

Company number 05130991

Companies Act 1985 to 2006

Company limited by guarantee and not having a share capital

ARTICLES OF ASSOCIATION
of
THE ADVERTISING STANDARDS AUTHORITY (BROADCAST) LIMITED



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INTERPRETATION

1. In these Articles:

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| "Act" | means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force |
| "Advertising director" | means a director who is appointed in such capacity by the Chair or elected in such capacity by the Members in accordance with the provisions of these Articles and who is engaged or was engaged in the business of marketing communications by virtue of current or previous employment by or directorship of or the provision of services to an advertiser, agency or media company in marketing communications work |
| "Advertising Member" | means a Member of the Authority who is appointed in such capacity by the Chair in accordance with the provisions of these Articles and who is engaged or was engaged in the business of marketing communications by virtue of current or previous employment by or directorship of or the provision of services to an advertiser, agency or media company in marketing communications work |
| "Articles" | means the articles of association of the Authority in force from time to time |
| "ASA" | means Advertising Standards Authority Limited (company number 0733214) |
| "ASBOF" | means The Advertising Standards Board of Finance Limited (company number 01195756) |
| "Authority" | means The Advertising Standards Authority (Broadcast) Limited (company number 05130991) |
| "BASBOF" | means The Broadcast Advertising Standards Board of Finance Limited (company number 05017678) |

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| "BCAP" | means The Broadcast Committee of Advertising Practice Limited, a registered company limited by guarantee with number 05126412 having its registered office at Castle House, Paul Street, London, England, EC2A 4LS |
| "The BCAP Code" | means The UK Code of Broadcast Advertising, published by BCAP |
| "broadcast" | means television, radio and text services licensed by Ofcom under the Broadcasting Acts 1990 and 1996 |
| "Chair" | means the Member who is appointed from time to time as chair of the Authority and chair of its board of directors |
| "Chief Executive" | means the employee of the Authority appointed to the office of Chief Executive by the Chair pursuant to Article 44 |
| "clear days" | in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect |
| "communication" | (save in the expression "marketing communication(s)") means the same as in the Electronic Communications Act 2000 |
| "Council Meeting" | means a meeting of the Council of Adjudication of the Authority which is conducted pursuant to Articles 60 to 73 and described as such in those Articles |
| "Council" | means the board of directors of the Authority acting to rule on complaint cases and oversee proactive and other regulatory activity pursuant to Articles 60 to 73 and described as such in those Articles |
| "director" | means a director of the Authority appointed pursuant to Article 31 |
| "electronic communication" | means the same as in the Electronic Communications Act 2000 |
| "Executed" | includes any mode of execution |
| "Four Year Term" | means in relation to an Independent director and Advertising director, their agreed period of service from one annual general meeting of the Authority to the fourth annual general meeting following that annual general meeting |
| "Hybrid Meeting" | a general meeting where the board of directors have made arrangements to enable those attending the meeting to exercise their rights to speak and/or vote at the meeting either by physical |

attendance at the place specified in the notice of the meeting or by electronic means

| | |
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| "Independent director" | means a director who is appointed in such capacity by virtue of becoming a Member in accordance with the provisions of the Articles and who is not engaged, and has not ever been engaged to a significant extent, in the business of marketing communications by virtue of current or previous employment by or directorship of or the provision of services to an advertiser, agency or media company in marketing communications work |
| "Independent Member" | means a Member of the Authority who is appointed in such capacity by virtue of becoming a Member in accordance with the provisions of the Articles and who is not engaged, and has not ever been engaged to a significant extent, in the business of marketing communications by virtue of current or previous employment by or directorship of or the provision of services to an advertiser, agency or media company in marketing communications work |
| "Member" | means a member of the Authority and, for the purposes of these Articles, shall include the Chair, the Independent Members and Advertising Members as referred to in each case |
| "Ofcom" | means the Office of Communications established by the Office of Communications Act 2002 one of the functions of which is the licensing of television, radio and text services |
| "office" | means the registered office of the Authority |
| "Seal" | means the common seal of the Authority |
| "secretary" | means the secretary of the Authority or any other person appointed to perform the duties of the secretary of the Authority, including a joint, assistant or deputy secretary |
| "Senior Independent director" | has the meaning ascribed to it in Article 33 |
| "United Kingdom" | means Great Britain and Northern Ireland. |

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Authority.

