

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."

All Publications – Page 3

Bylaw 2.14 Publisher's Statements – Filing and Certification

AMENDED BYLAW

ABC's Board voted unanimously to modify Bylaw 2.14 Publisher's Statements – Filing and Certification to require that a senior circulation executive and the publisher or other executive management sign Publisher's Statements. (Effective with September 2007 Publisher's Statements.)

2.14 Publisher's Statements – Filing and Certification

Publisher members shall file with the Bureau for prompt release by the Bureau true statements of circulation in accordance with the ABC bylaws and rules for semi-annual or such other periods as may be determined by the Bureau.

These statements must be signed by and certified by the senior circulation manager, executive or individual who performs the function of circulation manager and by the publisher or an individual in executive management (e.g., President, CEO, etc.) as follows, "We certify that to the best of our knowledge all data set forth in this Publisher's Statement are true and report circulation in accordance with Audit Bureau of Circulations Bylaws and Rules." These Publisher's Statements shall be audited by the Bureau in accordance with its rules.

All Publications – Page 17

Rule B 2.1 Member Obligations

AMENDED RULE

ABC's Board voted unanimously to modify Rule B 2.1 Member Obligations to require that all requested data are submitted to ABC within six months of the close of the audit period; failure to submit the required records will result in a suspension of all report services. (Effective July 16, 2007.)

B 2.1 Member Obligations

An ABC audit is designed to provide a high degree of assurance that an ABC member-publication's circulation, as well as all other information contained in its ABC Audit Report, is fairly stated in all respects material to average paid and analyzed non-paid circulation.

ABC publisher members are responsible for all information disclosed in their ABC Publisher's Statements and Audit Reports, and are obligated to comply with Bylaw 2.8 "Publisher Duty to Install and Maintain Records" and Bylaw 2.15 "Access to Records." These bylaws state that the publisher is also responsible for the accuracy, completeness and accessibility of records maintained by agents, their sub-agents, distributors and other third-party suppliers.

Publishers must cooperate fully and in a timely fashion with ABC auditors in providing accurate records and information in connection with inquiries that arise during the audit process.

All ABC report services will be suspended when the ABC auditor cannot present final audit findings within ~~42~~ six months of the audit period, if the delay is caused by the failure of the publisher (or its agent, their sub-agents, distributor or other third-party supplier) to respond in a timely fashion to requests for records. Report services will be resumed once the necessary documentation has been provided.

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Rule B 2.8 Variations from Publisher's Statement

AMENDED RULE

ABC's Board voted unanimously to modify Rule B 2.8 Variations from Publisher's Statement to report variances of more than three percent between the auditor's findings and the filed Publisher's Statement. (Effective with the next Variance Report release.)

B 2.8 Variations from Publisher's Statement (paragraph (d) only)

(d) If an Audit Report shows discrepancies of more than ~~2~~ 3 percent between the auditor's findings and the Publisher's Statements for the period audited, the subsequent two Publisher's Statements released after the audit shall repeat from the last preceding Audit Report the paragraph that sets forth the facts concerning said discrepancies.

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B BUSINESS PUBLICATIONS – Page 52

Rules D 10.2 Separate Editions and D 10.3

Digital Versions and Digital Editions

AMENDED RULE and NEW RULE

ABC's Board voted unanimously to modify Rule D 10.2 Separate Editions and add new Rule D 10.3 Digital Versions and Digital Editions to allow business publications to include digital editions in the qualified circulation category on ABC reports as long as the digital edition maintains the same publication name and logotype as the member publication. The digital edition may display a different name provided the logotype is shown in a consistent manner with the member's basic logotype on all editions and the term "edition" is consistently shown on each product. In addition, Rule D 10.3 was added to formalize ABC's longstanding digital version and edition guidelines. (Effective with December 2007 Publisher's Statements.)

