

The Tobacco Files

A definitive conclusion to the debate over plain-packaging.

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A quick glossary

The Alliance of Australian Retailers (AAR)

A sham organisation fully funded and controlled by tobacco companies under the guise of representing retailers. Exists solely as a medium for tobacco companies to influence public opinion.

The Civic Group (TCG)

The public relations firm behind the AAR campaign – working 100% for tobacco companies Philip Morris International, British American Tobacco Australia and Imperial Tobacco.

Chris Argent

Director of corporate affairs at Philip Morris International. The man in control of the AAR campaign. If TCG has a question, suggestion or requires approval, they go to him.

\$2.16 million, \$2.20 million, \$1.08 million

The amount Philip Morris International, British American Tobacco Australia and Imperial Tobacco Australia have respectively spent on media in the AAR campaign.

\$3.74 million

The amount to be collectively contributed for the next round of AAR marketing

In the beginning...

From: "Argent, Chris M" <Chris.Argent@pmintl.com>
Date: Thu, 27 May 2010 19:04:15
To: jason.aldworth@thecivicgroup.com.au<jason.aldworth@thecivicgroup.com.au>
Cc: 'Miller, Brett'<brett.miller@thecivicgroup.com.au>
Subject: Follow up

Jason

Thanks for the further proposal you have submitted. As discussed, please find below some further questions. We would appreciate it if you could reply in writing as soon as you can.

I will be overseas next week, but contactable via email if you require any further information or clarification.

* Can you confirm that our day to day contacts at Civic Group will be with Jason Aldworth and Brett Miller as opposed to a "senior client representative?" How much of their time would be dedicated to this campaign?

* Throughout the proposal there is discussion about "third-party coordination" with very little about third party development. Can you please be very specific about the scope of your services dedicated to third-party ally identification, development and recruitment? Coalition building (which is not mentioned at all)?

* Can you please provide representative samples of the messages you might envision for the three campaign streams you identify? Who are the messengers you envision for each of the streams? What messages will PML communicate in its own voice versus using third-party's?

* Why do you think the Nanny State stream is strong enough to move the needle on this issue? How or should we try to leverage the 25% tax increase issue?

* How will the campaign change based on various foreseeable election outcomes?

* How do we measure progress in the campaign pre and post-election? Please provide a discussion of the tracking polls you would envision.

* Please provide more specificity on the number and scope of polling you would envision so that we can secure cost estimates for those additional services.

* Please send Ballyhoo charts entitled "Indicative Media Weight and Investment for Each Stage" separately in more legible form. Without significant additional research decisions cannot be made as to weight and investment.

* Please prepare a separate and distinct budget for Research and Design Stage, Phase 1 and Phase 2 and 30 Election Campaign. We envision the election being a major decision point and would like to clearly understand all costs from now until Election Day.

* The proposal anticipates a response or counter-campaign only from the Government. Please discuss and describe how the campaign may need to be modified should the tobacco control community activate and mobilize.

* Please note that contrary to the proposal the Coalition's "resolve" is not "strong." It is at best neutral. Please provide representative examples of the messages that might be delivered to Labor and the Coalition through the Government Relations component of the campaign. Who will deliver these messages?

* Please provide a breakdown of the staffing resources to be applied to each the components contained in the Campaign Scope of Work section of the proposal by each of the companies mentioned therein (other than PML of course).

* For the Campaign Budget, please provide at least one more layer of detail supporting those numbers. Are the "fees" a flat fee, a cap, estimated hourly total? Please distinguish "fees" from expenses.

Thanks and regards,
Chris

Chris Argent
Director Corporate Affairs
Philip Morris Limited
Phone: + 61 3 85311054
Mobile: +61408891620
E-mail: chris.argent@pmintl.com BLOCKED::blocked::mailto:chris.argent@pmintl.com>

The Civic Group's Proposal

Extracts from TCG's Proposal to PMI

1. Campaign Objective

Seek a change in policy such that there is no introduction of "generic packaging" into the Australian market.

As the plain packaging announcement was made prospectively, with no legislation to be introduced until after the election, it would be preferable to prevent the introduction of the Bill completely.

We recommend that the campaign proceed using the assumption that the Government will be returned and that the Senate balance of power will be with the Greens either immediately after the campaign (in the case of a double dissolution) or from 1 July 2011 (in the case of a normal half-senate election).

As such, into the medium term, the campaign focus must be on Labor policy itself, rather than on the Senate as a blocking mechanism.

2. Campaign Architecture

On announcing these measures, Kevin Rudd believed that the politics is good. Key Government stakeholders must be persuaded that this is not the case (to the point where they are prepared to act on this belief).

To achieve this, the campaign needs to repeatedly take Rudd off message and reinforce prejudices about him being superficial, making-policy-on-the-go, and "saying whatever he thinks people want to hear."

In the meantime, we need to ensure that the Coalition stays strong and avoids indicating future support for the Bill.

3. Tactical Considerations – Be Brave!

The Rudd government does not expect to undertake a change of this nature without some kind of fight from "big tobacco."

As such, by their very nature "predictable" or "safe" campaign decisions and tactics will not be able to achieve the desired outcome (as they will have already been anticipated) and will potentially play to perceptions of government "leadership."

In our view, the tactical executions must be edgier and stronger than any considered by tobacco companies in recent times.

This may necessitate greater use of legal tactics to defend political dialogue (e.g. if there is an attempt to put limits on the campaign's advertising, this should be aggressively defended, if necessary to the High Court, arguing the constitutional implied right of freedom of communication on political matters).

Effective Campaigning

A good campaign works not only because it has effective messaging and tactics but also because it is able to:

1. Deliver broad and narrowcast messages to general and specific audiences
2. Build a perception of campaign momentum
3. Create a range of campaign voices and supporting messages
4. Engage and activate audiences
5. Build concern among the targeted decision makers that the campaign will not cease, is likely to increase and that it will extract a political cost.

In order to achieve this, a diverse range of tactics must be used. Adopting only one tactic (such as advertising) will limit the campaign's ability to speak to segmented audiences but just as importantly the campaign will struggle to maintain momentum.

Effective political campaigns only work when the targeted decision makers believe that the campaign will be ongoing and intensive. In short, that the campaign will keep going and keep damaging their political standing unless they change their position.

Campaign Tactics

There are, literally, hundreds of individual tactics which may be considered during the course of the campaign. Each must be rigorously tested to ensure that it is in keeping with the campaign messaging, strategy and architecture. The following are examples of preliminary thinking around individual tactics which must be considered:

1. Advertising/Marketing

Above-the-line advertising should go to the nub of the campaign – putting pressure on the Government in respect of how the decision was made and whether it will actually work.

This advertising should be forthright – at times even aggressive – in nature (if the campaign fails, you won't have any brands left, anyway, so there is no point worrying too much about damage to your brands).

Engage with emotion, persuade with fact. While the advertising should identify and leverage existing emotional drivers and prejudices, it should be fundamentally fact based, and always completely accurate.

Importantly, above-the-line advertising provides us with a mechanism to talk to consumers and politicians directly, en-masse and unfiltered by the media.

Our team has extensive experience in the fast turn-around of advertising, and is adept at managing the process – from concept development, creative execution and media placement.

2. Media

Engaging different elements of the media will be critical to this campaign. It will be important to be faster and more agile in dealing with the media than the Government and Minister's offices – for example, countering the Government's story of the day within the same news cycle by providing hard facts to counter the Government's claim, or a better story.

Utilising trustworthy third parties will be critical to achieving ongoing success in the media.

We would also recommend creating and maintaining a database of journalists who are broadly sympathetic either specifically to the cause of smokers, or who are pre-disposed to anti nanny-state arguments.

3. Campaign Material

There needs to be a base set of information produced for different audiences which can be quickly made available and utilised in a variety of different executions.

The concept of targeted in-packet inserts presents a unique opportunity to send highly targeted campaign messaging to your consumers. We would propose segmenting your brands against Roy Morgan Values Segments, which then enables a clearly defined set of Australians for each brand to be researched and targeted.

4. Research and polling

While research and polling is typically considered to be a campaign “input” (i.e. being used to set messaging and refine execution) it can also be a strong tactical output:

- Strategic sharing of polling with key stakeholders such as a party of politician
- Strategic leaking of polling to the media

5. Online and social media

Online and social media provide a number of tactical strengths (particularly in respect of narrow-casting to particular audiences) which traditional media do not. Executions might include:

- Using twitter to communicate in real time with journalists
- Using facebook to activate smokers on a postcode (electorate-specific) basis
- Using third-party websites (for example the Centre for Personal Responsibility) to encourage and facilitate radio talkback participation and letters to the editor.

Importantly, this allows us to create communities of interest (whether that be with smokers, libertarians, retailers, etc).

6. Audience engagement

Audience engagement will be about providing ways to enable individuals to express their concern with an aspect of the proposed new rules.

- Facilitating individuals sending a message to their local MP
- Facilitating individuals sharing their concerns with friends and colleagues
- Allowing individuals different ways to express how the Government’s proposed course of action makes them feel.

7. Government relations

A constant programme of briefing will be needed to create concerns in the mind of the Government around the momentum, scale and efficacy of the campaign. This will also be an important way of identifying champions for the campaign or swing targets concerned about the affect of the campaign on the Government.

