

NEWS LIMITED

NEWS LIMITED DISTRIBUTION MODEL REVIEW QUESTIONS & ANSWERS (ALL NEWSAGENTS) APPROVED FOR DISTRIBUTION - 7 March 2013

Voluntary Consolidation

1. What does Voluntary Consolidation mean?

By 'Voluntary Consolidation' we mean newsagents with current distribution agreements who are interested in consolidating their services across more than one distribution territory can discuss this and then submit a proposal to News Limited for consideration.

We will consider each proposal on its individual merits – including whether the proposed consolidation makes sense geographically, practically and in efficiency terms. If approved, we will offer a contract for servicing the larger consolidated territory under the terms of our standard distribution agreements that are in place across the relevant state/territory.

2. What is the scope of service level expected from distributors?

The scope of service level expected is as per the terms of our standard distribution agreement in place in your state/territory.

3. Are there any criteria around voluntary consolidation? If so, what are they?

News Limited will provide guidelines for newsagents interested in voluntary consolidation in due course. However there will be no minimum volume requirements.

4. Will News Limited allow consolidation of territories that are not adjoining?

News Limited will provide guidelines for newsagents interested in voluntary consolidation in due course.

5. I've already bought or leased some additional territories. How does Voluntary Consolidation apply to these?

News Limited will consider any voluntary consolidation proposals which include these territories on a case by case basis.

6. Will I be disadvantaged in any way if I choose not to consolidate? Or if I choose to consolidate sooner rather than later?

Newsagents are free to make commercial decisions for their individual businesses taking into account all available information. Given the rapid and ongoing shift in industry trends, News Limited will continue to review and evolve our approach, and may change our strategy. We will continue to inform newsagents in this regard.

7. Will you force consolidation upon me at some point in time?

At this stage, News Limited is considering proposals for voluntary consolidation. Given the rapid and ongoing shift in industry trends, News Limited will continue to review and evolve our approach, and may change our strategy. We will continue to inform newsagents in this regard.

8. What if I don't want to consolidate or have my current area consolidated? Can I keep going as I am now?

Yes but given the rapid and ongoing shift in industry trends, News Limited will continue to review and evolve our approach, and may change our strategy.

- 9. I bought extra territories because I anticipated I would be part of subsequent rollouts and now you are not progressing. I do not want to continue to service them – what are my options?**

Throughout the trial we have been clear that newsagents are free to make commercial decisions for their individual businesses taking into account all available information but that no assumptions should be made as to what would happen after the trial. If you decide you don't want to deliver newspapers in your territory you can terminate your current distribution agency agreement with us by providing the contractually required written notice. The termination of your agreement will also trigger the termination of any aligned retail agency agreement however you can apply to retail our newspapers by applying for a sub-agent agreement, or a direct relationships newsagent retailer if you choose.

- 10. Will you be continuing with the national subscriber migration?**

News is keen to have a direct relationship with our most loyal customers including those who subscribe to our current print products. We are currently reviewing options for the best way to achieve this, but it is our intention to continue with the migration in the trial area in South Brisbane.

Distribution Agreements

- 11. Will you be issuing new contracts for voluntary consolidation and what will be the term of the new contract?**

On a case-by-case basis, News Limited will consider proposals for consolidation of distribution territories from interested newsagents, across all states and territories. If approved, we will offer new agreements for servicing the consolidated territory on the same terms as our standard distribution agency agreement in the relevant state or territory including as to term and termination. This means they can be terminated at any time without cause, by you on 3 months notice and by us on 6 months notice.

- 12. What has happened to taking into account changes in CPI?**

The terms of our current agreements continue to apply though given the rapid and ongoing shift in industry trends, News Limited will continue to review and evolve our approach, and may change our strategy. In addition, News Limited intends to undertake a complete review of the monies paid for distribution services across all states and territories. We will also review our retail commission structure.

Country Areas

- 13. I am in the country. Consolidation isn't possible. What is your plan for me?**

News Limited intends to undertake a complete review of the monies paid for distribution services across all states and territories. We will also review our retail commission structure. In addition, News Limited will continue to review and evolve our overall approach, and may change our strategy.