

AAM Bylaws Extract Applicable to Digital Publishers and Out-of-Home Media Publishers

BYLAWS - This does not purport to be AAM's entire set of Bylaws. The following is an extract of AAM's Bylaws applicable to digital publishers and out-of-home media publishers who are associate members of AAM. The full set of AAM's Bylaws are available on AAM's website at: www.auditedmedia.com. Associate members of AAM have all the rights, obligations, etc., under AAM's entire set of Bylaws. This extract version is provided to highlight the areas that are most applicable to associate members.

Article 1 - Objects

The purpose of the Alliance for Audited Media (AAM) is to issue standardized media data and to verify those data by independent audit; and to disseminate the data via our own database and through other organizations for the benefit of advertisers, advertising agencies and others in the media industry. AAM audits report both the quantity and quality of the data allowing us to report facts without opinion.

Article 2 - Membership Qualifications and Obligations

2.1 Classes and Obligations of Membership

(a). There shall be eight classes of membership as follows:

- Advertisers.
- Advertising Agencies.
- Associates.
- Alternative Delivery Organizations.
- B2B Media Publishers.
- Farm Media Publishers.
- Magazine Media Publishers.
- News Media Publishers.

(b) Members shall abide by all published bylaws, rules, policies and practices of AAM. Associate members do not have voting rights.

2.2 Eligibility for Membership

(c). Associates: A parent company of an AAM publisher member, digital publisher, out-of-home media publisher, individual or entity that utilizes or reports information or other AAM data or utilizes services from AAM or its subsidiaries may apply for associate membership.

(e) Transfer of membership: Membership shall be nontransferable.

2.6 Application for Membership - All

Application for membership shall be made on forms provided by AAM and all applicants shall therein agree to abide by the published bylaws, rules, policies and practices of AAM and all amendments and additions that may in due form be made thereto.

2.8 Publisher Duty to Install and Maintain Records

It shall be the duty of each publisher member to install, maintain and make available to AAM auditors at all times, true and correct records, capable of being audited in accordance with the established auditing practices of AAM.

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2.12 Access to Records

For the purpose of accomplishing the objects of AAM, AAM and its subsidiaries shall have the right of access to all books and records of members deemed necessary by AAM. This right of access may be exercised at any time not only for making an audit but also for verifying a detail or details of any data submitted to AAM, whether that data has been released or not; or for investigating the accuracy of an audit report already released; or for obtaining information which, in the opinion of the managing director, may be pertinent to a future AAM report.

Publisher members shall also be responsible for maintaining AAM's right of access to records required for the purposes listed above that are maintained by other organizations used by the member to sell and distribute their publications.

All such information so obtained, together with transcripts of any such books and records, work sheets, memoranda, communications to AAM and its subsidiaries, and other information in the possession of AAM and its subsidiaries pertaining to an AAM report, shall be confidential and used solely for the above purposes, and shall not be available or used for any other purpose except by authority of the board of directors.

2.13 Suspension of Report Service

(a) When it has been determined by the auditors of AAM that the necessary records/data to complete an audit in accordance with established practice are not available or are incomplete, release of data may be temporarily suspended.

(b) When it is determined that the release of data or "AAM Audited" status of a publisher member should be temporarily suspended, the publisher shall be required to accept an agreement substantially as follows:

Owing to the condition of the circulation records/data of making an audit (or circulation data submission) for the months ended impossible, we, the undersigned, agree to install and maintain records/data according to AAM requirement.

We further agree to continue the payment of our membership fees during the period of suspension of service. It is our understanding that AAM will make an audit (provided proper records/data have been maintained for a period of at least months).

It is understood that, because an audit cannot be made at this time (or records/data are not available to permit the submission of data), AAM release of data or "AAM Audited" status will be suspended until the reinstatement audit or the necessary remediation has been made or released. (Signed).....Publisher

Should the publisher refuse to accept this agreement, the publisher shall be subject to such penalty as may be determined by the board of directors.

(c) When service for a publisher is suspended under the provisions of paragraph (b) of this section, an audit shall be attempted at the earliest date practicable under the terms of the agreement made by the publisher. If, at that time, an audit is again impossible, the board shall be advised of AAM management's intended action including possible termination of membership.

2.15 Waiver of Damages and Indemnification

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

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

(c) Member Suits. Members may assert claims or actions for nonmonetary relief against AAM or its subsidiaries, but each member shall exercise the rights and remedies provided in the bylaws and rules. A member shall not make or bring any claim, suit, or proceeding against AAM or its subsidiaries until after the member has exhausted all rights and remedies provided under the bylaws and rules. Any member who brings an action against AAM or its subsidiaries or whose actions cause action to be taken against AAM or its subsidiaries shall fully reimburse

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AAM and its subsidiaries for all costs and expenses (including reasonable attorneys' fees) that AAM or its subsidiaries incurs, unless the member's action is successful in establishing a right to the relief sought.

