

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."

A

ALL PUBLICATIONS – Page 3

Bylaw 2.11 Paid Circulation Defined

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 2.11 Paid Circulation Defined, to allow Canadian business and farm publications to utilize either March/September ended report cycles or the traditional June/December report cycles.

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 other types of media) (ended March 31, June 30, September 30 or December 31 for business and farm publications published in Canada) 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).

A

ALL PUBLICATIONS – Page 6

Bylaw 4.2 Membership Representation

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 4.2 Membership Representation, to modify the newspaper directorship representation classifications, removing the time zone classification / representation, and replacing it with one additional circulation size classification / representation and two at-large directorships.

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 — at least Ten Members (at least one of whom shall be a Canadian Advertiser member).

- Advertising Agency Division — at least Eight 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 Canadian Advertising Agency member representatives on the ABC Board of Directors.

Publisher Divisions: 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 Publisher Division, and Business Publication Publisher Division, jointly — One Member identified as the Canadian Periodical Publisher Director (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 published in the Eastern and Atlantic Time Zones.

Class 3 — Daily Newspapers published in the Central Standard Time Zone.

Class 4 — Daily Newspapers published in the Mountain, Pacific, Alaska, and Hawaii Aleutian Time Zones.

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 more than 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. ~~and those in Classes 2, 3 and 4 shall be experienced in advertising or general business management. Those from Classes 5, 6 and 7 shall be experienced in circulation work. Those from Classes 2, 3, 4, 5, 6 and 7 will represent their respective membership group, excluding Canadian-based publications. At least three newspaper directors shall be elected each year for 2-year terms. 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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NEWSPAPERS – Page 22

RULE C 2.7 Days Omitted from Averages

AMENDED RULE

ABC's Board voted unanimously to modify Rule C 2.7 Days Omitted from Averages, to limit to 10 the maximum number of days a newspaper may exclude from their circulation averages during any 12-month audit period for any reason. (This change is to be phased in by audit period starting with an effective date of October 1, 2004 for September 2005 ending audits.)

C 2.7 Days Omitted from Averages

(a) When the circulation for any days are omitted from the averages reported in Bureau reports, the circulation and the reasons for omission shall be reported separately for each day in the Explanatory Paragraph of Bureau reports and the number of omitted days shall also be reported on the front page of Bureau Reports.

Circulation on a holiday, the day before and day after the holiday, and either the Sunday before or Sunday after the holiday, limited to ten holidays per audit year, or on days when in the opinion of the managing director, a situation occurs beyond the control of the publisher, may be eliminated from the averages to be shown in Paragraphs 1A (or 1B) and 5, and if excluded from paid circulation, shall be reported separately, in the paragraph devoted to general explanations, provided the circulation is 5 percent or more in excess of or below the circulation for the nearest preceding corresponding day that had a normal or average circulation. If the holiday occurs on a Monday, the Friday or Saturday preceding the holiday may be omitted as the "day before."

If the situation beyond the control of the publisher affecting circulation exists for only one day, the circulation may be eliminated from computation of the averages if the circulation for the day affected is 10 percent or more above or below the circulation for the nearest preceding corresponding day that had a normal or average circulation.

A maximum of 10 days may be excluded from circulation averages during any 12-month audit period for any reason. (Eff. October 1, 2004 for the September 2005 ending audits.)

Publisher electing to eliminate such days shall notify the managing director within 15 days following each day or days and the managing director shall notify the publisher members in the same city of such election. If a publisher member, within the 15-day time requirement, notifies ABC of their intent to eliminate a day or days without providing the required circulation averages, then the publisher member will have 30 calendar days from the date of eliminated day(s) to provide such circulation averages. Failure to comply with the 30-day time limit will result in the request for elimination being denied.

Where one publisher in a city files a Publisher's Statement under this rule, then other publishers in the same city may do the same even though they do not qualify under the 5 or 10 percent minimum requirement.

Newspapers not published in the same city as another member may petition the managing director to omit the same days 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 and shall be effective upon receipt by the Bureau of said petition.

