



**BROWN & WILLIAMSON TOBACCO CORPORATION**

1600 West Hill Street, Louisville, Kentucky 40201

November 1, 1972

Zimmer-McClaskey-Lewis, Inc.  
1469 South Fourth Street  
Louisville, Kentucky

Gentlemen:

Brown & Williamson Tobacco Corporation (hereafter B&W) hereby employs Zimmer-McClaskey-Lewis, Inc. (hereafter ZML) as an advertising agency on the following terms and conditions:

1. ZML will undertake the conceptualization, planning, preparation and placement of advertising in trade publications for such B&W products as may be designated by B&W from time to time. ZML will put into execution such trade advertising campaigns as are approved in writing by B&W, but will not do so without such written approval.

2. All work will be billed to B&W in a mutually agreeable manner in accordance with the following schedule:

(a) All advertising space or time in any and all publications, on radio stations and/or networks will be billed to B&W, including the standard fifteen percent (15%) commission.

(b) All advertising space on billboards will be billed to B&W, including the standard sixteen and two-thirds percent (16 2/3%) commission.

(c) Broadcast talent (other than audition talent expense) and production expense, (including finished artwork, typesetting, engraving, electrotyping and all other authorized mechanical expense on advertising approved for preparation in proof form or for insertion in any publication) will be billed to B&W at ZML's net commissionable cost plus fifteen percent (15%) commission.

(d) Comprehensive layouts prepared with B&W's authorization and approval which are not subsequently approved for insertion, advertising materials produced for testing, packing

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materials, postage, express and transportation charges on matter shipped for B&W's account to publications or broadcast stations, cost incurred in connection with any product, market or sales surveys or research work authorized by B&W, all will be billed to B&W at ZML's "out-of-pocket" expense without commission.

(e) No charge will be made to B&W for any rough layouts and copy of new campaign advertisements not approved and authorized by B&W for further development or for insertion in a publication.

3. ZML will render any and all other reasonable services in connection with B&W advertising and distribution. ZML will in no event place any advertising for B&W in any advertising medium without first submitting the text, layouts and all other materials therefor to B&W and first obtaining B&W's approval thereof in writing. ZML will not incur any liability or make any commitments or disbursements on behalf of B&W or on B&W's account without first obtaining written authorization from such members of B&W's staff as B&W shall from time to time designate.

4. It is agreed that ZML is solely liable to all advertising media and to other third party suppliers for all purchases of advertising space or time, as well as for all other commitments entered into by ZML on behalf of B&W, unless in advance thereof B&W shall agree in writing to be jointly or primarily liable therefor. ZML will make the foregoing known to the advertising media and to other third party suppliers and will obtain the written agreement of such media and suppliers to look solely to ZML for payment. Such agreements will be in a form acceptable to B&W and will be available for reasonable inspection by B&W. ZML will provide copies of said agreements to B&W upon request.

5. ZML will indemnify, defend and hold B&W harmless from all claims against B&W of any nature whatsoever arising out of any aspect of the performance by ZML under this agreement.

6. ZML will permit B&W to examine the regular certified financial statements of ZML and will provide copies of same to B&W upon request.

7. During the term of this agreement and after any termination thereof as hereinafter provided, the entire work product of ZML in connection herewith, including but not limited to all ideas, plans, concepts and materials developed by it, shall become the exclusive property of B&W. Work in progress at any termination hereof shall

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be promptly disclosed and surrendered to B&W for use as B&W in its sole discretion sees fit. Contracts or commitments entered into by ZML on behalf of B&W in accordance with this agreement shall at B&W's request be assigned to B&W upon any termination hereof.

8. ZML agrees that during the term of this agreement and for a period of six (6) months after any termination thereof, ZML will not accept the advertising of products competitive with those of B&W without the written consent of B&W.

9. This agreement shall become effective on the date first above written and may be terminated by either party upon ninety (90) days written notice to the other, such notice to be sent by registered mail to the head office of the party receiving same.

10. This agreement is a personal service contract and may not be transferred or assigned by either party without the written consent of the other. It may not be amended or modified except by a writing signed by both parties.

11. This agreement on its effective date supersedes and cancels all previous agreements both written and oral between the parties with respect to the subject matter hereof.

By executing and returning the duplicate copy hereof, ZML hereby signifies its agreement hereto and its acceptance hereof.

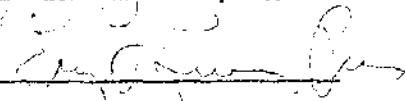
Very truly yours,

BROWN & WILLIAMSON TOBACCO CORPORATION

By   
R.A. Pittman, Director of Advertising

The foregoing is agreed to and accepted as of the date above written:

ZIMMER-McCLASKEY-LEWIS, INC.

By 

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