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Bylaw 4.2 Membership Representation

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 4.2 Membership Representation, so that Canadian buyer directorships may consist of any combination of three buyers. (Effective March 7, 2005.)

Bylaw 4.2 Membership Representation

For carrying out the objects of the Bureau, the different classes of members will be divided into the following divisions:

Advertiser Division; Advertising Agency Division; Newspaper Publisher Division; Magazine Publisher Division; Farm Publication Publisher Division; and Business Publication Publisher Division.

The Board of Directors shall consist of representatives from each division as follows:

Advertiser & Advertising Agency Divisions: 19 members

- Advertiser Division (U.S. only) – at least ~~ten~~ eight members (~~at least one of whom shall be a Canadian Advertiser member~~).

- Advertising Agency Division (U.S. only) – at least ~~eight~~ seven members (~~at least one of whom shall be a Canadian Advertising Agency member~~).

There shall be a combined total of sixteen U.S. Advertiser and Advertising Agency member representatives and three Canadian Advertiser and/or Canadian Advertising Agency member representatives on the ABC Board of Directors.

Publisher Division: 17 members

- Newspaper Publisher Division – eight members.

- Magazine Publisher Division – five U.S. members.

- Farm Publication Publisher Division – one U.S. member.

- Business Publication Publisher Division – two U.S. members.

- Magazine Publisher Division, Farm Publication Division, and Business Publication Division, jointly – one member identified as the Canadian Periodical Publisher Division (who shall be a Canadian member of one of these three divisions).

For the purpose of choosing the eight newspaper directors to the Board of Directors, the following classes of newspaper membership shall exist:

Class 1 – Daily Newspapers published in Canada.

Class 2 – Daily Newspapers at-large published in the U.S.

Class 3 – Daily Newspapers at-large published in the U.S.

Class 4 – Daily Newspapers having 250,000 or more net paid circulation published in the U.S.

Class 5 – Daily Newspapers having from 100,000 to 250,000 net paid circulation published in the U.S.

Class 6 – Daily Newspapers having from 25,000 to 100,000 net paid circulation published in the U.S.

Class 7 – Daily Newspapers having less than 25,000 net paid circulation published in the U.S.

Class 8 – All Weekly Newspapers (newspapers published less than four times a week).

One director shall be from each of the above classes. Class 1, 2, 3 and 4 directorship positions expire on even years; while class 5, 6, 7 and 8 directorship positions expire on odd years.

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Rule A 1.2 Permissions and Prohibitions

AMENDED RULE

ABC's Board voted unanimously to modify Rule A 1.2 Permissions and Prohibitions, so that publisher members who have elected to make advance public notification of an impending ABC audit, or audit results, to attribute same audit results to ABC; so that U.S. business publications now allowed to report on any cycle ended in any calendar quarter are allowed to make comparisons for different Publisher's Statement periods; and so newspapers required to make day-of-week reporting be required to compare comparable data elements. (Effective March 7, 2005.)

A 1.2 Permissions and Prohibitions

(a) ABC authority may be claimed or implied only for figures, data or statements exactly as they appear in ABC reports and only if such figures, data or statements are identified as to Publisher's Statement, FAS-FAX or Audit Report from which they are taken and the period covered and only if the figures, data or statements are presented in such a manner as to give the reader the same sense or interpretation as though the report or reports quoted from were before him.

(b) Magazines analyzing non-paid circulation must clearly differentiate between the paid and non-paid components but will report a total of these components on Bureau reports. Comparisons of ABC data must also clearly identify the components being reported.

(c) In any advertisement or publicity where ABC authority or membership is stated or implied, any figures, data or statements that do not appear in ABC Publisher's Statements, FAS-FAX, Supplemental Data Reports or Audit Reports must be clearly identified as being presented by the author of the advertisement or publicity and ABC authority must neither be claimed nor implied for them.

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(d) In any situation where a publisher elects to make an announcement regarding the results of an ABC Audit Report in advance of the actual publication and release of the audit by ABC, the publisher member must identify any/all adjustments to circulation that are to be reported in the audit as having been calculated based on ABC auditors findings.

(d)(e) Any ABC data used in making comparisons must be from comparable types of reports, comparable circulation classifications, and for identical periods. Data from current Publisher's Statements may be compared with audited circulation for the preceding corresponding period. In any comparison between publications, data must be compiled from like reports and circulation classifications, sourced as required by A 1.2(a) and (c) of the rules.

(1) Business publication members may use ABC data to make comparisons for different Publisher's Statement periods under the following conditions:

(a) The data must be sourced to the most recently released Publisher's Statement for all publications involved in the comparison.

(b) The Publisher's Statement for the member making the analysis must be current.

(c) All documents must clearly identify the time periods covered by the Publisher's Statements being referenced in the comparison.

