

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement  
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant Grey Advertising Inc., 777 Third Avenue, New York, NY 10017		2. Registration No. 4641
3. Name of foreign principal China External Trade Development Council ("CETRA")	4. Principal address of foreign principal 2nd. Fl. CETRA Exhibition Hall Sung Shan, Airport Terminal, 340 Tun Hua N. Road Taipei 10592, Taiwan Republic of China	
5. Indicate whether your foreign principal is one of the following type: <input checked="" type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or <input type="checkbox"/> domestic organization: If either, check one of the following: <input type="checkbox"/> Partnership <input type="checkbox"/> Committee <input type="checkbox"/> Corporation <input type="checkbox"/> Voluntary group <input type="checkbox"/> Association <input type="checkbox"/> Other (specify) _____ <input type="checkbox"/> Individual—State his nationality _____		

6. If the foreign principal is a foreign government, state:  
a) Branch or agency represented by the registrant.  
Taiwan Trade Development Council  
b) Name and title of official with whom registrant deals.  
Project Support Section, Design Promotion Center.

7. If the foreign principal is a foreign political party, state:  
a) Principal address  
b) Name and title of official with whom registrant deals.  
c) Principal aim

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8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Directed by a foreign government, foreign political party, or other foreign principal..... Yes  No

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Financed by a foreign government, foreign political party, or other foreign principal..... Yes  No

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes  No

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes  No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

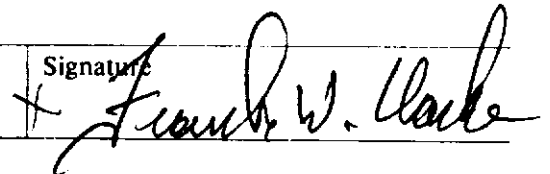
10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Date of Exhibit A

3/26/92

Name and Title  
Frank W. Clarke  
Senior Vice-President

Signature



**INSTRUCTIONS:** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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**Public Reporting Burden.** Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant	Name of Foreign Principal
Grey Advertising Inc.	China External Trade Development Council ("CETRA")

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.  
Public relations services to be provided by Grey Advertising Inc. include counseling, creating, planning, and working on specific public relations projects; preparation of written and other public relations materials, representing CETRA.

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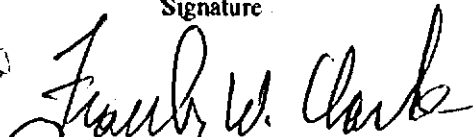
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

(As outlined in Agreement.)

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?<sup>1</sup>

Yes  No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
3/26/92	Frank W. Clarke Senior Vice-President	

<sup>1</sup>Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

ORIGINAL

ADVERTISING  
AGREEMENT  
FOR  
IMAGE ENHANCEMENT  
PLAN

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RECEIVED  
MAR 27 1992

## ADVERTISING AGREEMENT FOR IMAGE ENHANCEMENT PLAN

This Agreement is entered into on February 24, 1992 by and between Grey Advertising Inc. ("Grey"), a corporation organized and existing under the laws of the State of Delaware, the United States of America ("USA"), having its principal office at 777 Third Ave., New York, NY 10017, USA, Hwa-Wei and Grey Advertising Co., Ltd. ("HW&G"), a corporation organized and existing under the laws of the Republic of China ("ROC"), with its principal office at 12th Floor, No.180, Nanking East Road, Section 4, Taipei, Taiwan, ROC and China External Trade Development Council ("CETRA") with its registered principal office at 4-8th floor, No.333, Keelung Road, Section 1, Taipei, Taiwan, ROC.

WHEREAS, CETRA in its implementation of the advertising program under the Image Enhancement Plan hereby appoints Grey on an exclusive basis, to develop an advertising campaign for the worldwide promotion of the ROC national image, ROC enterprises and products, with special emphasis on the promotion of a quality image for all products made in the ROC ("Services");

WHEREAS, Grey shall coordinate with HW&G, its Taiwan business agent and Taiwan affiliate, as well as other Grey affiliates world wide (hereinafter also altogether referred to from time to time as "Grey and affiliates") to perform the Services; and

WHEREAS, understanding the importance of Services to the national image of the ROC, Grey, in possession of the required skills and experience, is willing to accept CETRA's appointment.

