

Agreement of professional collaboration within the Public Relations Network (PRN)

1. Vision and Mission of Public Relations Network

1.1 Public Relations Network (PRN) is a group composed of leading “like-minded” independent communication agencies which have freely chosen to start a relationship with other international companies with the aim of developing mutual business by delivering strategic communication services to multi-national clients worldwide.

1.2 PRN harvests the independent spirit, entrepreneurial drive and dedication of its members and collectivizes this capability in a seamless way to create critical mass and a compelling value proposition for multi-national clients.

1.3 PRN ensures clients receive best-of-breed PR service in all major regional geographies from local market experts, who share the same commitment, to principal-level involvement in client engagements.

1.4 PRN enables mid-sized PR firms to aggregate their marketing muscle, collectivize their services, transfer knowledge, share competencies, gain competitive advantage and realise greater business value and financial benefits.

1.5 PRN competes directly against large holding companies, PR affiliate networks and international firms with a single branded office network. PRN is differentiated by a dedicated technology focus and unique business and operational structure.

1.6 PRN eliminates “group” overhead of big international firms as consortium members operate independently and “lead” agencies manage administration and billing.

1.7 PRN provides web-enabled collaborative work processes, consistent cross-office communication, personnel exchanges and shared best-practices to enhance the output of PRN members and synergy of the Network.

1.8 PRN allows for cooperatively funded marketing and business development programs to support global brand building and strategic account acquisition.

1.9 PRN should give priority to each member in their home country. This priority implicates a special responsibility when serving the partners and providing them with information and services.

2. Guarantees

2.1 Economic agreements will be made exclusively among agencies who join the PRN and who are able to vouch, to the best of their ability, for the reliability and the solvency of their own customers.

2.2 PARTNER AND CUSTOMER SATISFACTION

2.2.1 The members of PRN commit themselves to guarantee the correct operative support, information and correct economic proposals as well as the maximum support during the realisation of any given task.

2.2.2 PRN members commit themselves to react within 24 hours to a call for a potential business opportunity sent by another PRN member.

2.2.3 PRN members commit themselves to indicating to PRN members one person within their agency to handle enquiries or any work that arises from membership of the PRN (meetings, input for newsletter etc...).

2.2.4 PRN members commit themselves to support their PRN partners even if they do not have time or know-how or manpower. In this case the member is committed to find an appropriate partner in order to provide the proposed services. The PRN member is to be able to vouch for the competence of the agency that he/she has recommended.

2.2.5 If a PRN partner is not able to provide the necessary services to another PRN member, this member is allowed to contact another non-PRN agency in this country.

2.2.6 After three attempts to contact a member agency with no reply, the Executive Committee will be forced to review the future of this agency within the PRN.

2.3 PROFESSIONAL ETHICS AND CONFIDENTIALITY

2.3.1 PRN members commit themselves to respect information confidentiality during briefing sessions and during the entire period of any given assignment.

2.4 CUSTOMER PROPERTY

2.4.1 PRN members oblige themselves to respect the customer property ethics of the PRN.

2.5 PRN members oblige themselves to respect general and specific laws and rules in their own countries.

3. Marketing and Promotion

3.1 The members of PRN commit themselves to promote the PRN through promotion activities in their own countries.

3.2 PRN members commit themselves not to operate directly with companies or communication agencies that are declared as a promotion's goal of a PRN member. If a PRN partner has begun a relationship with a prospect that addresses directly to the agency in the interested country, this agency must readdress the potential customer to the agency that has started the promotion campaign. If the contacted agency wants to handle the new business contact directly, it will have to acknowledge a 2% commission fee to the partner who has promoted the PRN (see 6.3).

3.3 PRN member agencies should co-brand PRN (e.g. "Agency ABCD, A Member of Public Relations Network") and link or include the PRN website with their own website. Further members should endeavour to promote the PRN with entries in various catalogues and other related organs and online tools.

