

Anytown Daily News

Anytown (Blue County), Illinois

www.anytowndailynews.com

Average Circulation: Sunday — 407,700* as of 6 months ended March 31, 2013.

*Subject to Audit.

Insert Verification Service

1. Results Of Quantitative Review

Newspaper successfully completed an AAM Insert Verification audit. See Verification Statement.

1A. Verification Field Test

Quantitative Insertion Day Tested: Sunday

Issue Date of Field Verification: August 11, 2013

Gross Circulation on Test Date:	412,892
Total Number of Individual Inserts Distributed on Test Date:	8,352,330
Total Net Sample Size: (Insert Packages)	350
Total Number of Freestanding Insertions Tested by Auditors:	6,900
Number of Routes on Test Date:	580
Number of Routes Tested:	220
Number of Unique Advertiser Inserts on Test Date:	55
Number of Unique Advertisers on Test Date:	45
Number of Unique Insert Packages on Test Date:	40
Number of Unique Insert Packages Tested by Auditors:	39

A total of nine (9) unique insert(s) were found to be out of published specifications on the test date.

- **Description of Geography Tested:**

Comprises the counties of Cook, Kane and McHenry.

- **Dates of Field Testing (Inclusive):** August 7 - 9, 2013.

- **Occurrences beyond normal operating procedures observed on the test date:** None Observed.

1B. Results of Process Review

Process Review Date Tested: October 13, 2014.

Process Review Findings: All Publisher procedures except those noted (*) were found compliant with established guidelines.

	<u>Results</u>
A. Timely and Accurate Quantity Information for Advertisers	Pass
B. Insert Zoning and Scheduling Procedures	Pass
C. Insert Receiving Procedures	Pass
D. Security Policy and Practice Prior to Insertion	*
E. Quality Control During Insertion	Pass
F. Procedures for Leftovers and Shortages Identified During Insertion	Pass
G. Route Structure Integrity	Pass
H. Draw Variability Policy	Pass
I. Package Integrity in the Field	Pass
J. Assuring Quality Delivery with a Non-employee Work Force	Pass

* See Explanatory for detailed findings.

VERIFICATION STATEMENT

The test results annotated in this document are based on procedures employed by AAM in accord with standard sampling and test guidelines. We have examined appropriate publisher records and other data presented by the publisher. In our opinion, the data shown are fairly stated in all respects material to insert verification, and the audit results were within AAM Board established insert proficiency of not less than net 96 percent.

2. Explanatory

2A. Definitions and Terms

Definitions of Error Conditions:

Missing Inserts:

- Preprinted inserts scheduled for inclusion in a sampled insert package (within the newspaper's published specifications) were not found.
- Preprinted inserts scheduled for inclusion in a sampled insert package (where the usable quantity received was equal to or greater than needed to meet the insertion order or buy) were not found.

Incorrect versions:

- Sampled insert packages included incorrect versions of advertiser's preprinted inserts.

Incorrect Inclusions:

- Preprinted inserts not scheduled or not authorized to be included in sampled packages were found.

Other Definitions:

Insert Package:

- The complete collection of freestanding inserts (FSI's) scheduled for an individual subscriber or a single copy location.

2B. Additional Tests and Findings

In addition to the field verification of inserts, auditors performed the following tests and reconciliations, recording the following findings:

TEST: Auditors validated all advertiser FSI insertion orders for the test date to production schedules for placements as dictated by the order/contract.

FINDING: Inserts were correctly scheduled for production date in the ad zones specified by the order/contract.

TEST: Auditors verified that ad zone geography and boundaries as shown in the publisher's rate card were reflective of current distribution practices.

FINDING: At the issue date tested, the publisher's rate card reflected ad zones correctly.

