**MEMORANDUM OF UNDERSTANDING (MOU)**

Between

**KSM Media Hut**

**And**

**Zarnab International (Pvt) Ltd**

This is an agreement between “*KSM Media Hut*”, hereinafter called “Party A” or “Agency” and “*Zarnab Internationa (Pvt) Ltdl*”, hereinafter called “Party B” or “Client”.

1. Appointment

Party B appoints Party A as Party B’s exclusive advertising agency in connection with the products and/or services offered by Party B

2. Scope of Advertising Services

Agency will provide Client with the advertising services provided in Schedule 2, attached hereto. Should Client request Agency to perform additional services beyond what is provided in Schedule 2, Agency and Client will negotiate in good faith with respect to the terms, conditions, and compensation for such additional services. Any agreement for additional services will be set forth in writing and considered an addendum to this Agreement.

3. Ownership

All campaigns, trademarks, service marks, slogans, artwork, written materials, drawings, photographs, graphic materials, film, music, transcriptions, or other materials that are subject to copyright, trademark, patent, or similar protection (collectively, the “Work Product”) produced by Agency are the property of the Client provided: (1) such Work Product is accepted in writing by the Client within twelve (12) months of being proposed by Agency; and (2) Client pays all fees and costs associated with creating and, where applicable, producing such Work Product. Work Product that does not meet the two foregoing conditions shall remain Agency’s property.

Notwithstanding the foregoing, it is understood that Agency may use the material for its marketing purpose.

4. Term

The term of this Agreement shall commence on the date provided in Schedule 1 (11-08-2014) and shall continue until terminated by either party upon ninety (90) days’ prior written notice (3 Months), provided that this Agreement may not be terminated effective prior to the expiration of twelve (12) months from the Commencement Date. Notice shall be deemed given on the day of mailing or, in case of notice by telegram, on the day it is deposited with the telegraph company for transmission. During the Notice Period, Agency’s rights, duties, and responsibilities shall continue.

Upon termination, Agency will transfer and/or assign to Client: (1) all Work Product in Agency’s possession or control belonging to Client, subject, however, to any rights of third parties; and (2) all contracts with third parties, including advertising media or others, upon being duly released by Client and any such third party from any further obligations. Client recognizes that the work done by the agency can be used by the agency for its promotion and marketing and will be used after the termination of this agreement as agency’s portfolio.

5. Compensation and Billing Procedure

Agency will be compensated and Client will be billed as provided in Schedule 3, attached hereto.

6. Confidentiality and Safeguard of Property

Client and Agency respectively agree to keep in confidence, and not to disclose or use for its own respective benefit or for the benefit of any third party (except as may be required for the performance of services under this Agreement or as may be required by law), any information, documents, or materials that are reasonably considered confidential regarding each other’s products, business, customers, clients, suppliers, or methods of operation; provided, however, that such obligation of confidentiality will not extend to anything in the public domain or that was in the possession of either party prior to disclosure. Agency and Client will take reasonable precautions to safeguard property of the other entrusted to it, but in the absence of negligence or willful disregard, neither Agency nor Client will be responsible for any loss or damage.

7. Indemnities

Agency agrees to indemnify and hold Client harmless with respect to any claims or actions by third parties against Client based upon material prepared by Agency, involving any claim for libel, slander, piracy, plagiarism, invasion of privacy, or infringement of copyright, except where any such claim or action arises out of material supplied by Client to Agency.

Client agrees to indemnify and hold Agency harmless with respect to any claims or actions by third parties against Agency based upon materials furnished by Client or where material created by Agency is substantially changed by Client. Information or data obtained by Agency from Client to substantiate claims made in advertising shall be deemed to be “materials furnished by Client.” Client further agrees to indemnify and hold Agency harmless with respect to any death or personal injury claims or actions arising from the use of Client’s products or services.

8. Commitments to Third Parties

All purchases of media, production costs, and engagement of talent will be agency’s responsible.

9. Amendments

Any amendments to this Agreement must be in writing and signed by Agency and Client.

10. Notices

Any notice shall be deemed given on the day of mailing or, if notice is by telegram, e-mail, or fax, on the next day following the day notice is deposited with the telegraph company for transmission, or e-mailed or faxed.

11. Governing Law

This Agreement shall be interpreted in accordance with the laws of the State of Pakistan without regard to its principles of conflicts of laws. Jurisdiction and venue shall be solely within the State of Pakistan.

IN WITNESS WHEREOF, Agency and Client have executed this Agreement.

