

DISCUS CODE
MEDIA “BUYING” GUIDELINES:
DEMOGRAPHIC DATA/ADVERTISEMENT PLACEMENT GUIDELINES

Set forth below are the Code's “buying” guidelines regarding the placement of advertisements in all mediums (e.g., TV, radio, magazine, newspaper, internet/digital communications) and the requirement for semi-annual, random after-the-fact audits (post audits) of placements to meet the demographic standard where at least 71.6% of the audience is reasonably expected to be 21 years of age or older (the legal purchase age (LPA) audience composition).

- I. Media placement and the 71.6% LPA standard
 - A. A placement will be considered to be in compliance with this LPA standard if:
 - i) The advertiser has a reasonable expectation, determined by using reliable, up-to-date audience composition data, that the LPA audience composition will be at least 71.6%;
 - ii) The advertiser conducts internal, semi-annual after-the-fact audits of a random portion of past placements to verify that such placements were in compliance with the 71.6% LPA audience composition standard; and
 - iii) The advertiser, upon learning of a non-compliant placement, takes appropriate, corrective action for future placements.
 - B. A reasonable expectation for meeting this demographic standard takes into account marketplace realities, the medium and available demographic audience composition data, and includes:
 - i) Recognition that a company's media buys generally are determined prior to its upcoming fiscal year for placement during the course of that fiscal year;
 - ii) Recognition that a company's media buys rely upon historical demographic data to estimate the future LPA audience composition; and
 - iii) Recognition of the availability and publication intervals of syndicated audience composition data; for example, MRI TwelvePlus data are published annually and Arbitron data are published quarterly, whereas national broadcast networks have the most frequently measured syndicated audience composition data (national Nielsen data) thereby affording, among other things, more data for advertisement placement and for more expeditious after-the-fact audits, as compared to, for example, local (spot) TV and cable, as well as radio and print media. Syndicated audience composition data, such as comScore or Nielsen Online (formerly Nielsen//NetRatings), for internet/digital communications also are published on a more frequent basis and are taken into account in

these guidelines for purposes of advertisement placement and post audits.

II. Media placement and audience composition data

A. For TV—broadcast (network/local), cable (network/local) and syndication:

- i) Use of a syndicated data source: Purchase by program (or, if program specific data are unavailable, by daypart/timeslot) using nationwide “2+” audience composition data, such as national Nielsen data, based upon the last two quarters of such data
- ii) For new programs, data for similar programs or time periods
- iii) Compliance standard: A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the Code
- iv) Post audits: A past placement will be considered appropriate where data published or supplied for the quarter in which the placement ran show an LPA audience composition that was in compliance with the Code
- v) Post audit corrective measures for future placements: In the event that the post audit indicates that the placement did not meet the LPA demographic standard, the advertiser will, as soon as practicable, make schedule adjustments, cancellations, or other appropriate changes to comply with the standard in future placements

B. For Radio:

- i) Scope: The radio buying guideline applies to all paid and bonus spots including rotators, negotiated and agreed upon mentions, liners, tags, billboards, and any other type of announcement
- ii) Use of a syndicated data source: For audited radio stations, purchase by daypart using the Average Quarter Hour (AQH) Persons measurement in Arbitron quarterly reports based upon the last two quarters of such data (where seasonal fluctuations are evident, prior year data also should be taken into account if available):
 - (a) Time periods in which radio spots may be placed shall be in the following Arbitron standard dayparts or other time periods as specified below:
 - i. AM Drive Monday thru Friday 6:00 a.m. - 10:00 a.m.
 - ii. Midday Monday thru Friday 10:00 a.m. - 3:00 p.m.
 - iii. PM Drive Monday thru Friday 3:00 p.m. - 7:00 p.m.

- iv. Evening Monday thru Friday 7:00 p.m. - 12:00 midnight
- v. Monday thru Friday 12:00 midnight - 6:00 a.m.
- vi. Sat. & Sun. 6:00 a.m. - 10:00 a.m.
- vii. Sat. & Sun. 10:00 a.m. - 3:00 p.m.
- viii. Sat. & Sun. 3:00 p.m. - 7:00 p.m.
- ix. Sat. & Sun. 7:00 p.m. - 12:00 midnight
- x. Sat. & Sun. 12:00 midnight - 6:00 a.m.