(d) All other aspects of Rule A 1.2 are applicable.

(2) When comparisons between newspapers are made, comparable data elements must be used. Circulation reported by day-of-week can only be compared across same identical days (Monday to Monday, Tuesday to Tuesday, 5-Day Average to 5-Day Average, etc.).

(e)(f) When a newspaper (other than a newspaper published in Canada) compares its circulation to that of other newspapers, the comparison must clearly identify the Individually Paid and Other Paid Circulation components, or must only make comparisons of the Total Individually Paid Circulation and Other Paid Circulation.

If a comparison is made of total distribution only, it should identify that the figures include paid and other circulation. Total distribution may not be compared to paid circulation only. Newspapers that opt to analyze other

circulation may not compare their total distribution to only the paid circulation of a newspaper that elects not to provide the optional analysis.

(f)(g) When a Canadian newspaper compares its circulation to that of other newspapers, the comparison must clearly identify the paid and other circulation components. If a comparison is made of total circulation only, it should identify that the figures include both paid circulation and other circulation. Total circulation may not be compared to paid circulation alone.

(g)(h) If data from out-of-date Publisher's Statements, FAS-FAX, Supplemental Data Reports or Audit Reports are shown, comparable data from the latest similar reports must be shown.

(h)(i) Members of the Bureau shall not reproduce in any way any communications issued by or from the Bureau or excerpts therefrom unless direct permission has been given by the management or Board of Directors.

(i)(j) Publisher members under suspension of service may publish claim of membership only if in connection with each such claim the words "under suspension of service" are added.

(j)(k) The membership insignia, designed for members and authorized by the Board of Directors, may be used by any member in good standing on letterheads, advertising matter or any other place where the phrase "Member of the Audit Bureau of Circulations" is legitimate.

(k)(l) ABC members are permitted to reproduce Bureau reports for their own publication. However, no modification of the ABC report is allowed; the reproduction must be completely faithful to the original both in terms of the information presented and the report format (including the color of the report). No ABC member shall distribute information concerning other ABC members in a form substantially similar to the appearance of a standard Bureau report. With the exception of the parameters set forth above, no member shall distribute information in a form imitative of the appearance of a standard Bureau report.

(l)(m) Except with prior written approval of the Bureau, members or applicants may not refer to ABC Bylaws & Rules or procedures with respect to reports which are not prepared by the Bureau.

(m)(n) After a publisher has filed a Publisher's Statement or Interim Statement, and its receipt has been acknowledged by ABC, the publisher may publicize the figures from the Statement provided the figures, wherever used prior to the release by ABC of the figures in FAS-FAX or in the Statement are accompanied by the following qualification: "As filed with the Audit Bureau of Circulations, subject to audit."

(n)(o) A publisher applicant, upon acknowledgement by ABC of receipt of both application and initial audit deposit, may publicize the fact of application only for a period of one year from the date the application was received. In the case of newly launched publications, where application has been received prior to the publishing of its initial issue, the fact of application may be publicized for a period of one year following the cover date of the first issue.

(o)(p) The conditions and provisions contained in all references to publishers and all other conditions and provisions in these publicity rules shall be applicable to associate publisher members.

(p)(q) While nothing contained in this Article should be construed as prior restraint as it pertains to news stories claiming ABC authority for information excerpted from its reports, this provision does not exempt the member from compliance with all other provisions of this Article.

(q)(r) Business Publications reporting non-continuous qualified non-paid must clearly and separately delineate between non-paid circulation served on a continuous basis and that which is served on a non-continuous basis.

(r)(s) Participants in ABC's Reader Profile and Subscriber Profile services may publicize results of their studies prior to the release of the final audit document provided final researcher tabulations and/or reader information has been submitted to ABC for verification, and provided all such publicity notes that the findings are subject to final audit results.

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A All Publications – Page 4

Bylaw 2.18 Waiver of Damages and Indemnification

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 2.18 Waiver of Damages and Indemnification, to shield the entire membership from legal costs and expenses arising from legal matters pertaining to a single member, should ABC become a participant in litigation, discovery or other proceedings related to a particular member. The modification requires the responsible member to reimburse ABC for all costs and expenses incurred by ABC including reasonable attorney's fees. (Effective March 7, 2005.)

Bylaw 2.18 Waiver of Damages and Indemnification

(a) **Purpose and Scope.** To maintain the economic well-being of the Bureau for the benefit of the membership as a whole, the following provision shall constitute a condition of membership, shall bind each member (and successor) and shall be for the direct protection of the Bureau (including its directors, officers, employees and agents).