OBJECTS

2. The objects for which the Authority is established are:

- (a) The promotion and enforcement (including by the handling, adjudication and resolution of complaints) throughout the United Kingdom, the Isle of Man and the

Channel Islands of the highest standards of marketing communications in broadcast media so as to ensure in co-operation with all concerned that such communications do not contravene or offend against these standards, having regard inter alia to codes adopted by The Broadcast Committee of Advertising Practice Limited (company number 5126412) as approved by the Office of Communications established by the Office of Communications Act 2002 ("Ofcom") concerning advertising, text services, the amount and scheduling of advertising, radio advertising and sponsorship, and interactive television services, any codes that replace any such codes and any other relevant codes, and to exercise such powers as are delegated to the Company by Ofcom under Part 2 of the Deregulation and Contracting Out Act 1994, and for the purposes of this sub-paragraph (a), the term "broadcast" shall mean on television radio and text services licensed by Ofcom under the Broadcasting Acts 1990 and 1996.

- (b) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Authority may think necessary or convenient for the promotion of its objects, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Authority.
 - (c) To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Authority as may be thought expedient with a view to the promotion of its objects.
 - (d) To undertake and execute any trust which may lawfully be undertaken by the Authority and may be conducive to its objects.
 - (e) To borrow or raise money for the purposes of the Authority on such terms and on such security as may be thought fit.
 - (f) To invest the moneys of the Authority not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
 - (g) To establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with the purposes of the Authority or calculated to further its objects.
 - (h) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them provided that the Authority shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others any regulation, restriction or condition which if an object of the Authority would make it a trade union or employers' association as those terms are defined in the Trade Union and Labour Relations (Consolidation) Act 1992.
3. The income and property of the Authority however derived, shall be applied solely towards the promotion of the objects of the Authority as set forth in these Articles, and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Authority.

4. Provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Authority, or to any member of the Authority, in return for any services actually rendered to the Authority, nor prevent the payment of interest at a rate not exceeding the Bank of England base rate per annum on money lent or reasonable and proper rent for premises demised or let by any Member to the Authority; but so that no remuneration or other benefit in money or money's worth shall be given by the Authority to any director or member of the Council, apart from the Chair, except an honorarium, payable quarterly being in such amount as shall from time to time be determined by the Authority in general meeting, and except repayment of actual travelling expenses and reasonable out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Authority; provided that the provision last aforesaid shall not apply to any payment to any company of which a director or member of the Council may be a member, and in which such member shall not hold more than one hundredth part of the capital, and such member shall not be bound to account for any share of profits he may receive in respect of any such payment.

MEMBERS

5. The persons admitted to membership in accordance with the provisions hereinafter contained shall be Members of the Authority.
- 6.
- (a) There shall be three classes of Members:
 - (i) The Chair
 - (ii) Independent Members
 - (iii) Advertising Members
 - (b) The Chair shall from time to time be appointed by ASBOF and BASBOF acting jointly, for such period and upon such terms as they may think fit, after they have consulted the appropriate United Kingdom Government Department, The Advertising Association (company number 211587), Ofcom and the Chair or, if, in the opinion of ASBOF and BASBOF held in good faith and for reasons relating specifically to the Chair, it would be inappropriate to consult the Chair, the Senior Independent director and if no Independent director shall be appointed as Senior Independent director, with any Independent director of their choice.
 - (c) Without prejudice to Article 41 the Chair may from time to time be removed from office and the period and terms of their appointment may from time to time be varied by ASBOF and BASBOF acting jointly, after they have consulted the appropriate United Kingdom Government Department, The Advertising Association and Ofcom, and subject to the prior approval by ordinary or written resolution of the Members. Any such removal or variation shall be without prejudice to any claim for damages that the Chair may have against the Authority for breach of contract or unfair dismissal.
 - (d) The Chair shall not be engaged, nor ever have been engaged to a significant extent, in the business of marketing communications by virtue of current or previous employment by or directorship of or the provision of services to an advertiser, agency or media company in marketing communications work.

