

CONSTITUTION OF THE INTERNATIONAL FEDERATION OF PURCHASING AND SUPPLY MANAGEMENT (IFPSM) RY [UNOFFICIAL TRANSLATION FROM FINNISH]

1 The name and domicile of the Federation

The name of the association is International Federation of Purchasing and Supply Management (IFPSM) and its domicile is the city of Helsinki.

2 The purpose and objectives and forms of activity

The Federation operates in the field of purchasing and supply management (including without limitation purchasing; materials management; supply chain management; logistics; contract management; inventory control; operations; materials planning; and academic research in one or more of the above areas) as an international central organisation and a cooperation forum for its members active in the industry. The purpose of the Federation is to promote the development and recognition of the purchasing and supply management industry, the interests of its members and assist in the development of quality in the areas of activity.

In pursuit of the purpose and objectives, the Federation, shall *inter alia*:

- (a) conduct training and communication activities and share knowledge on best practices, guidelines and ethical good practice in the areas of activity;
- (b) support the organization, development and recognition of the associations active in the purchasing and supply management industry;
- (c) represent the profession active in the field of purchasing and supply management in those matters relevant for the collective position of the industry; and
- (d) engage in business functions related to and supporting the purpose and objectives of the Federation.

3 Members of the Federation:

- I. Regular/Full Member: National and international not-for-profit entities, associations or foundations may join the Federation as Full Members if:
 - a. they approve the purpose and objectives of the Federation and the Constitution of the Federation;
 - b. they are engaged in purchasing and supply management; and
 - c. the Board or the General Membership of the Federation approves them as a Member Body of IFPSM pursuant to the membership criteria adopted by the Federation.
- II. Associate Member: Such national and international not-for-profit entities, associations or foundations active in the field of purchasing and supply management that do not satisfy the membership criteria referred to above, may join the Federation as an Associate Member.

Admission as Member Body or Associate Member, as referred to above, shall be decided by the Board of the Federation. If the Board has rejected the application, then the entity or association that applied for a membership may refer the matter to the General Membership of the Federation by delivering a written application to the Board. The decision of the General Membership in the matter is final. If the General Membership has rejected the application, the applicant may re-apply for membership after 12 months from the rejection by the General Membership.

4 Withdrawal from Membership

A member may withdraw from the membership by giving written notice to such effect to the President, the Board or the Chief Executive Officer. No refund of any dues or membership fees shall be made.

If a member fails to pay fees or dues duly set in relation to the Federation within 6 months of being invoiced, its membership shall be considered to be terminated without separate notice.

5 Exclusion from the Membership

A member may be excluded from membership pursuant to grounds of exclusion set out in the Finnish Association Act. Further, a member may be excluded from membership for:

- (a) Failure to pay fees or dues set out and approved by the Federation or the Board within six months of being invoiced
- (b) Participation in activities that are detrimental to the Federation and/or inconsistent with the purposes or Objects of the Federation.

The decision regarding the exclusion of a member from the membership shall be made by at least $\frac{3}{4}$ majority of the votes cast at the meeting of the Board. The process is detailed in the Regulation document of the Federation. If the Member Body does not approve with the decision of the Board, it may appeal in writing to the General Membership, which shall make the final determination whether or not to support the Board action.

6 List of Members

The Board shall maintain a list of the members of the Federation. The list of members shall include the full name and domicile of each member and any other information required by the Finnish Association Act or by a decision of the Board.

7 Membership fee and other dues of the Federation

The members shall pay to the Federation membership fee and other payments and fees related to the functioning of the Federation. The annual membership fee and other payments and fees in relation to the activities of the Federation shall be resolved by the Board.

Meeting of the General Membership (The Council Meeting)

The ultimate governing authority of the Federation shall rest with the General Membership, which authority is used in the annual general meeting of General Membership (to be called Council Meeting) to be held at least once per year and before the end of December, and other extraordinary meetings of General Membership. Further the General Membership may use its governing authority without holding meetings as set out in paragraph §11 of these rules of Federation.

An extraordinary meeting of General Membership shall be organized upon a decision of General Membership or upon decision of the Board or in the event that at least 1/10 of all members entitled to vote so request in writing to resolve a matter specified in such request.

The meeting of General Membership may be arranged at such times and place as resolved by the General Membership, the Board or the President of the Federation.

The Board may resolve that in all matters subject to the decision-making and governing authority of General Membership, the meetings of General Membership may be attended also by mail, telecommunications or other technical means, provided that the General Membership have adopted separate rules of voting and elections.

The Board may resolve that in order to be able to vote in the meeting of General Membership, the members will have to give a notice of their participation in advance in writing to the Board or the Chief Executive Officer by a certain date specified in the invitation to such meeting.

The President shall act as the chairman of the meeting of General Membership and if the President is unable to attend to the meeting, the Vice-President shall act as the chairman. If both the President and the Vice-President are unable to attend the meeting, another member of the Board shall be elected to act as a chairman, and in the event no other member of the Board is not attending the meeting, the General Membership shall elect one member of the Federation present at such meeting to act as a chairman of the meeting of General Membership.

The annual meeting of General Membership shall resolve upon the following:

- (i) approval of the annual report;
- (ii) adoption of the financial statements;
- (iii) the discharge of the members of the Board from liability;
- (iv) election of members of the Board to replace the resigning members;
- (v) appointment of the auditor and deputy auditor or auditor entity;
- (vi) other matters.