8. Third Party Coordination

While there are a number of third parties which may assist in the campaign, coordinating and keeping these groups engaged in the debate, and consistently on message will be a significant campaign task in itself. These will include

- International bodies (e.g. International Trademark Association)

- Legal bodies (particularly around TRIPPS and Intellectual Property)
- Consumer groups
- Retailer groups
- Ideologically motivated groups

Other Campaign Considerations

1. Likely Campaign Arguments

The final arguments for each campaign segment will, of course, need to be carefully tested through the research process. The following represents a likely set of arguments:

- No evidence that this radical policy will work. Just policy on the run to get a media opportunity.
 - Considered in other countries like the U.K. and rejected because there is no evidence that it will work
- Pressure on Government on HOW this decision was made? (Whiteboard? Policy on the run?)
- Perverse consequences
 - chop chop & illegal imports (now not just price, but brand)
 - Cost for retailers (slower transactions)
 - Make it “cooler” for kids
- Potential compensation from loss of IP rights?
 - NB struck down in Canada as unconstitutional
 - Would commit taxpayer resources to compensating tobacco companies
- Breach of international treaty obligations (eg TRIPS)
 - Will the Government be tied up in Court for years?
- An attack on individual choice and liberty – where will this end?
- Hypocrisy – addicted to the tax, not committed to the solution

2. Coalition Messaging

It will be critical to keep coalition’s resolve strong, at least until the new Senate is constituted.

- Potential fallback – hypothecation (“we can’t put the future of paediatric services at the mercy of cigarette tax”)

3. Lobbyists Code

We do not expect “lobbying” in and of itself to be effective, but continued dialogue with the

Government will be necessary to gather campaign intelligence and to feed concerns which are developing within the Government and its individual stakeholders.

We would note that the Civic Group currently acts for several bodies likely to resent a registration on the Lobbyists Code for us to represent a tobacco company. In this regard, it will be important for us that any final engagement be of sufficient quantum to make up for the loss of this work.

4. How We Use Research

The Civic Group will work with your researchers of choice.

While we have experienced researchers in our team, we believe that campaign research and testing should be independent from campaign design and execution.

Our approach ensures strategy is based on research and guided by fact. Most importantly, it gives our clients peace of mind that research results on campaign efficacy are being driven impartially.

Campaign Investment

We would anticipate that a campaign of this nature would require high level strategic advice and interventions from each of our Directors.

As we cannot be certain of the intensity of the campaign without further discussion, and a decision as to what other campaign resources are going to be made available.

We have provided below, a rough estimation of fees that are dependent on the level of engagement required of The Civic Group.

Medium intensity: ~\$40,000 + GST per month

High intensity: ~\$80,000 + GST per month

Multiple track
high intensity: ~\$100,000 + GST per month

This consultancy range is based on a daily Director fee of \$3,200 (not including GST). It also ensures client access to the entire Civic Group consultancy team 24 hours a day, seven days a week. We also guarantee an exclusive arrangement with no conflicts of interest.

Alternatively, we can undertake the work on a daily basis.

Fee Structure

All of our fees include local and national phone calls, local and national faxing and photocopying.

The above fees do not include GST, taxis, flights, accommodation, car travel over 50km from a capital city, international phone calls, international faxing, major printing and production services

(except for where specifically indicated in respect of collateral production), media monitoring, couriers and any other costs incurred on behalf of a client. The Civic Group would confirm with Philip Morris before committing significant disbursements of this nature.

Conclusion

Thank you for the opportunity to submit this brief outline of our campaign management approach. We welcome the opportunity to work with you and your colleagues on what promises to be a challenging project.

Please do not hesitate to contact myself on (03) 9620 9300 should you have any questions or if we can provide any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Aldworth', with a stylized flourish at the end.

Jason Aldworth

The Civic Group takes plain-packaging seriously

From: "Jason Aldworth" <jason.alldworth@thecivicgroup.com.au>

Date: Fri, 25 Jun 2010 18:24:08 +1000

To: 'Brett Miller' <brett.miller@thecivicgroup.com.au>

Subject: Speaking of branding v/s plain packaging



Jason Aldworth

Director

thecivicgroup

The Civic Group

Level 5, 379 Collins Street

Melbourne, VIC 3000

Phone: 03 9620 9300

Fax: 03 9620 9500

Mobile: 0414 332 443

Subject: Re: Speaking of branding v/s plain packaging

From: brett.miller@thecivicgroup.com.au

Date: Fri, June 25, 2010 9:26 am

To: "Jason Aldworth" <jason.alldworth@thecivicgroup.com.au>

Priority: Normal

Is that branding or a graphic health warning?
Sent via BlackBerry® from Telstra

Philip Morris rallies the troops

Subject: Tobacconists
From: "Ibrisim, Ozan" <Ozan.Ibrisim@pmintl.com>
Date: Thu, August 5, 2010 3:33 am
To: "Brett Miller" <brett.miller@thecivicgroup.com.au>
Priority: Normal

Brett

We have all the tobacconists on board. Will you send me the mocked up DL card today?

Regards

Ozan Ibrisim
Manager, Regulatory Affairs Philip Morris Limited
252 Chesterville Road, Moorabbin, Victoria, Australia 3189
e ozan.ibrisim@pmintl.com<mailto:ozan.ibrisim@pmintl.com>
t 61 3 8531 1053
f 61 3 8531 1955
m +61 409 415 283

Lateline was a draw?

Subject: Tonight/tomorrow
From: brett.miller@thecivicgroup.com.au
Date: Tue, August 3, 2010 2:13 pm
To: "Chris M Argent" <Chris.Argent@pmintl.com>
"Anna Stefanatos" <Anna.Stefanatos@pmintl.com>
"Rora Furman" <rora.furman@thecivicgroup.com.au>
"Jason Aldworth" <jason.aldworth@thecivicgroup.com.au>

Guys

I call that lateline story as a draw.

If it runs big tomorrow we should look at running out a couple of local retailers to call into programs like jones' etc. Craig from ssa (he's itching to get on radio) would be good and maybe mick daly.

Let's discuss in the morning

Brett

Sent via BlackBerry® from Telstra

“Sheryle ... does not seem to be spooked”

-----Original Message-----

From: Rora Furman <rorafurman@gmail.com>

Date: Wed, 4 Aug 2010 00:26:05

To: <rorafurman@thecivicgroup.com.au>

Subject: SMH article - Alliance

<http://www.smh.com.au/federal-election/huffing-and-puffing-big-tobacco-to-fight-back-on-plain-packaging-20100803-115gt.html>

-----Original Message-----

From: rorafurman@thecivicgroup.com.au

Date: Tue, 3 Aug 2010 14:31:39

To: Jason Aldworth<jason.alworth@thecivicgroup.com.au>;

<brettmiller@thecivicgroup.com.au>

Reply-To: rorafurman@thecivicgroup.com.au

Subject: Fw: SMH article - Alliance

Considering it's written by a health reporter, a pretty decent article.

FYI - Somewhat of a relief, heard back from Sheryle and she does not seem to be spooked at all, she is building on the momentum, doing ABC 24 at 7am tomo - she advised.

Sent via BlackBerry® from Telstra

-----Original Message-----

From: brettmiller@thecivicgroup.com.au

Date: Tue, 3 Aug 2010 20:15:26

To: Rora Furman<rorafurman@thecivicgroup.com.au>

Reply-To: brettmiller@thecivicgroup.com.au

Subject: Re: SMH article - Alliance

Do anna/chris know she is doing abc24?

Sent via BlackBerry® from Telstra

-----Original Message-----

From: rorafurman@thecivicgroup.com.au

Date: Tue, 3 Aug 2010 20:19:55

To: <brettmiller@thecivicgroup.com.au>

Reply-To: rorafurman@thecivicgroup.com.au

Subject: Re: SMH article - Alliance

I don't know , shall I shoot them to a note to let them know?

If I wouldn't have gotten in touch with her last night, I may not know either..

Sent via BlackBerry® from Telstra

From: brettmiller@thecivicgroup.com.au

Subject: Re: SMH article – Alliance

Date: Tue, August 3, 2010 9:24 pm

To: "Rora Furman" <rorafurman@thecivicgroup.com.au>

Send an email to them. Make it clear sheryle arranged this and also call anna even though its early

Have you spoken to sherlye this morning.
Sent via BlackBerry® from Telstra

“Tobacco funding question”

-----Original Message-----

From: PQC Retail <pqcetail@gmail.com>
Date: Tue, 3 Aug 2010 16:39:42
To: Brett Miller<brett.miller@thecivicgroup.com.au>
Cc: Leith Thomas<lt@leiththomas.com.au>
Subject: tobacco funding question

I don't think the Howard insider stuff damages the campaign too much, but I recommend that we respond less defensively on the question of funding (judging by Lateline):

- > We are up against the most well-funded organisation in Australia -- the
- > Federal Government -- and we are not the mining industry, We are small
- > newsagents, independent grocers and service stations, family-run
- > businesses. We need all the help we can get and, yes, that includes from
- > the tobacco companies.
- >

To the "how much?" question:

- > The Alliance is not going to discuss its budget in public -- I don't know
- > any organisation that would -- but we have the resources we need to make the
- > case to the Australian people that the plain packaging idea is misguided,
- > unproven and damaging to small business.
- >

--

Phil Quin
Director - PQC
15 Haywood St
Beaumaris VIC 3193
+61458411984

-----Original Message-----

From: brett.miller@thecivicgroup.com.au
Date: Tue, 3 Aug 2010 20:46:47
To: Pqcetail<pqcetail@gmail.com>
Reply-To: brett.miller@thecivicgroup.com.au
Cc: Leith Thomas<lt@leiththomas.com.au>
Subject: Re: tobacco funding question

I agree. She had a set of lines similat to these, practiced them but then got nervous.
Have called client twice this morning but obviously not important enough to get out

of bed for
Moon is doing abc 24 at about 7am. They called her and she agreed without telling
us. Could be long couple of weeks!
Sent via BlackBerry® from Telstra

-----Original Message-----

From: pqcretail@gmail.com
Date: Tue, 3 Aug 2010 20:52:44
To: Brett Miller<brett.miller@thecivicgroup.com.au>
Reply-To: pqcretail@gmail.com
Subject: Re: tobacco funding question

Ok. She just needs to keep saying. "I want to hear someone defend this policy idea
on the basis of evidence that it will work. You won't hear that because there is no
such evidence."