3.4 PRN supports its members by providing the following materials:

- § 3.4.1 Corporate design elements (PRN logo)
- § 3.4.2 Website www.pr-network.biz (basic graphics and framework; every member is invited to continuously submit leadership articles, case studies, awards/wins, market facts and figures from their respective countries, and guest articles from analysts and editors.)
- § 3.4.3 Sales collateral (e.g. starter kit on PRN with tools such as a template for letterhead paper, PowerPoint presentation, introductory pitch letters, for example).

4. Operating Guidelines

4.1 Relationship of Parties and Confidentiality

4.1.1 Each party is an independent contractor with respect to the other. Nothing herein contained shall be construed to place the collaborating agencies in the relationship of principal and agent, master and servant, partners, joint ventures or employer and employee, and neither party shall have, or expressly or by implication, represent themselves as having, any authority to make contracts in the name of or binding on the other, or to obligate or bind the other in any manner whatsoever, nor shall either party enter into any obligation, financial or otherwise, on the behalf of the other.

4.1.2 Should Agency A provide Agency B (C and D etc) with confidential information about themselves or their clients Agency B (C and D etc) is obliged to adhere to the confidentiality clause (see 2.3.1) for a period of up to two years even in the case that Agency B (C and D etc) is no longer a member of the PRN.

4.1.3 PRN member agencies are free to accept business from international non-PRN agencies or companies. In case of accepting a job from a country abroad the agency should inform the PRN partner of this country about its activities. PRN members are strongly recommended to give PR jobs to the partner agencies in the country except for the case described in Point 3.2.

4.2 Public Relations Network Executive Committee

4.2.1 It is to be established that until the Network has been formalised, the PRN can work with an Executive Committee.

4.2.2 The PRN agencies will establish an Executive Committee of three representatives from three PRN agencies. The elections of these three persons will take place at the PRN members' meeting in London in summer 2006. The members of the Executive Committee will serve for a period of one year, as from 2007 for a period of two years. Members of the Executive Committee can be voted in successively.

4.2.3 Candidates for the Executive Committee can either be proposed by the members or can propose themselves. Selection is carried out by a voting procedure: each agency has one vote. If there are more than three or four agencies who wish to candidate, or if partners cannot agree, there will be an election. A secret ballot can be held if requested by at least one agency.

4.2.4 The Public Relations Network Executive Committee will initially have the following duties:

4.2.4.1 Meet at least three times a year (via conference call or personally) to set a strategic agenda, create marketing and sales content, identify potential global accounts, develop best-practice examples, facilitate knowledge exchange, prepare the annual General Meeting in cooperation with the hosting agency, review new applicant members, and address operational issues.

4.2.4.2 Provide reports and performance reviews once a year to refine the mix and make-up of the PRN cooperative service group. Evaluate and approve additional partners at any time. The agency holding the Treasury position will be obliged to submit a fiscal report on an annual basis.

4.2.4.3 Be responsible for PRN financial operations, administration and define budgets.

4.2.4.4 Act as an arbitrating body for any client or agency disputes.

4.2.4.5 Carry out additional missions identified and endorsed by a majority of the PRN membership.

4.3 Membership

4.3.1 Members of PRN cannot have membership in another international PR agencies' network with the same, or with similar, objectives as the PRN.

4.3.2 Non-exclusive membership in the Public Relations Network should be subject to the review and approval of the Committee.

4.3.3 Additional partners may be admitted to the PRN at any time after being vetted and approved by the PRN Committee.

4.3.4 The Executive Committee can exclude member agencies that do not respect, even partially this agreement, at any time and without any notice unless they are in the middle of performing services for another PRN agency or have committed themselves to providing these services.

4.4 Communication between PRN Members

4.4.1 All members of the Public Relations Network can communicate via the interactive web communication tool InProgress, available under www.pr-network.biz.

4.4.2 Participation at the General Meeting (once a year) is mandatory and PRN members are free to organise additional meetings where participation is desired. Additional face-to-face meetings will also be held, e.g. at trade shows.

4.4.3 Each PRN member meeting is organised by one of the PRN member agencies. Meeting duration should be one day plus an informal get-together on the evening before the meeting day. Each participant pays for his/her own travel

expenses incl. accommodation as well as meals. Other out of pocket expenses (such as room hiring and/or conference facilities and the main meal on the meeting day) will be carried by the host of the meeting.

