of bodies representing Advertisers, Agencies and Media Owners/Distributors.
- 2.10 IASH Members agree to work to JICWEBS-approved criteria and subject themselves to twice-yearly random audits (with optional spot audits as required) of their compliance with the Code.
- 2.11 Words and phrases used in this Constitution or in the Code have the meaning attributed to them in either of those documents.

3 *Membership of IASH*

- 3.1 The IASH Membership is as specified in IASH's current Membership List as published from time to time on the IASH website (www.iash.org.uk).
- 3.2 Online media sales houses who are not members of IASH may apply for IASH Membership in accordance with IASH's then-current requirements, which include:
- 3.2.1 completing an IASH application form;
 - 3.2.2 approval of the application by the IASH Council; and
 - 3.2.3 successful completion of an IASH Audit for a minimum of 1 calendar month randomly selected from either April to June or Oct to December each year.

4 *IASH Council and Committees*

- 4.1 Save as provided in Article 4.3 below, membership of the IASH Council is restricted to individuals employed by IASH Members.
- 4.2 Each IASH Member may nominate one individual representative on the IASH Council (a "Member Representative").
- 4.3 The Chair of the IASH Council shall be elected annually by the IASH Council, and may either be a member of the IASH Council or an independent person who is not associated with an IASH Member.
- 4.4 Voting rights on the IASH Council shall be as follows:
- 4.4.1 The Chair - 1 vote (and casting vote if required); and
 - 4.4.2 1 vote per Member Representative on the IASH Council.

- 4.5 The IASH Council may decide to remove from the IASH Council any individual IASH Member Representative who fails to attend three consecutive meetings of the IASH Council. The IASH Member whose Member Representative has been removed shall be notified immediately following such a vote and must nominate a replacement Member Representative in writing to the Chair of the IASH Council at least 5 working days prior to the next IASH Council meeting.
- 4.6 Each Member Representative on the IASH Council is allowed one named alternate, who may attend a meeting if this is notified in writing to the Chair at least 5 working days prior to the relevant meeting.
- 4.7 The quorum for any meeting of the IASH Council is the greater of:
 - 4.7.1 5 Member Representatives in attendance; or
 - 4.7.2 25% of the then-current number of IASH Members.
- 4.8 Meetings may be called:
 - 4.8.1 by the Chair by 5 working days' notice to the members of the IASH Council; or
 - 4.8.2 as scheduled at any meeting of the IASH Council.
- 4.9 Extraordinary meetings of the IASH Council may also be called by a Member Representative of the IASH Council through the Chair provided:
 - 4.9.1 the calling of that meeting is shown to be supported by at least four other Member Representatives on the IASH Council; and
 - 4.9.2 the Chair gives at least 10 working days written notice of the meeting to all IASH Members.
- 4.10 The IASH Steering Committee shall be comprised of five IASH Member Representatives plus the IASH Manager, if any, (who shall not have the right to vote) and an IAB representative (who shall similarly not have the right to vote). Each Member Representative on the IASH Steering Committee shall be subject to election (or re-election) by the IASH Council on an annual basis. The responsibilities of the Chair of the IASH Steering Committee and of members of the IASH Steering Committee are to provide leadership and direction to the IASH Council and facilitate the effective working of IASH.
- 4.11 The IASH Audit Committee shall be comprised of five IASH Member Representatives, one of whom shall be nominated as the Chair by the membership of the IASH Audit Committee. . The responsibilities of the IASH Audit Committee are set out in Article 5.3. The membership of the IASH Audit Committee shall be appointed by the Steering Committee from IASH Member Representatives who volunteer for the role, provided that the IASH Council shall be entitled to remove any member of the IASH Audit Committee by a subsequent vote.
- 4.12 The IASH Communications Committee shall be comprised of five IASH Member representatives, one of whom shall be nominated as the Chair by the membership of the IASH Communications Committee. The responsibilities of the IASH Communications Committee shall be to deliver effective communication and educational programmes to the marketplace to promote IASH and advertising sales house business models generally. The membership of the IASH Communications Committee shall be appointed by the Steering Committee from IASH Member Representatives who volunteer for the role, provided that the IASH Council shall be entitled to remove any member of the IASH Communications Committee by a subsequent vote.