D 10.2 Separate Editions

(a) A member business publication, published in either a print or digital format, may include the circulation of a separate edition, either print or digital format, in the qualified circulation of the member in Publisher's Statements and Audit Reports, subject to the following condition:

(1) The edition may maintain the same publication name and logotype characteristics as the member publication, or editions or portions of the publication's distribution may show on the front page a name other than the name under which ABC membership is held provided the logotype of the member is shown in a manner

consistent with the member's basic logotype on all editions, and the term "edition" is consistently shown on each edition and both are clearly legible.

(a) (b) A business publication published in more than one edition in which advertising is sold separately in one or more editions shall be required to list the average circulation for each edition and state frequency of publication in Paragraph 1(d) under a heading "Average Paid and Non-Paid Circulation of Regional and Demographic Editions" and totals for all editions in separate columns in Paragraphs 3(a) and 4 of Publisher's Statements and Audit Reports.

(b) (c) A publisher member may designate certain portions of the circulation of his publication distribution, either print or digital format, of its publication as "editions."

(c) (d) In the absence of specific designations as "edition" or "editions," a publication shall be required to list the average circulation for each portion, in Paragraph 1(d) and totals for each in Paragraphs 3(a) and 4 of Bureau reports, in which advertising is regularly sold separately, except for areas comprised of a complete state, province or country or comprised of complete business or occupational classification reported in Paragraph 3(a) (or group of each).

(d) (e) A business publication, reporting on either the Paid Circulation Form or the Paid and Qualified Non-Paid Circulation Form and published in more than one edition in which advertising is sold separately in one or more editions shall, in the event any such edition or editions have less than 70 percent paid circulation as defined in 2.11 of the bylaws (or less than 50 percent paid circulation in the case of provisional members), be required to list in separate columns the paid, non-paid and non-qualified circulation, for each edition and totals for all editions, in Paragraphs 1(a), (b) and (c) of the Publisher's Statement. The column for each edition having less than the required paid circulation, as defined above, shall be identified by a reference to the paragraph

devoted to general explanations, where a full explanation shall be made. If no edition has less than 70 percent paid circulation as defined in 2.11, of the bylaws (or less than 50 percent paid circulation in the case of provisional members), the segregation for each edition in Paragraphs 1(a), (b) and (c) of the Publisher's Statement shall be optional with the publication for any complete audit period.

Also, see Rule D 10.3 Digital Editions and Digital Versions

D 10.3 Digital Versions and Digital Editions

(a) The labels "digital version" or "digital edition" will be used to describe all copies distributed via electronic or paperless means.

(1) Digital version is defined as a publication distributed via electronic / digital means that maintains the basic identity of the host publication by maintaining the same name / logo and wherein the editorial and advertising content is a replica of the core host product. The digital version may contain "hotlinks" to the publisher's Web site provided the Web site contains updated or expanded editorial content when compared to the print edition.

(2) Digital edition is defined as a product distributed via electronic / digital means that maintains the basic identity of the host publication either by maintaining the same name / logo or by identifying itself as "an edition of _____," but contains different editorial and/or advertising content.

Digital edition circulation must be reported separately in Publisher's Statements and Audit Reports in accord with Bureau Rule D 10.2.

(b) Digital versions and editions may not be comprised of a newsletter / e-newsletter or unrestricted website access.

(c) Both "push" and "pull" methods of distribution are acceptable. Therefore, notification to the subscriber of the product's availability on restricted access Web site qualifies as a delivery.

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(d) Digital version / edition-only subscribers shall be required to provide a land address for reporting purposes in Paragraph 4 Geographic Analysis. Digital version / edition-only subscribers who do not provide a usable land address shall be reported as "e-mail address only" and shall not be subject to the 5 percent limit as articulated in Rule D 5.1(c) Geographic Analysis.

(e) Copies identified as delivery issue "bounce backs" may be included in qualified circulation for a limited time frame provided the delivery issue associated with the bounce back is rectified, or the subscriber is purged from the subscriber file in accord with the following scale: daily – 10 issues; weekly – four issues; biweekly – two issues; and monthly – one issue.