NOW THEREFORE, in consideration of mutual covenants and promises, the parties hereto hereby agree as follows:

1. Effective Date and the Term of Agreement

This Agreement shall become effective from September 14, 1991 (the "Effective Date") to June 30, 1992, and provided CETRA receives ROC Government legislative budgetary approval for the continuation of Grey's services under this Agreement, CETRA shall have the sole discretion to decide whether to continue the term of this Agreement from July 1, 1992 to June 30, 1993. CETRA shall notify Grey of its decision by a written notification at least thirty (30) days prior to the expiration of the initial term.

## 2. Nature of This Agreement

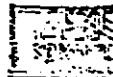
It is hereby agreed and understood that this Agreement is a contract commissioning Grey, HW&G and other affiliates under the "work for hire" principle as provided under the ROC Civil Code. Grey and HW&G shall for all purposes be independent contractors and not agents or employees of CETRA, and this Agreement shall not confer upon Grey or HW&G or other affiliates any authority to act for, represent, bind or obligate CETRA or any of its affiliates without receiving CETRA's prior written approval.

## 3. Responsibilities

3.1 Grey, HW&G and other affiliates undertake to perform Services at the request of CETRA during the term of this Agreement, which Services shall include but not limited to the following:

3.1.1 To formulate, develop and submit to CETRA for approval advertising ideas, programs, campaigns, collateral material and merchandising promotion schemes, including media plans, copy and scripts and layouts, together with estimates of the costs involved (hereinafter collectively referred to as the "Plans").

3.1.2 To procure and supervise the production of advertisements and other promotional materials (hereinafter referred to collectively as the "Advertisements") in accordance with the Plans.

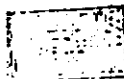


3.1.3 Subject to CETRA's approval, to procure the placement of the Advertisements in various communication medias, including but not limited to televisions, radios, newspapers, magazines, outdoor signage and posters.

3.2 CETRA may request modification or cancellation of any and all portions of the approved Plans and/or Advertisements. Notwithstanding the above, CETRA may not request for the modification of any portion of any CETRA-approved Advertisement which has already been published for a designated subscription period. Such restriction shall nevertheless not include any Advertisement which has been previously published, but in the opinion of CETRA, shall need to be modified prior to publication in another media or in another subscription period of the same media.

3.3 In performing this Agreement, Grey and affiliates shall adhere to the CETRA-approved media plan ("Media Plan", attached hereto as Attachment I) and shall act in a diligent manner and shall ensure that all work created or carried out by Grey and affiliates or by a third-party pursuant to or in connection with this Agreement shall be of the highest quality available under the generally recognized standard of the advertising industry.

3.4 The standard deadlines for submission of black & white and polychromatic advertisements to media owners are thirty (30) and sixty (60) days, respectively, prior to the scheduled publishing date of the Advertisement (the "Submission Date"). Grey and affiliates shall in principle and whenever possible submit the finished Advertisements to CETRA for approval at least forty-five (45) days before the Submission Date, and CETRA shall notify Grey of any changes necessary to the Advertisements at least thirty (30) days before the Submission Date. Grey and affiliates shall submit the revised Advertisements to CETRA for approval at least seven (7) days prior to the Submission Date. Unless the Advertisements are approved by a CETRA authorized person (the name of such authorized person shall be provided by CETRA to Grey in writing within thirty (30) business days after the execution of this Agreement), Grey and affiliates shall have no authority to publish such Advertisements.





It is however understood between and among the parties that in view of the unpredictable nature of creating advertisements, it may well not always be possible to adhere strictly to the above deadline.

3.5 All Advertisements shall be published within the subscription period of media time with the type of the media and the media owner approved by CETRA. The publishing date of any Advertisement shall be designated and/or approved by CETRA.