- 4.13 The IASH Appeals Committee shall be responsible for reviewing appeals by any organisation which has been notified that its IASH Audit has failed, as per 5.3.3.3. It shall comprise, as a minimum, the Chair of IASH, IASH Manager (if any) and the IAB Chief Executive.
- 4.14 Any decision, ratification, appointment or election by the IASH Council or any of its Committees shall be by simple majority, unless otherwise stated in this Constitution.
- 4.15 If a vote or decision of the IASH Council or any of its Committees concerns the suspension or expulsion of, or any other action relating to, a specific IASH Member, then the Member Representative associated with that IASH Member shall not take part in that vote or decision.
- 4.16 The Member Representative associated with an IASH Member which has been:
 - 4.16.1 suspended shall be suspended from the IASH Council and its Committees for the duration of that suspension; or
 - 4.16.2 expelled shall cease to be a Member Representative for the purposes of this Constitution.
- 4.17 Secretariat responsibility rests with the IAB

5 Audits

5.1 Timing and Frequency of Audits

- 5.1.1 All IASH Members agree to submit to regular auditing for compliance with the Code. Non-IASH Members must be successfully audited in order to become IASH Members.
- 5.1.2 As a condition of joining IASH, a non-IASH Member must be able to show, and IASH must be able to audit that, the non-IASH Member has exclusively used Insertion Orders that indicate Permissions – IASH Inventory (and all categories thereof) and/or Warranted – as if it were an IASH Member for a period of at least three months.
- 5.1.3 The period covered by a non-IASH Member's first audit must be a minimum of 1 calendar month. All non-IASH Members will remain as such until they successfully complete an IASH audit.
- 5.1.4 A non-IASH Member must submit to an audit of a month randomly selected from either April to June or October to December.
- 5.1.5 IASH Members who have completed their first audit must thereafter be audited randomly within each following half-year period, and be open to additional spot audits, as required by IASH. If the IASH Member cannot support an audit of the selected random month, the audit is automatically deemed to have failed. The IASH Member then has the right of appeal to the IASH Audit Committee
- 5.1.6 An IASH Member that fails to submit for an audit will be suspended from IASH Membership. An IASH Member that fails to successfully complete an audit will, as a minimum, be referred for a re-audit and can only re-apply for IASH Member status upon the successful completion of an IASH audit.

- 5.1.7 Any IASH Member who is expelled from IASH must, as a minimum, complete and pass an audit before being considered for re-admission to IASH.
- 5.1.8 All scheduled audit results for both IASH Members and non-IASH Members will be announced on a concurrent basis twice a year. These announcements will take place in around March (for the audit period in the second half of the year) and October (for the audit period in the first half of the year). The exception to this is announcements of results for IASH Members referred for re-audit by IASH.

5.2 Scope of Audit

An audit will check that the auditee's business processes comply with specific elements of the practices demanded by the Code. As a minimum it will:

- 5.2.1 check that appropriate staff have a clear understanding of the Code and their responsibility to uphold it;
- 5.2.2 check that valid, current and Code-compliant Publisher Agreements are in place for all IASH Inventory used to fulfil Insertion Orders that specified the use of IASH Inventory;
- 5.2.3 check that valid, current and Code-compliant Site Vetting information is in place for all Inventory used to fulfil Insertion Orders that specified the use of IASH Inventory;
- 5.2.4 check that the auditee, when using Warrantied Inventory, obtained in advance a documented Warranty that:
 - 5.2.4.1 Inventory will not be resold/brokered in contravention of Rule 1.2 of the Code;
 - 5.2.4.2 the Inventory supplied does not contain Barred content (see Schedule C of the Code);
 - 5.2.4.3 the Inventory used for the fulfilment of Insertion Orders is from Sites detailed on the Site list supplied as part of the Warranty;
 - 5.2.4.4 the Inventory supplied meets any Permissions specified on the relevant Insertion Order.

and that all such Warranties are up to date;

- 5.2.5 examine a random sample of Insertion Orders, both completed and in progress, to determine whether Advertisers' requirements are being met;
- 5.2.6 contact Advertisers or their agents that are party to a sample of Insertion Orders to verify the completeness of the information supplied by the auditee;
- 5.2.7 review a sample of the Site Vetting information submitted by the auditee and check if the classifications are appropriate in the reasonable view of the auditor. If the auditor reasonably believes that any of the classifications are incorrect, the auditor will notify the IASH Audit Committee for review and final judgement; and
- 5.2.8 take a sample of the Site Vetting information submitted by the auditee for sites that have been classified into more than one IASH category and ensure that the auditee can match delivery on such Sites to Insertion Order Permissions (e.g. by using separate tags), particularly where these

Insertion Order Permissions are a subset of the classifications assigned to the Site.