Where the initial delivery of a subscriber's digital version / edition takes place outside of the publisher's normal means of distribution, or subsequent to the delivery of the publication's main file, the above schedule is effective with the next scheduled delivery of the main file (both print and digital versions / editions). Any initial digital version / edition served outside of the publisher's normal distribution channel or subsequent to the distribution to the main file is not subject to the "bounce back" schedule, nor is it eligible for inclusion with qualified circulation.

(f) Mid-term conversions from print only to digital version / edition only may be completed at the publisher's discretion provided the subscriber has the opportunity to "opt-out" of the conversion and retain the print subscription or terminate the subscription altogether.

(g) Paid bulk sales and license agreements may be reported as qualified circulation in ABC reports provided the purchaser pays a qualifying price for each subscription.

(h) Publications are required to provide a statement of digital delivery methodology in the explanatory paragraph of ABC reports.

Also, see Rules D 1.2 Prices, D 5.3 Age of Source, and D 10.2 Separate Editions.

MAGAZINES – Pages 70, 75 and 82

Rule F 2.1
Sponsored Sales
F 7.2
Back Copies
F 15.1
Verified Circulation

AMENDED RULE

ABC's Board voted unanimously to modify Rules F.2.1 Sponsored Sales, F.7.2 Back Copies, and F 15.1 Verified Circulation to:

- stipulate that recipients of verified and public-place sponsored circulation are ineligible to receive back copies; and that back copies served to individually addressed sources shall not qualify as sponsored or verified circulation if the recipient did not directly request the publication.

- require that all copies served to a public place or individual are claimed as verified circulation and reported accordingly.

- eliminate the qualification of public-place sponsored sales as a paid circulation category and move this circulation to the verified circulation category.

(Effective with the January 1, 2008, Issues.)

F 2.1 Sponsored 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, and are delivered to private residences or business offices and intended for the personal consumption of the addressee, shall be considered "Sponsored" subscriptions or single copy sales and shall be reported in Publisher's Statements and Audit Reports per the provisions of paragraphs (e), and (f) and (g) below, except as otherwise permitted or prohibited by the following provisions:

(b) Quantity sales shall be set up as Sponsored Sales only if the purchaser pays the publisher or publisher's agent amounts required by F 1.1 net of all other considerations. In those instances where an agent develops a sponsored sales program involving more than one publication, the sponsor must demonstrate his / her selection of the specific publications they wish to purchase. This can be accomplished by means of the agent generating invoice(s) that identify the titles, quantities purchased and purchase amount for each title.

In addition, the purchasers involved in agent developed programs must provide, directly to ABC, an attestation of their understanding of the purchase agreement and their primary business reason for making the purchase.

(c) Each ~~Public Place copy and each~~ household scheduled to receive a sponsored copy must have notification as to who the sponsor will be and the term the delivery is scheduled to take. Such notification should not be promotional in nature.

(d) Sponsored Sales sold on a promise-to-pay basis must be paid within four months of the start of service.

(e) Qualified purchasers of sponsored sales shall be defined as businesses or individuals having a consumer presence. Third party subscription selling organizations or other vendors to the publication circulation industry shall not be recognized as qualified sponsored purchasers.

(f) Post-expiration copies shall be excluded from paid circulation and included in non-paid distribution.

(g) Copies served to public places for use in reception areas or other public settings to be shared by multiple consumers or to be picked up by unknown users of the venue shall not be eligible to be reported as sponsored sales, but may be eligible to be reported as "verified" circulation, "analyzed non-paid bulk" or "analyzed non-paid market coverage" if distribution is in accord with the provisions of Rules F 15.1, F 13.5 or F 13.6.

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~~(g)~~ (h) 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.

~~(h)~~ (i) The average number of copies served in the period for sponsored subscriptions shall be reported separately, with an explanation in the Explanatory Paragraph that may include an optional description of the type of distribution being made (e.g., individually requested, etc.).