I think Craig Grasby in Empire Bay will be happy to help if you need him 0408224007
if you want to call direct. None of the others are up to radio. Craig is Service
Stations Association head.
Sent via BlackBerry® from Telstra

From: brett.miller@thecivicgroup.com.au
Date: Tue, 3 Aug 2010 21:04:31
To: Pqcretail<pqcretail@gmail.com>
Reply-To: brett.miller@thecivicgroup.com.au
Subject: Re: tobacco funding question

Ta. I've met craig. He will have the time of his life. Client finally out of bed
and ok with coverage. No decision on actions for today yet.
Sent via BlackBerry® from Telstra

The answer to the “tobacco funding question”

**Alliance of Australian Retailers
Media Investment Reconciliation**
August 30th 2010

ballyhoo

Advanced to Ballyhoo, July 29th 2010

From ITA	\$ 1,080,860
From BATA	\$ 2,200,000
From PML	\$ 2,161,720
	<hr/>
Total advanced	\$ 5,442,580
Less GST amount	\$ 494,780
Net amount for media investment:	\$ 4,947,800

Media Expenditure, August 5th to September 12th 2010

Metro TV	\$ 1,900,621
Regional TV	\$ 376,705
Subscription TV	\$ 201,616
	<hr/>
TV Total	\$ 2,478,942
Outdoor Large Format	\$ 289,282
Outdoor Shopping Centre Panels	\$ 437,010
Outdoor Digital	\$ 20,000
	<hr/>
Outdoor Total	\$ 746,292
Metro Radio	\$ 393,375
Regional Radio	\$ 252,390
	<hr/>
Radio Total	\$ 645,765
Newspapers	\$ 790,197
Online	\$ 251,367
Media total invested (Media Budget \$4,913,000)	\$ 4,912,563
Less radio station credit for incorrect schedule/placement*	\$ 8,113
Net media total:	\$ 4,904,450
Balance remaining for allocation	\$ 43,350

*Other credits may accrue after thorough checking of all placements.

Future media plans and tobacco funding - \$3.97m

From: "Jason Aldworth" <jason.aldworth@thecivicgroup.com.au>
Subject: Continuation of media for Phase 1
Date: Wed, September 1, 2010 1:43 am
To: "Argent, Chris M" <Chris.Argent@pmintl.com>
Cc: brett.miller@thecivicgroup.com.au

As requested, attached is Peter's additional plan to maintain awareness at ~34%. I have also reattached the plan to lift awareness to ~38%.

The new plan is about \$700k less, so \$3.97in total.

The tactics are still to use the AFL and NRL finals, but to start the package next weekend (Sept 10-11-12) instead of this weekend, which may now be impractical anyway. This high profile stuff is important because the ads will be seen a lot by people viewing together, which promotes talk which helps deliver awareness to a greater degree than "sole" viewing for a controversial subject.

Also reduced are the weights of regular peak Time (by 17%), and the radio upweights in weeks 4-6.

Note that in this version we still have radio starting next week so we'd need approval by Friday morning early.

Also, we would want to avoid a series of media articles next week saying that the campaign appears to be over...so if a decision can't be made in time, we should consider what mechanisms are sued to avoid this...

Jason

Blood money

Commission-bearing media:	\$ 4, 859, 613
Non-Commissionable costs (Outdoor installs & Online ad serving)	\$ 44, 837
3% Commission share:	\$ 145, 788

**Other credits may accrue after thorough checking of all placements.*

From: Peter Davy [mailto:PDavy@ballyhoo.net.au]
Sent: Wednesday, 1 September 2010 4:34 PM
To: Jason Aldworth; Brett Miller
Subject: Your share of commission.

Hi Guys, attached is a reconciliation of the spend, with 3% of commissionable media = \$145,788

Would you like me to transfer it to your bank, or hold it for drinks in Barbados?

Let's know either bank details or flight number.

Regards, and thanks!

Peter

Peter Davy
Managing Director
Ballyhoo Communications
media. publicity. sponsorship
T: 03 9693 7111 F: 03 9682 4933
M: 0419 877 540
E: pdavy@ballyhoo.net.au
Suite 5, 2 Kent Place, South Melbourne VIC 3205
www.ballyhoo.net.au

From: "Jason Aldworth" <jason.alldworth@thecivicgroup.com.au>
Subject: RE: Your share of commission.
Date: Wed, September 1, 2010 7:43 am
To: "Peter Davy" <PDavy@ballyhoo.net.au>, "Brett Miller" <brett.miller@thecivicgroup.com.au>
Cc: "Elizabeth Hill" <elizabeth.hill@thecivicgroup.com.au>

Many thanks Peter

Maybe the bank for this one - we'll use the next one for the drinks tab in Barbados.

Here are the account details - which are also fine for the AEJ Commission.

Name account held in: The Civic Group ATF The Civic Group Unit Trust

Account Number: 39-7353

BSB Number: 033-305

Name of Bank where account is held: Westpac

Bank address: 301 Clarendon St, South Melbourne VIC 3205

Cheers

Jason Aldworth

Director

The Civic Group

Level 5, 379 Collins Street

Melbourne, VIC 3000

Phone: 03 9620 9300

Fax: 03 9620 9500

Mobile: 0414 332 443

Blood Money 2.0

thecivicgroup

Level 5, 379 Collins Street
Melbourne VIC 3000

Bill To:

Philip Morris Limited
ATTN: Chris Argent
252 Chesterville Road
Moorabbin VIC 3289

A.B.N. 47 612 620 273

Tax Invoice

Invoice #: 00000073

Date: 31/08/2010

Page: 1

Description	Amount
SERVICES FOR AUGUST	
The Civic Group - Consulting Fees as per contract	\$200,000.00
Tracking Quantitative Research (As approved by Chris Argent's email 9 August) 50% of Fee for national marginals 15 minute quantitative survey of n=500 voters (Track 3, 16-22 August 2010)	\$12,080.00
100% of Fee for national marginals 15 minute quantitative survey of n=500 voters (Track 4, 23-29 August 2010)	\$24,160.00
The Reactor Monthly Retainer as per contract (see attached)	\$90,000.00
Remaining 50% of TVC Production (see attached) 2 x 30 sec Faces 1 x 30 sec No Evidence Talent cost paid to 10 Retailers for appearance on TV	\$249,578.00
Remaining 50% of Radio Production (see attached) 2 x 30 sec Faces 2 x 30 sec No Evidence	\$28,950.00
Remaining 50% of Outdoor Production (see attached) 2 x Faces in large format and shopping centres printing and design	\$29,500.00
Remaining 50% of Photography (see attached) Plus talent costs for use of retailers x 20	\$37,425.00

TERMS: 14 DAYS

Cheques Payable to: The Civic Group Pty Ltd

EFT:

Westpac
BSB: 033 305
Account Number: 39-7353

Please send remittance advice to accounts@thecivicgroup.com.au

GST:

Total Inc GST:

Amount Applied:

Balance Due:

Phone: 03 9620 9300 | Fax: 03 9620 9300

thecivicgroup

Level 5, 379 Collins Street
Melbourne VIC 3000

Bill To:

Philip Morris Limited
ATTN: Chris Argent
252 Chesterville Road
Moorabbin VIC 3289

A.B.N. 47 612 620 273

Tax Invoice

Invoice #: 00000073
Date: 31/08/2010
Page: 2

Description	Amount
Remaining 50% of Online Production (see attached)	\$17,500.00
Newspaper Production Credit (see attached) (Initially charged \$18,300 on TCG invoice 00000035, but actual charge was \$11,200)	-\$7,100.00
Expenses (see attached) Include: Taxi's Flights, Accommodation, travelling expenses, car hire, petrol, Media release distribution, and couriers.	\$27,517.00
Expenses - no GST applicable (see attached) Website design, layout and hosting + miscellaneous food expenses	\$8,073.10

TERMS: 14 DAYS	GST:	\$70,761.00
Cheques Payable to: The Civic Group Pty Ltd		
EFT: Westpac	Total Inc GST:	\$786,444.10
BSB: 033 305	Amount Applied:	\$0.00
Account Number: 39-7353		
Please send remittance advice to accounts@thecivicgroup.com.au	Balance Due:	\$786,444.10

Phone: 03 9620 9300 | Fax: 03 9620 9300

info@australianretailers.com.au = info@pmintl.com

From: "Rora Furman" <rora.furman@thecivicgroup.com.au>

Subject:

Date: Tue, August 31, 2010 3:03 am

To: "Argent, Chris M" <Chris.Argent@pmintl.com>

Cc: brett.miller@thecivicgroup.com.au, "Jason Aldworth" <jason.aldworth@thecivicgroup.com.au>

Hi Chris -

Following on from my previous message, please find attached a recent batch that may be of interest. They are a snapshot of what has received and includes a few wanting more information as well as more strident opponents or other industry related inquiries.

As discussed with Anna previously, I'd recommend not responding to emails that are generally rather offensive and/or use particularly colourful language.

For all other general emails, almost all critical, I would propose a short and sharp response along the lines of:

1. Thank you for your email.

The Australian Alliance of Retailers

OR

2. Your comments have been noted, thank you.

The Australian Alliance of Retailers

The objective is purely to acknowledge receipt. Bearing in mind the tone of almost all of the emails, we do not want to engage in ongoing correspondence, that's why in our experience keeping responses to these sort of emails should be short and polite. It may not satisfy some of those who send emails but is probably best for the Alliance.

Any media outlet who have contacted the campaign through the website have usually followed up with a phone call - as my name and number is listed on the media release featured on the site.