4.4.4 Each agency is obliged to create the PRN newsletter “PR Everywhere” once a year. A schedule will be provided within a reasonable timeframe. PRN members commit themselves to provide their articles for the newsletter in time. Should an agency not be able to create the newsletter on time, it should communicate this to other members offering an alternative timeframe or alternative suggestion (i.e. swapping months with another agency).

4.4.5 Meeting agendas and protocols will be provided to each member agency within a reasonable timeframe.

4.5 PRN Support and Development Services

4.5.1 The Secretariat is located at one of the agencies of the PRN Executive Committee.

4.5.2 A Secretariat will be established for all PRN administrative duties. Tasks for the Secretariat will include:

4.5.2.1 The support of communication between PRN members

4.5.2.2 The support of the PRN Committee in promotion activities, acquisition of new clients and new agencies members

4.5.2.3 Maintenance of the website www.pr-network.biz

4.5.2.4 The research, follow-up and initiation of business development opportunities for the PRN.

4.5.2.5 The collection of price information from all member agencies which includes typical retainer prices, for example.

4.5.3 The Agency, which manages the Secretariat, will be paid with some of the funds provided by PRN agencies. The amount to be allocated to the Secretariat will be decided by the Executive Committee.

5. Financial Guidelines within PRN

5.1 The PRN has an Executive Committee and requires a certain budget in order to support:

- Repayment of Committee's expenses (meetings)
- Economic management and secretariat activities
- Promotion activities (Internet, folder, forms, etc.)

5.2 Every agency can contribute a sum of approx. €1,500.

5.3 The sum would be invoiced by the agency charged with the financial and economical management, until the Network will choose a more formal and stable solution. The budget would be managed by this agency, which will provide final reports of the expenditure of this money.

5.4 Financial issues: The Treasurer is **not** located within the Secretariat (Agency A) but is located within Agency B (also a member of the Executive Committee) and Agency C (also in the Executive Committee) acts as a Controller. The agency carrying out Treasurer services will be entitled to write invoices for their services to the PRN.

5.5 The Executive Committee decides where the Treasurer, the Secretariat and the Controller are located.

5.6 General meetings should be financed by single hosting agencies, as it has been the case to date (see 4.4.3).

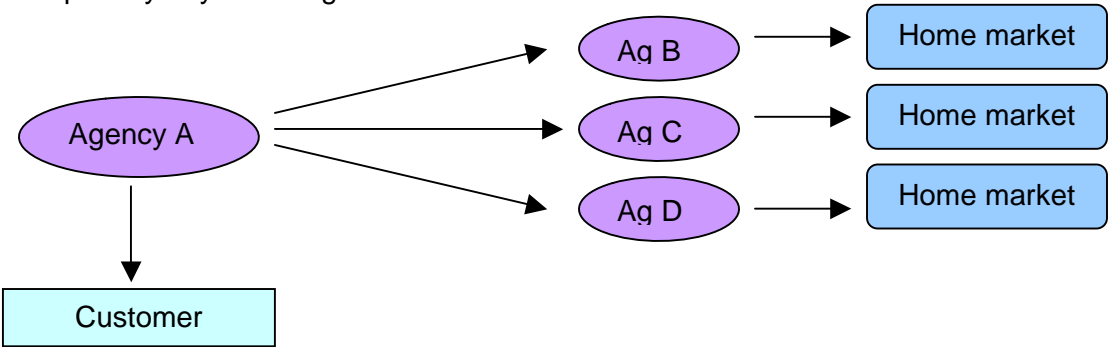
6. Financial Guidelines between collaborating PRN members

6.1 Lead Agency Definition and Role

A Lead Agency is a company introducing an account to the Public Relations Network Group. It will have overall responsibility for managing the account as well as providing coordination instructions to member agencies working in the account.