~~In addition, publishers shall have the option of reporting these sales by distribution points (e.g. airlines, hotels, waiting rooms, individually addressed, etc.).~~

~~(i)~~ (j) The average number of copies served in the period from sponsored single copy sales shall be reported separately, with an explanation in the explanatory paragraph of Publisher's Statements and Audit Reports.

~~(j) On an optional basis, publishers may elect to further analyze sponsored sales (subscription and/or single copy) as either "Public Place/Sponsored" or "Individually Addressed/Sponsored" as per the following definitions:-~~

~~"Public Place/Sponsored" sales are copies delivered to waiting rooms, reception areas or other public settings to be shared by multiple consumers, or to be picked up by unknown users of the venue.~~

~~"Individually Addressed/Sponsored" sales are copies delivered to private residences or business offices and intended for the personal consumption of the addressee.~~

~~Only those publications that have adequate records to verify classification as defined above should consider making this optional reporting analysis.~~

(k) If a magazine is the official journal of an association and the majority of the subscriptions are association, sponsored sales subscriptions may be included with association subscriptions in Paragraph 6 if the average for the period does not exceed 10 percent of the total average subscription circulation.

(l) 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 Sponsored Sales but shall be included in non-analyzed non-paid 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.

(m) 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 Group (Mail Subscriptions Special). (See F 2.5)

(n) Copies of magazines that are distributed through redemption programs utilizing advertiser coupons are eligible to be included in paid circulation when the price paid by the purchaser (advertiser) is in accord with F 1.1. In addition, the total number to be included in paid circulation is limited to 1 percent of total circulation in the geographic area in which the coupons are distributed. Copies in excess of 1 percent of total circulation for the period in which the transaction takes place shall be included in total non-analyzed non-paid circulation. Any program involving advertiser coupons for the redemption of single copy sales must be reviewed and approved in advance by the Bureau and all copies so distributed must be fully explained in the appropriate paragraph of the Bureau Publisher's Statements and Audit Reports.

F 7.2 Back Copies

(a) An issue of a publication shall be considered a back copy immediately upon the appearance for sale of the next issue for newsstand copies and the mailing of the next issue for subscription copies.

(b) Back copies served in connection with a subscription offer shall be recognized as paid up to three months preceding the date of the order, provided the subscription

offer has specifically included the offer of back copies, or the subscriber has requested a back dating of the subscription, and provided consecutive copies served and are paid for in accordance with rules governing paid circulation.

The number of subscriptions resulting from specific offers involving the distribution of back copies shall be reported in the paragraph of the Publisher's Statements and Audit Reports devoted to general explanations.

(c) Only copies that have been distributed in connection with orders dated during and 30 days after the regular Publisher's Statement period may be included in paid.

(d) Copies served to verified public-place sources are not eligible for service of back copies to be included in paid and verified circulation.

(e) Copies served to verified and sponsored individual-use recipients where the recipient did not request the publication through direct request are not eligible for service of back copies to be included in paid and verified circulation.

~~(e)~~ (f) A new subscriber ~~(or magazine recipient in cases of sponsored or verified subscriptions)~~ who has not specifically ordered back copies as part of a subscription is eligible to be served one issue preceding that which is currently being mailed in the case of bi-monthly and monthly published publications and two issues preceding that which is currently being mailed for publications of greater frequency. Such copies may be included in paid circulation. (In order that publishers conform to a consistent policy of start issues, the above applies irrespective of different cover dates and/or mailing schedules of publications.)

~~(e)~~ (g) Single issue sales of back copies shall be recognized as paid for a period of three months following the on-sale date of an issue provided the purchaser has specifically ordered the back issues. With prior approval from the managing director, back copies sold from three months to six months following the on-sale date of an issue, and therefore not

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eligible for inclusion in paid circulation, may be reported as "Other Distribution, Back Copies" with complete explanation in the Explanatory Paragraph. When back issues are packaged with current on-sale issues, only the current issue shall be recognized as paid and only if the amount paid is the full single copy price of the current issue or 50 percent of the combined full prices of all the issues in the package, whichever is highest.