(b) When a publisher of a daily newspaper changes the normal distribution plan and distributes copies of a Morning Issue to Evening subscribers (or copies of an Evening Issue to Morning subscribers), the circulation for those days may be included in paid circulation of Bureau reports, provided the publisher maintains records as substantiation that the copies so distributed will qualify as paid circulation. The total paid circulation for each such day and the average total paid circulation exclusive of those days during the period covered by the reports (Publisher's Statement and Audit Report) shall be shown in the Explanatory Paragraph.

If records to substantiate the copies served as paid circulation are not maintained, the circulation for those days shall not be included in paid circulation but shall be reported separately in the Explanatory Paragraph.



NEWSPAPERS – Page 34

RULE C 10.2 [section (b) only] Reporting

Rule C 10.5 ~~Bulk~~ Third Party Sales

Rule C 10.6 ~~Non-Paid Circulation~~ Distribution

Rule C 10.7 List of Towns (and Postal Codes) Receiving 25 or More Copies

AMENDED RULES

ABC's Board voted unanimously to modify Rules C 10.2 Reporting, C 10.5 ~~Bulk~~ Third Party Sales, C 10.6 ~~Non-Paid Circulation~~ Distribution, and C 10.7 List of Towns (and Postal Codes) Receiving 25 or More Copies, to sync the above rules to Report Format terminology that became effective with the September 2002 Canadian Newspaper Reports.

C 10.2 Reporting

(b) "~~Bulk~~ Third Party Sales" circulation is as defined for "~~Third Party Sales~~" in C 3.3 except that copies/subscriptions purchased at any price may be so defined. ~~Bulk~~ Third Party Sales shall be included in all calculations defining "paid" circulation (note Bylaw 2.11).

C 10.5 ~~Bulk~~ Third Party Sales

(a) The publication must include as an analysis of ~~Bulk~~ Third Party Sales, information regarding the prices at which the subscription/single copy purchases were made. Such an analysis shall be of average ~~Bulk~~ Third Party Sales for the period by variable price ranges.

(b) To qualify as ~~Bulk~~ Third Party Sales, the purchaser must pay a positive amount, net of the value of all other inducements or considerations.

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C 10.6 Non-Paid ~~Circulation~~ Distribution

(a) Copies classified as non-paid may include distribution made to individuals who have requested the service. In such cases, the publication shall maintain documentation to substantiate the request and the dates of delivery.

(b) Other sampled copies shall be supported with documentation to indicate households that received the distribution, and dates of delivery.

(c) Non-paid may also include copies made available for pick-up in public locations. If such are to be included, the Explanatory Paragraph shall include a reference to the number of such locations and the range of newspapers available at the locations. The publisher must maintain documentation to indicate the number of newspapers placed at each location, and the time of day each location is serviced with newspapers.

C 10.7 List of Towns (and Postal Codes) Receiving 25 or More Copies

Canadian newspapers must follow the requirements of Bylaw C 7.13 (paragraphs (d)(4) and (d)(5) are not applicable to Canadian newspapers) except that the circulation may be segregated by: copies sold at 50 percent of basic or more; copies sold at less than 50 percent of basic; ~~bulk~~ third party sales and non-paid ~~circulation~~ distribution.

ABC's Board voted unanimously to modify Rules D 2.1 ~~Third Party Multi-Copy Sales~~, D 2.2 ~~Sponsored Educational Bulk Multi-Copy Sales~~, and D 8.1 ~~Subscriptions Received in Connection with an Advertising Contract~~, to sync additional business and farm publication rules based on action taken at the November 2003 meeting where other rules were modified to better define multi-copy sales, both paid and non-paid, on ABC reports.

D 2.1 ~~Third Party Multi-Copy Sales~~

(a) All copies or subscriptions purchased in quantities of 2 or more, which in the opinion of the managing director promote the professional or business interests of the purchaser, shall be designated as ~~Third Party Multi-Copy Sales~~, except as otherwise permitted or prohibited by paragraphs (b) through (l). ~~Third party Multi-Copy~~ sales, either term subscription or single issue, wherein the copies are shipped in bulk to the purchaser who controls the final distribution shall be reported as "Multicopy - Same Addressee" in Bureau reports.

