

TERMS OF BUSINESS

This agreement is made on the _____ day of _____ 2008

BETWEEN

MCCANN ERICKSON CENTRAL LIMITED, a company registered in England (company number 1983874) of McCann House, Highlands Road, Shirley, Solihull, West Midlands B90 4WE ("MEC") and _____ a company registered in England (company number _____) of (*client address* _____) ("the Client")

1 **Supply of Services by MEC**

- 1.1 The agreement commences on _____ for an initial period of X months in respect of _____ and continues thereafter until terminated in accordance with clause 4.
- 1.2 The Client will not use any other agency other than MEC to provide the services listed in clause 1.4 during the term of this contract.
- 1.3 This contract only covers the provisions of services within the UK. If the Client requires services outside the UK, a separate remuneration will be negotiated.
- 1.4 MEC shall provide the following services to the Client subject to these terms. Any changes or additions to the services provided by MEC must be agreed in writing by MEC and the Client.
 - 1.4.1 Account Handling and Direction
 - 1.4.2 Creative Work
 - 1.4.3 Artwork
 - 1.4.4 Media Planning and Buying
 - 1.4.5 Administration
 - 1.4.6 Print Buying
 - 1.4.7 Strategic Planning
 - 1.4.8 Direct Mail
 - 1.4.9 People Marketing
- 1.5 MEC will produce such work as is agreed by the parties
- 1.6 MEC will only progress production work and media schedules with the written approval of the client by either purchase order, email, fax or client signature of an estimate.
- 1.7 MEC will provide timely contact reports of all meetings attended
- 1.8 The copyright or other intellectual property rights which arise under this agreement will pass from MEC to the Client on termination under clause 4 or as otherwise agreed providing all obligations arising from this agreement have been met and that the work has been paid for in full by the Client. MEC shall at all times retain the right to use any work it has produced under this agreement for internal training and publicity purposes. For the avoidance of doubt, copyright and other intellectual property rights in any unused ideas or concepts shall belong to MEC.
- 1.9 Both parties will review the performance of the requirements under this Agreement on a 6 monthly basis
- 1.10 MEC are insured against credit risks and all clients must be and continue to be, acceptable to our insurers in respect of the sums involved from time to time. If MEC's insurers revise or withdraw cover of a client, MEC's terms of payment will be revised and notified to the Client which may include pre-payment. If revised terms cannot be agreed between the parties, MEC's obligations to enter into any commitments on behalf of the Client shall be automatically suspended and MEC will be entitled to terminate the agreement with immediate effect.

2 Charges

- 2.1 The client shall pay to MEC
- 2.1.1. Media commission of X % of gross media expenditure which will be based on agreed schedules for time, space and other facilities. MEC will invoice the Client on the basis of the agreed schedule.
 - 2.1.2. Production as quoted at a fixed price which is only subject to client amendments of the scope of work, not reconcilable and earned as billed including:
 - (a) Creative costs for media advertising, brochures & print
 - (b) Artwork
 - (c) All other production costs
 - 2.1.3. A fixed fee of XX per month (excluding VAT) which shall be earned by MEC on a monthly basis.
- 2.2 For Media services only the Client shall receive the discounts derived from the handling by MEC of the Accounts under this agreement ("Client Discount") and fixed in the Media Schedule.
- 2.3 Any cost differences, other than those referred to in Clause 2.2, resulting from the provision of services by MEC will be at MEC's charge or benefit. The Client will not be liable for any additional costs except by prior written consent or due to Client amendments.
- 2.4 The levy of 0.1% payable by advertisers through agencies to the Advertising Standards Board of Finance, as laid down in the rate cards, which applies to all Client media cost on press display advertisements (excluding classified lineage and semi display), outdoor, cinema, direct mail, TV or online (or any equivalent levy which may apply from time to time) will be invoiced to the Client and will not be subject to agency commission.
- 2.5 MEC shall be entitled to invoice the Client at the end of or during each month in which services are provided and payment will be due as follows after the date of MEC's invoice ("the Due Date")
- (i) Television – 15 days
 - (ii) All other media, production & fees – 30 days
 - (iii) 50% of TV production on commencement thereof
- 2.6 A surcharge of X% of all invoices shall be added to all media invoices issued by MEC. This surcharge will be deducted in full on MEC receiving full payment of the value of the invoice on the Due Date.
- 2.7 The Client may withhold payment for any item which is in dispute providing any dispute is notified within 7 days after the receipt of an invoice, providing that all other items on the invoice issued by MEC are paid for in full. If the dispute is resolved such that the invoice is payable in full then the Client will be liable for a surcharge if it is paid later than the due date

3. Liabilities

- 3.1 If a media owner levies late copy charges against MEC and such charges do not result from the negligent or wilful act or omission of MEC, the Client shall immediately reimburse the amount of such late copy charges to MEC.
- 3.2 The Client may request MEC to cancel or amend any and all plans, schedules or work in progress. MEC will take all reasonable steps to comply with any such request provided MEC is able to do so within its contractual obligations to media and suppliers.
- 3.3 In the event of any such cancellation or amendment the Client will reimburse MEC for any charges or expenses incurred by MEC to which MEC is committed.
- 3.4 MEC shall not be liable for any delay in, or omission of transmission, or any error in any advertisement, in the absence of default or neglect on its part.

- 3.5 MEC shall not be liable for any indirect or consequential loss, loss of profits, loss of goodwill or reputation, arising out of any act or omission (whether negligent or otherwise) of MEC or its sub-contractors in connection with the matters dealt with under this Agreement. However, at the request of the Client, MEC shall endeavour to seek adequate compensation from its sub-contractors for any delay in, or omission of transmission, or any error in advertisement.
- 3.6 If due to war, strikes, industrial action short of strike, lock-outs, accidents, fires, blockades, import or export embargo, ice obstruction, natural catastrophes, acts of third party suppliers, or other obstacles over which MEC has no control, MEC fails to complete its assignment in the manner and within the time required by the terms of its agreement, it shall not be held responsible for any loss or damage which may be incurred by the Client as a result of such failure.
- 3.7 MEC's maximum aggregate liability under or in connection with this agreement whether in contract or otherwise, shall in no circumstances exceed £1million per claim or series of connected claims.

4. Termination

- 4.1 Either party shall be entitled to terminate the Contract at any time by giving not less than 3 months' written notice to the other party once the initial period has expired.

5. Governing Law

- 5.1 This agreement shall be governed by the laws of England and Wales and the parties shall submit exclusively to the jurisdiction of the Courts of England and Wales.

Name..... Signature..... Date.....
 For and on behalf of MCCANN ERICKSON CENTRAL LIMITED

Name..... Signature Date