- (b) More specific data than daypart can be used for audience composition such as, for example, narrowing the a.m. drive hours from 6:00 a.m.-10:00 a.m. to 8:00 a.m.-10:00 a.m. to determine audience composition
 - (c) Any period of time adjacent to an Arbitron standard daypart that is also purchased, provided that each additional hour independently satisfies the Code provision that 71.6% of the audience composition is 21 years of age or older
 - (d) Any period of two or more consecutive hours, provided that each hour independently satisfies the Code provision that 71.6% of the audience composition is 21 years of age or older
- iii) Unmeasured stations: If the station is not measured by a syndicated data source (e.g., a new station or a station not measured by Arbitron), data provided by the station regarding the target listenership audience or audience compositional data from time periods for comparable stations in comparable markets
 - iv) Compliance standard: A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the Code
 - v) Post audits: A past placement will be considered appropriate where data published or supplied for the quarter in which the placement ran show an LPA audience composition that was in compliance with the Code
 - vi) Post audit corrective measures for future placements: In the event that the post audit indicates that the placement did not meet the LPA demographic standard, the advertiser will, as soon as practicable, make schedule adjustments, cancellations, or other appropriate changes to comply with the standard in future placements.

C. For Magazines:

- i) Use of a syndicated data source: Purchase by publication using "12+" audience composition data, such as MRI consolidated TwelvePlus data (designed to allow analysis of "12+" youth and adult readership) or, if unavailable, MRI "18+" data, based upon the last publication of such data

- ii) More specific data regarding audience composition also meet this standard, such as subscription-only or a “21+” subscriber special edition of the publication
- iii) Unmeasured magazines not of general circulation: If the publication is not measured by a syndicated data source (e.g., a new publication or a publication not measured by MRI), data provided by the publisher regarding target readership audience or data for similar publications (see section D below for “unmeasured magazines” intended for general circulation, including maiden/new publications, even if it is, for example, a prototype of another magazine)
- iv) Compliance standard: A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the Code
- v) Post audits: A past placement will be considered appropriate where data published or supplied subsequent to the placement show an LPA audience composition that was in compliance with the Code
- vi) Post audit corrective measures for future placements: In the event that the post audit indicates that the placement did not meet the LPA demographic standard, the advertiser will, as soon as practicable, make schedule adjustments, cancellations, or other appropriate changes to comply with the standard in future placements

D. Independent measurement of unmeasured magazine demographic profiles:

- i) Magazines intended for general circulation that are not measured by a syndicated data source, such as MRI or Simmons, and have or are intended to have a subscriber base should have an independent measurement of their subscribers, which meets the following criteria:
- ii) A demographic survey of subscribers should be conducted periodically for established magazines and for new magazines before consideration of an advertisement placement (and again for new magazines once the subscriber base has stabilized; for example, after initial subscribers have had an opportunity to renew would be appropriate in the latter instance)
- iii) Survey of magazine subscribers must be conducted by an independent third party research company using established research methods, such as the ABC Subscriber Study Audit requirements
- iv) Survey supplier and date survey was conducted must be identified
- v) Sample should be at least 300 in-tab (tabulated) respondents with the sample frame fully reported

- vi) Sample must be pulled on an nth name basis from all eligible names on the publication's full subscriber file for U.S. only. No complimentary copies, international, business addresses, demographic, or regional edition splits (unless these copies also are used for the advertising)
- vii) Subscribers, not other household members, should be asked to fill out and return the survey
- viii) Actual age, year of birth or check off for appropriate bracket of age are acceptable, as long as the age bracket identifies 21 as a starting point (for example, 21-34 versus 18-24)
- ix) Upon the receipt of the independent demographic survey, a potential advertiser will evaluate the audit in conjunction with other factors prior to purchasing an advertising placement, such as the content of the magazine, similar or comparable publications, the "pass along" rate and/or circulation distribution of similar or comparable publications

