

27 March 2007

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Chairman

## ASSOCIATION OF NEWSPAPER AND MAGAZINE WHOLESALERS

### -- RULES --

#### NAME

1. The name of the Association shall be:-  
"The Association of Newspaper and Magazine Wholesalers"

#### OBJECTS OF THE ASSOCIATION

2. (a) To represent and promote the interests of the Wholesale Newspaper and Magazine Distribution Trade ("**the Trade**") in particular (but without limitation) to publishers and retailers of Newspapers and Magazines throughout the United Kingdom, Channel Islands, the Isle of Man and the Republic of Ireland.
- (b) To form a recognised body to which matters affecting the Trade or members may be referred for consideration.
- (c) To promote and register (under the Companies Act 1985 or any other relevant Act) any Company or Association for the purpose of acquiring all or any of the property rights and liabilities of the Association of Newspaper and Magazine Wholesalers ("**the Association**") or for any other purpose which may seem directly or indirectly calculated to benefit the Association or for the purpose of carrying out the aims of the Association.
- (d) To purchase or otherwise acquire any real or personal property and any rights, privileges over or options of acquiring the same.
- (e) To invest any funds or assets of the Association in the name of the Trustees, in such a manner as the Trustees may be authorised from time to time by the Policy Committee.
- (f) To drive industry change to the benefit of members and consumers.
- (g) To encourage the Association's members to achieve best practice.
- (h) To consider questions affecting the interests of the Trade at large to promote the Association's case to government and the regulatory authorities to initiate and promote legislation with a view to attaining any of the objectives of the Association and to call for, to support or to oppose legislation or changes in law or practice.

- (i) To have dealings with or enter into any arrangement or contract with any national regional or local trade body with common interests and any other person or persons as may seem conducive to the attainment of the Association's Objects or any of them.
- (j) To develop commercial opportunities where they are in line with the Association's other objectives.
- (k) In furtherance of the principal Objects of the Association the Association may -
  - (i) remunerate any person who is an employee of the Association or any person or company rendering service to the Association in any manner
  - (ii) sell lease mortgage or otherwise deal with all or any part of the property of the Association
  - (iii) print and publish any periodical leaflet or other publication
  - (iv) do all such other lawful things as are incidental or conducive to the pursuit or attainment of any of the principal Objects of the Association.

## REPRESENTATION

- 3. The Association shall represent its Members throughout the United Kingdom, Channel Islands, the Isle of Man, and the Republic of Ireland.

## QUALIFICATIONS OF MEMBERSHIP

- 4.1 Any person firm or company shall qualify to apply to be a Member of the Association if such person firm or company:
  - 4.1.1 is located in any part of the United Kingdom (including the Channel Islands, the Isle of Man and the Republic of Ireland) and is carrying on or engaged in the wholesale distribution of national newspapers and/or magazines, and for such purposes has a distribution contract with the publishers of at least one national newspaper or with at least one of the three major magazine distributors (being COMAG FRONTLINE and MARKETFORCE (the 'Major Magazine Distributors')).
  - 4.1.2 is not either on his or its own account or through any other person firm or company directly or indirectly engaged in any trade or business nor has any other interests which do or may conflict with any of the Objects of the Association, such as publishing and/or retailing.
- 4.2.1 The following Members shall be "**Multiple Members**" for the purposes of these Rules - Smith News Limited Menzies Distribution Limited Dawson Holdings plc, and any other Member who satisfies the Policy Committee that he or it qualifies to be a Multiple Member by distributing newspaper and magazines in not less than ten different geographical territories for at least one of the Major Magazine Distributors. The Policy Committee shall be entitled to remove any Member as a Multiple Member who ceases to so qualify as a Multiple Member.

- 4.2.2 Any Member who is not a Multiple Member shall be an '**Independent Member**' for the purposes of these Rules.
- 4.2.3 The term 'Member' as used in these Rules shall include both Multiple Members and Independent Members.
- 4.2.4 All such agreements having been first approved by either the Supply Chain Group or the Policy Committee of the Association (all Members having representation on such Group or Committee) then all Members shall comply with all Joint Industry Groups' (JIG) Agreements such as ISSA, up channel newspaper and magazine standards, and other JIG agreements. PPF

#### ADMISSION OF MEMBERS

- 5.1 Every applicant for admission as a Member of the Association shall apply in writing to the Chairman for admission and such application shall be signed by one Member as Proposer and by another Member as Secunder.
- 5.2 Each such application to be a Member shall be submitted for consideration by the Policy Committee at its meeting next following receipt of the application or at a subsequent meeting as soon as it is practicable to do so when admission of the applicant shall be determined by poll or by show of hands as is determined by the Policy Committee at the meeting at which the application is considered. The admission of any applicant into the Association shall require a majority in favour of three-quarters of the members of the Policy Committee present and voting.