(d) Indemnification. A member shall fully reimburse and indemnify AAM and its subsidiaries for all costs and expenses AAM and its subsidiaries incurs, including, without limitation, reasonable attorneys' fees and all sums paid by way of settlement, judgment, or other disposition, if AAM or its subsidiaries are named as a defendant, are required to respond to discovery, or are otherwise required to participate in litigation, disputes, investigations, regulatory actions, regulatory compliance, or any other proceedings relating to such member or relating to any publications or any media reported on behalf of a member in any AAM report.

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

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

Article 3 – Membership Fees

3.1 Membership Fees Obligation

Members of each class shall pay as part of their membership fees: dues, audit and service fees, computed on an annual basis hereinafter specified in this article.

3.2 Membership Fees by Classification

(a) Membership fees, inclusive of dues, audit and service fees, for each class of members shall be set by the board of directors, subject to the following provisions:

(6) Associate Members

The annual membership fees of associate members may be set at different amounts, depending upon the nature of the activities of such members.

(b) A schedule of membership fees shall be on file at the offices of AAM.

3.3 Data Access and Audit Fees

(a) Standard Data Access. Members shall receive access to AAM data and services, as follows:

(1) Advertiser, advertising agency and associate members shall receive full access to AAM's Media Intelligence Center as part of membership fees.

(c) Audits. As part of annual membership fees, each publisher member shall pay the cost of the audit and such other costs as may be required by the rules and standards of AAM. The rate used to establish this fee shall be set by the board of directors, or in the case of a digital publisher and out-of-home media publisher, outlined within the letter of agreement (LOA) signed by each member.

3.5 Publications Indebted to AAM

No AAM report shall be released or audit made of a publication delinquent in membership fees or otherwise indebted to AAM.

3.6 Adjustment of Membership Fees

When, in the judgment of the board of directors, the regular membership fees from the members for any fiscal period are in excess of, or less than, the amount necessary for the operation of AAM, the board of directors may, for the succeeding fiscal period, revise the membership fees to meet more nearly the actual cost of the operation of AAM, taking into account the excess or deficiency, as the case may be, of membership fees previously paid.

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3.7 Ownership of Copyright and Indemnification

(a) The members agree that title to all data which the members supply to AAM is assigned to and becomes the property of AAM. AAM shall obtain and retain ownership of its copyright and its copyrighted materials in whatever form disseminated, or from whatever source the copyrighted data was originally acquired.

(b) Any member furnishing data to AAM, as is periodically required under the terms of being a member, or, to AAM's Media Intelligence Center, or any member being furnished, supplied or sold, with or without compensation, any data from AAM's Media Intelligence Center, is subject to the following provisions:

(1) AAM obtains legal title to all data supplied by members by an automatic assignment of title to the data from each member to AAM. AAM shall retain legal title to all data furnished to members.

(2) Members are granted the nonexclusive legal right to use any data or other publication protected or owned by AAM only in accordance with the terms set forth specifically in the publicity rules and only in accordance with all other bylaws, rules and policies. AAM shall retain the exclusive copyright to such data. Any report furnished to a member or members that is published by AAM incorporating data from any source shall bear at least the first sentence of the following inscription:

Copyright, Year (of publication) Alliance for Audited Media. All rights reserved. No part of this report, whether in written form or transmitted electronically, may be reproduced, used or transmitted in any form or by any means, without express written permission of the publisher, Alliance for Audited Media, 48 W. Seegers Road, Arlington Heights, Illinois 60005-3913.

(3) Members either supplying or receiving data agree to indemnify AAM against all loss, liability, damage and expense arising out of any claim of inaccuracy or error in such information, including but not limited to a claim by any other member reported in any form or by any other user of data from AAM's Media Intelligence Center.

Article 6 - Membership Meetings

6.1 Time and Date of Annual Meeting

An annual meeting of the members of AAM shall be held at a time and date as determined by the board of directors. Notice in writing (print or electronic) shall be given by the secretary to all members not less than 10 days nor more than 40 days prior to the date of such meeting.

6.5 Reports

Annually the chairman of the board shall report upon the activities of AAM and the treasurer shall submit a financial report. These reports can be presented in person, in writing, via web conference or posted on AAM's website.

Article 7 - Offenses and Punishment

7.1 Vote Required for Probation, Sanctions, Censure, or Expulsion

The penalties of probation, sanction, censure, or expulsion may be imposed by the affirmative vote of a majority of all members of the board of directors.