(b) **Limited Damage Waiver.** Each member waives any right to assert claims for money damages against the Bureau for any action, negligence or breach relating to its performance or nonperformance of its activities or services, except that this waiver shall not apply to damages that are determined by final adjudication to have arisen from intentional misconduct on the part of the Bureau in verifying and disseminating erroneous circulation data. In no event, without limiting the foregoing waiver, shall the Bureau be liable for damages which are punitive or multiplied. This provision shall be without prejudice to members seeking damages against other individual members or third parties, but members are expected to act with diligence to assert any grievances promptly so as to avoid incurring any substantial losses.

(c) **Member Suits.** Members may assert claims or actions for nonmonetary relief against the Bureau, but each member shall exercise the rights and remedies provided in the bylaws and rules. A member shall not make or bring any claim, suit, or proceeding against the Bureau until after the member has exhausted all rights and remedies provided under the bylaws and rules. Any member who brings an action against the Bureau shall fully reimburse the Bureau for all costs and expenses (including reasonable attorneys' fees) which the Bureau incurs, unless the member's action is successful in establishing a right to the relief sought.

(d) **Indemnification.** ~~If the Bureau is subjected to any claim, action or proceeding arising from inaccurate information supplied by a publisher member, then the member shall fully reimburse and indemnify the Bureau for all costs and expenses (including reasonable attorneys' fees) incurred in the defense and for all sums paid by way of settlement, judgment or other disposition. A member shall fully reimburse and indemnify the Bureau for all costs and expenses the Bureau incurs, including, without limitation, the Bureau's reasonable attorneys' fees and all sums paid by way of settlement, judgment, or other disposition, if the Bureau is named as a defendant, is required to respond to discovery, or is otherwise required to participate in litigation, disputes, investigations, regulatory actions, regulatory compliance, or any other proceedings relating to such member.~~

(e) **Enforcement.** Any costs and expenses (including reasonable attorneys' fees) incurred by the Bureau to successfully enforce these provisions against any member shall be reimbursed by the member of the Bureau.

(f) **Existing legal rights.** The provisions of this bylaw shall supplement whatever rights and protections, including common law rights to contribution or indemnification, which the Bureau may otherwise have by separate agreement or operation of law, but in no event shall the Bureau be entitled to more than a full recovery in any claim for reimbursement for a loss, cost or expense.

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Bylaw 7 Offenses and Punishment

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 7 Offenses and Punishment, so that member censure and related issues reflect ABC policies and procedures. (Effective March 7, 2005.)

Bylaw 7.1 Vote Required for Censure, Probation, Expulsion, or Readmission

The penalty of censure, probation or expulsion from membership may be inflicted on the affirmative vote of a majority of all members of the Board of Directors. A favorable vote of a majority of all members of the Board of Directors shall be required to readmit an expelled member. An expelled member shall not be readmitted to membership until all indebtedness to the Bureau existing at the time of the expulsion is paid; a readmission fee, to be fixed by the Board of Directors in each case, shall be required.

Bylaw 7.2 Offenses

Should any member be found by the Board of Directors to ~~be guilty of have committed~~ any of the following offenses, the Board must consider whether to invoke any of the provisions of this Bylaw with regard to probation, censure or expulsion:

(a) failing to file Publisher's Statements as required by the rules;

(b) filing a false or fraudulent Publisher's Statement with the Bureau;

(c) refusing to allow an auditor of the Bureau full access at any time to all records as provided by the bylaws;

(d) failing to pay dues or other indebtedness as required by the bylaws;

(e) violating any bylaw or rule of the Bureau;

(f) violating any agreement made with the Bureau;

(g) dishonest, fraudulent or dishonorable conduct in dealings with the Bureau;

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(h) any act deemed by the Board of Directors to be detrimental to the interests or welfare of the Bureau; such member may be censured, placed on probation or expelled by the Board of Directors.

(i) release of an audit of a daily newspaper with circulation of 25,000 or more, or the release of two consecutive audits of weekly newspapers, daily newspapers with less than 25,000 circulation and periodicals wherein the auditor adjusted the Publisher's Statement claims of circulation by 5% or more.

Bylaw 7.3 Charges by a Member

(a) Any member may file with the Board of Directors charges against any other member. Charges so filed shall be in writing; they shall specify the offense with reasonable detail and shall be signed by the person or persons making the charge or charges. A copy of such charge or charges shall be served by the managing director upon the accused member, either personally or by leaving the same at the member's business address as registered with the Bureau, during business hours or by mailing it to said members at said registered business address.

(b) Said member shall have 10 days from the date of such service to answer the same or such further time as the board in its discretion may deem proper. The answer shall be in writing, signed by the accused member, and filed with the managing director. A copy of said letter shall be sent to the member making the charges.

