

TCF GOVERNANCE VADEMECUM (V1) 19-09-2023

TCF GOVERNANCE FOUNDING PRINCIPLES, MARCH 2020

1.

TCF governance

The WG agreed four pillars of attributes that would form the framework for evaluation of the governance proposal

- Competency/effectiveness
- Independence/balance/inclusive
- Transparency/accountability
- Sustainability/scalability/flexibility

TCF Governance WG - TCF Governance
Proposal, presented to IAB Europe Board
March 3 2020

2.

TCF governance

The identification of stakeholders is broad. The WG therefore proposed that stakeholders be considered at different levels as follows

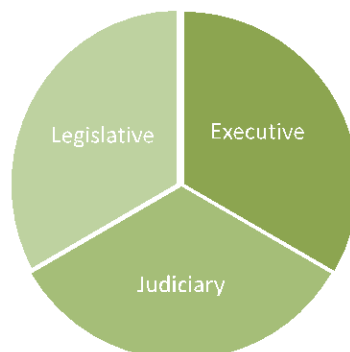
- **core stakeholders** - companies in the digital value chain that implement TCF or have publicly committed to implement the TCF in less than a year of their declaration to do so
- **partners** - organisations and entities that have an interest in the uptake of the TCF
- **beneficiary/ultimate stakeholder** - the consumer
- **interlocutors** - DPAs, EU institutions and other regulatory authorities

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3.

TCF governance

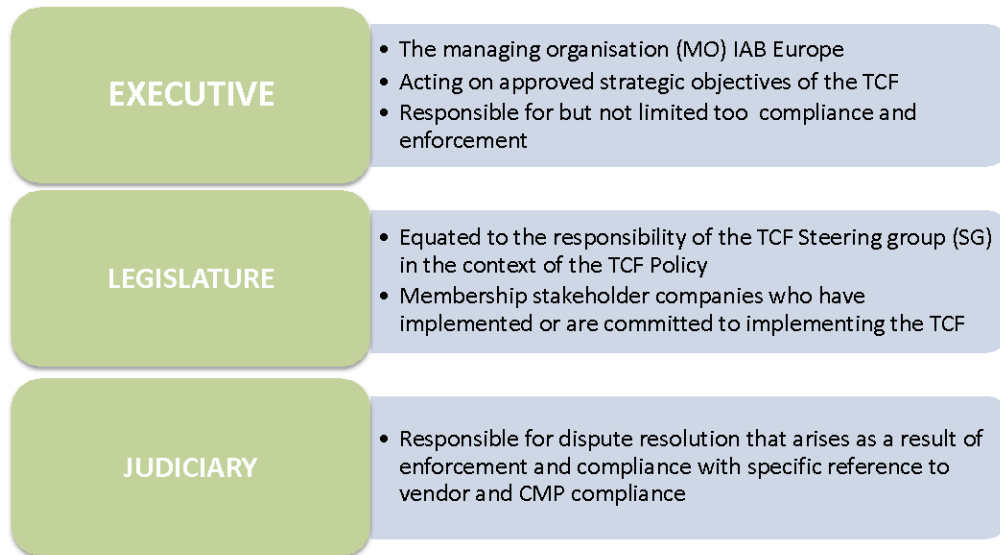
In addition for the purpose of evaluation and consideration three common areas of governance functionality were considered. These functions are conceptual to aid understanding. Descriptions of how these paradigms are applied is explored on next slide



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4.