2C. Insert Information Specific to Publication

Printing – Specifications:

- Minimum size: 5 1/2" W x 8 1/2" L
- Maximum size: 10 1/2" W x 12" L
- Minimum paper stock thickness .003" per page a minimum total .012".
- A minimum waste percentage of 2.5% is required for all orders. Orders under 20,000 require an additional 500 copies. For orders not meeting both minimums (.003" @ page and .012" @ piece) an additional percentage is required. Call Newspaper receiving at 123-123-1234 with specifications for the amount.
- Folded edge will be considered length, open edge will be considered width. Fold has to be closed.
- Inserts should not be quarter folded without prior approval.
- Stapling of edges is not recommended.
- It is recommended that a sample copy be sent to Newspaper for copy clearance prior to printing.
- Newsprint sections - use 30 lb. Stock or better.
- Cards, free standing stuffers - Cover Stock - 70 lb. / Gloss cover - 100 lb. Minimum paper stock thickness .007
- One ply supplements can have only one flap.
- Cards, coupons, envelopes, etc. are not to be attached to the outside pages of any supplement.
- We reserve the right to refuse or charge accordingly for shipments not meeting above specifications.
- Exceptions to any of the above will be handled on an individual basis and will be accepted upon completion of satisfactory testing. Newspaper must receive a sample quantity of 500 pieces for a test run at least 16 days prior to insertion.
- Mechanically inserted supplements of poor quality may be subject to a higher percentage of misses or doubles.
- If a preprint is of such poor quality that production requirements may not be met, we reserve the right to drop that part from insertion. This action may possibly be taken at any point along our production schedule.

Printing – Policy Matters:

- Reservation date: Four weeks prior to publication.
- Cancellation date: Two weeks prior to publication.
- It is recommended where possible to give an alternative date for insertion.
- All copy in preprint that resembles editorial matter must be marked "Advertisement."
- Each preprint is subject to Publisher's acceptance.
- Please forward the name of your printer. Printer should contact Newspaper at 123-123-1234 regarding production and all deliveries.
- No inserts will be accepted with U.S. Post Office indicia without Newspaper's approval. Any U.S. Post Office fines associated with distribution of a circular with an indicia will be the liability of the Advertiser and will not involve the Newspaper.
- Newspaper reserves the right to change deadlines to accommodate holidays.

Packing – General:

- Preprints should be packed on skids, preferably plastic, or pallets, no bigger than 40 inches by 48 inches with a maximum height of 5 feet. Product should be stacked so it does not protrude beyond the limits of the skid. Unstable products must be put in telescoping cartons. At all times, the folded edge of preprints should be protected from damage. A substantial protective cover should be placed on the pallet before stacking.

Packing – General (continued):

- All preprints should be properly marked with the skid tags and visible copy labeling. A sample of the insert must be displayed on two adjacent sides of each pallet plus on top of the pallet. Each skid should indicate insertion date & quantity.
- Pallet tops must be wood or sturdy equivalent.
- In banding skids, the band should be plastic, not metal, tight but not to the extent of bending down the top turn of preprints or pulling loose the flooring of the skid.
- If preprints are packed in cartons, each carton should be packed with the same quantity of inserts to such a manner as to avoid distortion of the product. Labels must show the quantity in each box.
- Boxed products cannot exceed 40 lbs.
- Boxes must be strapped or plastic stretch wrapped or shrink wrapped to pallet.

Turns And Ties:

- Newspaper prefers preprints for Sunday insertion to lay flat without turns and to be strapped on skids or pallets. If turns are made, they must be a minimum of 4 inches and a maximum of 12 inches.

Page Size	No. of copies per bundle
2	1,000
4-8	800
10-12	600
16-20	400
24-40	200

- Do not tie bundles with rope, string wire, rubber bands etc. Only properly applied plastic strapping is acceptable. Bundles cannot exceed 40 lbs. For larger page sizes contact Newspaper at 123-123-1234 for instructions.