Happy to discuss all of this further or put together a more detailed response plan if that is needed at your end? Just let me know.

Kind regards,
Rora

Rora Furman

Manager - Campaigns
Level 5, 379 Collins Street
Melbourne, VIC 3000

Phone: 03 9620 9300

Fax: 03 9620 9500 Mobile: 0402 893 868

info@australianretailers.com.au = info@pmintl.com

From: "Argent, Chris M" <Chris.Argent@pmintl.com>

Subject: transcript from MTR - 28 August

Date: Tue, August 31, 2010 2:16 am

To: "Brett Miller" <brett.miller@thecivicgroup.com.au>,"Jason Aldworth" <jason.alldworth@thecivicgroup.com.au>

Guys - please see transcript below from MTR, where Glenn Wheeler claims to have sent emails to AAR asking for an interview.

Is this correct, and if so, why was this not brought to our attention?

I was of the understanding that you were checking the inbox and alerting us to anything of interest, of which this should have been one.

GLENN WHEELER: And yet, can I just jump in there and say that's interesting, what you just say there about a registered office being a flat somewhere in Sydney, I have sent off numerous emails in the last week to try and get someone from the Alliance. to have a chat to them, so we could have an interview much like you and I are doing now, and I got no response whatsoever, so I became a little suspicious of how big their operation was, and yet on the public side of their campaign, they have taken prominent billboard space, newspaper space et cetera, so...

Chris Argent

Director Corporate Affairs

Philip Morris Limited

Phone: + 61 3 85311054

Mobile: +61408891620

E-mail: chris.argent@pmintl.com<BLOCKED::blocked::mailto:chris.argent@pmintl.com>

“The Alliance has no bank account”

From: "Jason Aldworth" <jason.aldworth@thecivicgroup.com.au>
Subject: RE: ASIC documents
Date: Wed, September 1, 2010 12:36 am
To: rora.furman@thecivicgroup.com.au, brett.miller@thecivicgroup.com.au

This is because they still have not registered the business name.

Why, you ask? Because instead of asking Bob Stanton to just sign the form and get one of the three legal departments or three external law firms to do it, the Alliance asked him to take care of the entire process. But because the Alliancxe has no bank account and it costs \$83, Bob does not think it should come out of his own pocket.

Therefore a month later nobody has done it.

So, if this campaign is successfully stopped over a legal challenge, it will be over \$83.

Jason Aldworth
Director

The Civic Group
Level 5, 379 Collins Street
Melbourne, VIC 3000

Phone: 03 9620 9300
Fax: 03 9620 9500
Mobile: 0414 332 443



ASIC

Australian Securities & Investments Commission

5th Floor, 15 London Circuit, Canberra
GPO Box 9827 Canberra AC1 2601
DX 5696 Canberra

Telephone: (02) 6250 3800
Facsimile: (02) 6250 3811

Our Reference: 35242/10

26 August 2010

Ms Sheryle Moon
Director
Alliance of Australian Retailers Pty Ltd
Unit 1505
168-170 Kent Street
MILLERS POINT NSW 2000

Dear Ms Moon

ALLIANCE OF AUSTRALIAN RETAILERS PTY LTD (ACN 145 378 589)

It has come to ASIC's attention that Alliance of Australian Retailers Pty Ltd (the Company') may have published a public document on www.australianretailers.com.au without including the Company's ACN on the document.

COMPANY OBLIGATIONS

I remind you that the *Corporations Act 2001* ('the Act') imposes important obligations on companies including the obligation to make sure that the Company's name and ACN is set out on all its public documents.

CRIMINAL OFFENCE AND PENALTY

It is a criminal offence for any company to fail to comply with its legal obligations. If convicted, the Company may be ordered to pay up to \$5,500 for each offence relating to the failure to include its name or ACN on its public documents.

WHAT YOU NEED TO DO

You should ensure that the Company includes its ACN on its website and any other public documents.

ASIC reserves the right to take further action without further notice to you to ensure compliance with the provisions of the Act.

Team Tobacco

From: Argent, Chris M [mailto:Chris.Argent@pmintl.com]

Sent: Thursday, 2 September 2010 5:15 PM

To: Jason Aldworth; 'John Scales'

Subject: RE: conference call

Dial in information is below:

03-9010-7736

Participants Passcode: 7706625

On the call will be John Scruggs, as well as James Blakelock from BAT head office, Jacqueline Burrows and Rob Koreneef from Imperial Tobacco's head office. The BAT and Imperial people were at the meeting in Sydney that you attended.

Agenda is for John Scales to go through the report.

Please let me know if you have any questions.

Regards, Chris

Political involvement?

From: Rora Furman <rorafurman@thecivicgroup.com.au>
To: 'Argent, Chris M' <Chris.Argent@pmintl.com>
Cc: brett.miller@thecivicgroup.com.au; 'Jason Aldworth' <jason.alworth@thecivicgroup.com.au>
Sent: Thu, Sep 2, 2010 1:51 pm
Subject: Emails/media inquiry

Hi there Chris –

Please find attached the key emails received over the past two days. Interestingly, there is one from a Vic Lib Dem candidate for the upcoming Vic election.

You will see there is also one from retailbiz.com.au – an online retail media outlet – with an inquiry. I've spoken with the reporter, Aimee Chanthavong, who is keen to do a brief interview with Craig to cover issues such as:

- How PP will impact on retailers?
- Future plans of the alliance, is its' campaign ongoing?

It is the sort of media opportunity that Craig tends to do quite well in, where he can roll out his 'customer A, B and C' anecdote, etc.

Do let me know if you are OK with this and I will set up a time for them to chat.

Kind regards,

Rora

Rora Furman
Manager - Campaigns
Level 5, 379 Collins Street
Melbourne, VIC 3000

Phone: 03 9620 9300
Fax: 03 9620 9500
Mobile: 0402 893 868

Subject: academic support for you position
From: "Michael Keane" <MKEANE@groupwise.swin.edu.au>
Date: Wed, Sep 01, 2010 4:38 pm
To: <info@australianretailers.com.au>

To whom it may concern,

I'm emailing to see if it would be possible to arrange a brief meeting with a representative of your organization. I have written about the inappropriateness of heavily taxing and/or heavily regulating various lifestyle products under the guise of "public health". I have been particularly concerned by many of my colleagues in the medical profession who reflexively call for bans on cigarettes. I share your opposition to mandatory plain paper packaging. I have written for the New England Journal of Medicine, the American Journal of Bioethics and for The Australian newspaper.

I'm also running for a seat in the Upper House of the Victorian Parliament at the forthcoming election in November. I'll be running for the Liberal Democratic Party, which stands for less government intervention and more personal responsibility.

Your organization would fall within the natural constituency of our party. I would be very interested in the opportunity of meeting up to discuss your organization's concerns regarding government regulation.

Please feel free to contact me by email or phone on 0403 780 935. I very much look forward to the opportunity of meeting with your organization and its members.

Kind Regards,

Dr Mike Keane

Brief Biography

Specialist Anaesthetist;

Bioethicist;

Researcher at the Swinburne University Brain Sciences Institute;

Lecturer in the Department of Epidemiology and Preventive Medicine at Monash University;

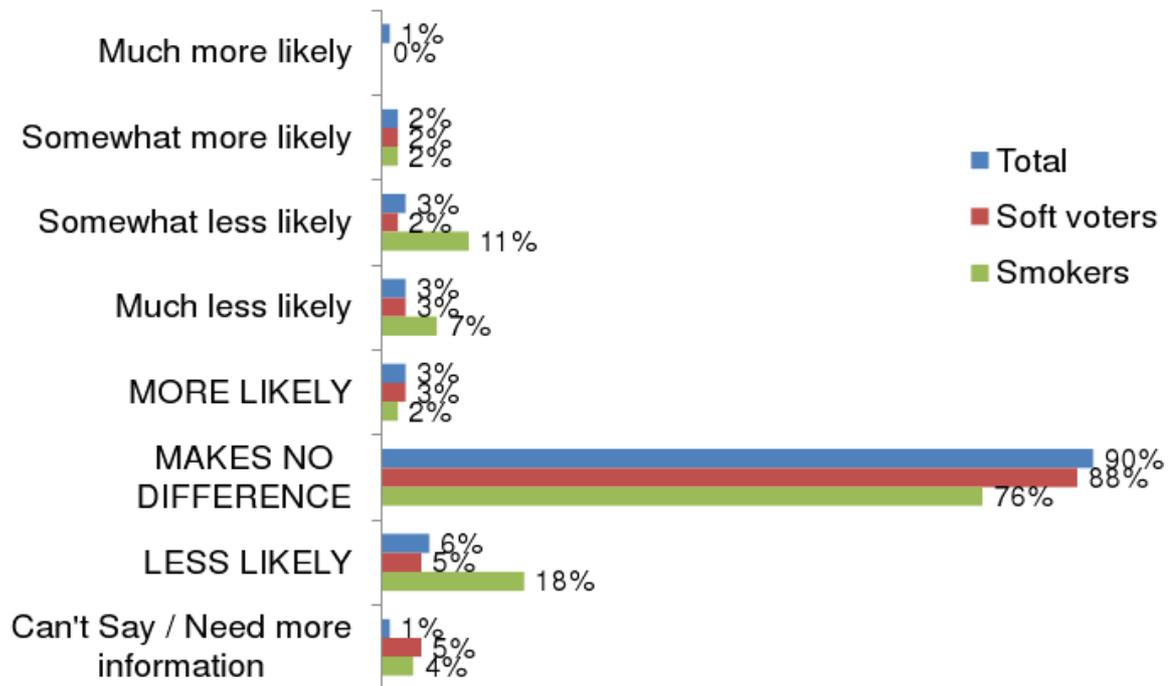
Researcher in the Department of Pharmacology at the University of Adelaide;

Select slides from TCG's market research
presentation to PML

thecivicgroup

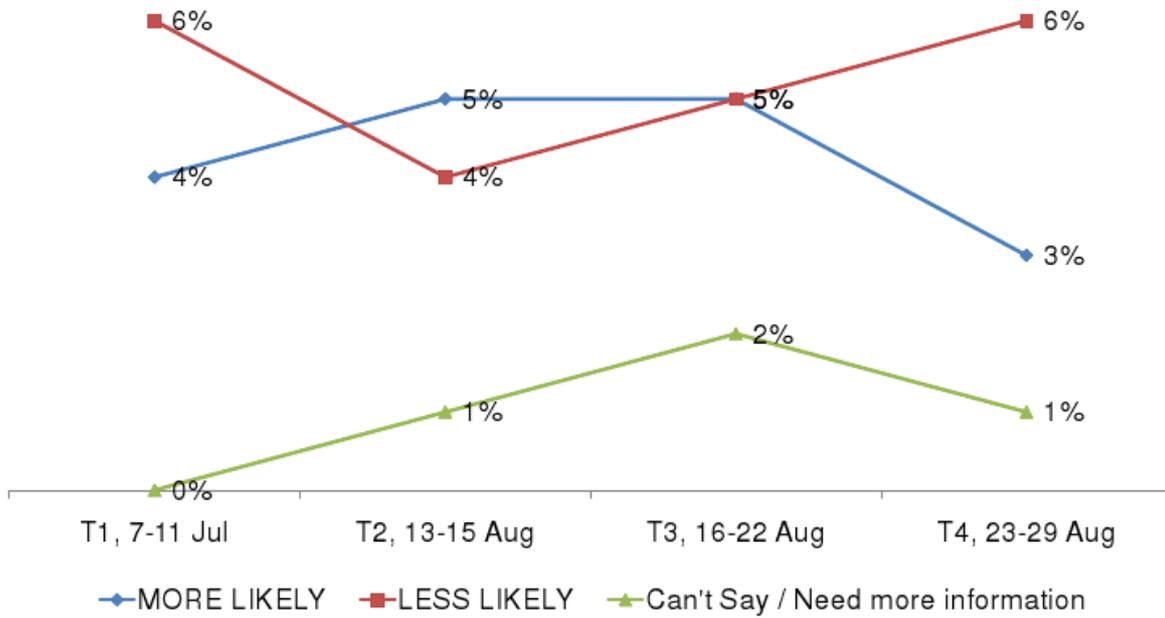
Regulatory Issues Campaign Tracking Research
Track 4 – 23rd – 29th August 2010

Affect of plain packaging on vote for Labor Track 4, 23-29 Aug 2010



Draft for consideration, not reviewed by PML

Trend affect of plain packaging on vote for Labor (‘Makes no difference’ result not shown)



Draft for consideration, not reviewed by PML

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**The Alliance has assistance? They must mean
Philip Morris has assistance.**

From: Rora Furman [mailto:rora.furman@thecivicgroup.com.au]
Sent: Wednesday, 4 August 2010 11:27 PM
To: brett.miller@thecivicgroup.com.au; 'Jason Aldworth'
Subject: TCG lines

Only if asked, is this the sort of stuff you would be OK with Sheryle commenting on re: the Civic Group's involvement in campaign:

- Yes, the Alliance has professional campaign assistance, The Civic Group is working with us on our campaign. But that's not the real issue, the real issue is...

- We are upfront on our website, in our media release the tobacco companies are helping fund our campaign. But that's not the real issue, the real issue is...

Let me know if there are other lines you'd prefer she used if need be.

BTW - Liberal's \$3.1 billion health package dominates the front page of tomorrow's Age.

Rora Furman

Manager - Campaigns

Level 5, 379 Collins Street

Melbourne, VIC 3000

Phone: 03 9620 9300

Fax: 03 9620 9500

Mobile: 0402 893 868

Media shy

From: "Argent, Chris M" <Chris.Argent@pmintl.com>
Subject: media calls
Date: Wed, August 4, 2010 6:14 am
To: "brett.miller@thecivicgroup.com.au"
<brett.miller@thecivicgroup.com.au>,"rora.furman@thecivicgroup.com.au"
<rora.furman@thecivicgroup.com.au>

We've had the following media calls:

Andrea Carson, producer from ABC Melbourne Radio, Lindy Burns programme (03 9626 1743)
Would like to speak with a PM or Alliance spokesperson to talk about the campaign
to go to air around 5:00pm tonight
Recommendation: for Sheryle to consider

Cath, producer from ABC1 Lateline (03 9626 1019 or 0429 295 789)
Would like to speak with someone on camera to follow up on the story from last night
asap
Recommendation: PM to decline

Belinda Sommer, producer from ABC Sunday Profile with Monica Attard (02 8333 1453)
Interview request to talk about Government plan on plain packaging and the campaign
PM have taken up with the Retail Alliance
20 minutre pre-recorded interview
Talk with business and political leaders around the world, do not interview poltical
commentators
asap to discuss
Recommendation: PM to decline

appreciate any thoughts you might have

Chris Argent
Director Corporate Affairs
Philip Morris Limited
Phone: + 61 3 85311054
Mobile: +61408891620
E-mail: chris.argent@pmintl.com<BLOCKED::blocked::mailto:chris.argent@pmintl.com>

The proof is in the contract

Schedule of Terms

This agreement to provide consulting services (the *Services*) consists of this Schedule of Terms, the General Conditions attached to it, any attachments referred to in this schedule or the General Conditions and a signing page.

(1) Name and address of party purchasing the Services:	Philip Morris Limited ABN 65 004 694 428 of 252 Chesterville Road Moorabbin Victoria 3289 (PML)
(2) Name and title of PML officer responsible for agreement:	Chris Argent, Director Corporate Affairs, Australia, New Zealand and Pacific Islands (the <i>PML Representative</i>)
(3) Name and address of party providing the Services:	The Civic Group Pty Ltd (ACN 142 065 021) of Level 5, 379 Collins Street, Melbourne VIC 3000 (the <i>Consultant</i>)
(4) ACN of Consultant:	142 065 021
(5) Name of Consultant's officer responsible for agreement:	Mr. Jason Aldworth
(6) Date at which the Agreement is deemed to commence:	1 September 2010
(7) Term of the Agreement, unless otherwise terminated earlier in accordance with this agreement:	Research and Design Phase to be completed within 30 days after the Commencement Date(the <i>Term</i>)

General Conditions

1. Definitions

The following definitions apply unless the context requires otherwise.

Ballyhoo Payment for Media Buy Plan refers to the process as set out in item 4 of Schedule 2 or agreed by the parties from time to time.

Consultant's Personnel means:

the personnel listed in Item 5 of Schedule 1 and any personnel working under the supervision of the personnel listed in the attachment in connection with providing the Services; or if there is no such attachment, each employee or agent of the Consultant involved in providing the Services,
together with any replacement person or additional person approved in advance by PML's Representative and, if the Consultant is providing any of the Services personally, it includes the Consultant.

Consultant Service Fee Escalation Process means the Consultant service fee escalation process set out in item 3 of Schedule 2 or agreed by the parties from time to time.

GST has the meaning given in section 195-1 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

KPIs means the key performance indicators set out in Schedule 3, if any

Media Buy means the total expenditure made by PML on outdoor, television, newspaper and radio advertising throughout the life of the campaign.

Payment Terms means the terms of payment of the Service Fee which are set out in Clause 10 and item 2 of Schedule 2.

related body corporate has the meaning given in the *Corporations Act 2001* (Cth).

Services means the consultancy services as set out in Item 1 of Schedule 1.

Service Fee means the fee payable by PML to the Consultant for the performance of the Services and which is set out in item 1 of Schedule 2.

Third Party means any person or entity not party to the agreement which is involved in the provision of the Services including subcontractors, agents, consultants but excluding providers of raw materials.

Training means the training required to be undertaken by the Consultant as set out in Item 4 of Schedule 1.

2. Appointment

PML appoints the Consultant to provide the Services and the Consultant agrees to provide the Services on the terms and conditions of this agreement.

3. Term

Neither PML nor the Consultant has any obligations under this agreement after termination except that:

PML is required to pay any account properly rendered by the Consultant after termination for Services provided before termination;

any rights and remedies relating to breaches of this agreement that occurred before termination are not affected by termination occurring; and

the obligations in Clauses (Promises by the Consultant), 11 (Accounts and payment), (Confidentiality), (Exclusivity), (Intellectual property), (Indemnifications), (Conduct of the Consultant) and (Other general provisions) continue to apply.

4. Termination

4.1 PML may terminate

PML may terminate this agreement immediately upon written notification, (except in the case of Clause), if any of the following occur:

the Consultant becomes insolvent (as defined in the *Corporations Act 2001* (Cth)) or, in the reasonable opinion of PML, is otherwise unable to provide the Services in accordance with this agreement during the Term;

PML gives the Consultant not less than 10 days' written notice of termination;

if PML requires the immediate departure from PML's premises of any of the Consultant's Personnel on more than two occasions in accordance with Clause ;

where a notice has been given under Clause , if the Consultant is unable to immediately offer a replacement member of the Consultant's Personnel of equivalent skills and experience; or

if the Services are not provided to the level promised in Clause .

Any representation or warranty made in this Agreement is breached by the party making such representation or warranty or is determined to be false or misleading in any material respect, it being understood that PML has the right to terminate the Agreement and withhold further payments if it believes, in its sole discretion, that the Consultant has violated the anti corruption representations and warranties or that a violation is substantially likely to occur. If such violation is associated with any payments or fees paid by PML hereunder, Consultant shall be obligated to reimburse PML the amount of

any such payment or fee.
If the Consultant breaches the essential representations and warranties referred to in Schedule 4.