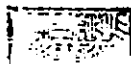
#### 4. Information and Data

To the extent reasonably possible, CETRA shall use its best effort to provide Grey, HW&G and other affiliates with information and data, including brochures or pamphlets to assist Grey, HW&G and other affiliates in the performance of its duties under this Agreement.

#### 5. Charges and Terms of Payment

5.1 Total cost charged by Grey and affiliates pursuant to 5.2 shall not exceed a total of NT\$112,000,000 from the Effective Date to June 30, 1992; and shall not exceed a total of NT\$121,500,000 from July 1, 1992 to June 30, 1993. It is understood and agreed by the parties hereto that all ROC taxes due and payable, including any VAT, shall be the sole responsibility of Grey and affiliates. Any ROC stamp tax due and payable on the original copies of this Agreement shall nevertheless be the sole responsibility of the party holding such original copy of this Agreement.

5.2 Grey shall invoice CETRA on the last business day of any month by uniform invoices through its Taiwan Business Agent HW&G, and CETRA shall make its payments against the receipt of such uniform invoices within forty-five (45) days of receipt pursuant to this Section 5, so long as the amounts billed are not under dispute. CETRA shall make its payment by checks payable to the order of HW&G, which checks shall be released to HW&G at CETRA's principal place of business or mailed by registered mail to HW&G's principal place of business.



5.3 Each uniform invoice submitted shall contain detailed descriptions accounting for every item of the charges, and shall be accompanied by copies of original invoices issued by third-party suppliers or subcontractors and copies of original invoices from the media owners for the published Advertisements, the media owners pricing schedule for such publication and copies of the published Advertisements, together with the certificate of foreign exchange rate. The foreign exchange rate used shall be the selling exchange rate published by the Bank of Taiwan on the day on which the uniform invoice is issued.

All charges shall be billed on a monthly basis for its (i) cost for the production of the Plans and Advertisement ("Productions Fees", a list of price range for Production Fees is attached hereto as Attachment II); (ii) the media owners' charges to Grey for the placement of Advertisements and (iii) an agency fee of 17.65% of the net amount charged by the media owners to Grey based on the number of times the Advertisements were published on the respective medias; provided, however, Grey and affiliates shall not receive or accept any agent fee from the media owners. Notwithstanding the above, for reasons of complying with any cash payment discount programs offered by any of the medias, Grey and affiliates may make requests for immediate payments in addition to the monthly uniform invoices.

5.4 Prior to any implementation of the Advertisements, an estimate of all costs for production (the total cost of all Advertisements in each term shall not exceed ten percent (10%) of the respective permitted amount stated in Section 5.1) and costs for subscription of media time shall be submitted to CETRA's prior review and shall not be subject to any later changes or modifications without written approval from CETRA.

In the event the agreed price for the placement of media is increased due to any reason, Grey and affiliates shall adjust the schedule for publishing Advertisements and/or the total placement of Advertisements so that the overall cost shall not exceed the permitted amount in Section 5.1 hereinabove.

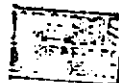
If, due to the payment of fees in cash or any reason whatsoever, any of the media owners provides any type of discount or bonus, including allowing additional exposures for the Advertisements or providing additional copies of published Advertisements, then such discount or bonus shall be the sole property of CETRA, and Grey and affiliates shall be obligated to notify CETRA of the availability of any such discount or bonus.

## 6. Ownership in the Prepared Materials

6.1 It is understood and agreed by the parties that in principle, the copyright and all other intellectual property rights in any advertising copy, story-boards, scripts, logos, designs, artwork films and any other materials in any other medium created by Grey, HW&G and other affiliates for CETRA and which have been paid by CETRA, shall vest in CETRA, and Grey, HW&G and other affiliates shall execute any deed or other document and do everything necessary to assist in the vesting of such rights in or complete the assignment thereof to CETRA. Notwithstanding the above, where rights to certain intellectual property is required by law to vest in its creator, and where it is necessary to purchase such intellectual property rights from such creator in order for the rights to such intellectual property right to vest in CETRA, Grey, HW&G and affiliates shall undertake to purchase such rights at the request of CETRA.

6.2 Grey and affiliates shall ensure that no material created by Grey and affiliates or any third party pursuant to this Agreement shall infringe the copyright or any other intellectual property right of any third person and shall keep CETRA fully and effectively indemnified in the event of any such infringement.

6.3 The title in all materials prepared pursuant to this Agreement whether created or purchased by Grey or HW&G or other affiliates shall vest in CETRA and Grey and affiliates shall keep any and all such materials safe and shall immediately deliver the same to CETRA upon request.



## 7. Filing of Applications

7.1 The filing of any patent, trademark, intellectual design or copyright applications, or any other applications of similar nature as a result of or in connection with the performance of Services by Grey and affiliates shall be under the control and at the expense of CETRA.

7.2 For purposes of filing applications mentioned in Section 7.1 of above, Grey, HW&G and other affiliates shall, upon request by CETRA and at CETRA's expense, use their best efforts to assist CETRA by providing CETRA with any relevant materials or documentation in a timely manner.

## 8. Force Majeure

If by reason of war, riot, civil disturbance, labor dispute, strike, lockout, inability to obtain labor or materials, fire or other natural calamity, accidents, or government restrictions or appropriation or other causes, beyond the control of a party hereto, such party is unable in whole or in part to perform its obligations under this Agreement, then in such event such party shall during the relevant period be relieved of those obligations to the extent of its inability to perform, and such inability to perform shall not make such party liable to the other; provided, however, any resulting delay or suspension period may continue for no more than 40 business days and, unless otherwise agreed to in writing by the parties, a delay or suspension for a period over 40 business days shall make this Agreement null and void.

## 9. Liabilities and Indemnification

9.1 Grey and HW&G shall ensure that no advertising material prepared pursuant to this Agreement, whether by themselves or a third party shall cause CETRA to suffer any loss or damage under the law due to any claim or accusation by any third party, nor shall there be any possibility that the content of the advertising material shall damage the reputation or the public image of CETRA.

9.2 Grey and HW&G shall keep CETRA fully indemnified against all losses, damage costs, actions claims or expenses arising as a result of any breach by Grey or HW&G of their obligations hereunder or of any misfeasance or nonfeasance of Grey or HW&G in connection with this Agreement. This paragraph shall survive the termination of this Agreement.

9.3 CETRA will indemnify Grey against any loss and/or expense Grey may incur as the result of any claim, suit or proceeding made or brought against Grey or in which Grey is asked to participate, based upon any materials Grey prepared or placed for CETRA which is based solely upon the information provided by CETRA, as well as for claims or suits arising out of the nature or use of CETRA products or services or Grey relationship to CETRA.

## 10. Termination

10.1 Either CETRA or Grey may terminate this Agreement upon the other party's breach of this Agreement with a sixty (60) days prior written notice of termination stating the breach.

10.2 CETRA may terminate this Agreement for any reason with a sixty (60) days prior written notice to Grey, and upon receipt of such notice, Grey, HW&G and affiliates shall make no further commitments in relation to Services and shall take all immediate steps necessary to minimize its costs. In the event CETRA terminates the Agreement for any reason, CETRA shall pay for any unpaid and undisputed charges up to the date of termination, in accordance with Section 5.2 of this Agreement. Notwithstanding the above, CETRA shall not be obligated for any charges for any subscribed but yet to be published Advertisements at the date of termination.

10.3 Either CETRA or Grey may terminate this Agreement immediately upon notice to the other where such other party (a) becomes insolvent or unable to meet its debts as they become due, or (b) assigns the Services for the benefit of creditors or goes into liquidation, bankruptcy or receivership, or (c) becomes a

party to any court procedure for the settlement of its debts.

#### 11. Entire Contract

This Agreement constitutes the entire understanding of the parties hereto and shall not be altered except in writing signed by the parties.

#### 12. Notice

Any notice required to be given under this Agreement shall be made in writing. A notice shall be deemed to have been received with seven (7) business days after posting if sent by registered mail with proper postage and correct address.