5.3 Ratification of Audit Results and Appeals Process

5.3.1 Ratification of Results

Once the audit has been completed, the auditor will submit the anonymised results to the Chair of the IASH Audit Committee. The Chair of the IASH Audit Committee will review the findings and **either**:

5.3.1.1 recommend to the IASH Chair and the IAB Chief Executive that the auditee has PASSED its audit

or

5.3.1.2 if the results are not a clear PASS, call a meeting of the IASH Audit Committee to review the audit findings in order to agree its recommendation to IASH.

5.3.2 The IASH Chair and the Chief Executive of IAB will then **either**:

5.3.2.1 put the IASH Audit Committee's recommendation to the full IASH Council for ratification

or

5.3.2.2 notify all IASH Members that, as the Audit was a PASS, the auditee has achieved (or retained) IASH Member status.

5.3.3 Appeals Process

5.3.3.1 Following ratification, the auditee will be notified and will have 5 working days from notification to present any appeal to the IASH Appeals Committee. **Only** one appeal per audit is permitted, and the IASH Appeals Committee's decision is final.

5.3.3.2 Where any previously ratified audit result is overturned on appeal, the revised result must be ratified by the IASH Audit Committee.

5.3.3.3 The Chair of IASH and the IASH Steering Committee shall have discretion, to be exercised reasonably, to promote the interests of IASH in ways that are not covered by the Code, subject to the oversight of the IASH Council.

5.4 Accreditation

5.4.1 Any IASH Member will be entitled to promote its accreditation as being compliant with the IASH Code, providing such publicity is in itself compliant with the Code. This includes use of a dated IASH Member kitemark which is effective until such time as an IASH Member is referred for a re-audit, suspended or expelled, as well as reference to such compliance (always including the date of issue of accreditation) in sales and other material.

5.4.2 Any IASH Member referred for a re-audit can elect to be audited for a month of their choice, or may opt to join the next round of regular audits in accordance with Article 5.1.4 above, according to their preference.

5.4.3 It is intended that any IASH Member doing business with another IASH Member should be implicitly confident in the other IASH Member's Code-related business processes until such time as that other IASH Member has been referred for a re-audit, suspended or expelled.

6 Breach of the Constitution or Code

An IASH Member found to be purchasing Inventory other than in accordance with this Constitution or the Code will receive a warning from IASH that their IASH Member status is in jeopardy and/or brought to a quorate meeting for review.

7 Sanctions for breach of the Code

The following sanctions for breach of this Constitution or the Code are available to the IASH Council:

7.1 Censure.

The IASH Member is notified internally to IASH that they have been reprimanded; no other action is taken against them. Censure will normally apply for one audited infringement of the Code or multiple similar or related infringements that are found in one audit, provided the infringements are not considered serious by the IASH Council.

7.2 Referred for re-audit.

The IASH Member is notified it is required to submit for a re-audit, and this is announced publically.

7.3 Suspension.

The IASH Member is notified that its IASH Membership has been suspended, and this is announced publically. The IASH Member is suspended for a minimum of a 6 month period until a simple majority vote of the Member Representatives of the remaining IASH Members on the IASH Council that the reasons for suspension have been rectified and the suspension may be lifted. Successful completion of an IASH audit may be required as a condition of the suspension being lifted.

7.4 Expulsion.

The IASH Member is notified it has been removed from IASH Membership, and this is announced publically. Expelled IASH Members must, as a minimum, complete and pass an IASH audit before being considered for re-admission to IASH.

It is intended that the IASH Audit Committee should recommend one of these sanctions to the IASH Council where an IASH Member is found to be in breach of the Code as a result of an audit.

8 Publicity

8.1 Only IASH Members may make reference to their IASH Member status in any written or verbal communication e.g. marketing collateral (paper or digital).

8.2 For the avoidance of doubt, non-IASH Members may not make any reference to, or seek to associate their business with, IASH. They may not use any IASH branding in any circumstances.

8.3 IASH Members, IASH Members referred for re-audit, suspended IASH Members and expelled IASH Members may be listed as such on the IASH website.

8.4 A dated IASH Member kitemark will be issued for each IASH Member to use, in particular to be incorporated into all Insertion Orders.

- 8.5 All IASH Members are encouraged to promote their IASH Member status by use of the IASH Member kitemark on all Insertion Orders.

9 *Subscription Fees*

- 9.1 IASH Members shall pay initial and periodic IASH Membership fees as set by the IASH Council as soon as their IASH Membership becomes active.
- 9.2 These fees are non-refundable.
- 9.3 If any IASH Membership fees remain unpaid within 30 days of being demanded, the relevant IASH Member may be suspended from IASH Membership.