4.2 The Consultant may terminate

The Consultant may terminate this agreement immediately upon written notification if any of the following occur:

PML becomes insolvent (as defined in the *Corporations Act 2001* (Cth)); or
in the reasonable opinion of the Consultant, PML is otherwise unable to pay accounts rendered under this agreement within 45 days of the accounts being delivered to PML.

5. Promises by the Consultant

The Consultant promises that the Services will be provided:

in a timely and professional manner;

to the standard of expertise which the Consultant has represented to PML that the Consultant's Personnel possess;

in accordance with the reasonable instructions of PML;

by persons who have the necessary skill and experience to perform the Services;

in accordance with the KPIs; and

with proper care, skill and diligence.

The Consultant will ensure that no employee, agent or contractor of the Consultant does anything during the term of this agreement which, if it was done by the Consultant, would constitute a breach of this agreement.

The Consultant promises that neither it nor any of the Consultant's Personnel is, or will come under any obligation or restriction during the term of this agreement that would in any way interfere or conflict with providing the Services.

The Consultant acknowledges that PML will be relying on the Consultant to provide expert advice and use its best efforts in carrying out the Services.

The Consultant warrants that each of the Consultant's Personnel does not have a criminal record which records offences that may be relevant to the duties to be performed by that person and that this is evidenced by a Victorian Police Certificate of criminal record check. PML may request to sight such certificate for any of the Consultant's Personnel.

The Consultant acknowledges that PML may require background checks to be made in relation to the Consultant and the Consultant's Personnel and the Consultant consents, and will ensure that the Consultant's Personnel consent, to such checks.

6. Provision of Services by Third Parties

The Consultant may utilise the services of Third Parties in order to meet its obligations under this Agreement without the prior written consent from PML.

7. Obligations regarding the Consultant's Personnel

7.1 Obligations while on PML's premises

At all times when the Consultant's Personnel are on PML's premises, the Consultant must ensure that the Consultant's Personnel:

comply immediately and fully with all directions given to them by PML staff;

immediately leave PML's premises if they are directed to leave PML's premises after failing to comply with a direction from PML staff;
conduct themselves professionally at all times so as to cause the minimum disruption to PML's business; and
comply fully with all safety, health, environmental and equal opportunity policies of PML applicable to PML staff and notified to the Consultant, and all relevant legislation.

7.2 Personnel to leave

If the Consultant has been given a copy of PML's policies applicable to contractors, then the contents of those policies will be treated as directions to the Consultant's Personnel under Clause above and any breach will entitle PML to immediately request the relevant member of the Consultant's Personnel to leave the premises in accordance with Clause .

7.3 Performance by Consultant's Personnel

The Consultant will ensure that the Consultant's Personnel are available for the maximum number of hours as set out in Item 2 of the Schedule.

If at any time the PML Representative notifies the Consultant that it is dissatisfied with the standard of performance of any member of the Consultant's Personnel, the Consultant must procure that that member of the Consultant's Personnel immediately stops providing any of the Services and that another member of the Consultant's Personnel replace them.

8. Promises by PML

PML promises that it will promptly provide to the Consultant such information and access to PML sites as the Consultant may reasonably request for the purposes of carrying out the Services.

9. General Data Collection

The Consultant consents to PML and its authorised representatives contacting former employers, professional referees and government departments for verification of information provided by the Consultant to PML.

10. Service fee

In consideration of the performance of the Services by the Consultant, PML will pay to the Consultant the Service Fee in accordance with the Payment Terms.

The Service Fee will be fixed for the first year of the Agreement. The Service Fee will not be increased by the Consultant without the prior written consent of PML representative. Any increase in the Service Fees:

must be reasonable and be supported by evidence of an adjustment in the relevant certified agreement, or a statutory increase/decrease, such as superannuation, workcover or payroll tax; and
must be in accordance with the Consultant Service Fee Escalation Process.

The Consultant must notify PML in writing 30 days in advance of any proposed Service Fee increase.

Any increase in Service Fees will be valid from the date of PML's written consent to the increase.

11. Accounts and payment

Accounts rendered by the Consultant in accordance with the terms of this agreement must set out in detail the manner in which the amount claimed is calculated by reference to the Services provided, the time periods to which the claim relates and any other factors which affect how the amount claimed is calculated in accordance with the Schedule of Terms. Accounts must be addressed to the Accounts Payable Department at PML.

The submission of each Account by Consultant shall be a representation and warranty that the covenants, representations and warranties of Consultant in this Agreement remain true and accurate as of the date of such invoice.

PML must pay accounts properly rendered by the Consultant within 14 days of receiving it, or in accordance with the Consultant service fee escalation process set out in item 3 of Schedule 2 or agreed by the parties from time to time.

The Consultant may not claim reimbursement for any expenses or out-of-pocket costs or any amount other than as expressly contemplated in the Schedule of Terms at the front of this agreement unless the Consultant has obtained the written consent of PML's Representative to the cost being incurred before it is incurred.

The Consultant may not claim reimbursement (and will reimburse PML if PML is required to pay them in respect of the Consultant or the Consultant's Personnel for any reason) for any payments the Consultant is required to make under any legislation.

PML may withhold payment of any account that does not comply with the Payment Terms. No payments shall be made in cash or bearer instruments, nor shall any payments owed to Consultant be made to a third party instead.

The Consultant's obligations regarding Third Party costs are set out in item 2 of Schedule 2.

12. GST

11.1 GST to be added to amounts payable

The parties acknowledge that all amounts payable under this Agreement are expressed to be exclusive of GST. If GST is payable on a Taxable Supply the amount payable for that Taxable Supply will be the amount expressed in the Agreement plus GST.

11.2 Impact of GST on the calculation of amounts payable

Without limiting Clause 1.1:

(a) If an amount payable under this Agreement is calculated by reference to or relates to a cost, expense, liability or similar amount (**Liability**) incurred by a party, then the Liability must be reduced by the amount of any Input Tax which that party is able to deduct in respect of that Liability.

(b) If an amount payable under this Agreement is calculated by reference to or relates to price, value, sales, revenue or similar amount (**Revenue**), then the Revenue must be exclusive of GST.

11.3 Documentation

Despite any other Clause in this Agreement, if GST is payable on a Taxable Supply made by one party (**Supplier**) to another (**Recipient**), then the Recipient will not be required to pay any amount to the Supplier in respect of that Taxable Supply unless it has first received a Tax Invoice from the Supplier.

This Supplier must provide the Recipient with a Credit Note or Debit Note, as the case may be, within 28 days of the criteria in section 25(1) of the Goods and Services Tax Act 1985 being met.

11.4 Defined terms in this Clause

In this Clause 11, *Credit Note, Debit Note, Input Tax, Registered Person, Tax Invoice* and *Taxable Supply* have the meaning given in the Goods and Services Tax Act 1985.

13. Confidentiality

13.1 Confidential information

The Consultant will hold any and all information it obtains pertaining to the business of PML or its related bodies corporate in strict confidence. The Consultant will ensure that the Consultant and each of the Consultant's Personnel:

do not disclose any of that information to any person without the prior written consent of PML;

do not make any use of that information or any part of it except for the proper performance of the Consultant's obligations under this agreement;

do not make any use of that information or any part of it to the competitive disadvantage of PML;

do not copy or duplicate that information or any part of it without the prior written consent of PML except to the extent necessary for the proper performance of the Services; and

sign a confidentiality agreement, if requested by PML.

Nothing in this Agreement shall prevent PML from disclosing the terms of this Agreement, including Consultant's identity and the payment terms hereof, if necessary, to any government agency or official that, in PML's judgement, has a legitimate need to know.

13.2 Exceptions

The provisions of Clause do not apply to:

information which was already lawfully in the possession of the Consultant at the start of this agreement;

information after it becomes generally available to the public other than because of a breach of Clause ;

the disclosure of information in order to comply with any applicable law or legally binding order of any court, government, semi-government authority or administrative or judicial body; or

the use or disclosure of information that the Consultant can show:

was received by the Consultant from a third person legally entitled to possess the information and provide it to the Consultant, if the use or disclosure accords with the rights or permission lawfully granted to the Consultant by that third person;

or

was, at the time of its first disclosure, in the public domain.

13.3 Disclosure required by law

Before any use or disclosure in reliance on Clause , the Consultant will notify PML of the full details of the circumstances of the proposed use or disclosure and of the relevant information to be used or disclosed and will give PML a reasonable opportunity to challenge in a court of law or other appropriate body whether the proposed use or disclosure is in accordance with Clause .

13.4 Confidentiality Agreement

If the Services are strategic or the Consultant has, or the Consultant's Personnel have, access to confidential data, the Consultant will, and will ensure that the Consultant's Personnel will, execute a Confidentiality Agreement in the form required by PML.

14. Exclusivity

PML reserves the right to acquire the Services or any part of the Services from a third party or parties at any time.

15. Intellectual property

15.1 Assignment to PML

The Consultant hereby assigns to PML upon creation all of the Consultant's rights in the Intellectual Property.

The Consultant will immediately procure that each of the Consultant's Personnel assign any rights they have in the Intellectual Property, if requested by PML and in the form reasonably required by PML.

The Consultant promises that the supply of the Services and the assignment of the Intellectual Property referred to in this Clause will not constitute a breach of any patent, design, copyright or trade mark rights of any other person.

