

AGREEMENT BETWEEN ADVERTISER AND ADVERTISING AGENCY

AN AGREEMENT made the....day of20... BETWEEN [advertiser] of [address, etc.] (hereinafter called the advertiser) of the one part and [advertising agency] of [address, etc.] (hereinafter called the agency) of the other part.

IT IS HEREBY AGREED as follows:

1. The advertiser appoints the agency as from [date of appointment] to prepare advertising and general publicity material including art-work photography cinematography films television films sound recordings and printing by all processes and to arrange for the display of the advertising and publicity material so produced in various advertising media in accordance with plans and schedules to be agreed from time to time between the advertiser and the agency.
2. The appointment is to be for a minimum period of after which time either party to this agreement may terminate the agreement by giving months' notice in writing to the other party.
3. The agency acts as a principal and not as the agent of the advertiser or of the media owners.
4. The agency undertakes not to act during the continuance in force of this agreement in the capacity of advertising agent for any other person or body trading in competition with the advertiser without having first obtained the consent of the advertiser.

5. In the performance of this agreement the agency will observe the rules, by-laws and the codes of conduct laid down by any statutory body or authority.
6. The advertiser agrees to remunerate the agency for the material prepared and services provided in accordance with the following scale:

A. Where the media owner allows the agency [fifteen] per cent commission the advertiser will pay to the agency the gross amount of the media owner's invoice.

B. Where the media owner allows the agency less than [fifteen] per cent commission the advertiser will pay to the agency the gross amount of the media owner's invoice and in addition a sum amounting to the difference between [fifteen] per cent of the gross amount and the amount actually allowed.

C. Where the supplier of goods or services allows the agency [fifteen] per cent commission the advertiser will pay the gross amount of the supplier's invoice.

D. Where a supplier of goods or services allows the agency less than [fifteen] per cent commission the advertiser will pay the gross amount of the supplier's invoice and in addition a sum amounting to the difference between [fifteen] per cent of the gross amount and the amount actually allowed.

E. For additional goods and services provided by the agency such as public relations commissioning of films television programmes and printing the payment in respect of which is not covered by sub-paragraphs A to D of this paragraph the advertiser will pay a sum to be agreed in advance with the agency in addition to the costs incurred by the provision of the goods and services.

F. Where the agency performs services and incurs expenses in relation to advertising outside India sums payable by the advertiser in accordance with sub-paragraphs (a) to (d) of this paragraph are to be increased by [five] per cent.

7. The agency will prepare and send to the advertiser each month a statement of account and the advertiser will pay each account within fifteen days of the date of the account.
8. The agency undertakes not to purchase production materials or to incur costs chargeable to the advertiser without the advertiser's prior approval.
9. The advertiser's approval of copy layouts proofs or scripts will constitute the authority to the agency to incur the necessary costs.
10. Alterations and cancellation of contracts or in media schedules can be made only when permitted by the terms of contract entered into by the agency with media owners and previously approved by the advertiser.
11. The copyright in artwork copy story-boards filmed commercials created or commissioned by the agency will vest in the agency.
12. The advertiser agrees to indemnify the agency in respect of all costs damages or other charges falling upon the agency as the result of legal actions or threatened legal actions brought against the agency arising from the publication of any advertisement prepared for the advertiser by the agency and approved by the advertiser before publication provided that the obligations for indemnification under this clause shall not extend to any loss which is recov-erable by the agency under a policy of insurance.

13. The agency will take every reasonable precaution to safeguard the advertiser's property entrusted to the care of the agency and in the absence of negligence by the agency will not be responsible for loss damage destruction or unauthorised use of the property.

AS WITNESS etc.

[Signatures of both parties]

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