#### 13. Confidentiality

Grey, HW&G and other affiliates shall keep confidential this Agreement and all materials and information provided to them by CETRA pursuant to Article 4 of this Agreement. Grey, HW&G and affiliates shall provide access to the above-mentioned information only to the persons responsible for the execution of the Services and shall also impose the obligation of confidentiality on all persons working on any and every aspect of the Services. This duty to confidentiality shall survive the termination of this Agreement.

#### 14. Arbitration

14.1 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination, or invalidity thereof, shall be settled in Taipei, Taiwan in accordance with the Commercial Arbitration Rules of the China Commercial Arbitration Association then in force at the date of this Agreement. The tribunal shall consist of three arbitrators and shall be constituted as follows:

14.1.1 The claimant shall nominate an arbitrator and may by notice in writing call on the other party to nominate an

arbitrator within 30 days of the notice, failing which such arbitrator shall at the request of the claimant be appointed by the arbitrator nominated by the claimant.

14.1.2 The third arbitrator (who shall serve as President of the tribunal) shall be appointed by agreement between the two arbitrators appointed under Section 14.1.1 above.

14.1.3 Should a vacancy arise because any arbitrator dies, resigns, refuses to act, or becomes incapable of performing his functions, the vacancy shall be filled by the method by which that arbitrator was originally appointed.

14.2 In the event of default by either party in respect of any procedural order made by the tribunal, the tribunal shall have power to proceed with the arbitration in the absence of that party and to deliver its award.

Any Award or procedural decision of the tribunal shall if necessary be made by majority vote.

## 15. Governing laws

This Agreement shall be governed by, and construed in accordance with the laws of the ROC.

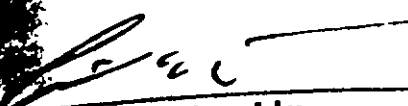
## 16. Discrepancy

This Agreement is prepared in both Chinese and English language versions. In the event any conflict arises between the interpretation of provisions in the English language version and the Chinese language version, the interpretation of the Chinese language version shall prevail.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in both English and Chinese in three originals and in a total of eight duplicates by their respective duly authorized officer or representative as of the day first above written.

live as of September 14, 1991.


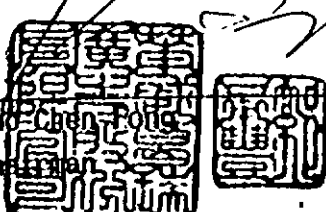
WTA EXTERNAL TRADE DEVELOPMENT COUNCIL

  
Justin Tingtsu Liu  
Secretary General

GREY ADVERTISING INC.

Edward H. Meyer  
Chairman & President

WTA-WEI AND GREY ADVERTISING CO., LTD.

  
  
Kuo Chen  
Ch...



ATTACHMENT I: MEDIA PLAN1. FY1992 AND FY1993 TOTAL CAMPAIGN BUDGET ALLOCATION  
(INCLUDING AGENCY FEE 17.65%)

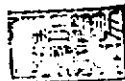
	<u>PRINT MEDIA</u>	<u>OUTDOOR</u>	<u>TOTAL</u>	<u>RATIO</u>
NORTH AMERICA	NT\$94,706,742	NT\$12,235,600	NT\$106,942,342	46%
EUROPE	51,163,632	4,628,000	55,791,632	24%
JAPAN	28,825,030	759,219	29,584,249	13%
TOTAL	174,695,404	17,622,819	192,318,223	83%
LOCAL AD			15,000,000	6%
PRODUCTION			15,000,000	6%
CONTINGENCY			62,730	-
TOTAL			222,380,953	95%
5% VAT			11,119,047	5%
GRAND TOTAL			NT\$233,500,000	100%

## 2. PRINT MEDIA PLAN FY1992 AND FY1993

## 1) NORTH AMERICA

<u>MEDIA</u>	<u>EDITION</u>	<u>INSERTION</u>	<u>TOTAL COST</u>	<u>NEGOTIATED COST</u>	<u>EFFECTIVE DISCOUNT</u>
TIME	BUSINESS	12x1	US\$2,348,240	US\$1,787,322	24%
NEWSWEEK	BUSINESS	11x1	1,202,620	810,010	33%
BUSINESS WEEK	NORTH AMERICA	5x1	706,956	516,572	27%
NATION'S BUSINESS	NATIONAL	1x5	404,360	222,011	45%
WALL STREET JOURNAL	NATIONAL	6x1	331,881	306,652	8%
TOTAL			US\$4,994,057	US\$3,642,567 (NT\$94,706,742)	27%

\* US\$1= NT\$26.