15.2 Definitions in Clause

In Clause the following definition applies:

Intellectual Property means all industrial and intellectual property in or arising out of any report, recommendations or other advice given by the Consultant in the course of providing the Services, whether protectable by statute, at common law or in equity, including all copyright, inventions, patents, designs (whether or not registrable), registered and unregistered trade marks, circuit layout designs and rights in relation to circuit layouts, but excluding non-assignable moral rights and similar non-assignable personal rights of an author. It does not include any intellectual property existing and owned by the Consultant at the start of this agreement.

15.3 Trade marks

The Consultant may not use any trade marks, trade names, slogans or logos of PML or any of its related bodies corporate except as specifically authorised by PML in writing.

16. Insurance and Indemnification

16.1 Consultant's insurance

The Consultant will effect and maintain during the term of this agreement, if applicable, a professional indemnity policy to a minimum value of \$2,000,000 for any one originating cause.

16.2 Proof

The Consultant will provide to the PML Representative before the start of this agreement copies and proof of the currency of the insurance policies referred to in Clause .

16.3 Indemnification

The Consultant agrees to indemnify and keep indemnified PML, its Affiliates, related bodies corporate, including its directors, officers, agents and employees against any and all claims, suits, loss (including consequential loss and loss of profit), damage or liability (whether criminal or civil) suffered, legal fees and all other costs and expenses reasonably incurred by PML or its related bodies corporate (whether directly or indirectly) as a result of Consultant's failure to comply with any laws and regulations applicable to the provision

of Services or to obtain any licenses, permits and approvals necessary for it to provide Services, (iii) breach of the representations and warranties of this Agreement, and any negligence or default by the Consultant or the Consultant's Personnel in the provision of the Services.

17. Conduct of the Consultant

17.1 Benefits forbidden

The Consultant shall not, and shall not use any third party to:

provide any Benefit of more than nominal value to any employee of PML or any of its related bodies corporate. Gifts of personal travel and lodging are prohibited absolutely;

do business with PML if any employee of PML owns a Substantial Interest in the Consultant's organisation and is in a position to affect the decision to engage or terminate the Consultant or the terms of this agreement between PML and the Consultant;

give bribes, kickbacks, secret commissions or other unlawful or improper methods of remuneration to any person;

purchase, sell or otherwise trade in securities of Philip Morris International Inc., (the US listed parent of PML) while in possession of material non-public information and shall not provide material non-public information, directly or indirectly, to anyone; or engage in the unauthorised duplication of any software owned by or licensed to PML or any of its related bodies corporate.

Immediate disclosure in writing to PML is required if the Consultant becomes aware of a breach Clause . PML may terminate this agreement if the Consultant knowingly breaches Clause .

17.2 Defined terms in Clause

In Clause the following definitions apply:

Benefit means any payment, loan, service, gratuity, cash gift, entertainment (beyond ordinary and reasonable social amenities) or other favour. A non-cash gift of a retail value less than \$300 will not be a Benefit provided it is the only gift made by the Consultant to any employee within a calendar year.

Substantial Interest means an economic interest, personal or family (including family members not more remote than a first cousin and including immediate family of an employee's spouse or defacto spouse), that might influence or reasonably be thought to influence judgement or action but does not include the holding of less than one percent of the estimated value of the outstanding equity securities of a publicly held company).

17.3 Compliance with trade and other sanctions

The Consultant acknowledges that, as an affiliate of a US based group of companies, PML is required to comply with trade restrictions and prohibitions of the United Nations, the European Union and the United States of America as well as a number of other jurisdictions and accordingly agrees:

to take all reasonable measures to ensure that goods and services supplied to and used by PML do not originate from any of the countries that are placed on the various lists of sanctioned countries or specifically designated nationals and blocked persons/entities from time to time; and

upon request by PML, to provide to PML such information as it requires to verify that neither the Consultant, nor those persons or entities known to exercise control over the

Consultant through ownership, management or otherwise, is a specially designated national or blocked person. This information will be handled by PML in accordance with local laws.

The listings of currently sanctioned countries, specifically designated nationals are blocked persons/entities are available from the US Treasury Office of Foreign Assets Controls (OFAC) website: www.treas.gov/ofac

17.4 Audit and Records

This Clause applies only to Services supplied on a costs plus basis, or where PML is reimbursing costs.

All financial statements, reports and Accounts rendered by Consultant to PML shall, in reasonable detail, accurately and fairly reflect the activities and transactions related to PML's account. Consultant shall also keep and maintain complete and accurate books, records of account, reports and other data necessary for the proper administration of this Agreement for 5 years after the termination or expiration hereof, or if longer for the applicable retention period required by law.

Upon reasonable notice in writing to the Consultant, the Consultant will permit PML and its nominees at all times during the term of this agreement to audit the Consultant's books of account and financial records to the extent that such information relates to the provision by the Consultant of goods or services and other information relating to the performance by the Consultant of its obligations under this agreement. The Consultant will assist PML in its conduct of the audit including without limitation, providing: PML with adequate space, the said books of account and financial records and any other relevant information as required by PML; and a person capable of operating any relevant computers and of answering any queries PML may have.

The Contractor will maintain such records as PML may deem necessary and as advised by PML in writing from time to time. The Contractor grants PML the right to inspect these records upon reasonable notice in writing to the Consultant.

PML may exercise its right to audit twice per year during the term of this Agreement and once during the 12 months immediately following the termination or expiration of the Agreement. The Consultant will fully cooperate in any audit that may be conducted.

17.5 Labour

For services that will be performed at PML's premises, the Consultant will not employ any person who is younger than the age of 15 or the applicable minimum employment age or mandatory schooling age, whichever is higher.

The Consultant represents and warrants that no employee will be engaged in work that, by its nature or the circumstances in which it is carried out, is likely to harm the health or safety of this employee. In addition, the Consultant represents and warrants that the weekly and daily working schedules of all employees will comply with all applicable laws and regulations.

The Consultant will not employ persons under conditions that this work or service is exacted from them under the menace of any penalty and for which the said person has not offered himself voluntarily.

The Consultant will use its best endeavours to ensure that its Consultants comply with the obligations of Clauses , and above.

PML, its employees and agents have the right, upon reasonable advance notice, and at PML's expense to audit the Consultant's books and premises with regard to the Consultant's performance with the obligations of Clauses , , and above.

18. Privacy Notice

The Consultant acknowledges and agrees that PML may collect and use Personal Information for the purpose of managing this agreement in accordance with its terms including supporting PML's efforts to ensure that it only deals with vendors who are not subject to US sanctions. For these purposes, Personal Information may be collected from Consultant or from other sources and PML may disclose such Personal Information to persons within PML and its related corporations or their agents and contractors, or to relevant government authorities and or as otherwise required or authorised by law. As part of such disclosure, the Consultant acknowledges and agrees that it may be necessary for PML from time to time to transfer some of the Personal Information collected outside Australia. The Privacy Act 1988 provides certain rights of access to individuals whose information is held by PML. An individual who wishes to submit a request for access can contact the Privacy Officer at PML on 613 8531 1000.

In the course of collecting and providing information to PML under this agreement, the Consultant must:

ensure that it complies with all applicable privacy and other laws;

ensure (except where PML advises otherwise) that each individual whose Personal Information is provided to PML is made aware of the terms of the Privacy Notice above (or any form of the Privacy Notice provided by PML from time to time); and

take all reasonable steps as requested by PML to assist PML to comply with all relevant privacy and other laws in connection with the collection and handling of the Personal Information by PML in accordance with this agreement, including, if necessary or desirable, by obtaining consents from relevant individuals to the collection and handling of their Personal Information in the manner contemplated by this agreement.

For the purposes of this Clause, "Personal Information" means any information or opinion about a natural person (whether or not true), including 'personal information' as defined in the Privacy Act 1988, collected or held by PML in connection with this agreement.

19. Foreign Corrupt Practices Act

The Parties to this agreement are committed to compliance with the laws of Australia as well as the laws of other countries that are, or may be, of potential relevance, including the U.S. Foreign Corrupt Practices Act (*FCPA*). Accordingly, the Consultant, on behalf of all of the Consultant's Personnel who assist in connection with this representation covered by this agreement (hereafter, collectively *Consultant*), hereby represents and warrants that, in addition to any representations and warranties made in Schedule 4:

Consultant is now in compliance with the laws of Australia applicable to Consultant's performance under this agreement as well as the laws of any other country or jurisdiction that are applicable to the transactions contemplated herein and will remain in compliance with all such laws for the duration of the Agreement. The provisions of this agreement relating to the compensation of Consultant are legal and binding under the laws and policies of the relevant jurisdictions.

Consultant is, and procures to be, familiar with the FCPA, including its prohibition against taking actions in furtherance of an offer, payment, promise to pay, or

authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value, to any government official (including any officer or employee of a foreign government or government-controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or official thereof, or candidate for political office, all of the foregoing being referred to as “**Government Officials**”) or to any other person while knowing that all or any portion of the money or value will be offered, given or promised to a Government Official for the purposes of: (1) influencing any act or decision by such Government Official in his or her official capacity, (2) inducing such Government Official to do or omit to do any act in violation of his or her lawful duty,(3) securing any improper advantage, or (4) inducing such Government Official to use his or her influence with a government or instrumentality to affect any act or decision of the government or entity for the benefit of Philip Morris International Inc., including PML (collectively *Philip Morris*).

Consultant would now be in compliance with the FCPA if it were subject to the FCPA and will remain in compliance as if it were subject to it for the duration of the Agreement. Consultant will not take any actions that would result in a violation of the FCPA by Philip Morris.

No part of the payments received by Consultant, directly or indirectly, from Philip Morris will be used for any purpose, nor will Consultant take any action with respect to such payments, which would constitute a violation of the laws of Australia or any other jurisdiction that is, or might be, of potential relevance, including the United States.