KSM Media Hut

By:

Name:

Title:

Zarnab International (Pvt) Ltd

By:

Name:

Title:

**Schedule 1: Products/Services Assigned to Agency**

Client has assigned agency for its Advertisement & Promotion and may ask to promote its services in the following channel of communication

* TVC
* Radio Ad
* Cable Ads
* Newspaper
* Streamer
* Brochures / Flyers
* Bill Board
* Magazines ads
* Facebook
* Twitter
* Linked In
* Google Ad Word
* Sponsorship
* SMS Marketing
* Email Marketing
* Tele Marketing
* In Office Advertisement
* Street Advertisement

**Schedule 2: Commencement Date and Scope of Sevices**

I. Commencement Date: 11-08-2014

II. Scope of Services

A. Study Client’s products or services;

B. Analyze Client’s present and potential markets;

C. Create, prepare, and submit to Client for approval, advertising ideas and programs;

D. Employ on Client’s behalf, Agency’s knowledge of available media and means that can be profitably used to advertise Client’s products or services;

E. Prepare and submit to Client for approval, estimates of costs of recommended advertising programs;

F. Write, design, illustrate, or otherwise prepare Client’s advertisements, including commercials to be broadcast, or other appropriate forms of Client’s message;

G. Order the space, time, or other means to be used for Client’s advertising, endeavoring to secure the most advantageous rates available;

H. Properly incorporate the message in mechanical or other form and forward it with proper instructions for the fulfillment of the order;

I. Check and verify insertions, displays, broadcasts, or other means used, to such degree that benefits client’s business; and

**Campaign Execution**

Campaign will be executed in threephases, distribution of which is provided below:

Phase 1: Broadcast Media (TVc / Cable Ad, Radio Ad), Print Media (Newspaper, Brochures) & Online Media (Facebook , Ad Word)

Phase 2: Activation Campaigns & SMS / Email Marketing

Phase 3: Print Media (Newspaper), Online Media (Facebook , Ad Word) & other channel of communication.

**Note:** Phase One and Two will be executed for three months each, whereas phase three will run on continuous basis, agency and client with mutual consent will decide which options of the three is suitable for that particular month. **Schedule 3: Compensation and Billing Procedures**

1. Cost of Phase One
   1. TVc / Cabel Ad
      1. Production Cost = 150,000
      2. Media Buying = Depends upon the medium
   2. Radio Ad
      1. Production Cost= 25,000
      2. Media Buying = Depends upon the medium
   3. Newspaper
      1. As per newspaper and size
   4. Brochure
      1. Matt Paper 150gm
      2. Brochures Size = A4 Tri Folded
      3. Quantity=16,000
      4. Total Price = 7.0/ Brochure
   5. Online Media
      1. As per Client’s Budget

I. Payment Method and Compensation

A. For Phase One and Two Client will pay 50% cash in advance and 50% cash at the time of the delivery.

B. For Phase Three Client will pay a monthly fee of Rs. 350,000 in consideration of the advertising services performed by Agency. Since, Phase Three is a continuous phase and will be starting from phase one, Hence, the monthly fee will be applicable after six month i.e. from 11-02-2015, when phase one and two are ended and results of these phases are evaluated and recognized by the client. Such fee shall be deemed a nonrefundable advance against commissions to be received by Agency as follows:

(1) Phase Three includes advertisement on all sort of communication channel, agency see beneficial for the client’s business, and decides by evaluating client’s budget and the results of previous campaigns.

(2) On print, broadcast production, artwork, engravings, type compositions, and any and all art and mechanical expenses incurred by Agency pursuant to Client’s authorization, Agency shall invoice Client an amount which, after deduction of Agency’s cost, will yield Agency the Commission Rate on such amount as Agency commission.

C. Client agrees to reimburse Agency for such cash outlays as Agency may incur, such as forwarding and mailing, telephoning, telegraphing, and travel, in connection with services rendered in relation to Client’s account.

II. Billing and Payment Procedures

A. Agency will invoice Client for all media and third-party costs sufficiently in advance of the due date to permit payment by Client to Agency in order to take advantage of all available cash discounts or rebates.

B. The cost of production materials and services shall be billed by Agency upon completion of the production job, or upon receipt of supplier invoice prior thereto.

C. On all outside purchases other than for media, Agency will attach to the invoice proof of billed charges from suppliers.

D. All invoices shall be rendered on or about the first day of each month and will be payable the tenth day of the month.

E. Invoices shall be submitted in an itemized format. Interest will be charged on overdue invoices at a rate of 1 percent per annum, or the maximum permitted by law, whichever is less.

IN WITNESS WHEREOF, Agency and Client have executed this Agreement.

KSM Media Hut

By:

Name:

Title:

Zarnab International (Pvt) Ltd

By:

Name:

Title: