

Commercial Contract

AGREEMENT TO EXHIBIT ADVERTISEMENT IN CINEMA



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

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1. INTRODUCTION OF SMEDA

The Small and Medium Enterprise Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy. Since its inception in October 1998, SMEDA had adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

After successfully qualifying in the first phase of sector development SMEDA reorganized its operations in January 2001 with the task of SME development at a broader scale and enhanced outreach in terms of SMEDA's areas of operation. Currently, SMEDA along with sectoral focus offers a range of services to SMEs including over the counter support systems, exclusive business development facilities, training and development and information dissemination through a wide range of publications. SMEDA's activities can now be classified into the three following broad areas:

1. *Creating a Conducive Environment*; includes collaboration with policy makers to devise facilitating mechanisms for SMEs by removing regulatory impediments across numerous policy areas
2. *Cluster/Sector Development*; comprises formulation and implementation of projects for SME clusters/sectors in collaboration with industry/trade associations and chambers
3. *Enhancing Access to Business Development Services*; development and provision of services to meet the business management, strategic and operational requirements of SMEs.

SMEDA has so far successfully formulated strategies for sectors, including fruits and vegetables, marble and granite, gems and jewellery, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy. Whereas the task of SME development at a broader scale still requires more coverage and enhanced reach in terms of SMEDA's areas of operation.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors like enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through wide range of publications.

2. ROLE OF SMEDA LEGAL SERVICES CELL

The Legal Services Cell (LSC) is a part of Business Development Services Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides guidance based on field realities pertaining to SMEs in Pakistan and other parts of the world. LSC believes that information dissemination among the SMEs on the existing regulatory environment is of paramount importance and it can play a pivotal role in their sustainable development.

In order to facilitate SMEs at the Micro Level LSC has developed user-friendly systems, which provide them detail description of the Laws, and Regulations including the process and steps required for compliance.

The purpose of this document is to provide SMEs, Service Providers, Companies and Firms with information pertaining to requisite format and content of a business to business commercial contract. Entrepreneurs interested in enhancing their understanding about the nature and form of an Agreement to exhibit advertisement in a Cinema can also use the document.

3. DISCLAIMER

Form of this document and the contents therein are provided only for general information purpose and on "as is" basis without any warranties of any kind. Use of this document is at the user's sole risk. SMEDA assumes no responsibility for the accuracy or completeness of this document, its form and any of the information provided therein and shall not be liable for any damages arising from its use. The information contained in this document is not an alternate to the legal advice. The users are advised to always consult a legal service provider before using or relying upon this document or any of the content or information contained therein.

Exhibition of advertisements in a cinema

This agreement is made at _____ (**insert place**) this _____ (**give date**) day of _____ (**give month**), 200_____

Between

M/s/ _____ (**Give Name of the firm / company etc.**), having registered office at _____ (**place of office**) through its authorized partner / representative namely _____ (herein after called the “Cinema Proprietor” which expression shall mean and include its successors and assigns) of the one part.

AND

A B C (**Give Name of the firm / company etc.**), having registered office at _____ (**place of office**) through its authorized partner / representative namely _____ (herein after called the “Advertiser” which expression shall mean and include its successors and assigns) of the other part;

WHEREAS the Advertiser is engaged in the business of advertising and marketing of goods and services for and on behalf of its clients.

AND WEREAS the Cinema Proprietor operates a cinema for exhibition of movies under the name and style of _____ (**give name of the cinema**) at the _____ (**give address**) (hereinafter the cinema).

AND WHERAS the advertiser is desirous of advertising on behalf of its clients at the cinema on mutually agreed terms and conditions.

AND WHEREAS the Cinema Proprietor has agreed to exhibit the advertisement(s) at the cinema subject to the terms and conditions set forth in this agreement.

Now this agreement witnesseth as follows:

1. Exhibition of Advertisement

The Cinema Proprietor shall, subject to the terms and conditions provided below, exhibit an advertisement, a copy of which is attached with this agreement (hereinafter referred as the advertisement).