- (e) The Independent Members and the Advertising Members shall be appointed by the Chair from time to time for Four Year Terms and shall by virtue of that appointment automatically become directors of the Authority in accordance with Article 3(l).
- (f) The Chair shall select the following number of Advertising Members for their experience of marketing communications, including at least one with broadcast advertising expertise, in the following businesses:
 - (i) two in businesses which use marketing communications to promote the businesses;
 - (ii) one in the business of an advertising agency; and
 - (iii) one in the business of media.
- (g) Advertisements for the posts of Independent Member and Advertising Member shall be published from time to time in such media and manner as the Chair shall permit.
- (h) Every person who wishes to become a Member shall deliver to the Authority an application for membership, in such form as the Chair requires, executed by them
- (i) Subject to Article 3(j), the number of Members, including the Chair, shall be thirteen, of which nine (including the Chair) shall be Independent Members and of which four shall be Advertising Members.
- (j) The Chair shall seek to maintain the number of Members in their required proportions in accordance with Article 3(i), but the Authority may continue to operate and the Members may continue to act notwithstanding that that number and those proportions are not complied with save that if the number of Independent Members is less than eight or the number of Advertising Members is less than four for a period of six months or more, the Chair and the directors shall take all necessary steps to restore their number and proportions to those specified in Article 3(i) as soon as reasonably practicable.
- (k) The Chair shall be responsible for maintaining a balanced membership of the Authority with a view to the Authority providing competent fair and efficient rulings pursuant to Articles 60 to 73 and for this purpose and in parallel with the Chair's similar function in respect of ASA, the Chair shall be entitled to remove any Member at any time on written notice and with immediate effect.
- (l) The Members from time to time shall be the only directors of the company. A Member shall become a director automatically when they are appointed as a Member, for a Four Year Term in accordance with Article 37. All new Members are treated as having agreed to become directors of the company and their names must be entered into the company's register of Members. A person shall cease to be a director if they cease to be a Member. Membership and directorship are not transferable and shall cease on death.
- (m) Any Member may terminate their membership by giving not less than three months' (or such lesser period as the Chair shall authorise) prior written notice to the Chair in which event their membership shall terminate on the expiry of the notice.

- (n) If the activities of an Independent Member shall change so that they would qualify for appointment as an Advertising Member, they shall immediately inform the Chair and shall cease to be a Member on notice being given to them in writing by the Chair at their address appearing in the register of Members.
- (o) The liability of the Members is limited and every Member of the Authority undertakes to contribute to the assets of the Authority, in the event of the same being wound up while they are a Member, or within one year after they cease to be a Member, for payment of the debts and liabilities of the Authority contracted before they cease to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

GENERAL MEETINGS

- 7. All general meetings other than annual general meetings shall be extraordinary general meetings.
- 8. The directors may call general meetings and on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not sufficient directors to comprise a quorum to call a general meeting, any director or any Member may call a general meeting.

NOTICE OF GENERAL MEETINGS

- 9. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice, but a general meeting may be called by shorter notice if it is so agreed:
 - (a) in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting by a majority in number of the Members having a right to attend and vote.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

If the general meeting is to be a Hybrid Meeting, the notice must contain:

- (a) details of the physical location at which it is to take place; and
- (b) details of the arrangements for participating through electronic means and any restrictions on such means.

Subject to the provisions of the Articles, the notice shall be given to all the Members and to the directors and auditors.

10. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

11. No business shall be transacted at any general meeting unless a quorum is present. Three persons, one of whom is an Advertising Member and two of whom are Independent Members, entitled to vote upon the business to be transacted, being present either in person or by proxy shall be a quorum.
12. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.

The board of directors may, in their discretion, make such arrangements as they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it. Such arrangements may, without limitation, include electronic arrangements involving telephone or video conferencing and/or use of electronic facilities and/or electronic platforms. For the avoidance of doubt, references in these Articles to a person being present at a general meeting shall be treated as including a person attending the meeting by such arrangements, provided:

- (a) they are able to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting;
 - (b) they are able to vote, during the meeting (or in the case of a poll, within the time period specified by the chair of the meeting), on resolutions put to the vote at the meeting; and
 - (c) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
13. The Chair or, in their absence, another director nominated by the directors shall preside as chair of the meeting, but if neither the Chair nor such other nominated director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chair and, if there is only one director present and willing to act, they shall be chair.
14. The chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least 7 clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall not be necessary to give any such notice.
15. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

- (a) by the chair of the meeting; or
- (b) by at least two Members having the right to vote at the meeting

and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

- 16. Unless a poll is duly demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 17. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chair of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 18. A poll shall be taken as the chair of the meeting directs and they may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 19. In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall be entitled to a casting vote in addition to any other vote they may have.
- 20. A poll demanded on the election of a chair or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chair directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 21. No notice need to be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 22. A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effective as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by one or more Members.

VOTES OF MEMBERS

- 23. On a show of hands every Member who is present, whether in person or by electronic arrangements, shall have one vote and on a poll every Member shall have one vote. The board of directors may make such arrangements as they see fit in order to facilitate voting via electronic arrangements.

24. A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may not vote.
25. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
26. On a poll, votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion.
27. The appointment of a proxy shall be executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

[name of the Authority] (the "Authority")

I,/We, • , of • , being a member/members of the Authority, hereby appoint • , of • , or failing them, • , of ♦ as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Authority, to be held on ♦ 20 • , and at any adjournment thereof.

Signed on ♦ 20 ♦ .

28. Where it is desired to afford Members an opportunity of instructing the proxy how he shall act, the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

[name of the Authority] (the "Authority")

I,/We, • , of • , being a member/members of the Authority, hereby appoint • , of • , or failing them, • , of • , as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Authority, to be held on ♦ 20 • , and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against *abstain

Resolution No. 2 *for *against *abstain

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed • 20 • .

29. The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:

- (a) in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Authority in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
 - (i) in the notice convening the meeting; or
 - (ii) in any instrument of proxy sent out by the Authority in relation to the meeting; or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Authority in relation to the meeting

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (a) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (b) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this Article and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

- 30. A vote given or poll demanded by proxy shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Authority at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

DIRECTORS

- 31. In accordance with Article 3(l), each Member shall automatically become appointed as a director of the Authority on their appointment as a Member.
- 32. The Chair shall ex officio be a director and chair of the board of directors.
- 33. The Chair shall nominate an Independent director (the "Senior Independent director") to perform the duties ascribed to the Senior Independent director in the Articles, and shall be able to remove from that position and replace any director so appointed. The Chair shall

promptly notify the directors and the Chief Executive, either in writing or at a meeting of the directors, of every such nomination, removal and replacement.

POWERS OF DIRECTORS

34. Subject to the provisions of the Act and the Articles and to any directions given by special resolution, the business of the Authority shall be managed by the directors who may exercise all the powers of the Authority. No alteration of the Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
35. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Authority for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of their powers.