F 15.1 Verified Circulation

(a) Verified circulation shall consist of copies designated by publishers for readership in public places and to individual users who may have an affinity for the publication. Copies classified as 'verified' will not be subjected to paid circulation qualification standards, however all recipients (individuals and public place locations) must be afforded an option to 'opt-out' of receipt on an annual basis and as further described below.

(b) Verified circulation will consist of subscription circulation only. Single-copy distribution will not be eligible to be reported as 'verified' circulation, but may be eligible to be reported as 'analyzed non-paid bulk' or 'analyzed non-paid market coverage' if distribution is in accord with the provisions of Rule F 13.5 or F 13.6.

(c) Verified circulation will be reported in total in Paragraph 1 of ABC Publisher's Statements and Audit Reports and be further analyzed within the appropriate paragraphs of each statement and report. Once a copy served to an individual address or to a public place is reported as verified circulation, all copies served to that address or public-place locations are to be reported as verified circulation through the full term of the subscription service.

(d) There are two sub-categories of 'verified' circulation: Public Place and Individual Use. Total verified circulation reported in Paragraph 1 of ABC Publisher's Statements and Audit Reports must be further analyzed into these categories as appropriate in paragraphs devoted to such

an analysis and as described below. In addition, publications shall have the option of reporting fees received from a sponsor for copies reported under verified circulation provided adequate records are in place to verify amount received net of all considerations.

(e) Verified Public Place will represent copies intended for use in waiting room locations and hotel rooms and for use by patrons of the business establishment at that location and not intended for individual pick-up and removal. To qualify to be reported as Public Place, the following conditions must be met:

(1) Each business establishment identified as a public place must be given the ability to opt-out as a receiving location on an annual basis.

(2) No more than three copies of each issue of any magazine may be served to a public place location, however no limit will be placed on the total number of unique magazines that may be served to each public place location.

(3) There must be at least two consecutive issues served for each unique magazine at each public place location.

(4) The copy served must be the current subscription issue being distributed.

(4) (5) Copies to be distributed to hotels for in-room placement as Public Place locations must also meet the following criteria:

(i) Publications of monthly or less frequency may provide a maximum of two copies per hotel room to each hotel location;

(ii) Publications of greater than monthly frequency may provide a maximum of one copy per hotel room to each hotel location;

(iii) The publisher or publisher's agent must maintain a current contract with each hotel or responsible hotel corporate management. The contract is to be signed by an individual in senior management at the hotel. The contract must stipulate the hotel's agreement to participate, confirm the number of copies of each unique magazine to be

provided, and identify the specific locations within the hotel where the copies are to be placed. The contract must be renewed at least annually.

(f) Verified Public Place circulation must also be analyzed so as to report the number of copies distributed to the top five location types (e.g., doctors/healthcare provider locations, personal care salons, etc.). A standard listing of location types will be maintained by ABC.

(g) Verified Individual Use circulation will represent copies delivered to individuals who have been provided the option to 'opt-out' and not receive the magazine. The 'opt-out' option must be presented to the recipient within three months of the initial start of service, and at least annually thereafter. Publishers electing to offer an 'opt-in' may do so and report the circulation as Verified Individual Use if the provisions of F 15.2 are followed.

(1) Only one subscription per household may be reported as Verified Individual Use.

(2) Verified Individual Use circulation must also be analyzed as to the top five sources of names included in the category (e.g. show attendees, charitable donors, individual requested, etc.). A standard listing of source categories will be maintained by ABC.

(3) Copies originally served by a publisher with the intention to qualify as 'paid' circulation, shall not be eligible to be reported in ABC Publisher's Statements as 'Verified Individual Use' but rather may be eligible to be reported as 'analyzed non-paid market coverage' copies.