#### REGISTER OF MEMBERS

6. The Chairman shall keep a register of Members.

#### INDEPENDENT SECTION

7. In recognition of the particular interests of Independent Members, there shall be an autonomous section for Independent Members called 'INDEPENDENT NEWS DISTRIBUTORS' (IND) (referred to herein as 'THE INDEPENDENT SECTION') which shall be financially responsible for any costs and projects affecting its own parochial interests and have its own representation on the Policy Committee of the Association and may have its own Section Rules which shall not, in any way, circumvent or conflict with the Association's Rules herein laid out.

#### MANAGEMENT

- 8.1 The management of the Association shall be vested in the Policy Committee which may:
- 8.1.1 fix the quorum necessary for the transaction of business at its meetings such quorum to be not less than one representative of all Multiple Members and one representative of the Independent Section and the Chairman;

8.1.2 generally exercise all powers of the Association that are not by these Rules required to be exercised by the Association in General Meeting subject nevertheless to these Rules.

9. The Policy Committee shall be supported by a contracted Chairman with a team of staff whose numbers and function shall be determined by the Policy Committee in consultation with the Chairman.

10.1 The Policy Committee shall comprise up to:

10.1.1 One representative nominated by the Independent Section who shall each be an owner of or partner in or director (or above) of a Member.

10.1.2 Two representatives nominated by each of the Multiple Members, one of whom shall be employed by such member at the equivalent level of Divisional Managing Director or above.

10.1.3 A representative nominated by the Association to attend the Joint Industry Group.

10.1.4 Up to six representatives of Members co-opted by the Policy Committee for specific initiatives, projects or purposes.

10.1.5 The Chairman (who shall not be entitled to vote at any meeting of the Policy Committee)

10.2 a) The Chairman shall ipso facto Chair meetings of the Policy Committee, or, in his absence, an agreed member of the Association's staff team or nominee of the Committee.

b) The Chairman or in his absence, a representative of the Association's staff team or of the Policy Committee shall preside as Chairman at General Meetings or, in the absence of all such persons the Members present shall choose one of their number to be chairman of that meeting.

11. The Policy Committee shall oversee the financial affairs of the Association which shall be maintained by the Chairman.

12.1 Notwithstanding any of the foregoing provisions, ad hoc Committees may be formed by the Policy Committee from time to time as required.

12.2 Each ad hoc Committee shall elect its own Chairman.

## TRUSTEES

13.1 Trustees of the Association shall be appointed by the Policy Committee for the purpose of holding in their names on behalf of the Association any property, investments or other assets of the Association and the doing and carrying out of such other acts and things as the Policy Committee shall from time to time direct.

13.2 All the Trustees shall hold office during the pleasure of the Policy Committee and any vacancies may be filled by the Policy Committee. Any Trustee vacating office shall, when

required so to do, sign and execute any deeds or documents necessary for transferring such property, investments and assets as may be directed by the Policy Committee.

- 13.3 The Trustees shall deal with the property of the Association as directed by resolution of the Policy Committee.
- 13.4 Each Trustee shall be indemnified out of the property of the Association against any liability or expense incurred by reason only of him being held out as a Trustee of the Association or otherwise in the proper performance of his duties.

#### MEETINGS

14. The Annual General Meeting shall be held within fifteen months from the previous Annual General Meeting, between September and November.
15. General Meetings of the Association, other than the Annual General Meeting, shall be held when necessary or desirable, and may be called by the Chairman on the instruction of the Policy Committee, or on the written requisition of the Independent Section or any two of the Multiple Members.
16. The Policy Committee shall meet at least four times a year, but specifically between September and November prior to the Annual General Meeting.
17. Meetings of ad hoc Committees shall be held as often as may be necessary for the accomplishment of the work in hand.

#### NOTICE OF MEETINGS

18. The Chairman shall send notice of every General Meeting of the Association to each Member not less than 7 days before the date of the meeting, and such notice shall contain an agenda which shall comprise all matters brought to the notice of the Chairman before such agenda is sent.