~~Third party Multi-Copy~~ sales, either term subscription or single issue, wherein the copies are individually addressed and mailed, shall be reported as "Sponsored Individually Addressed" in Bureau reports. If the copies are mailed in bulk, satisfactory documentary evidence must be maintained in the publisher's office showing that such copies are for distribution to designated recipients by name and/or title.

(b) If the number of subscriptions involved in a single ~~third party multi-copy~~ sale exceeds 5 percent of the total average paid term subscriptions of all other types and/or non-paid direct request, as reported in Paragraph 1 of the Publisher's Statement for the period immediately preceding that in which the transaction takes place, the subscriptions involved in that sale which are in excess of said 5 percent shall include in the Explanatory Paragraph a full explanation of the sale, including whether copies were individually addressed or purchased for redistribution.

(c) If the number of copies of a single issue involved in a ~~third party multi-copy~~ sale exceeds 1 percent of the "Total Average Paid Circulation" and/or non-paid direct request, exclusive of Multicopy -

Same Addressee and Sponsored Individually Addressed, as reported in Paragraph 1 of the Publisher's Statement for the period immediately preceding that in which the transaction takes place, the copies involved in that sale which are in excess of said 1 percent may be included in Single Copy Sales as Multicopy - Same Addressee or Sponsored Individually Addressed. A full explanation of the sale, including whether copies were individually addressed or purchased for redistribution, shall be made in the Explanatory Paragraph.

(d) In the case of initial audits or where there is no Publisher's Statement for the period immediately preceding that in which the transaction takes place, calculations shall be made on the basis of conditions existing during the period in which the sale is made.

(e) Multicopy - Same Addressee or Sponsored Individually Addressed sales shall be included in Publisher's Statements and Audit Reports in Paragraph 1. Single issues Multicopy - Same Addressee or Sponsored Individually Addressed sales shall be included in "Single Copy Sales" and shall be included in the "Total Average Paid Circulation." Analysis of Multicopy - Same Addressee and/or Sponsored Individually Addressed sales shall be made in the Explanatory Paragraph in such manner as to show the type or character of the sales.

(f) Copies or subscriptions involved in a ~~third party multi-copy~~ sale which is induced or influenced by a premium, contest, a contribution to charity, a special write-up in the publication or out of it, a special advertisement, or any other extraneous consideration shall be included in unpaid distribution.

(g) The total of the average ~~third party multi-copy~~ term subscriptions and the average ~~third party multi-copy~~ single copy sales credited as such in Bureau reports shall not exceed the total average paid circulation excluding Multicopy - Same Addressee and Sponsored Individually Addressed as shown in Paragraph 1. If it does, the publication shall be ineligible for membership.

(h) Copies served in post expires to ~~third party multi-copy~~ term subscriptions shall be excluded from paid circulation and included in non-paid distribution.

(i) ~~Third party Multi-copy~~ sales, if included in paid, shall be fully explained in



BUSINESS PUBLICATIONS -
Pages 38, 39 and 43

Rule D 2.1
~~Third Party Multi-Copy Sales~~

Rule D 2.2
Sponsored Educational ~~Bulk Multi-Copy~~
Sales

Rule D 8.1
Subscriptions Received in Connection
with an Advertising Contract

AMENDED RULES

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the body of the Audit Report and the Publisher's Statement, giving details of their character and nature, showing price received, how distributed and any other amplification necessary to make possible a clear analysis of their value including the range of sales as follows: "sold in quantities of _____ to _____."

(j) The subscriptions involved in a quantity sale made to an individual, group of individuals or corporation, which individual, group of individuals or corporation has a financial interest in the publication, shall not be included in ~~third party multi-copy~~ sales but shall be included in non-paid distribution, unless it can be proved to the satisfaction of the managing director that the sale was made for the benefit of the purchaser and not for the benefit of the publication.