(4) Copies originally reported as 'paid' circulation and subsequently disqualified through the audit process are not eligible to be reported as Verified Individual Use but rather may be eligible to be reported as 'analyzed non-paid market coverage' copies unless it can be shown to the satisfaction of the Managing Director that each individual recipient took an affirmative action to specifically order the magazine at the inception of service.

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(5) Recipients must be served at least two consecutive issues.

(6) Copies served must be the current issue being distributed to subscribers unless subscriber has directly requested the publication in accordance with Rule F 15.2.

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Rule F 8.4 Subscription/Single Copy Sales in Combination

AMENDED RULE

ABC's Board voted to modify Rule F 8.4 Subscription/Single Copy Sales in Combination to stipulate that when two consumer magazines are sold in a "forced combination," such single copies will qualify as paid circulation – with certain provisions. (Effective with January 1, 2008 issues.)

F 8.4 Subscription/Single Copy Sales in Combination

(ABC board of directors will again review section (h) of the below rule at its November 2008 meeting.)

(a) A "forced" combination is defined as two or more publications offered or sold together for an amount less than the total of the publisher's suggested prices of all the publications 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 magazines are ordered or sold in combination by any means the amount paid by the subscriber must not be less than one cent per magazine.

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

(c) The average copies served in the period as a result of a "forced combination" sale shall be shown in Publisher's Statements and Audit Reports in the paragraph devoted to general explanations. In addition, details of the combination offer, to include titles of other publications involved, Publisher Suggested Prices of all publications included, term of offer and total selling price shall be included in Publisher's Statements and Audit Reports.

(d) The amount of money to be allocated to each title in the combination sale offer for purposes of calculating average per-copy prices shall be based on the offer presentation itself, if it includes reference 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 the amount to be charged incrementally or reduced from the existing contract or renewal in an "add on" offer (see (f) and (g) below), or if no such presentation is made, shall be based on the pro rata of each publication's publisher's suggested price to the sales price.

(e) Regardless of its frequency of issue, a publication, the content 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.

(f) Existing and renewing magazine subscribers offered a combination sale may qualify as paid under either of the two following conditions:

(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.

(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 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.

(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 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."

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

(h) When two consumer magazines are sold in a "forced combination" in single copy, such single copies will qualify as paid circulation provided:

(1) ABC must be notified of any forced combination in single copy in advance of the on-sale date through completion of a pre-evaluation request found at www.accessabc.com.

(2) Issues sold in a forced combination must be the current issue on sale separately within the newsstand marketplace.

(3) The magazines included in the forced combination must have similar editorial content.

(4) The amount paid by the purchaser for the forced combination must be a minimum of 100 percent of the basic single-copy price of the highest priced magazine and 25 percent of the basic single-copy price for the other magazine.

(5) No more than 50 percent of the total draw of the magazine with the smaller single-copy draw may be offered in a forced combination for that issue.

(6) The average copies served in the period as a result of a single-copy forced combination shall be reported in Publisher's Statements and Audit Reports. In addition, details of the combination, to include the identify of the combination magazines, the issue(s) sold, quantity sold and price of the combination shall be reported in the paragraph devoted to general explanations of Publisher's Statements and Audit Reports.

NEWSPAPERS – Page 28

Rule C 5.1 Premium Defined

AMENDED RULES

ABC's Board voted to modify Rule C 5.1 Premium Defined to exempt subscriber rewards or loyalty programs as a subscription premium; and to specify what is not a premium. (Effective July 16, 2007.)

C 5.1 Premium Defined

(a) Premiums are anything offered to a subscriber at time of solicitation, in addition to regular issues of the publication itself, and shall be reported in Bureau reports as a premium, regardless of whether or not such extraneous thing is given only to new subscribers or to all subscribers. In addition, any presentation to current subscribers which, in the opinion of the managing director, implies future receipt of such extraneous things in conjunction with continued (or future) subscriptions will cause renewal subscriptions to be judged as premium induced. The number of subscriptions, whether new or renewal, involving such premiums taken during any period for which Publisher's Statement is filed shall be reported in the paragraph designated for that purpose and the nature of the premium and the provisions of the offer and the distribution thereof shall be described in Publisher's Statements and Audit Reports.