2. Charges for Exhibition

The Advertiser shall pay in advance, either in cash or through cheque, an amount of Rs._____ per week as charges for exhibition of the advertisement. Payments made to the Cinema Proprietor under this agreement shall be subject to deduction of all the applicable taxes and duties under the law.

3. Length of Advertisement

The length of advertisement to be exhibited at the cinema shall be _____ (insert time in seconds such as 5 or 10) seconds. In addition, to be able to exhibit the advertisement shall cover a screen area of not less than 35mm.

4. Provision of Slide

The necessary reel or slide for the projection of the advertisement shall be supplied by the advertiser within a week of the signing of this agreement.

5. Schedule of Exhibition

Except when the Cinema is shut down by the Proprietor thereof the advertisement shall be exhibited in the cinema daily and during each of the show (three times a day) being aired by the Cinema Proprietor with following schedule: the advertisement shall be exhibited once before the showing of the film and once before the start of the film following the break.

6. Failure to Exhibit

If for any cause, except the cause beyond the control of the Cinema Proprietor, the advertisement is not exhibited at any of the times in accordance with the schedule prescribed in clause 4 above the said payment shall be reduced by the amount of Rs._____ for every such failure to exhibit the advertisement.

7. Failure to Exhibit due to Force Majoure

It is specifically agreed by the Advertiser not to hold liable the Cinema Proprietor for any damages for failure to exhibit the advertisement for any reason beyond its

control including but not limited to labor disputes, strike, war, riot, insurrection, civil commotion, accident, flood, storm, fire or act of God. In such circumstances the Advertiser shall be entitled for re-exhibition of the advertisement for such number of days equal to the days the advertisement could not be exhibited due to Force Majoure.

8. Indemnity

The Advertiser hereby indemnifies and holds harmless the Cinema Proprietor from any and all actions, claims, damages, loss and expenses arising or that may become payable on account of any and all proceedings, suits or causes that may be instituted or filed against the Cinema Proprietor on the ground that the advertisement submitted by the Advertiser and exhibited by the Cinema Proprietor violates any copyright or any proprietary or other right of any natural or juridical person or is otherwise scandalous or libelous.

9. Reimbursement of Claims, legal fees etc.

The Advertiser shall reimburse any amount including fees of lawyers incurred by the Cinema Proprietor on defending or settlement of any claim or satisfaction of judgments passed by a court of competent jurisdiction arising under clause 8 above or on initiating proceedings to collect any money due from the Advertiser under this agreement or to enforce compliance of the terms and conditions of this agreement.

10. Duration

Unless terminated earlier, this agreement shall remain in force for a period of _____ (give time period e.g. one year) from the date of signing of the agreement. On or before the expiry of the term of _____years the parties may extend the duration of the agreement for another period of _____ or more through mutual consent in writing.

11. Termination

This agreement may be terminated in the following manner:

- i. Subject to the prior written notice of _____ months both the parties may without assigning any reason terminate the contract.
- ii. Notwithstanding and without prejudice to the above, in case of violation to any of the provisions of this agreement by a party the other party may terminate this agreement subject to a prior written notice of _____ days. Provided however, a party intending to terminate the agreement under this sub-clause shall serve a notice in writing to the other party to rectify such violation within the time given in such notice.
- iii. In case either of the parties ceases to do the business.

Provided that the termination of agreement on any of the grounds/circumstances shall not absolve the parties from any liability accrued at the time of termination including payment of any monies due in respect of the advertisements exhibited.

12. Dispute Resolution

If any dispute arises between the parties regarding the interpretation or applicability of any of the provisions of this agreement the same shall in the first instance be decided amicably through mutual consultation. In case of failure of the parties to resolve the dispute amicably the same shall be resolved either through third party mediation or arbitration in accordance with the Arbitration Act, 1940

In witness whereof the parties to the agreement hereby sign and execute the same in token of acceptance of the terms therein contained;

Witness:

- 1. _____
- 2. _____

Signatures of the parties.

- 1. _____
- 2. _____