(c) Upon the answers being filed, or if the accused shall refuse or neglect to make answer as hereinbefore required, the board shall, at a regular or special meeting subsequent to the close of the 10-day period in which the answer is due, proceed to consider the charge or charges. Reasonable notice of such meeting shall be sent to the accused member; who shall be entitled to be personally present thereat and shall be permitted to examine and cross-examine all the witnesses produced before the board and also to present such testimony defense or explanation as the member may deem proper. After hearing all the witnesses and the member accused, if the member desires to be heard, the board shall determine whether or not the accused member ~~is guilty~~ of has committed the offense or offenses

charged. If it determines that the accused ~~is guilty~~ has committed the offense or offenses charged, the board may censure, place on probation or expel such member.

Bylaw 7.4 Charges by the Managing Director

If at any time the managing director shall have reason to suspect that any member has ~~been guilty of committed~~ committed an offense ~~against the Bureau~~, as defined in Bylaw 7.2, and no action has been taken by any member in accordance with Bylaw 7.3, the managing director shall investigate whether or not there is just ground for such suspicion. If there is just ground for such suspicion, the managing director is authorized to file with the board a written accusation against the suspected member stating specifically the acts or omissions charged. A copy of said accusation shall be served upon such member, who shall be required to answer and a hearing shall be held as provided in Bylaw 7.3.

Bylaw 7.5 Probation

When any member shall have been found ~~guilty~~ by the Board of Directors to have committed of an offense ~~against the Bureau~~, as defined in Bylaw 7.2, and placed on probation, the term of probation shall be fixed by the Board of Directors. All Publisher's Statements and Audit Reports released after the date such member is placed on probation and during the term of probation shall contain in a prominent place thereon a statement that said member is on probation. The statement and the form in which it is made is to be determined by management and shall set forth the designated sections of the bylaws or rules against which offense has been committed and the term for which probation has been fixed. During any period of probation, any use of the ABC insigne must be accompanied by a statement that the publication is on probation.

Bylaw 7.6 Censure

When any member shall have been found by the Board of Directors to have committed an offense, as defined in Bylaw 7.2, and is censured, the following will occur:

(a) a notice of suspension of report services shall be distributed to the entire membership, such notice to indicate that the member is censured.

(b) circulation data for a censured member shall be excluded from the ABC FAS-FAX report for a period of one year immediately following the vote to censure

(c) all censured publications must undergo six month audits for a period of two years following the vote censure

(d) the first audit to be released following the vote to censure shall be accompanied by a 'resumption of report services' notice, and, if applicable, such notice may make reference to the status of previously released Publisher's Statements and Audit Reports

(e) as determined by the Board of Directors, a cash fined may be levied against the member

Bylaw 7.7 Expulsion

When any member shall have been found by the Board of Directors to have committed an offense, as defined in Bylaw 7.2, and expelled, a favorable vote of a majority of all members of the Board of Directors shall be required to readmit an expelled member. An expelled member shall not be readmitted to membership until all indebtedness to the Bureau existing at the time of the expulsion is paid; a readmission fee, to be fixed by the Board of Directors in each case, shall be required.

Bylaw ~~7.6~~ 7.8 Appeal of Board Decisions

Any member who has been censured, placed on probation or expelled by the Board of Directors may appeal the decision to the membership at the next meeting thereof. The decision of the Board of Directors shall remain in full force and effect until reversed by the membership.



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Bylaw 6.2 [paragraph (c) only] Votes, Proxies

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 6.2 Votes, Proxies, to remove the requirement that the Credentials Committee be approved at the board meeting preceding the annual meeting; but instead allow the President & Managing Director to select the members and the Chair of ABC's Board of Directors to approve the Credentials Committee members. (Effective March 7, 2005.)

Bylaw 6.2 Votes, Proxies

~~(c) Not later than at the directors' meeting preceding the annual meeting a~~ A Credentials Committee shall be selected by the President and Managing Director and approved by the Chair of the ABC Board of Directors. The Credentials Committee shall consist of at least five members, to be appointed by the chair, one of whom shall be designated as chair, and three members shall constitute a quorum. The committee will be charged with the duty of receiving and passing upon the credentials and proxies of members for the annual meeting and shall report to the chair of the meeting the number of votes present in person and by proxy eligible to vote at the annual meeting and the respective divisional meetings. The committee may act upon the affirmative vote of a majority of the members present at any meeting duly called at which a quorum is present. Information contained in the proxies will be deemed confidential until the convening of the respective meetings unless otherwise authorized by the Board of Directors. When more than one individual is named in a proxy, the decision of the individual first designated on the proxy and present at the meeting shall control.

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Bylaw 11.2 Change in Bylaws and Rules

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 11.2 Change in Bylaws and Rules, to allow staff to make minor corrections/edits to correct, clarify or update the Bylaws & Rules. These same changes should be made available to the Board of Directors for review. (Effective March 7, 2005.)

Bylaw 11.2 Change in Bylaws and Rules

No change in the bylaws or rules shall be adopted by the Board of Directors at the meeting at which the change is first proposed, except upon unanimous consent of the members of the board present.

From time-to-time technical corrections or other edits to bylaws or rules may become necessary so as to correct a printing error, amplify, clarify, or otherwise bring rules in conformance with current industry terms and vernacular. In these cases ABC staff is authorized to amend Bureau rules provided that the spirit or intent of the rule is not altered and the ABC Board of Directors is given 30 days notice of such changes.

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



BUSINESS PUBLICATIONS – Pages 3, 13, 40 and 41

Bylaw 2.11 Paid Circulation Defined

Rules A 1.2
[paragraph (e) only]
(See pages 1 and 2 of this Bulletin)
Permissions and Prohibitions

D 3.1 Initial Audit

D 3.2 Transfer Audit

D 4.1 Publisher's Statements

D 5.1 Geographic Analysis

D 5.2 [paragraph (e) only] Business Analysis

AMENDED RULES

ABC's Board voted unanimously to modify Bylaw 2.11 Paid Circulation Defined, and Rules A 1.2 Permissions and Prohibitions, D 3.1 Initial Audit, D 3.2 Transfer Audit, D 4.1 Publisher's Statements, D 5.1 Geographic Analysis, and D 5.2 Business Analysis, to allow all U.S. business publications the option to report Publisher's Statement and Audit Report cycles ended in any calendar quarter; March, June, September or December. The modifications also allow members to analyze any issue within the reporting period. (Effective March 7, 2005.)

Bylaw 2.11 Paid Circulation Defined

A publication with paid circulation is hereby defined to be one of which 70 percent or more of the total distribution during a regular six-month Publisher's Statement period (ended March 31 or September 30 for all newspapers and June 30 or December 31 for all magazines, and business and farm publications published outside of Canada) (ended March 31, June 30, September 30 or December 31 for ~~business and farm~~

publications published in Canada and all business publications) qualifies as paid circulation under the standards of the Bureau. For newspapers, third party sales are to be excluded from paid circulation for membership eligibility purposes but should be included in the calculation as an element of total distribution. For business publications also see Bylaw 2.2(d)(1)(b).

D 3.1 Initial Audit

See also B 2.5.

(a) The initial audit of a business publication may be made for periods shown below and to end with any calendar month:

Monthly or greater frequency - for at least three months provided there has been consecutive issuance for not less than three months.

Bimonthly through semiannual frequency - for six months or at least two consecutive issues.

Semiannual or less - for all issues published in any six month period.

(b) Publications shall have the option to analyze any issue within the initial audit period.

~~(c) Any publication published outside of Canada having its initial audit for a period ended other than June 30 or December 31 shall have its next audit conducted for a period ended June 30 or December 31 to align with standard audit periods.~~

~~(d)~~ (c) Any publication published within Canada having its initial audit for a period ended other than March 31, June 30, September 30 or December 31 shall have its next audit conducted for a period ended March 31, June 30, September 30 or December 31 to align with standard audit periods.

D 3.2 Transfer Audit

Business publications which apply for membership in ABC from other recognized audit bureaus are eligible to receive a Transfer Audit, provided the following criteria are met:

(a) A business publication, previously audited by a recognized audit bureau and subject to management approval, shall have the option with its first audit to identify the Audit Report as a Transfer Audit rather than an Initial Audit, provided no break in service

from the previous audit bureau has occurred.

(b) The Transfer Audit of a business publication may be made for periods shown below and to end with any calendar month:

Monthly or greater frequency - for at least three months provided there has been consecutive issuance for not less than three months.

Bimonthly through semiannual frequency - for six months or at least two consecutive issues.

Semiannual or less - for all issues published in any six month period.

~~(c) Publications published outside of Canada shall be required to analyze the May and November issues. If the Transfer Audit is made for a period which does not encompass the May and November issues, publications shall have the option to analyze any issue within the Transfer Audit period.~~

~~(d) Publications published within Canada shall be required to analyze the February and August issues if assigned to the March 31 or September 30 audit cycles, or the May and November issues if assigned to the June 30 or December 31 audit cycles. If the Transfer Audit is made for a period which does not coincide with normal audit cycles, publications shall have the option to analyze any issue within the Transfer Audit period.~~

~~(e) Any publication published outside of Canada having its Transfer Audit for a period ended other than June 30 or December 31 shall have its next audit conducted for a period ended June 30 or December 31 to align with standard audit periods.~~

~~(f)~~ (c) Any publication published within Canada having its Transfer Audit for a period ended other than March 31, June 30, September 30 or December 31 shall have its next audit conducted for a period ended March 31, June 30, September 30 or December 31 to align with standard audit periods.

~~(g)~~ (d) Exceptions to the reporting for newly admitted members as provided in D 5.2(k), D 5.3(e), and D 5.4(d) will not apply if the publication currently reported data under the previous audit bureau.

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D 4.1 Publisher's Statements

~~(a) For publications published outside of Canada the semi-annual statements shall cover the period from January 1 to June 30 and July 1 to December 31.~~

~~(b) (a) For publications published within Canada the semi-annual statements shall cover the period from January 1 to June 30 and July 1 to December 31 or October 1 to March 31 and April 1 to September 30.~~

(b) On an optional basis, statements may also be filed for periods from January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31. To exercise the option the publisher must notify the managing director at least 15 days prior to the beginning of the applicable audit period. Once a publisher has exercised the option, they may continue for successive audit periods.

(c) For all publications utilizing the semi-annual June/December report cycles, Publisher's Interim Statements may be filed for quarterly period January 1 through March 31 and/or July 1 through September 30 only. For publications utilizing the semi-annual March/September report cycles, Interim Statements may be filed for quarterly period April 1 through June 30 and/or October 1 through December 31 only.

~~(d) For publications published within Canada, publishers which utilize the March/September report cycles, Interim Statements may be filed for quarterly period April 1 through June 30 and/or October 1 through December 31 only.~~

(e) (d) Business Publication members have the option of using either the Paid or the Paid and Qualified Non-Paid Circulation Publisher's Statement forms for reporting of circulation:

(1) A Publisher's Statement form printed on blue stock used by publishers who wish to show an analysis of only paid circulation. This form, identified as the Paid Circulation Form, must show the words: "None Claimed" in Paragraph 1(b) - average non-paid circulation to field served.

(2) A combination Publisher's Statement form, identified as the Paid and Qualified Non-Paid Circulation Form, printed on ivory-colored stock for use by all regular membership publishers having less than 70-percent total circulation as paid circulation and/or having qualified non-paid circulation.

Those business publications reporting less than 50 percent paid subscription circulation shall not be required to report an analysis of the total new and renewal subscriptions in Paragraphs 5 through 8, an analysis of post expiration copies in Paragraph 9 of Bureau reports.

~~(f) (e)~~ When two or more publications offer to sell advertising in combination, the publications may elect to publish a Group/Network Publisher's Statement which shall combine circulation statistics. In such cases, the Group/Network Publisher's Statement may include a calculation of unduplicated circulation on an optional basis.

If a business publication makes any claim as to the unduplicated circulation, either by oral or written communication direct to advertisers or through advertising matter or as a public comparative statement concerning its unduplicated distribution, the publication shall, in the first Publisher's Statement to the Bureau subsequent to the advertised claim make a formal statement of its unduplicated distribution in the paragraph devoted to explanations. Before releasing the Publisher's Statement, the Bureau shall inspect the publication's records and satisfy itself that the publication has the necessary records to substantiate the claim. If inspection reveals that records are not available to substantiate the claim according to standard practice of the Bureau, the statement of unduplicated distribution shall be eliminated from the Publisher's Statement before release and the following declaration shall be substituted: "Records required by the ABC are not available to substantiate any claim of unduplicated distribution and any such claim which may have been made by or in behalf of this publication is to be disregarded."

The next Audit Report shall repeat the same declaration.

If, before records have been established for a sufficient period of time to meet the requirements of the Bureau's standard practice, the publication should again claim a certain amount of unduplicated circulation, either by oral or written communication direct to advertisers or through advertising matter, the managing director shall cite the publisher to appear before the Board of Directors in accordance with the procedure prescribed in 7.4 of the bylaws.

D 5.1 Geographic Analysis

Paragraphs (a) through (h) of this rule apply to both Publisher's Statement forms. Paragraph (i) applies to only the Paid and Qualified Non-Paid Circulation Form.

~~(a) For publications published outside of Canada eCirculation (except that distributed through newsdealers if less than 25 percent of total) shall be broken down by states or provinces for any issue in the statement period based on either the May or November issue for publications issued monthly, and any issue in May or November for publications issued more frequently except as provided in D 3.1(b). Paid and non-paid circulation shall be reported in separate columns when paid circulation equals or exceeds 50 percent of total circulation.~~

~~(b) For publications published within Canada on the June 30 or December 31 audit cycles circulation (except that distributed through newsdealers if less than 25 percent of total) shall be broken down by states or provinces based on either the May or November issue for publications issued monthly, and any issue in May or November for publications issued more frequently except as provided in D 3.1(b). For publications on the March 31 or September 30 audit cycles circulation (except that distributed through newsdealers if less than 25 percent of total) shall be broken down by states or provinces based on either the February or August issue for publications issued monthly, and any issue in February or August for publications issued more frequently except as provided in D 3.1(b). Paid and non-paid circulation shall be reported in separate columns when paid circulation equals or exceeds 50 percent of total circulation.~~

~~(e) (b)~~ A count and analysis shall be made in connection with an issue in each audit period. This mail list and summary of the count is to be preserved for examination by the Bureau's auditor. The figures to be used in connection with the following Publisher's Statement shall be based on the percentages for each state or province as determined from the issue analyzed, and these percentages shall be projected against the total of the issue to be reported in Paragraph 4.