Premiums are anything except:

(1) Complete issues of newspapers or periodicals sent to all subscribers for the period included in the offer. Electronic edition issues provided to all print subscribers for the period included in the offer wherein only the print edition subscription is to be reported as paid circulation.

(2) 'Door Openers' defined as anything sent free by mail with subscription offer or provided by solicitor at the time of solicitation that has been reprinted from or is printed material directly related to the publication making the subscription offer and the value of which does not exceed 50 cents as determined by procedure outlined in C 5.2(a).

(3) Offers of sample merchandise to subscribers in connection with subscription offers in which the ordering and receipt of the sample product is not contingent upon ordering subscription(s).

(4) Merchandise offered to current paid subscribers as an inducement to convert payment methodology on future subscriptions. Such offers are to be made separate from subscription renewal efforts and are limited to inducements to subscribers to agree to ongoing (til forbid) continuous service which may include automatic billing process and/or debits to authorize credit card accounts.

(5) Electronic editions of newspapers, regardless of whether they are priced and/or otherwise reported as paid circulation.

(6) Programs providing subscribers exclusive access to functions or activities created by the publisher that are not also available for sale to the general public, but are offered for sale, at an incremental cost, to existing subscribers, subsequent to the purchase of their subscription.

(7) Free or discounted access to archive or back content of the publication included as part of the subscription to the publication.

(8) Free or discounted access to online content or an electronic edition from the same editorial home as the publication included as part of the subscription to the publication.

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(9) Subscriber reward programs are designed to promote brand loyalty by demonstrating appreciation to subscribers and Web visitors, and provide added value for a newspaper's advertisers. Subscriber reward programs will not be classified as a subscription premium if the following requirements are met:

(a) Enrollment Process – the subscriber reward program must include an enrollment process initiated by the subscriber or consumer. Automatic enrollment is not permitted. The newspaper may designate who is eligible for program membership and at what membership level.

(b) Rewards may take two forms:

(1) The newspaper may reward subscribers with merchandise or points redeemable for merchandise; however, i) the reward may not be converted to cash and/or accepted as payment for a subscription by the newspaper, and ii) retail value of a new subscriber's merchandise reward may not exceed the new subscriber's subscription price during the first 90 days of the subscription.

(2) Advertisers may participate in the subscriber reward program by offering rewards designed to build reach, good will and increased consumer business for the advertiser.

(c) Disclosure and record requirements – The explanatory section of all ABC Publisher's Statements and Audit Reports must include a paragraph describing the subscriber reward program details, including the number of participants in the program (subscribers and non-subscribers).

(d) The subscriber reward program may contain benefits such as editorial content generated by the newspaper and other publications; community calendars; or access to newspaper-sponsored events and services. [Access to paid print or paid electronic editions of other publications is not considered eligible and would be governed by the combination sales rule.]

(b) If a back copy, either whole or part, is included in a subscription offer, the back copy shall be considered a premium, unless the subscription is taken on a retroactive basis in accord with the Bureau's back copy rule and the date of the back copy is such that it would have been included in the subscription even though not mentioned specifically in the offer.

(c) Periodicals and newspapers offered in combination sales shall not be considered premiums but shall be reported in a special paragraph devoted to combination sales prices.

(d) Any publication, the contents of which consist chiefly of data for reference rather than for general reading, shall not be considered a "periodical" for the purpose of the exception noted in Paragraph (a) of this section but shall, when sold with another publication, be considered as a premium. Any publication, regardless of character of content, whose frequency of issue is less than once in three months shall not be considered a "periodical" for the purpose of the exception noted in Paragraph (a) of this section but shall, when sold with another publication, be considered as a premium.

Note: Double underscore indicates a technical correction. It was inadvertently omitted during production of Edition BH 2/04 (but has been in the Web version).