DELEGATION OF DIRECTORS' POWERS

36. The directors may delegate any of their powers to any committee consisting of one or more directors. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

37. With reference to the timetable set out at Schedule 1 (Transitional Provisions for Terms of Office) which shall prevail over this Article 37, every Independent director and every Advertising director who was elected for a first Four Year Term by virtue of becoming a Member shall serve until the fourth annual general meeting thereafter at which they shall retire from office. Each Independent director and Advertising director may, if eligible, offer themselves for re-election at that meeting as a director for a second and final Four Year Term. If they are not so re-elected, they shall (subject to Article 38) cease to be a director at the end of that meeting.
38. The Members may by ordinary resolution extend the term of a director due to retire after their second and final Four Year Term in accordance with Article 37 for such further period as they agree between them, but such period shall not exceed two years. Any director whose term is extended in accordance with this Article 38 shall cease to be a director at the end of the applicable annual general meeting to which the director's term has been extended until.
39. At the end of the fourth annual general meeting after the annual general meeting at which a director was re-elected pursuant to Article 37 (such that they have fulfilled two Four Year Terms), they shall retire from office and not be eligible for re-election either at an annual general meeting or otherwise or for appointment by the Chair, unless the Members resolve to extend the director's term for a further period in accordance with Article 38.
40. No person other than a director retiring pursuant to Article 37 or 38, or to be re-elected for an extended term in accordance with Article 38, shall be elected a director at an annual general meeting unless:

- (a) they are recommended by the directors; or
- (b) not less than 14 nor more than 35 clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting has been given to the Authority of the intention to propose that person for election stating the particulars which would, if they were so elected, be required to be included in the Authority's register of directors together with notice executed by that person of their willingness to be elected.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

41. The office of a director shall be vacated if:

- (a) being an Independent director, their activities shall change so that they would qualify for appointment as an Advertising director, in which case they shall immediately inform the Chair and shall cease to be a director on notice being given to them in writing by the Chair at their address appearing in the register of directors; or
- (b) they cease to be a director by virtue of any provision of the Act or they become prohibited by law from being a director; or
- (c) they become bankrupt or make any arrangement or composition with their creditors generally; or
- (d) they are, or may be, suffering from mental disorder and either:
 - (i) they are admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for their detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to their property or affairs; or
- (e) they resign their office by written notice to the Authority; or
- (f) they shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that their office be vacated; or
- (g) being a director other than the Chair, they are removed from office by notice in writing addressed to them at and delivered to their address as shown in the Authority's register of directors and signed by all the other directors; or
- (h) they cease to be a Member.

REMUNERATION OF DIRECTORS

42. The Chair shall be entitled to such remuneration as is determined in accordance with Articles 6(b) and (c). The Independent directors and Advertising directors shall be entitled to such remuneration as the Authority may by ordinary or written resolution determine. The

remuneration shall accrue from day to day unless, in the case of Independent directors and/or Advertising directors, the relevant ordinary or written resolution provides otherwise.

DIRECTORS' EXPENSES

43. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings of the Authority or otherwise in connection with the discharge of their duties.

CHIEF EXECUTIVE AND SENIOR EXECUTIVES

44. The Chair shall appoint a Chief Executive of the Authority (who shall also be the Chief Executive of ASA) but the Chief Executive shall not be a director and the Chair shall on behalf of the Authority, negotiate and enter into an agreement with the Chief Executive for their employment by the Authority.
45. The Chief Executive may, after consultation with the Chair, appoint such senior executives as they shall consider necessary in the best interests of the Authority (including, but not limited to a company secretary) and they shall, on behalf of the Authority, negotiate and, subject to the prior approval of the directors, enter into agreements with them for their employment and remuneration by the Authority.

DIRECTORS' INTERESTS

46. Subject to the provisions of the Act, and provided that they have disclosed to the directors the nature and extent of any material interest of theirs, a director notwithstanding their office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Authority or in which the Authority is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Authority or in which the Authority is otherwise interested; and
 - (c) shall not, by reason of their office, be accountable to the Authority for any benefit which they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
47. For the purposes of Article 46:
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect them to have knowledge shall not be treated as an interest of their.