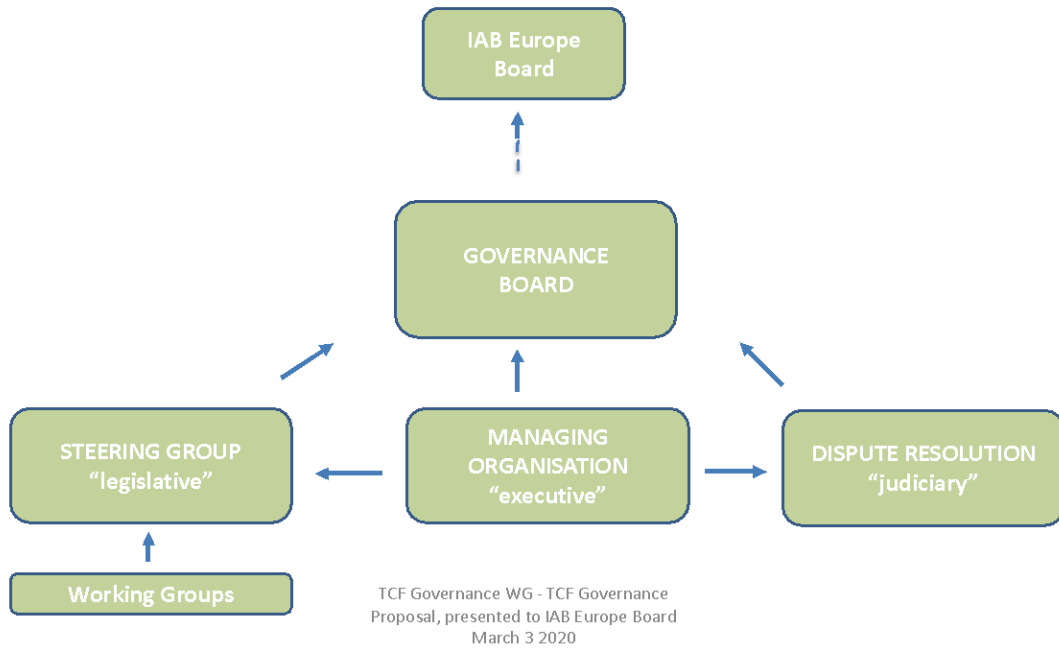
TCF governance founding principles



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5.

TCF governance



6.

TCF Governance Board

Functional responsibilities: oversight of the MO, SG and the dispute resolution process, ensuring that processes and outputs align to the strategic objectives of the TCF on behalf of all stakeholders that implement the TCF

Membership (15 seats):

- Voting (IAB Europe Membership)
- Contributor (SG Chair and IAB Europe and WG Chairs when required)
- Observer (advisory capacity limited to 3-4 seats)

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Slide 6 Note: clarification to these points was requested by IAB Europe Board and are detailed in the “MO open items report” section TCF GOVERNANCE BOARD this included the increasing of the number of observer seats from 3-4 to a maximum of 9 with equal mix of EU level organisations and National IAB’s plus an observer seat for IAB TECH LAB. August 8, 2021 limit on number of National IAB observer seats removed

7.

TCF Steering Group (SG)

Functional responsibility: **signs off on the Policies that companies implementing the TCF need to comply with.** The SG approves, oversees and holds to account the Working Groups (WG)

Membership: those companies that implement the TCF and are members of IAB Europe

Voting: as defined by the current voting structure of the 3 bucket paradigm buy-side/sell-side/intermediary

TCF Working Groups (WG)

Functional responsibility: **created to gather industry opinion, guidance and agreement on specific projects and objectives of the TCF**

Membership: from the TCF community (IAB Europe membership) and where appropriate to include industry experts in an advisory capacity

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8.

TCF Judiciary

- A college of "wise women and men" sanctioning MO decisions brought against CMPs and Vendors for alleged non-compliance with TCF Policy - election process to be decided
- To note that the judicial body only reviews sanctioning decisions by the MO; the judicial body does not review the MO's requests to CMPs and Vendors to comply with the TCF for example to alter a CMP design or to obey to the TCF string

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Slide 8 Note: clarification to these points was requested by IAB Europe Board and are detailed in the "MO open items report" section DISPUTE RESOLUTION PANEL ('JUDICIARY')

9.