Shipping:

- Preprints are to be delivered no later than eleven (11) days prior to insertion date, no earlier than 2 weeks prior to insertion date.
- Late deliveries are subject to a surcharge.
- Bills of Lading must indicate:
 - Name of supplement and insertion date.
 - Total number of inserts and number of insertions each skid.
 - Total number of skids on truck or trailer.
- Newspaper cannot be responsible for the accuracy of shipping statements.
- Shipments must be on skids or pallets (preferably plastic). If not, the shipment may be refused or the shipper may be charged labor for unloading.
- Skids are not to be doubled, tiered (decked), in truck or trailers or side loaded.
- Shipments received in poor condition and/or which require extra handling will incur extra charges to the printer and/or shipper.
- Please contact your Account Representative for exact delivery locations.

Publisher Contact Information:

John Smith, SVP Advertising
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2D. Insert Verification Process Review Findings

Test Date: October 13, 2014

D. Security Policy and Practice Prior to Insertion: Insertion of advertising material at the Publisher's plant, carrier and/or distributor locations should be carefully supervised and monitored to maximize accuracy and security.

Auditor's Findings:

Publisher's Response:

Insert Verification Process Audit Criteria Guidelines

A. Timely and Accurate Quantity Information for Advertisers

Policies and procedures must be in place to ensure advertisers are updated monthly with accurate insert-quantity requirements and project the quantities at least 90 days in advance of distribution, including significant draw increases and other unusual occurrences. In addition, there should be procedures to communicate to the advertiser any material deviations from the original ad purchase.

B. Insert Zoning and Scheduling Procedures

The proper controls need to be in place to ensure that the advertiser's request for zones are scheduled accurately from the insertion order to the packaging system.

C. Insert Receiving Procedures

As the publisher receives inserts, the actual count and event date should be verified. The counts and event dates should be recorded and any shortages, overages, damaged or out of spec products, once determined, must be promptly resolved. If a prompt resolution, based on the advertiser's original specifications, cannot be achieved the advertiser must be notified. A record of these occurrences and their resolutions should be maintained.

D. Security Policy and Practice Prior to Insertion

Freestanding inserts received prior to issue date should be kept in a designated secure area prior to insertion with accessibility limited to authorized personnel only.

E. Quality Control During Insertion

Insertion of advertising material at the publisher's plant, carrier and/or distributor locations should be carefully supervised and monitored to maximize accuracy and security. Product audits by publisher's personnel must be made after insertion to ensure product completeness and accuracy. Records of the audits should be maintained.

F. Procedures for Leftovers and Shortages Identified During Insertion

Policies and procedures must be in place to govern the handling of leftover insert material and what to do in the case of a shortage. All material shortages or overages must be reported to appropriate personnel, including the advertiser as soon as determined. Records of any variances warranting advertiser notification must be maintained.

G. Route Structure Integrity

Policies and procedures must be in place to protect route-structure integrity by limiting access to routing changes or performing routine audits to ensure specified routes do distribute to the households as described in the advertising zoning plan. Compliance with this guideline should include, at a minimum, a written policy and/or limited or protected access to system change.

H. Draw Variability Policy

Publications must have a policy that outlines the publisher's practices governing draw increases and other unusual occurrences. This policy must include as much advance notification as possible, and a commitment to engage advertisers and provide them an opportunity to react to special events such as "intermittent days". On an ongoing basis, publisher's personnel must systematically review/monitor account-volume levels. If significant draw increases, or other unusual occurrences occur, advertisers must be notified of variances that may result in shortages or leftovers.

I. Package Integrity in the Field

Policies and procedures must be in place to ensure the correct insert package is being delivered to the designated customers. Product checks must be made to ensure completeness and accuracy of the product being delivered to readers. The results must be documented and the documentation maintained.

J. Assuring Quality Delivery with a Non-employee Work Force

Policies and procedures must be in place for dealing with non-employees who have contact with inserts, such as truck drivers, delivery agents and independent carriers. There needs to be contractual language regarding how they are to handle inserts, security, accuracy reliability and should provide penalties for noncompliance. Procedures must be in place to be taken if a delivery error is detected or reported. This process must include steps to detect the extent of the problem, and notification procedures.