(k) Subscriptions purchased in quantities by corporations, institutions or individuals for their own employees, subsidiary companies or branches are not subject to the provisions of Paragraph (a) but shall be reported as "Individual" in ABC reports provided the records show that copies are addressed and mailed to individuals in the employ of the subscriber or singularly to branch offices or subsidiary companies. If the copies are mailed in bulk, satisfactory documentary evidence must be maintained in the publisher's office showing that such copies are for distribution to employees, subsidiary companies or branch offices of such purchasers.

(l) Quantity sales shall be set up as ~~third party multi-copy~~ sales only when the price paid is in accordance with D 1.1.

D 2.2 Sponsored Educational ~~Bulk~~ Multi-Copy Sales

Business Publications may solicit funds from corporations or other businesses to be used to sponsor the purchase of subscriptions to be distributed to college/university students enrolled in studies within the "Field Served" of the publication. Such distribution may qualify as paid circulation and reported as "Bulk" multi-copy sales provided:

(a) funding is solicited for the purchase of subscriptions to a specific program;

(b) if the sponsoring business is also an advertiser to the publication, the sponsorship amount must be incremental to the advertising purchased by the sponsor;

(c) publishers allocate at least one cent per subscription (or single copy) for the sponsorship funding for each sale;

(d) recipients be advised that the subscription/single copy are being provided from sponsorship funding;

(e) no distribution is made unless the publication has received funding in advance; and

(f) the paragraph related to general explanations include a description of the sponsor(s), quantities purchased, amount allocated by the publisher from the sponsorship funding for each subscription/single copy, and the average is included in paid circulation.

D 8.1 Subscriptions Received in Connection with an Advertising Contract

(a) Subscriptions received in connection with an advertising contract shall be included in ~~Group (Mail Subscriptions Special)~~ Individual under the following conditions:

If at least one cent is charged over and above the regular advertising rate for the space covered by the contract and the advertising contract states specifically that if a subscription to the publication is not desired, the amount of the subscription price can be deducted from the amount of the contract and if such subscriptions are mailed individually to branch offices or employees.

(b) When such subscriptions are sent to the purchaser in bulk, they shall be designated as ~~term subscriptions in bulk~~ Multi-copy - Same Addressee, unless satisfactory documentary evidence is on file in publisher's office showing that such copies sent in bulk are for distribution to employees, subsidiary companies or branch offices of such purchasers.

(c) These subscriptions shall be fully explained in the paragraph of the Publisher's Statements and Audit Reports devoted to general explanations.

(d) Subscriptions included in an advertising contract where no additional charge is made for such subscriptions over the regular price of the advertising space contracted for shall not be included in paid circulation, but shall be included in the "Miscellaneous" classification under Non-Qualified Circulation.



BUSINESS PUBLICATIONS - Pages 40 and 41

Rule D 3.1 Initial Audit

Rule D 3.2 Transfer Audit

Rule D 4.1 Publisher's Statements

Rule D 5.1 Geographic Analysis

Rule D 5.2 [section (e) only] Business Analysis

AMENDED RULES

ABC's Board voted unanimously to modify Rules 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 Canadian business and farm publications to utilize either March/September ended report cycles or the traditional June/December report cycles.

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.

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(d) 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.

~~(d)~~ (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) 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.

~~(e)~~ (g) 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.

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) 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)~~ (c) For all publications utilizing the 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.

(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)~~ (e) 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.

~~(d)~~ (f) 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.

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D 5.1 Geographic Analysis

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

(a) For publications published outside of Canada ~~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). 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.

(c) 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.

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

~~(b)~~ (d) 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)~~ (e) 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.

~~(d)~~ (f) 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.

~~(e)~~ (g) 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.

~~(f)~~ (h) 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."

~~(g)~~ (i) 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) May and November issues for publications issued monthly, and on any issue in May and November for publications issued more frequently except as provided in D 3.1 (b). 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.

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FARM PUBLICATIONS –
Pages 51



FARM PUBLICATIONS –
Pages 52 and 62

E 1.2
[section (c) only]
Prices

AMENDED RULE

ABC's Board voted unanimously to modify Rule E 1.2 Prices, to include premium values when determining the net price paid by the subscriber when reporting of subscription price data in Bureau reports.