TCF Managing Organisation (MO)

Functional responsibility that includes but is not limited to

- Providing Secretariat services to the SG and WG
- Acting as the body to which vendors and CMPs implementing the TCF are bound by written Terms & Conditions
- Co-ordination and oversight of the Tech Lab development of the Technical Specifications
- Operating the GVL and CMP registration portals and lists
- Leading compliance-checking and enforcement of compliance with the TCF Policies and Technical Specifications
- Representing the TCF externally, including vis-à-vis the DPAs and with media and influencers and defending the TCF in the context of complaints lodged with DPAs
- Driving adoption of the TCF across the market

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10.

IAB Europe Board

TCF governance and oversight responsibility would move from the IAB Europe Board to the TCF Governance Board, with IAB Europe retaining the right to review and intervene if a TCF Governance Board decision posed financial or reputational risk to IAB Europe, and if any decision compromised the mission of IAB Europe

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The following detail was added JANUARY 22, 2021 following presentation by the Board Chair to the Board members

Ground rules for observer seat participation

Board observers include National IABs, IAB Tech Lab and European-level advertising ecosystem associations

- Board only
 - each agenda item will begin with board-only discussion;
- Open discussion
 - after board discussion the Chair will invite comments and questions from the board observers, marking a transition to an open discussion period;
- Board only discussion
 - if necessary or in the interests of time, the Chair may propose that board the reverts to board-only discussion.

TCF GOVERNANCE BOARD

Responsible for holding all TCF instances to account and ensuring that the correct process(s) was followed by the SG and MO in the development of outcomes that aligned with the strategic objectives.

Board Term

The length of the board term is 2 years, running from beginning July in the first year through end June two years later. The two-year term is synchronised with the term of the SG Chair, which also runs July through June (24 months later).

Membership (voting members):

Election process

- Elected by the SG from its membership (for the avoidance of doubt, both the “electorate” within the Steering Group and the members who are elected by the Steering Group to sit on the Governance Board must be full members of IAB Europe)
- Candidates must clearly demonstrate that they have time to commit to the Board equating to a minimum of 8 days/annum *in addition to their SG time commitment*
- Candidates must also demonstrate that they have a strong understanding of the features and functionality of the TCF and a good knowledge of EU privacy and data protection law and regulatory enforcement
- Elections will follow the 3-bucket paradigm that is used by the TCF SG (5 sell-side: 5 buy-side: 5 intermediary), with allocation of seats on the Governance Board mirroring the allocation of voting power across the SG (viz. one third to buy-side, one third to intermediaries, and one third to sell-side); each bucket within the SG elects five delegates from within its ranks to sit on the Governance Board (e.g. buy-side members of the SG elect the buy-side participants in the Governance Board, sell-side elect sell-side, etc.)
- Term is 2 years, renewable twice

Where a member steps down before the end of his term, a replacement will be elected. If less than twelve months of the member’s initial two-year term remain when the replacement takes office, the replacement will be eligible to stand for three further terms on completion of the term for which the departing member was initially elected. If more than twelve months of the initial term remain at the time the replacement takes office, then he or she will only be eligible to stand for two further terms.

Election process, Chair and Vice-Chair

- MO calls for nominations from the Board membership (full/voting members only)

VERSION CONTAINING AMENDMENTS APPROVED BY THE IAB EUROPE BOARD OF DIRECTORS, 14 MAY 2024

- Interested parties must demonstrate they have time to commit to the Chair and Vice Chair positions equating to 4-plus days/year *in addition to Board membership commitment*
- If more than one candidate for either position, then Board membership will vote by closed/secret ballot
- Both terms are 2 years, renewable twice

Where a Chair, or Vice-Chair steps down before the end of his term, a replacement will be elected. If less than twelve months of the Chair or Vice Chair's initial two-year term remain when the replacement takes office, the replacement will be eligible to stand for three further terms on completion of the term for which the departing Chair or Vice Chair was initially elected. If more than twelve months of the initial term remain at the time the replacement takes office, then he or she will only be eligible to stand for two further terms.