DIRECTORS' GRATUITIES AND PENSIONS

48. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Authority and for any member of their family (including a spouse and a former spouse) or any person who is or was dependent on them, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

49. Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit (including by allowing electronic participation in directors' meetings via such arrangements as the directors may decide). A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
50. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three of which two shall be Independent directors and one shall be an Advertising director.
51. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number and classes of directors is less than the number and classes fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
52. Unless they are unwilling to do so, the Chair shall preside at every meeting of directors at which they are present. But if there are no directors holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
53. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
54. A resolution in writing signed by a simple majority of the directors entitled to receive notice of a meeting of directors or of a committee of directors and vote shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.
55. Save as otherwise provided by the Articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which they have, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Authority unless their interest or duty arises only because the case falls within one or more of the following clauses:

- (a) the resolution relates to the giving to them of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by them for the benefit of, the Authority or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Authority or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; and
- (c) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Authority), connected with a director shall be treated as an interest of the director.

- 56. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 57. The Authority may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
- 58. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Authority, the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning their own appointment.
- 59. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and their ruling in relation to any director other than themselves shall be final and conclusive.

COUNCIL

- 60. The Authority will carry out its object of ruling on standards in broadcast marketing communications and overseeing proactive and other regulatory activity in accordance with the following Articles and any bylaws agreed by the directors. It will rule on complaints and disputes which relate to the interpretation and/or application of the BCAP Code as amended from time to time and any future codes, rules and guidance which replace part or any of the BCAP Code and any other codes, rules and guidance that it considers relevant to the above objective.
- 61. Rulings will be made by the directors acting as the board of directors (described as "the Council" when acting in this capacity). The Council will primarily make decisions using the written process established under Article 68 and further provided for in any bylaws agreed by the directors. Where a Council meeting is deemed to be required under any bylaws agreed by the directors, such meeting shall be held in accordance with the provisions of the Articles

relating to the conduct of meetings of the directors, save as otherwise provided in Articles 60 to 73 and any bylaws agreed by the directors.

62. On the direction of the Chair, the secretary of the Authority shall and any director may on their own initiative call a Council Meeting on not less than seven days' notice provided that a Council meeting held on less than seven days' notice shall be validly called if all the directors have, prior to the meeting, agreed in writing that it be held.
63. The chair of any Council Meeting shall not have a vote at that meeting, save in the case of an equality of votes, when the chair shall have a casting vote.
64. The Chair shall, in the case of a decision in writing pursuant to Article 68, not have a vote save in the case of an equality of votes, when the Chair shall have a casting vote. If the Chair is for any reason (save as provided in Article 70 but including a conflict which they acknowledge) unable to exercise their casting vote in the case of a decision in writing pursuant to Article 69 and there is an equality of votes on that decision, the Senior Independent director shall have a second or casting vote. If the Senior Independent director is for any reason (save as provided in Article 70 but including a conflict which they acknowledge) unable to exercise their casting vote in the case of a decision in writing pursuant to Article 69 and there is an equality of votes on that decision, the Chief Executive shall select an Independent director by the drawing of a lot from the names of all the remaining Independent directors who voted on the decision in writing and the Independent director so selected shall, in relation to the relevant decision in writing, have a second or casting vote.
65. The quorum for the transaction of business at a Council Meeting shall be six (6) of which at least four shall be Independent directors and at least two shall be Advertising directors. A director shall not be counted in the quorum present at a meeting in relation to a decision on which they are not entitled to vote.
66. Unless they are unwilling to do so, the Chair shall preside at every Council Meeting at which they are present. But if there is no Chair, or if the Chair is unwilling to preside or is not present within five minutes after the time appointed for the meeting, then either the Senior Independent director shall be appointed as Chair or, in their absence, the directors shall nominate one of the Independent directors as Chair.
67. All acts done by a Council Meeting shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
68. The Council may make rulings and other regulatory decisions in writing outside of a meeting according to any bylaws agreed by the directors. Any such decisions made by at least such number of directors as would comprise a simple majority at a Council Meeting attended by all the directors (or such higher number as shall be specified in any bylaws agreed by the directors) and which complies with the quorum provisions of Article 65 shall (provided that, in the case of an adjudication, all directors entitled to receive notice of a Council Meeting shall have been provided with the relevant papers and other material which would have been provided if the adjudication had taken place at a Council Meeting) be as valid and effective as if it had been passed at a Council Meeting duly convened and held and may consist of several documents in the like form each signed by one or more directors.