	<u>EDITION</u>	<u>INSERTION</u>	<u>TOTAL COST</u>	<u>NEGOTIATED COST</u>	<u>EFFECTIVE DISCOUNT</u>
	EUROPE	8	US\$863,788	US\$754,874	13%
	CONT'L EURO.+U.K.	8	384,580	321,448	16%
	GERMANY	4	444,297*	408,212	8%
	FRANCE	4	301,871*	284,340	6%
	EUROPE	9	247,620*	198,958	20%
			US\$2,242,156	US\$1,967,832	12%
				(NT\$51,163,632)	

\*Marked media charges will be based on their local currencies, US\$ is only for illustration. US\$1= NT\$26.

	<u>EDITION</u>	<u>INSERTION</u>	<u>TOTAL COST</u>	<u>NEGOTIATED COST</u>	<u>EFFECTIVE DISCOUNT</u>
	JAPAN	10	US\$381,328	US\$335,732	12%
	JAPAN	10	283,090	252,310	11%
	JAPAN	5	163,985	146,155	11%
	JAPAN	5	84,425	75,416	11%
	JAPAN	5	350,646	299,042	15%
			US\$1,263,474	US\$1,108,655	12%
				(NT\$28,825,030)	

\*All media charges will be based on Japanese Yen, US\$ is only for illustration. US\$1= NT\$26.



**PRODUCTION BUDGET FY1992**  
**(JUNE 30, 1992)**

PRINT MEDIA	:	NT\$ 82,240,857
OUTDOOR MEDIA	:	NT\$ 16,863,600
PRODUCTION	:	NT\$ 7,500,000
CONTINGENCY	:	NT\$ 62,210
<hr/>		
SUB-TOTAL	:	NT\$106,666,667
	:	NT\$ 5,333,333
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GRAND TOTAL	:	NT\$112,000,000

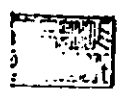
**OUTDOOR MEDIA PLAN FY1992**

<u>CITY</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>PERIOD MONTHS</u>	<u>TOTAL COST*</u>
NEW YORK	VAN WYCK EXPRESSWAY	50'x 20'	6	NT\$7,647,250
LOS ANGELES	CENTURY & LA CIENEGA	14'x 48'	6	4,588,350
FRANKFURT	AM MAIN	6'x 8'	12	1,508,000
PARIS	CHARLES DE GAULLE	10'x 13'	12	3,120,000
<hr/>				NT\$16,863,600
<b>TOTAL</b>				

\* Including production/agency fee 17.65%.

**6. MEDIA AND PRODUCTION BUDGET FY1993**  
**(JULY 1, 1992 - JUNE 30, 1993)**

PRINT MEDIA	:	NT\$ 92,454,547
OUTDOOR MEDIA	:	NT\$ 759,219
LOCAL AD	:	NT\$ 15,000,000
PRODUCTION	:	NT\$ 7,500,000
CONTINGENCY	:	520
<hr/>		
SUB-TOTAL	:	NT\$115,714,286
VAT 5%	:	NT\$ 5,785,714
<hr/>		
GRAND TOTAL	:	NT\$121,500,000



ATTACHMENT II: PRODUCTIONS FEES

1. HW&G STANDARD PRODUCTION CHARGES

**CHARGES FOR PRINT PRODUCTION**

Depending on the operating procedure adopted by a Client and its Agency, there are two methods of charging for production costs:

1) By quotation on a job-by-job basis

a. Time Costs

These include the time spent by Agency people on such activities as detailed planning, copy writing, revisions, preparation of finished artwork, meetings with film production houses about shooting scripts, and other developmental and production details after a proposal has been approved by the Client.