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

Any publisher has the option to make a count and analysis of an issue for each Publisher's Statement if so desired.

~~(d)~~ **(c)** Every United States publication with paid circulation of 35,000 or more in Canada shall be required to break down its Canadian circulation by provinces in the paragraph devoted to general explanations. Every Canadian publication with 35,000 or more paid circulation in the United States shall be required to break down its United States circulation by states in the paragraph devoted to general explanations.

~~(e)~~ **(d)** Unclassified circulation in the breakdown by states or provinces shall be limited to 5 percent in Publisher's Statements, but Audit Reports may show the actual conditions as found by the auditor, regardless of the quantity of the unclassified circulation.

~~(f)~~ **(e)** International circulation in the Geographic Analysis of Audit Reports and Publisher's Statements, may be broken down by countries in a format to be approved by the managing director. When the circulation of any country (other than the U.S., Canada and Mexico) equals or exceeds 5% of the total circulation of the issue analyzed, that country and the circulation shall be reported in the Explanatory Paragraph.

~~(g)~~ **(f)** When the circulation of the issue of any publication selected for breakdown is greater or less than the average circulation for the period, the percentage of difference between the circulation of that issue and the average circulation for the period shall be stated in the paragraph relating to that breakdown.

~~(h)~~ **(g)** Subscription copies directed to members of the Armed Forces or to affiliated Civilian Personnel where the ultimate destination is unknown shall be set up in the geographical breakdown in the column "Subscriptions" and opposite the classification "Military or Civilian Personnel Overseas."

Subscription copies addressed to those in the Armed Forces or to affiliated Civilian Personnel which are directed to known destinations within the United States and territories or Canada shall be set up in the geographical breakdown in the states, territories or provinces to which the copies are addressed.

Similarly, copies shipped by a publisher to the Armed Services or to other distributing organizations purchasing such copies for

resale to members of the Armed Forces or affiliated Civilian Personnel who are located outside of the United States and territories or Canada shall be set up in the geographical breakdown in the column "Single Copy Sales" and opposite the classification "Military or Civilian Personnel Overseas."

Single Copy Sales of the same type within the United States and territories or Canada shall be classified in the states, territories or provinces in which the sales are made. If the facts do not support specific classification, these copies shall be reported in the category "Unclassified."

~~(i)~~ **(h)** Non-paid circulation to the field served may be reported provided recipient has been or will be served as follows:

(1) Publications issued monthly or less often must serve recipient every issue for at least six consecutive months; or

(2) Publications issued more often than monthly must serve recipient at least six consecutive issues, but not less than three consecutive months of service.

Copies served for less than the above requirements due to conversion to paid circulation or because of death, retirement or job change may be replaced.

D 5.2 Business Analysis

(e) Figures analyzed in the paragraph relating to the business analysis shall include individual subscriptions, association subscriptions, group (mail subscriptions special) and bulk (term subscriptions in bulk) but exclude newsdealer and single copy sales. If association subscriptions, subscriptions limited to special feature issues (intermittent subscriptions), sponsored educational bulk sales, or subscriptions sold on a nondeductible basis to registrants at trade shows or business seminars equal or exceed 2 percent of the issues analyzed, they shall be shown separately in the analysis. ~~The analysis shall be based on the analyzed issue as defined by D 5.1(a) and (b). The issue analyzed must be the same as used in the Geographic Analysis.~~ Publishers may update the analyzed issue subscriber records with all data received through the end of the statement period. At the option of the publisher, the percentage for each classification, including those not analyzed, may be shown in total column only. United

States and Canadian paid subscriptions for which demographic conformance to the field served and definition of recipient qualification is not available shall be reported as Other Paid Circulation. The compilation made by the publisher shall be properly identified by date and retained until after the audit has been made.



BUSINESS PUBLICATIONS – Page 50

Rule D 12.5 ~~Non-Continuous Qualified Non-Paid Circulation~~ Regularly Scheduled Special Edition Circulation

AMENDED RULE

ABC's Board voted unanimously to modify Rule D 12.5 Non-Continuous Qualified Non-Paid Circulation by renaming the rule Regularly Scheduled Special Edition Circulation. (Effective March 7, 2005.)