69. A director shall not vote on any decision at a Council Meeting concerning a matter in which they have, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with that matter. Any director who has or considers that they may have such an interest or duty in relation to any relevant matter shall promptly inform the Chair.
70. If a question arises at a Council Meeting or in connection with a decision in writing pursuant to Article 68 as to the right of a director to vote, the question may, in the case of a meeting, before the conclusion of the meeting, be referred to the chair of the meeting and their decision, in relation to directors other than themselves, shall be final and conclusive and in the case of a decision in writing the ruling of the Chair, unless the question arises in respect of them, shall be final and conclusive. If such question arises in respect of the chair of a meeting the decision of a majority of those directors present at the meeting other than the chair of the meeting shall be final and conclusive. If such question arises in respect of the Chair in the case of a decision in writing (and the Chair considers that they do not have any relevant conflict) the Chair shall immediately refer the decision to the Senior Independent director who shall have the casting vote and their vote shall be final and conclusive. If for any reason the Senior Independent director is not able to be present, the Chief Executive shall be notified and shall be required to select an Independent director by the drawing of a lot from the names of all the Independent directors who voted on the decision in writing and the Independent director so selected shall rule on the matter and their decision shall be final and conclusive. That Independent director shall, in relation to the relevant decision in writing, if there is an equality of votes, have a second or casting vote.
71. If the Chair (or, in the circumstances described in Article 72, the Senior Independent director or, in the circumstances described in Article 73, an Independent director) is notified of a complaint or issue relating to a broadcast marketing communication which in their bona fide judgement requires the taking of immediate steps to prevent or discourage publication or future publication, they shall have the power, following consultation with one Independent director, one Advertising director and the Chief Executive (and in their absence a senior executive appointed pursuant to Article 45), to make any decision in relation to the complaint or issue that the directors at a duly convened Council Meeting could make provided that such complaint or issue shall subsequently be considered by the directors at a Council Meeting in the ordinary course of its business and the decision of the directors shall, if different from that of the Chair (or the Senior Independent director or Independent director acting pursuant to Article 72 or Article 73 (as appropriate)), replace that of the Chair (or the Senior Independent director or Independent director if such be the case).
72. The Senior Independent director shall perform the duties of the Chair as set out in Article 71 if the Chair is by reason of absence, illness, injury or conflict unable to exercise the power vested in them pursuant to Article 71.
73. If each of the Chair and the Senior Independent director is by reason of absence, illness, injury or conflict unable to exercise the power vested in them pursuant to, respectively, Articles 71 and 72, in respect of a particular complaint, the Chief Executive shall select an Independent director by the drawing of a lot from the names of all remaining Independent directors and the Independent director so selected shall, in relation to the particular matter, have the same power in relation to that complaint as the Chair is stated to have pursuant to Article 71.

SECRETARY

74. Subject to the provisions of the Act, the company secretary shall be appointed in accordance with Article 45.

MINUTES, RECORDS AND REGISTERS OF INTERESTS

75. The directors shall cause:
- (a) records to be made and kept for the purpose of all appointments and removals of officers and directors;
 - (b) minutes to be made and kept for the purpose of all proceedings at meetings of the Authority, and of the directors, and of committees of directors, including the names of the directors present at each such meeting the results of the voting on all matters considered by the meeting, save that in relation to ruling decisions pursuant to Articles 60 to 73 it shall not be recorded how individual directors voted;
 - (c) minutes to be made and kept of all written decisions made pursuant to Articles 55 and 69 including the names of all directors who participated in the making of each decision and the result of the voting on the decision but not, in the case of Article 69, how individual directors voted;
 - (d) a record to be made of the exercise of the powers specified in Article 71; and
 - (e) a register of the directors' interests to be maintained, which shall, taking into account the nature and activities of the Authority, be in such form as, in the reasonable opinion of the Chair, conforms with generally accepted standards of governance in public life in the United Kingdom.