The current minimum time cost charge agreed by the Association of Accredited Advertising Agents of Taiwan, R.O.C. (A.A.A.A.) is NT\$1,000 per hour.

b. Supplier's Costs

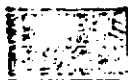
These are charges billed by outside suppliers for items such as typesetting, color separations/plates, photography, retouching, production of radio and TV commercials, air brushing, drawings, illustrations, talent fees, etc.

Charges are calculated by :  
(NT\$1,000 x No. of hours) + (Supplier's Cost x 1.1765)

c. Newspaper, magazine, brochure, catalog, and translation services will be billed according to the above time-cost charge.

2) Pre-Negotiated Fixed Rates

Services other than newspaper, magazine, and catalog will be charged on the following basis:



- Poster NT\$ 6,500-25,000
- POP NT\$ 6,500-25,000
- c. Outdoor or Bus Panel NT\$ 6,500-25,000
- d. TV Storyboard NT\$20,000-40,000

The 5% VAT charge will be borne by the Client under both types of billing procedure (#1 and #2).

GREY NEW YORK RANGE OF STANDARD PRODUCTION CHARGES

PRINT ADVERTISING

1) In-house Production

a. Creative planning and copywriting is included in the agency fee, the translation to a second language is to be charged at the rate of US\$100 - 250 per hour.

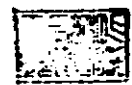
b. Layout  
Manhours for layout design and mechanicals related to the layout are the production cost to be charged. The standard range is listed below:

<u>Size</u>	<u>Layout Design</u>	<u>Mechanicals</u>
Double Page Spread	US\$730 - 1,100	US\$465 - 750
Full Page	US\$445 - 750	US\$330 - 525

2) Outside Production

a. Special supplements written by expert consultant is to be charged based on the standard range listed below:

Supplements Writing : US\$500 - 2,500/per 1,000 words  
Advertising Writing : US\$800 - 2,500/per page



b. Photostats:

<u>Usage</u>	<u>(1)Low Standard</u>	<u>(2)Medium Standard</u>	<u>(3)High Standard</u>
Consumer Ad			
National	US\$1,500-6,000	US\$2,000-8,000	US\$2,500-16,000
Regional	US\$ 750-4,000	US\$1,500-5,000	US\$2,000-10,000
Local	US\$ 750-4,000	US\$1,000-5,000	US\$1,500- 8,000
Billboard			
National	US\$1,000-7,000	US\$1,500-10,000	US\$2,000-15,000
Local&Transit	US\$ 750-4,000	US\$1,000- 8,000	US\$1,500-10,000
Point of Sales	US\$ 750-4,000	US\$1,000- 5,000	US\$1,500-10,000
Packaging	US\$ 750-4,000	US\$1,000- 6,000	US\$1,500-15,000
Photomatic	US\$1,000-5,000	US\$1,500- 6,000	US\$2,000-10,000

\* (1) generally represents the standard charge for a simple photograph.

(2) represents the standard charge for a more complex photograph, or part of a campaign with a moderate media budget.

(3) represents the standard charge for a very complex or specialized job, or part of a campaign with a large budget.

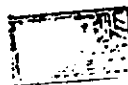
\* Buyout of the photo is not included.

c. Mechanical Revisions

Revisions exceeding one hour will be charged at the rate of US\$75 per hour.

d. Retouching (SCITEX)

Retouching will be charged at the rate of US\$500 per hour.



e. Color Xeroxing (8.5" x 11" sheet)

<u>Quantity</u>	<u>Charge/each</u>
1	US\$ 3.00
2-9	US\$ 2.50
10-49	US\$ 2.00
50+	US\$ 1.50

f. Typesetting

<u>Type</u>	<u>Charge</u>
Computer	US\$200/hr
Output	US\$ 25/minimum

g. Copy Test

The rate of Copy Test will be based on the difficulty of the job, e.g., qualification of target, numbers of cities, methods of the research, etc. The standard range is as below:

<u>Minimum Samples</u>	<u>Charge/per sample</u>
100	US\$100-400

3) A 17.65% agency fee will be added on all of the production cost.