D 12.5 ~~Non-Continuous Qualified Non-Paid Circulation~~ Regularly Scheduled Special Edition Circulation

[Rule wording has intentionally been omitted in that there was no change in the rule itself.]



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



NEWSPAPERS – Pages 13 & 21

Rules A 1.2

[paragraph (e) only]

(See pages 1 and 2 of this Bulletin)

Permissions and Prohibitions

C 2.1

Circulation Averages

C 2.5

Circulation Above or Below Other Days

AMENDED RULES

ABC's Board voted unanimously to modify Rules A 1.2 Permissions and Prohibitions, C 2.1 Circulation Averages, and C 2.5 Circulation Above or Below Other Days, to reflect the reporting of average paid circulation by day-of-week. (Effective April 1, 2005.)

C 2.1 Circulation Averages

All Publisher's Statements and Audit Reports shall include a calculation of average paid circulation averages for each day of the week the newspaper is published plus a 5-day (Monday to Friday) Combined Daily Average (one additional average (i.e. 6-day Monday to Saturday, "Power Days," etc. may be included at the publisher's option) for the period covered by the report which will be presented in the following manner: "Paid for by Individual Recipients (sold at 50 percent or more of basic prices)"; "Paid for by Individual Recipients (sold at or more than 25 percent but less than 50 percent of basic prices)"; "Other Paid Circulation."

Newspapers with an average paid circulation of 25,000 or less may opt not to report by day of week unless any one day (exclusive of Sunday) is at least 15% higher of lower than the other days, in which case day of week reporting is required.

Only those newspapers that maintain daily records itemizing the amount of circulation that falls into the "more than 25 percent but less than 50 percent of basic prices" category will be eligible to include sales at less than 50 percent of basic prices in total average paid circulation.

In addition, average circulation by reporting geography (e.g. City Zone, Retail

Trading Zone, Newspaper Designated Market, etc.) shall be shown in a separate paragraph.

C 2.5 Circulation Above or Below Average for Other Days

(a) When, over a period of three months, the average circulation of a daily paper is, on a certain day of the week, 15 percent in excess of or below the average for the other days of the week, the circulation for such day on which the excess or deficiency occurs shall be shown separately and the average for the other five days shall be shown as the "daily average."

(a) (b) When, over a period of three months, the average circulation of a daily paper with less than 25,000 net paid circulation is, on a certain day of the week less than 15 percent but more than 5 percent in excess of or below the average for the other days of the week, the circulation for such day on which the excess or deficiency occurs may, at the option of the publisher, be shown separately and the average for the other five days shown as the "daily average." When multiple days meet the above criteria, they may be reported as one average if the circulation for each is within 5 percent of each other.

To exercise such option the publisher must notify the managing director at least 15 days prior to the beginning of the six months' period for which the separation is desired to be shown. Upon receipt of such notice and its approval, the managing director shall notify all other daily newspaper members in the city of publication that such option has been requested and approved.

Once publishers have exercised the option, they may continue for successive periods while qualified.

When one publisher in a city files a Publisher's Statement under this rule, other publishers in the same city may do the same even though they do not qualify under the 5 percent minimum requirements.

Newspapers not published in the same city as another member may petition the managing director to report circulation by the same frequency categories as another member published in a different city if the City and Retail Trading Zones or Newspaper Designated Market of the petitioning member is completely contained within the City and Retail Trading Zones or Newspaper Designated Market of the other newspaper

mentioned in the petition. Upon approval, the petition shall not be retroactive, but shall become effective upon receipt by the Bureau of said petition.

(c) Newspapers may report, at their option, average paid circulation for each day of the week.

(b) (d) Total average paid circulation by month may, at the option of the publisher, be reported in Publisher's Statements and Audit Reports. Percentages of the differences between the monthly averages and the average paid circulation for the period covered by the report are to be shown.



NEWSPAPERS – Page 22

Rule C 2.11

[paragraph (b) only]

Intermittent Subscriptions

AMENDED RULE

ABC's Board voted unanimously to modify Rule C 2.11 Intermittent Subscriptions to state that recipients must be notified of the specific date(s) of impending delivery at least two weeks prior to distribution. (Effective May 1, 2005.)

C 2.11 Intermittent Subscriptions

(b) In order to qualify for inclusion in paid circulation, the following conditions must be met:

(1) Intermittent service is to be made to all eligible subscribing households within a market (e.g. City Zone, Newspaper Designated Market, etc.)

(2) All households scheduled to receive intermittent subscription service must be notified of the specific date of the impending delivery at least two weeks prior to the distribution date.

(3) If, over the course of any seven day period, the delivery of an intermittent service copy results in the emulation of another established frequency, the amount paid by the recipient of intermittent service must be at least a qualifying amount, based on a pro rata of the basic price for the other established frequency.