Membership (non-voting):

- CEO of the MO
- Chair of the SG

Voting process in all instances:

- Quorum, the minimum number of attendees at the TCF Governance Board meeting that must be present to validate the proceedings of that meeting, are 3 sell side, 3 buy side and 3 intermediary
- To attain the requisite "super" majority vote will depend on more-than-two-thirds of those present voting in favour

Meeting cadence & secretariat:

- The Governance Board will convene 3-4 x/year – 2x face-to-face and 1-2x via conference call
- Meetings will be minimum of 2 hours and maximum of 4 hours
- MO will perform the secretariat duties
 - Draft the proposed agenda
 - Distribute the report from the SG incorporating WG updates
 - Prepare the CEO report for the Governance Board providing MO perspective on developments in the previous quarter, upcoming challenges, etc.
 - Prepare the minutes

Observer status:

- EU-level advertising ecosystem organisations with an upper limit of 4
- Candidate EU orgs would be ones whose members are currently implementing TCF, who have good knowledge of the TCF and European privacy and data protection legislation and enforcement and a record of engagement on same, and who actively promote the TCF amongst their members and across the European market. An MoU capturing candidate EU organisations' rights and obligations would be drafted to govern their participation in the Governance Board
- National IABs no limit
- The term of Observers synchronises with the term of the members of the TCF Governance Board, whose term is two years (from June to July)
- As there is a very limited number of Observer seats for EU-level advertising ecosystem organisations, and in light of the importance of regular attendance to enable both the Board and the Observers themselves to benefit from their participation, EU-level advertising ecosystem organisation Observers who miss two consecutive Board meetings will be requested to step down for the remaining term so that the seat can be offered to another organisation.
- IAB Tech Lab one seat

Expert witnesses

- Expert witnesses (or “external subject-matter experts”) may be invited at any time to present to the Board or be interviewed on a specialist area pertinent to the TCF or to be heard at their request on a subject that is pertinent to the development of the TCF
- Expert witnesses are approved by the Chair of the Governance Board

STEERING GROUP (SG) ('LEGISLATURE')

[See Steering Group and Working Group Vademecum here](#)

DISPUTE RESOLUTION PANEL ('JUDICIARY')

Mission:

The role of the Dispute Resolution Panel (“the Panel”) is to act as an instance of appeal in case of a dispute arising in the context of enforcement of CMP or Vendor compliance with the TCF Policies and Technical Specifications (and publishers when/if they are required to sign the TCF Terms & Conditions in future) by the Managing Organisation (MO). Where the MO has found a CMP or Vendor to be in breach of the TCF Policies and/or Technical Specifications and the CMP or Vendor contests the MO's finding, the CMP or Vendor may request that the Panel be convened to assess whether the MO has correctly interpreted and applied the Policies and/or Technical

Specifications. Decisions by the Panel will be binding and final. The Panel must be completely independent of, and free from, any influence by IAB Europe, the CMP(s) or Vendor(s) whose cases are brought before it, or members of any other TCF instance.

Structure:

- Panel of 5 is proposed covering the following backgrounds & areas of expertise:
 - Legal & policy (x2);
 - Digital media & advertising technical (x1);
 - Academia (x1);
 - Civil Society (x1);

Membership & selection:

- MO to support by defining the required skill-set based on the above, and identifying a selection of qualified parties (selection to exceed the number of seats)
- The selection of qualified parties, or candidates, will then be presented to the Governance Board for individual consideration and approval or rejection, the process will be repeated until all seats filled
- If a vote on a particular candidate is necessary then this would be by more than two-thirds (11-plus members)
- Candidates could be proposed informally by the members of the Governance Board for the MO to consider, the MO would not be obliged to short-list
- Panel term will be for 3 years, renewable once
- The Chair will be proposed from the membership of the Panel

Meeting cadence:

- The Panel can be convened ad hoc on request of any aggrieved party in the context of an enforcement action conducted by the MO.