E. For Newspapers:

- i) Scope: This guideline applies to all paid and bonus placements in the print editions of daily, Sunday and weekly newspapers intended for general circulation that have or are intended to have a subscriber base, including advertising supplements, magazine sections and other forms of advertising added to or delivered with newspapers
- ii) Use of a syndicated data source: Prior to the purchase of print advertisements in newspapers distributed nationally, regionally or locally, review audience composition data utilizing an audience measurement source recognized by the advertising industry (such as, but not limited to, Scarborough Research and Mediamark Research, Inc.). Data for the most recent rating period available will be reviewed to determine that placements are reasonably expected to meet the demographic standard
- iii) Unmeasured newspapers: If the newspaper is not measured by a syndicated data source (e.g., a new newspaper or a newspaper not measured by Scarborough Research or Mediamark Research, Inc.), use target readership audience or subscription data provided by the publisher and/or data for similar newspapers
- iv) Compliance standard: A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the Code
- v) Post audits: A past placement will be considered appropriate where data published or supplied subsequent to the placement show an LPA audience composition that was in compliance with the Code

- vi) Post audit corrective measures for future placements: In the event that the post audit indicates that the placement did not meet the LPA demographic standard, the advertiser will, as soon as practicable, make schedule adjustments, cancellations, or other appropriate changes to comply with the standard in future placements

F. For Internet/Digital:

- i) Scope: The internet/digital buying guideline applies to all paid and unpaid (including value-added) placements made by or under the control of the advertiser, including advertising on third-party websites, video advertisements, audio mentions, internet banners, pop-ups, sponsorships, user-generated content (including blogs), and other types of internet/digital advertising or marketing
- ii) Use of a syndicated data source: Purchase or place using “2 +” syndicated audience composition data, such as comScore or Nielsen Online, based upon the most recent three-month site average of available audience data of unique visitors (where seasonal fluctuations are evident, prior year data also should be taken into account if available)
 - (a) An advertiser consistently will use one of these syndicated data sources as its primary demographic measurement by brand and an alternate syndicated data source will be used only when the advertiser’s primary source does not measure that particular medium
 - (b) Given that the methodologies and measurements of internet/digital media are evolving, this data source guideline will be reviewed as further developments warrant and, if appropriate, revised accordingly
- iii) Independent measurement of unmeasured medium: If the digital medium is not measured by a syndicated data source, the advertiser prior to purchasing or placing an advertisement or any marketing materials shall obtain from the publisher of the medium an independent demographic survey based upon the most recent three-month site average of available audience data of unique visitors conducted by a third-party research company using established research methods
- iv) More specific data to meet the demographic standard: Where the average of the syndicated audience composition data or an independent third-party survey over the three-month time period (as described in subsection iii above) does not show a 71.6% 21 years of age or older (LPA) demographic, the advertiser can use the website’s “registered user” database to place their advertising or marketing materials to users 21 years of age or older if the website has that capability

- v) Unmeasured medium with a “registered user” database: If the digital medium is not measured by a syndicated data source or an independent third-party survey as described in subsection (iii) above, but has a “registered user” database that can link a user to an age, the advertiser can use the website’s “registered user” database to place its advertising or marketing materials to users 21 years of age or older
- vi) “Limited edition” websites: For “one-time” only, event-specific and/or other similar websites, the advertiser shall review and evaluate comparable websites, the proposed content of the website in question, data provided by the publisher regarding the target audience, and any other relevant factor to project a reasonable expectation of the demographic audience prior to purchasing or placing an advertisement or any marketing materials
- vii) Compliance standard: A placement will be considered appropriate when the percentage of unique visitors reflected in the above-referenced data shows that the placement is in compliance with the Code
- viii) Post audits: A past placement will be considered appropriate where demographic data for the month(s) in which the placement ran show an LPA audience composition that was in compliance with the Code
- ix) Post audit corrective measures for future placements: In the event that the post audit indicates that the placement did not meet the LPA demographic standard, the advertiser will, as soon as practicable, make schedule adjustments, cancellations, or other appropriate changes to comply with the standard in future placements

These Guidelines will be reviewed periodically to ensure that they reflect the most current and appropriate recognized electronic and print audience composition data.

Effective May 26, 2011