E 1.2 Prices

(c) Publisher's Statements and Audit Reports shall include an analysis of sales for the period based on sales price as a percent of basic price. For purposes of this classification, premium values, if any, ~~should~~ shall be excluded included in the analysis. All sales are to be classified as either:

- sold at basic or higher than basic
- sold at between 75% and basic price
- sold at from 50% to 75% of basic price
- sold at from 25% to 50% of basic price
- sold at less than 25% of basic price

Subscriptions sold for periods less than one year are to be classified based on a pro rata of the basic annual subscription price.

Subscriptions sold for periods of greater than one year are to be classified based on the established basic price for that term. If there is no basic price for the term, such sales are to be classified based on a pro rata of the annual basic price.

In addition, the Explanatory Paragraph shall include an annotation of any and all prices which individually generate 5% or more for subscription sales for the period covered by the report.

E 2.1
~~Bulk~~ Multi-Copy Sales

E 2.2
Paid ~~Bulk~~ Multi-Copy Sales Defined

E 2.3
Group (Mail Subscriptions Special)

AMENDED RULES

and

E 12.5
Non-Paid Multi-Copy Same Addressee
Circulation

NEW RULE

ABC's Board voted unanimously to modify Rules E 2.1 ~~Bulk~~ Multi-Copy Sales, E 2.2 Paid ~~Bulk~~ Multi-Copy Sales Defined, E 2.3 Group (Mail Subscriptions Special); and add new Rule E 12.5 Non-Paid Multi-Copy Same Addressee Circulation, to include non-bulk distribution to be reported as qualified and identified as "Multi-Copy Individually Addressed" or "Multi-Copy Same Addressee" on ABC reports; and to qualify non-paid copies sent in bulk to specific addressee for redistribution.

E 2.1 ~~Bulk~~ Multi-Copy Sales

(a) All copies or subscriptions purchased in quantities of 11 or more, which in the opinion of the managing director promote the professional or business interests of the purchaser shall be designated in Bureau reports as "Multi-Copy Sales" except as otherwise permitted or prohibited by the following provisions.

Multi-copy sales, either term subscription or single issue, wherein the copies are shipped in bulk to the purchaser who controls the final distribution shall be reported as "Multi-Copy - Same Addressee" in Bureau reports.

Multi-copy sales, either term subscription or single issue, wherein the copies are individually addressed and mailed, shall be reported as "Multi-Copy Individually Addressed" in Bureau reports. If the copies are mailed in bulk, satisfactory documentary evidence must be maintained in the publisher's office showing that such copies are for distribution to designated recipients by name and/or title.

(b) All copies or subscriptions purchased in quantities of 10 or less shall be designated in Bureau reports as "Single Copy Sales" or "Subscriptions: Individual" except as otherwise permitted or prohibited by the provisions hereafter stated.

(c) Subscriptions purchased in quantities by corporations, institutions or individuals for their own employees, subsidiary companies or branches are not subject to the provisions of Paragraph (a) but shall instead be judged by the rule governing "Mail Subscriptions Special" (See E 2.3 below).

E 2.2 Paid ~~Bulk~~ Multi-Copy Sales Defined

(a) Quantity sales shall be set up as ~~bulk~~ multi-copy sales only when the price paid is in accordance with E 1.1.

(b) Multi-copy ~~Term~~ term subscriptions in ~~bulk~~ carried beyond expiration of time originally paid for shall be excluded from ~~bulk~~ multi-copy sales and included in non-analyzed non-paid circulation.

(c) ~~Bulk~~ Multi-copy Sales, if included in paid, shall be fully explained in the body of the Audit Report and the Publisher's Statement, giving details of their character and nature, showing price received, how distributed and any other amplification necessary to make possible a clear analysis of their value including the range of sales as follows: "sold in quantities of _____ to _____."