9 Notice to the meeting of General Membership

Notice to the meeting of General Membership shall be delivered by letter or by e-mail to each member to the address notified by such member at least 30 days prior the meeting.

The notice of the meeting shall specify the date, time and venue of the meeting and the agenda of the meeting.

If the voting in the meeting is subject to having made a prior notice of attendance, the notice of the meeting shall include the date by which such notice of attendance shall be made.

If the meeting may be attended by mail, telecommunications or other technical means, the notice of the meeting shall specify the conditions and requirements applicable on such participation.

10 Decision making in the meeting of General Membership

Each Member Body is entitled to a single vote on all resolutions of the meetings of General Membership. Associate Members do not have the right to vote.

The Member Bodies may authorize another Member Body to vote on their behalf at such meeting. At meetings of General Membership, no Member Body may exercise more than two proxies in connection with any vote.

The meeting of General Membership shall constitute quorum if at least one third of the members are represented either in person or by proxy.

Resolutions of the General Membership at its meetings shall be reached by simple majority vote of those present either in person or proxy, unless otherwise stipulated by these rules of Federation.

11 The Board and other officers of the Federation

The Federation shall have a Board, composed of minimum 3 and maximum 18 members, including the President.

The President, the Regional Chairs and other Board members shall be elected by the General Membership. The Board shall elect amongst its members the Vice-President and the Treasurer.

The term of office of the President shall be three (3) years. The term of office of members of the Board shall be three (3) years, with the possibility to be re-elected consecutively to another three-year term. Following the two terms, the member of the Board may be elected to the Board after three (3) year absence.

Further, the Board shall appoint a Chief Executive Officer.

The Board shall meet by the notice of the President, the Vice-President or the Chief Executive Officer, and the Board shall constitute quorum when at least half of the members of the Board are present in person at that meeting of the Board. The resolutions of the Board shall be reached by simple majority vote of those Board members present in person. In the case of a tie, the motion supported by the President shall prevail.

The Board shall have *inter alia* the following responsibilities:

- 1) it shall handle the administration and management of the Federation subject to compliance with law, rules of the Federation and resolutions of General Membership;
- 2) it shall give effect to decisions adopted by the General Membership;
- 3) it shall take any measures necessary for the conduct of the work of the Federation in case of an emergency provided that such matter shall be brought to the meeting of the next meeting of General Membership;
- 4) it shall approve new members, resolve upon annual membership fees and other payments, dues and fees payable by the members;
- 5) it shall draw up the budget of the Federation and manage the accounting, administration and financial affairs of the Federation in a reliable manner;
- 6) it shall draw up the strategic plan of the Federation based on the strategic direction of General Membership and provide a progress report back to the meeting of General Membership on an annual basis;
- 7) it shall resolve on the appointment and dismissal of the Chief Executive Officer;
- 8) it shall manage and supervise the work of the Chief Executive Officer;
- 9) it shall convene the meetings of General Membership;
- 10) maintain a list of the members of the Federation;
- 11) it shall authorize a third person to act as authorized signatory of the Federation;
- 12) it shall manage the administration of the Federation and promulgate written policies and guidelines in support of these rules of the Federation;
- 13) it shall determine honors, medals and awards as appropriate considering the purpose and objectives of the Federation;
- 14) it shall establish from time to time such other sub-units or committees as it deems necessary and appropriate to carry out the business and purpose of the Federation;
- 15) it shall appoint officers and members of staff to assist in the operation of the Federation.

Business may not be validly transacted at any meeting of the Board, unless at least half of the voting members are present in person at the meeting.

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Elections

The persons to be appointed in accordance with these rules shall be appointed by a secret ballot or in any other manner approved by the meeting of General Membership, including for instance by mail, telecommunications or other technical means, in accordance with the rules of voting and election approved by the General

Membership. At elections, the candidate receiving the greatest number of votes shall be elected, and in the event of tie, the election shall be determined by draw.

13 Minutes

The meetings of General Membership shall be recorded in writing in minutes of the meeting, which minutes shall be delivered to the members of the Board or the Chief Executive Officer within one month from the meeting.

14 Chief Executive Officer and authorized signatories of the Federation

The Federation may appoint Chief Executive Officer, who shall see to the executive management of the Federation in accordance with the instructions and orders given by the Board.

The President, the Vice-President, the Chief Executive Officer and any other person authorized by the Board, each individually shall have the right to represent and sign for the Federation.

At least two persons authorized to sign for the Federation individually shall have their place of residence in Finland.

15 Financial year, Financial Statements and Audit

The financial year of the Federation is calendar year. The Board shall confirm the financial statements and annual report. The Chief Executive Officer submits the statements and report to the auditor of the Federation no later than 30 April each year. The auditor shall give their annual audit report in good time before the annual general meeting of the General Membership.

16 Amendment of Rules of the Federation

Any amendment of these rules of Federation shall be resolved by at least two-third majority of votes at a meeting of General Membership.

17 Dissolution and Winding-up and distribution of assets in case of dissolution or winding-up

In the event of dissolution or winding-up of the Federation, the last meeting of General Membership shall determine what distribution of remaining assets shall be made in such an event provided that the assets shall be used for the promotion of purposes and objectives of the Federation.