THE SEAL

76. If the Authority has a seal, it shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

ACCOUNTS AND RECORDS

77. All Members shall have the right to inspect any accounting records or other book or document of the Authority.

NOTICES

78. Any notice to be given to or by any person pursuant to the Articles shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this Article 78 and in Article 79 "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.
79. The Authority may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at their registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Authority by the Member. A Member whose registered address is not within the

United Kingdom and who gives to the Authority an address within the United Kingdom at which notices may be given to them, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to them at that address, but otherwise no such Member shall be entitled to receive any notice from the Authority.

80. A Member present, either in person or by proxy, at any general meeting of the Authority shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
81. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by The Chartered Governance Institute shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

INDEMNITY AND INSURANCE

82. Subject to the provisions of the Act but without prejudice to any indemnity to which a director or secretary of the Authority may otherwise be entitled, the directors may indemnify every director and secretary of the Authority out of the assets of the Authority against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which he is acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Authority.
83. The directors may arrange and the Authority pay the premiums on insurance for the benefit of (i) the Authority and its employees in relation to all aspects of its business; and (ii) the directors in relation to their activities and liabilities as directors.

WINDING UP

84. Every Member undertakes to contribute to the assets of the Authority, in the event of the same being wound up while they are a Member, or within one year after they cease to be a Member, for payment of the debts and liabilities of the Authority contracted before they cease to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.
85. If upon the winding up or dissolution of the Authority there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Authority, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Authority under or by virtue of Article 3, such institution or institutions to be determined by the Members at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object.

Schedule 1

Transitional Provisions for Terms of Office

Pursuant to Article 37 of these Articles and notwithstanding anything to the contrary in these Articles, Article 37 applies to the directors in office at the time when these Articles came into effect in accordance with the table below:

| Name | Date on which individual first became a director | Date on which first term of office is scheduled to expire/ expired, at AGM on or close to that date | Eligible for reappointment/ reappointed for a further consecutive term of office | Date on which second term of office is scheduled to expire (subject to extension), at AGM on or close to that date |
|----------------------------------|---|--|---|---|
| Matthew Robert Barwell | 26 April 2024 | 26 April 2028 | Yes | 26 April 2032 |
| Janet Murphy Cobbing de Bandeira | 26 April 2024 | 26 April 2028 | Yes | 26 April 2032 |
| Elizabeth Anne Gordon | 21 April 2023 | 21 April 2026 | Yes | 21 April 2030 |
| Alison Jane Hastings | 23 April 2021 | 23 April 2024 | Yes | 23 April 2028 |
| Claire Jean Hilton | 29 April 2022 | 29 April 2025 | Yes | 29 April 2028 |
| Mark Vincent Howe | 21 April 2023 | 21 April 2026 | Yes | 21 April 2030 |
| Rotha Geraldine Johnston | 26 April 2022 | 26 April 2026 | Yes | 26 April 2030 |
| Richard James Lloyd | 24 April 2020 | 24 April 2023 | Yes | 24 April 2028 (extended by one year) |
| Kirsten Jane Miller | 26 April 2019 | 26 April 2022 | Yes | 26 April 2026 |
| Rebecca Anne Dr Rumbul | 24 April 2020 | 24 April 2023 | Yes | 24 April 2026 |
| Krystle Sargent | 24 April 2020 | 24 April 2023 | Yes | 24 April 2026 |
| Monisha Shah | 26 April 2024 | 26 April 2028 | Yes | 26 April 2032 |

For clarity, the Chair's term of office shall be determined and documented in accordance with Article 3(b) of these Articles.