(d) The subscriptions involved in a quantity sale made to an individual, group of individuals or corporation, which have a financial interest in the publication, shall not be included in ~~bulk~~ multi-copy sales but shall be included in non-qualified circulation, unless it can be proved to the satisfaction of the managing director that the sale was made for the benefit of the purchaser and not for the benefit of the publication.

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."

E 2.3 Group (Mail Subscriptions Special)

(a) Publications, which sell subscriptions in quantities to corporations, institutions or individuals for employees, subsidiary companies or branches, shall list subscriptions as "Mail Subscriptions Special" in Paragraph 1, provided the price paid is in accordance with E 1.1, and the records show that copies are addressed and mailed to individuals in the employ of the subscriber, or singly to branches or subsidiary companies. Copies sent in bulk to purchaser for distribution shall be shown as "Average Bulk Multi-Copy Same Addressee Sales" unless satisfactory documentary evidence is on file in publisher's office showing that such copies sent in bulk are for distribution to employees, subsidiary companies or branches of such purchasers, in which case the classification, "Mail Subscriptions Special," shall be allowed.

(b) Subscriptions in quantities of ten or less shall automatically qualify for inclusion in "Subscriptions: Individual" provided they conform to regulations in all other respects.

(c) An explanation of Mail Subscriptions Special shall be made in the paragraph devoted to general explanations in Publisher's Statements and Audit Reports and the range of sales stated as follows: "sold in quantities of _____ to _____."

E 12.5 Non-Paid Multi-Copy Same Addressee Circulation

(a) Non-paid multi-copy same addressee circulation is circulation delivered to designated addressees for redistribution to recipients unknown to the publisher. Records must be kept on an issue-by-issue basis to show gross distribution.

(b) Publisher's Statements and Audit Reports shall show copies distributed to designated areas but make no inference as to their final disposition.

(c) Non-paid multi-copy same addressee circulation may be reported in Paragraph 1 in Publisher's Statements and Audit Reports provided primary recipient (addressee) is in the field served by the publication and the Age of Source documentation does not exceed 36 months.

(d) If the publication reports demographic information, non-paid multi-copy same addressee circulation shall be reported in a separate column. Circulation may be

classified by Business and Industry based upon the primary recipient's (addressee's) demographic data. In these situations the primary recipient (addressee) must provide satisfactory evidence to support the classification. Classification by title and occupation shall be "other".

(e) Non-paid multi-copy same addressee circulation initiated by a request from the primary recipient (addressee) shall be reported as "Direct request from recipient's company" in Paragraph 3B. Other acceptable sources are Business Directories, Lists, and Other Sources.

(f) Non-paid subscriptions delivered in bulk to corporations, institutions or individuals for their own employees, subsidiary companies or branches are not subject to the provisions of this rule provided the records show that copies are addressed and mailed to individuals in the employ of the subscriber or singularly to branch offices or subsidiary companies. If the copies are mailed in bulk, satisfactory documentary evidence must be maintained in the publisher's office showing that such copies are for distribution to employees, subsidiary companies or branch offices of such purchasers.

(g) Non-paid multi-copy same addressee circulation shall be fully explained in the body of the Audit Report and the Publisher's Statement, giving details of their character and nature, showing how the copies are distributed and any other amplification necessary to make possible a clear analysis of their value including the range of distribution as follows: "distributed in quantities of _____ to _____."

purchase of subscriptions to be distributed to college/university students in their field served, and be claim these sponsored multi-copy educational sales as qualified in Bureau reports.

E 2.9 Sponsored Educational Multi-Copy Sales

Farm Publications may solicit funds from corporations or other businesses to be used to sponsor the purchase of subscriptions to be distributed to college/university or high school students enrolled in studies within the "Field Served" of the publication. Such distribution may qualify as paid circulation and reported as "Multi-copy" sales provided:

(a) funding is solicited for the purchase of subscriptions to a specific program;

(b) if the sponsoring business is also an advertiser to the publication, the sponsorship amount must be incremental to the advertising purchased by the sponsor;

(c) publishers allocate at least one cent per subscription (or single copy) for the sponsorship funding for each sale;

(d) recipients be advised that the subscription/single copy are being provided from sponsorship funding;

(e) no distribution is made unless the publication has received funding in advance; and

(f) the paragraph related to general explanations include a description of the sponsor(s), quantities purchased, amount allocated by the publisher from the sponsorship funding for each subscription/single copy, and the average is included in paid circulation.