#### VOTING

- 19.1 If consensus cannot be reached, any resolution put to the vote at any meeting of the Policy Committee or any General Meeting shall be decided by a poll.
- 19.2 In the event of an equality of votes on a poll the Chairman shall not be entitled to a casting vote and the resolution shall be deemed lost.19.3A declaration by the Chairman that a resolution has been carried, or in the case of a resolution requiring any particular majority that it was passed by the requisite majority or that a resolution has been lost shall be conclusive.
- 19.4 On a poll:-
  - 19.4.1 every Multiple Member shall have one vote for every £1 of the annual subscription paid or payable by that Multiple Member during the year in question in accordance with Rule 23 below; and

19.4.2 the Independent Members who (being individuals) are present in person or (being corporations or firms) are present by a duly authorised representative shall appoint one representative to vote on behalf of all of them which representative shall have one vote for every £1 of the aggregate total of all the annual subscriptions paid or payable by all the Independent Members of the Association during the year in question in accordance with Rule 23 below.

19.4.3 Any Member whose aggregate total of votes (as determined in accordance with Rule 19.4.1 or 19.4.2) exceeds 20% of the aggregate total of all votes of all Members (as determined in accordance with Rules 19.4.1 and 19.4.2) shall be entitled to a veto on the exercise of which the resolution in question shall be deemed to be lost.

19.5 All or any of the Directors or Principals of companies firms or partnerships admitted as Members or the duly authorised representatives of such Members shall be entitled to attend General Meetings and participate in discussion.

#### QUORUM

20.1 A Quorum for a General Meeting shall be all Multiple Members and at least one Independent Member. No business shall be transacted at any General Meeting unless the quorum required be present at the commencement of the business.

20.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of any Members, shall be dissolved. In any other case it shall be adjourned to such convenient day and place within fourteen days and at such hour as shall be appointed by the Chairman. At an adjourned meeting the Members present, or duly represented by authorised representatives, whatever their number, shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place if there had been a quorum at that meeting.

#### COMPETITION ACT

21. ANMW Staff and Members will ensure full compliance by the Association with all relevant competition Laws.

#### MINUTES

22. Minutes shall be kept of all resolutions and proceedings of General Meetings and of meetings of the Policy Committee and other Committees. Any such Minutes, if signed by the Chairman of the succeeding meeting, shall be received as conclusive evidence of the facts stated therein.

#### SUBSCRIPTIONS

23.1 Each Member of the Association shall pay an annual subscription at a rate in accordance with a scale or scheme recommended from time to time by the Policy Committee.

23.2 Subscriptions plus VAT at the current rate shall be payable on 1 April in each year either by single payment or monthly in advance by direct debit. Prior to 1 April each year the

Chairman shall send subscription notices to Members detailing the rates, scale or scheme approved at Policy Committee.

- 23.3 A new Member joining after the month of May shall pay a proportional subscription for the remainder of that year.
- 23.4 If at any time it shall appear to the Policy Committee on examination of the accounts of the Association that there is a debit balance or that a debit balance is anticipated to occur, the Policy Committee may, if it thinks advisable, make a call or levy from Members pro-rata to the annual subscription paid or payable by the Member to cover such debit balance. Such call or levy shall be treated as an additional subscription and shall be payable by Members at the expiration of 28 days after the passing of the resolution and otherwise subject to the same provisions as are prescribed for subscriptions.
- 23.5 Any Member whose subscription is more than two months in arrears shall, if the remittance is not received within one month after written notice from the Chairman, cease to be a Member and be removed from the register of members.

#### REIMBURSEMENT OF EXPENSES

24. The Association shall reimburse to the Officers, Trustees, Chairman, Association staff and Members and their staff all reasonable expenses incurred in any business or matters undertaken by them on behalf of and with the sanction of the Association up to limits specifically set by the Policy Committee from time to time.

#### MEMBERS AGREEMENT

25. All Members undertake, upon admission, to do no thing and take no action which would damage the credibility or standing of the Association. Upon acceptance as a Member the Chairman shall inform the Member by letter enclosing a copy of the Rules for signature and return to the Chairman signifying acceptance of the undertaking.

#### RESIGNATIONS

26. Any member wishing to withdraw from the Association shall where possible give three months notice in writing to the Chairman and no resignation shall be accepted unless all subscriptions then due be paid or by consent of the Association at a General Meeting.