7.2 Offenses

Should any member be found by the board of directors to have committed any of the following offenses, the board must consider whether to invoke any of the provisions of this bylaw with regard to the imposition of probation, sanctions, censure, or expulsion:

(a) failing to submit data as required by the rules;

(b) filing false or fraudulent data with AAM;

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

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- (d) failing to pay membership fees or other indebtedness as required by the bylaws;
- (e) violating any bylaw or rule of AAM;
- (f) violating any agreement made with AAM or its subsidiaries;
- (g) dishonest, fraudulent or dishonorable conduct in dealings with AAM or its subsidiaries;
- (h) any act deemed by the board of directors to be detrimental to the interests or welfare of AAM or its subsidiaries; such member may be censured, placed on probation or expelled by the board of directors;

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7.3 Charges by a Member

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

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

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

7.4 Charges by the Managing Director

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

7.5 Probation

When any member shall have been found by the board of directors to have committed an offense as defined in Bylaw 7.2, and placed on probation, the term of probation shall be fixed by the board of directors. All reports released after the date such member is placed on probation and during the term of probation shall contain in a prominent place thereon a statement that said member is on probation. The statement and the form in which it is made is to be determined by management and shall set forth the designated sections of the bylaws or rules against which offense has been committed and the term for which probation has been fixed. During any period of probation, any use of the AAM insigne must be accompanied by a statement that the publisher is on probation.

7.6 Sanctions

When any member shall have been found by the board of directors to have committed an offense, as defined by Bylaw 7.2, the board of directors may impose any one or more of the following sanctions:

- (a) A notice of application of sanctions may be issued to the membership, indicating the sanctions imposed by the board of directors.

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(d) The first audit to be released following the imposition of sanctions may be accompanied by a resumption of report services notice, and, if applicable, such notice may make reference to the status of previously released AAM reports.

(e) A cash fine may be levied against the member.

(f) The member may be required to submit a plan for corrective action to be reviewed by AAM staff and approved by the board of directors.

7.7 Censure

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

(a) A notice of suspension of report services will be issued to the membership, indicating that the member is censured.

(d) The first audit to be released following the vote to censure will be accompanied by a resumption of report services notice, and, if applicable, such notice may make reference to the status of previously released AAM reports.

(e) A cash fine may be levied against the member.

(f) The member will be required to submit a plan for corrective action to be reviewed by AAM staff and approved by the board of directors.

7.8 Expulsion

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

7.9 Appeal of Board Decisions

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

Article 8 - Appeals

8.1 Appeal to Board of Directors

Any member shall have the right to appeal to the board of directors any decision of the managing director interpreting or enforcing the rules and standards fixed from time to time by the board of directors for the members of AAM and the bylaws or from any action by the management affecting such member.

8.2 Procedure

An appeal from a decision by the managing director or from any action by the management must be filed in writing at the headquarters office of AAM not less than 10 days before the meeting of the board of directors at which the appeal is to be considered and the facts in support of the appeal must be embodied in the communication submitted by the member.

Article 9 - Resignations

9.2 Advertiser, Advertising Agency and Associate Memberships

A member, other than a publication member, may resign by giving AAM notice of such intention and the resignation shall be accepted. Memberships of this class may also be terminated by AAM management for nonpayment of membership fees and services.

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9.3 Release of Right to Assets

Termination of membership, for any cause whatsoever, shall operate as a release of all right or title to or interest in the property and assets of AAM.

9.4 Reinstatement of Membership

A member whose membership is terminated for any reason or by client-initiated resignation, may be reinstated upon satisfying such conditions that resulted in the action taken.

Article 11 - Amendments

11.1 Bylaws in Force

These bylaws shall be and remain in full force and effect unless repealed or amended by the board of directors.

11.2 Change in Bylaws and Rules

Any amendment to the bylaws • • • shall require the approval of the board of directors by an affirmative vote of a majority of all of the directors then present.

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

Article 12 - Applicable Law

12.1 Choice of Law

The laws of the state of Illinois shall govern the validity, interpretation, construction and effect of any and all bylaws and rules of AAM. Any litigation between AAM and its members shall be governed by the laws of the state of Illinois.

12.2 Choice of Forum

Any and all claims or suits involving AAM shall be adjudicated in the Circuit Court of Cook County, Illinois, or the United States District Court for the Northern District of Illinois. Each member consents to and submits to the jurisdiction of these courts for this purpose.

12.3 Severability

If any term or provision of these bylaws is held to be void or unenforceable, such term or provision, at the option of AAM, shall be deemed omitted and these bylaws with such terms or provision omitted shall remain in full force and effect.

12.4 Compliance with Law

All members shall have exclusive responsibility to abide by all national, federal, state, provincial and any other governing law. No AAM bylaw, rule, policy, or practice shall be construed as requiring a member to take any action that conflicts with any governing law. AAM shall have no

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obligation to issue statements of circulation data or other data that do not comply with both the governing laws and AAM's bylaws, rules, policies and practice