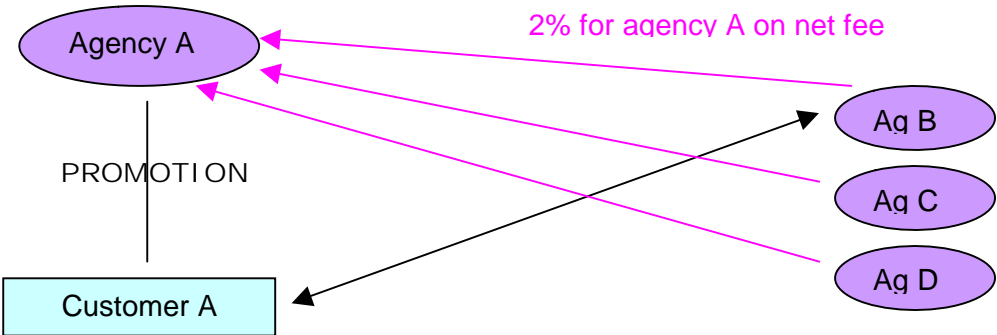
6.2 Scenario 1

The Lead Agency (A) buys services from another PRN Agency (B) and resells them to its customer. B proposes a price for its services and A resells these services at any price to its customer. There are no additional commission fees to be paid by any of the agencies.



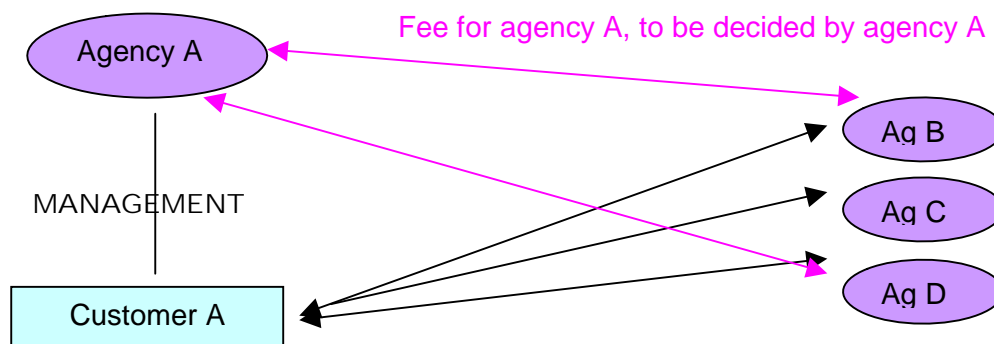
6.3 Scenario 2

Agency A recommends a PRN agency (B) in another country to its (potential) customer. This customer or the national office of this customer approaches B and starts business with B. Should the contact be successful, Agency B will pay Agency A a commission of 2% of the contracted job for one year.



6.4 Scenario 3

An agency is approached by a client in its country and acts as a sales agent for PRN agencies without being involved in the business. To cover the costs for promotion, marketing and sales and to motivate every agency to actively sell the PRN's services even if there is no direct involvement in the job, the approached agency will submit an individual cost proposal for its services to the PRN agency partners. The approached agency is asked to determine a "fair price" for its services, so that contracting the job is attractive for the partner agencies. This fair price could be approx. 5% of the budget of the project "sold", in one year.



The commission fee will be charged on a percentage from the general budget of the client and not on out of pocket expenditure such as third party costs.

Invoices among PRN members will be paid within 30 days. If this is not possible due to payment terms and conditions in certain countries, an alternative agreement is to be made between the agencies.

The costs related to the services and products provided by third parties will be charged with a service fee in a fair way agreed between the two agencies (the European average is 17.65%).

6.5 It is mandatory for all PRN members to retain and adhere to the spirit of the Network. Services carried out among agencies, for example, research in a member country, cannot be invoiced but should be reciprocated.

6.6 If any provision of this Agreement shall be found invalid or unenforceable, then such provision shall not invalidate or in any way affect the enforceability of the remainder of this document.

Buffalo PR, United Kingdom
Ilper O&P, The Netherlands
Mantra Empowered Public Relations, USA
Soluzione Group, Italy
Sympra, Germany
4ACE, Romania
C&C Consultores de ComunicaçãO, Portugal
GPS Imagen y Comunicaciòn, Spain
ITBC Communication, Poland
Agence Auvray & Associes, France
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RCA The Communication Groep, Belgium
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