#### EXPULSION OF MEMBERS

27. If any Member:-
- 27.1 is accused of any conduct or action which is in breach of any of these Rules; or
- 27.2 is accused of being engaged in any activity or business or having any interest which does or may conflict with any of the Objects of the Association; or
- 27.3 is accused of ceasing to qualify as a Member (as specified at Rule 4.1 above); or

27.4 (being a company or partnership) is subject to any change in its control ("control" means in relation to a company the power of any person to secure:-

- (a) by means of the holding of shares or the possession of voting power in or in relation to that company or any other company; or
- (b) by virtue of any powers conferred by the articles of association or other document regulating that company or any other company

that the affairs of the first-mentioned company are conducted in accordance with the wishes of that person and in relation to a partnership means the right to a share of more than one half of the assets or of more than one half of the income of the partnership)

then a meeting of the Policy Committee must be convened to consider the accusation (of which meeting the Member accused must have 14 clear days' notice) and the Policy Committee may (after the Member concerned has had the opportunity of explaining his or its conduct or position or otherwise putting his or its case either personally at the meeting or by sending a written explanation to the Chairman) expel such Member from the Association who will then immediately forfeit his or its interest and privileges in the Association without further claim for calls or any other money paid to the Association, but he or it will remain liable to pay any calls or any other money outstanding at the date of expulsion.

## APPEALS

28.1 If-

28.1.1 Any applicant for admission as a Member is dissatisfied with any determination of the Policy Committee pursuant to Rule 5.2 above; or

28.1.2 any Member is dissatisfied with any expulsion decision of the Policy Committee pursuant to Rule 27 above

then such Member or Applicant (as the case may be) may appeal to a General Meeting.

28.2 The grounds of any appeal must be put in writing to the Chairman within 28 days of the date on which the decision complained of was made.

28.3 A General Meeting of the Association shall then be convened to consider the appeal (of which meeting the Member concerned must have 14 clear days' notice) and the Members who (being individuals) are present in person or (being corporations or firms) are present by duly authorised representatives may after the Member concerned has had the opportunity of explaining his or its conduct or position or otherwise putting his or its case either personally at the meeting or in writing to the Chairman determine by a simple majority whether to uphold the appeal.

28.4 The decision of the Members at the General Meeting hearing the appeal shall be final and there shall be no further right of internal appeal.

## ASSOCIATION ACCOUNTS



29. The Chairman shall receive subscriptions and shall deposit all monies in a bank account in the name of the Association and shall present to the Annual General Meeting duly audited accounts showing the financial position of the Association at the end of the 31st March in each year or such other financial year ending as may from time to time be decided.

#### RIGHTS OF MEMBERS

30. The rights of each Member are personal and not capable of transfer or transmission.

#### NOTICES

- 31.1 Any notice to be served by the Association upon any Member shall be in writing and may be served either personally or by pre-paid post, facsimile transmission, e-mail or comparable means of communication addressed to it or him at his address referred to in Rule 31.4.
- 31.2 Any notice if served by post is deemed to have been served at the time when the letter containing the notice will be delivered in the ordinary course of post and a certificate signed by the Chairman or the person employed by the Association who posted the notice is conclusive evidence of the notice having been duly posted.
- 31.3 Any notice if served by facsimile transmission, e-mail or comparable means of communication shall be deemed have been duly sent on the date of transmission.
- 31.4 Every Member must from time to time notify the Chairman of its place of business or residence as its address and that place will for the purposes of these Rules be deemed its address.

#### ALTERATION OF RULES

32. No alteration shall be made to the Rules except at the Annual General Meeting or at a Special General Meeting (called for the purpose) by a majority of not less than 85% of the votes (as determined in accordance with Rules 19.4.1 and 19.4.2) of such Members for the time being entitled to vote as may be present in person or by duly authorised representatives. The form of the proposed alteration shall be sent out with the notice convening the meeting.

#### DISSOLUTION

- 33.1 The Association may be dissolved whenever the Association has passed a resolution at a General Meeting (especially called for the purpose) in favour of dissolution by a majority of not less than 85% of the votes (as determined in accordance with rules 19.4.1 and 19.4.2) of such Members for the time being entitled to vote as may be present in person or by duly authorised representatives.
- 33.2 Upon the dissolution of the Association the property of the Association not consisting of money shall be sold and the proceeds, together with so much thereof as shall consist of money, shall be applied in satisfaction of the debts and liabilities of the Association and subject thereto shall be distributed amongst the Members existing at the date of passing of the

resolution for the dissolution *pari passu* according to the amounts of the subscriptions and calls respectively made by such Members of the Association during the previous three years.