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Rule E 2.9
Sponsored Educational Multi-Copy Sales

NEW RULE

ABC's Board voted unanimously to modify Rule E 2.9 Sponsored Educational Multi-Copy Sales, to allow farm publications to solicit funds from corporations or other businesses to be used to sponsor the



FARM PUBLICATIONS –
Pages 53 and 54

Rule E 3.1
Initial Audit

Rule E 4.1
Publisher's Statements

AMENDED RULES

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."

ABC's Board voted unanimously to modify Rules E 3.1 Initial Audit and E 4.1 Publisher's Statements, to allow Canadian business and farm publications to utilize either March/September ended report cycles or the traditional June/December report cycles.

E 3.1 Initial Audit

(a) The initial audit of a farm 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) 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.

(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.

E 4.1 Publisher's Statements

(a) For publications published outside of Canada ~~the~~ the semiannual Statements shall cover the periods from January 1 to June 30 and July 1 to December 31.

(b) 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)~~ (c) For all publications utilizing the 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.

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

(e) (e) Farm Publications shall report the total paid (total of subscriptions and single-copy sales), qualified non-paid circulation and non-qualified circulation on an issue-by-issue basis in Paragraph 2 of Publisher's Statements.



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Rule E 8.5 Subscription/Single Copy Sales in Combination

AMENDED RULES

ABC's Board voted unanimously to modify Rule E 8.5 Subscription/Single Copy Sales in Combination, to align rule language for all publisher divisions wishing to offer a combination package within their own media division or in partnership with a different media type.

Rule E 8.5 Subscription/Single Copy Sales in Combination

(a) A "forced" combination is defined as two or more publications offered or sold together for an amount less than the total of the basic prices of all the publications (as determined by E 1.1) and wherein all publications intend to qualify the distribution as "paid circulation," except:

When it is clearly made known to the purchaser that each of the publications may be purchased individually at the same price as if purchased as part of the group.

(b) When subscriptions for two or more farm publications are ordered or sold in combination by any means the amount paid by the subscriber must not be less than one cent per publication.

(1) When subscriptions for two or more publications, one of which is a farm publication and the other a business publication, magazine or newspaper, the amount paid by the subscriber must be not less than one cent for the farm publication plus at least the qualifying amount as defined by the other publication's division.

(c) The amount of money to be allocated to each title in the combination sale offer for purposes of classification of

the sales compared to basic prices (see E 1.2) shall be based on the offer presentation itself, if it includes references to the value of each subscription in the combination sale (the sum of which must total to the selling price for the combination sale), or, if no such presentation is made, shall be based on the pro rata of each publication's basic price to the sales price.

(d) Regardless of its frequency of issue, a publication, the contents of which consists chiefly of data for reference rather than for general reading, shall if sold in combination with other publications, be considered a premium in the reports of the publication or publications in the sale of which it is combined. Regardless of the character of its contents a publication whose frequency of issue is less than once in three months shall, if sold in combination with other publications, be considered as a premium in the reports of the publication or publications in the sale of which is combined.

(e) Existing and renewing subscribers may be offered a combination sale under either of the following conditions:

~~(1) The offer to "add on" the combination publication must require an affirmative act on the part of the subscriber; offers requiring the subscriber to decline the combined publications if it is not desired will not qualify the sale as paid circulation.~~

~~(2) The offer to "add on" the combination publication must require either incremental payment beyond the rate of the existing contract, or an option to reduce the rate of the existing contract if the offer is declined. The amount of the incremental payment or reduction of rate from the existing contract must be clearly disclosed, and must be at least a qualifying amount as defined by the publication's paid circulation defined rules.~~

(1) The offer to "add on" the combination publication requires an affirmative act on the part of the subscriber and incremental payment beyond the rate of the existing contract, or an option to reduce the rate of the existing contract if the offer is declined. The amount of incremental payment or reduction of rate from the existing contract must be clearly disclosed, and must be at least a qualifying amount as defined by the publication paid circulation defined rules.

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."

(2) The offer to "add on" the combination publication requires notification to the subscriber and promotion materials shall not imply nor suggest that the add on business publication is "free" or "at no additional cost." The amount being paid for all publications involved in the combination must be at least a qualifying amount as defined by the publication paid circulation defined rules.



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F 1.2 Prices [section (b) only]

AMENDED RULE

ABC's Board voted unanimously to modify Rule F 1.2 Prices, to allow reporting of single copy prices on Publisher's Statements whenever a magazine has more than one cover price in effect during the reporting period.

F 1.2 Prices

(b) Publisher suggested prices must be reported in the semi-annual Publisher's Statements. Only those prices appropriately established as publisher suggested prices in the judgment of the managing director will be recognized by the Bureau as publisher suggested prices. In situations where a publisher changes single copy price during the Publisher's Statement period, reporting in the semiannual Publisher's Statement shall be the average of all issues' single copy cover price published in the period.



MAGAZINES – Page 66

F 2.7 Club/Membership Subscriptions [section (f) only]

AMENDED RULE

ABC's Board voted unanimously to modify Rule F 2.7 Club/Membership Subscriptions, to eliminate the requirement that magazines offering non-deductible club/membership subscriptions include unique editorial or benefits to club members.

F 2.7 Club/Membership Subscriptions

(f) Nondeductible club/membership subscriptions shall qualify for inclusion in paid circulation under the following conditions:

(1) The publication included in the Club/Membership program must be editorially homogeneous with the defining characteristics of the club or membership program.

(2) Annual club/membership dues must be collected from the club/membership members.

~~(3) The publication must provide unique editorial and/or benefits to the club/membership members at least quarterly or within every issue for publications published less frequently than quarterly.~~

(4) (3) Club/membership members shall have the option to "opt" out of the club/membership program, but may continue as subscribers at the same or greater price as allocated as part of the membership fee.

~~(5) (4) The amount to be allocated to the subscription must be at not less than one cent, and the value of tangible products or services (premiums) plus the amount allocated for the subscription cannot exceed the amount charged as dues.~~

(6) (5) The Explanatory Paragraph of ABC Publisher's Statements shall include a full description of the club, to include a listing of all club benefits and, where applicable, the value of club benefits.

Nondeductible club/membership subscriptions shall be reported separately in Publisher's Statements and Audit Reports in average paid circulation in Paragraph 1. This disclosure shall be accompanied by a parenthetical note indicating the amount of club/membership dues charged, or range thereof, and the amount of the club/membership dues allocated for the subscription.



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F 8.4 Subscription/Single Copy Sales in Combination [section (g) only]

AMENDED RULE

ABC's Board voted unanimously to modify Rule F 8.4 Subscription/Single Copy Sales in Combination, to allow the opportunity to add an additional publication to the existing term of a consumer's service in a continuous service renewal program where the consumer positively affirms the acceptance of the added publication.

F 8.4 Subscription/Single Copy Sales in Combination

(g) Existing magazine subscriptions involved in ongoing ("til forbid") continuous service offered a combination sale may qualify as paid under the following conditions:

(1) The offer to "add-on" the combination magazine must require an affirmative act on the part of the subscriber; offers requiring the subscriber to decline the combined publications if it is not desired will not qualify the sale as paid circulation.

(2) Notification to the subscriber must be made at least 30 days prior to the debits to authorize credit card accounts to include identification of magazine added, term of subscription, amount charged, and notification of terms of continuous service contract and manner in which subscription may be cancelled if not desired.

(3) The amount being paid for all magazines involved in the combination must be at least a qualifying amount as defined by the publication paid circulation defined rules.

(4) Promotion materials shall not imply nor suggest that the add-on magazine is "free" or "at no additional cost."

(5) The "add-on" of another publication is to commence no sooner than the start of the next continuous service contract period.