Consultant will not assign any of its rights or obligations in connection with this agreement to any third party without the prior written consent of Philip Morris. The services required by the Consultant will be performed personally by Consultant, including its partners, owners, principals, and regular staff members, unless otherwise agreed in writing by PML or Philip Morris.

Consultant will keep accurate books and records in connection with its services to be performed under this agreement and will make such books and records available to the auditors for Philip Morris if requested. Consultant will fully cooperate in any audit that may be conducted.

The Consultant will, and will cause its directors, partners and employees to, disclose to any government official as well as to any other third party with whom they may communicate in connection with the representation of Philip Morris that they have been engaged by PML to provide legal advice and representation to Philip Morris.

In connection with the foregoing representations and warranties, the parties further agree as follows:

In the event that Philip Morris has reason to believe that a breach of any of the representations and warranties in this agreement has occurred or may occur, Philip Morris may withhold further payments under this agreement until such time as it has received confirmation to its satisfaction that no breach has occurred or will occur.

In the event of a breach of any of the representations and warranties in this agreement, the Agreement shall be void ab initio. Any claims for payment by the Consultant with regard to any transaction for which a breach of the representations has occurred, including claims for services previously rendered, shall be void and all payments previously paid shall be refunded to PML by Consultant. The

Consultant shall further indemnify and hold Philip Morris harmless against any and all claims, losses or damages arising from or related to such breach or cancellation of the Agreement.

Philip Morris shall not be obligated under this agreement to take any action or omit to take any action that it believes, in good faith, would cause it to be in violation of any laws of any applicable jurisdiction, including, without limitation, the FCPA and other U.S. laws.

Philip Morris may terminate this agreement immediately upon written notice in the event that it concludes, in its sole opinion, that Consultant has breached any representation or warranty under this agreement or that a breach is substantially likely to occur unless the Agreement is terminated.

20. Other general provisions

The relationship between PML and the Consultant is that of principal and independent contractor and nothing in this agreement will be taken as constituting the Consultant or any of the Consultant's Personnel as employee, agent or partner of PML. PML and the Consultant acknowledge that neither has any authority to represent the other or to act for them in any capacity.

The rights and obligations of each party under this agreement are personal. They cannot be assigned, encumbered or otherwise dealt with and no party may attempt to do so without the prior written consent of the other party.

This agreement is governed by the laws of Victoria. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this agreement.

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this agreement.

Any notices to PML under this agreement must be addressed to PML's Representative at the address of PML specified in the Schedule of Terms and any notices to the Consultant under this agreement must be addressed to the Consultant's Representative at the address of the Consultant specified in the Schedule of Terms.

The terms and conditions of this agreement prevail over any other standard terms and conditions which either party may introduce (including the terms and conditions attached to any purchase order).

Signing of this Agreement

Signing by Philip Morris Limited

Signed for Philip Morris Limited by its authorised officer in the presence of:

Witness Signature

Print Name

Authorised Officer Signature

Print Name

Date of signing by PML: _____

Signing by the Consultant

Signed for The Civic Group Pty Ltd by
its authorised officer in the presence of:

Witness Signature

Authorised Officer Signature

Print Name

Print Name

Date of signing by the Consultant : _____

Schedule 1

Services

Item 1 The Services

PML wishes to consider the development of a phase 2 public campaign associated with the regulation of the tobacco industry, such as proposed laws on plain packaging for tobacco products, and increases in tobacco excise tax.

The following is a list of the necessary steps involved to undertake the proposed campaign as required by PML. This list is indicative only and is not intended to be exhaustive.

It may be the case that some additional activities are required in order to complete the campaign. Similarly, it may be necessary that one or more of the following steps may not be required at all throughout the duration of the campaign.

Please note that this Consultancy Agreement covers Services associated with the research and design phase of the PML phase 2 campaign and implementation of activities that fall due in September 2010.

Outputs

Media buy

- Develop media buy plan for period post 3/9 (phase 1a)
- Coordinate and implement phase 1a media buy plan

Creative

Phase 2 executions (advertising)

- Develop new themes/arguments/proof points
- Develop new scripts
- Develop new executions

- Develop production schedules and budgets for phase 2 executions
- Testing to support creative process

Phase 2 executions (smoker delivery channels)

- Develop themes/arguments/proof points
- Develop draft executions
- Testing to support draft execution process
- Develop smoker delivery channel strategy

Alliance of Australian Retailers activities

Non media

- Develop draft information pack and letter to all MPs/incoming government
- Develop and produce short video and information material for AAR members/retailers
- Ongoing support including drafting of material for AAR member publications & use, website updates and monitoring of website feedback.

Media

- Development of three month indicative media plan based on release of new information/proof points (Built on a monthly cycle).
 - Includes:
 - Possible monthly opportunities identified by AAR board
 - Local media activities based on list of local retailers to be provided by client
 - Opportunities raised by client in briefing on 27/8
- Implementation of media strategy and support for emerging media issues where those activities fall in September 2010. (Note: TCG will provide an additional quote once the scope of the local media component of the media plan is known and agreed with the client).

Government and Opposition relations

- Monitoring and advice until minority government confirmed.
- Development of Government and Opposition relations strategy once minority government formed.
- Implementation of Government and Opposition relations strategy that fall in September 2010.

Item 2 **Maximum number of hours**
 The fees referred to in Item 1 of Schedule 2 are based on the following allocations of personnel.
September 2010
 Jason Aldworth (full time)
 Brett Miller (3/4 time)
 Andres Puig (1/4 time)
 Rora Furman (1/2 time)
 John Scales (1/2 time)
 Elizabeth Hill (1/4 time)

Item 3 **Critical Interim Milestones and Associated Labour Hours**
 To provide relevant reports, information and assistance within specified time frames in accordance with the Services referred to in Schedule 1.

Item 4 N/A

Item 5 **Consultant’s Personnel**
 Each employee or agent of the Consultant involved in providing the Services,

Schedule 2

Service Fee and Payment Terms

Item 1: Service Fee

The following seeks to set out a draft payment schedule for the research and design phase. **Please note that this Consultancy Agreement covers Services associated with the research and design phase of the PML phase 2 campaign and implementation of activities that fall due in September 2010. This agreement does not cover production costs.**

September 2010

Item	Amount	Terms
Civic Group – Consulting Fees per agreed scope of work	\$200,000 #	14 Days
Disbursement – Reactor Monthly Retainer	\$90,000#	14 days
18 x Focus groups to understand political and regulatory perceptions and explore key campaign themes	\$108,000 * + travel costs	50% on commencement, 50% 14 days on completion
8 x Focus groups to understand themes and executions for smoker delivery channel	\$48,000 * + travel costs	50% on commencement, 50% 14

		days on completion
National quantitative survey, to validate campaign themes & messages, 15 minutes, n = 1000	\$50,000 *	50% on commencement, 50% 14 days on completion
Miscellaneous disbursements as approved including specialist database contractor to sort AAR membership/retailer lists, specialist video production for AAR member/retailer information video, travel, accommodation, graphic design and media distribution.	tbc +	14 days
INDICATIVE MONTHLY TOTAL	~\$496,000	

- # Fixed, quoted amount based upon agreed work plan
 * Indicative amount, subject to final research design
 + Will depend on agreed campaign imperatives – for example, may include costs for third party activation, flights for government relations meetings etc. All major disbursements will be agreed in advance.

Disbursement Expenditure Approval Process

The Contractor agrees that it will obtain written approval from Mr. Chris Argent, (or an alternative delegate of PML nominated by Mr. Argent), on each occasion that the Contractor intends to:

- a) expend more than \$10,000 on disbursements;
- b) authorise a Third Party to expend an amount greater than \$10,000 on disbursements.

Item 2: Payment Terms

1. Accounts must include all Third Party costs. The Consultant must provide copies of all Third Party invoices when submitting Accounts. No surcharge is to be applied to Third Party invoices. The Consultant must render accounts monthly or as otherwise agreed.
2.
 - a. PML will, in its sole discretion, pay accounts properly rendered by cheque or by electronic funds transfer (“EFT”) to the Consultant bank account set out in Item 2(3)(e) (the “**Consultant Bank Account**”).
 - b. Any EFT payment made by PML to the Consultant Bank Account will be a good discharge of the obligation to pay the invoice to which the payment relates.
 - c. Upon request by PML, the Consultant will refund PML any overpayment made to the Consultant Bank Account. Alternatively, PML may withhold the amount of the overpayment from any subsequent invoices.
 - d. The Consultant will notify PML of any change to the Consultant’s name and the Consultant Bank Account details.
 - e. **Name account held in: The Civic Group ATF The Civic Group Unit Trust**
Account Number: 39-7353

BSB Number: 033-305

Name of Bank where account is held: Westpac

Bank address: 301 Clarendon St, South Melbourne VIC 3205

f.

Item 3: Service Fee Escalation Procedure

It is agreed that the Consultant will utilise Third Parties to provide the Services to PML which will include (but may not be limited to) the following entities:

1. Ballyhoo Communications Pty Ltd (ACN 087 039 227) , Suite 5/2 Kent Place, South Melbourne VIC 3205.
2. The Reactor Pty Ltd (ACN 134 681 780) of Level 2, 112 Cubitt Street, Richmond VIC 3121 (“Reactor”)

PML acknowledge that from time to time some services provided by the Contractor or services provided to the Contractor by the above entities and on behalf of PML may require flexible payment arrangements including:

- a) Up to 50% of payment up front; or
- b) payment terms of between 14 and 30 days

Any payments paid to the Contractor pursuant to this procedure, particularly up front payments will require approval by PML and be made strictly in accordance with the conditions referred to in Item 2 of Schedule 2.

Item 4: Ballyhoo Payment for Media Buy Plan

PML agree that in the event that PML do not make a Media Buy of equal to or more than \$5,493,000 throughout the entire life of the campaign then the following payment will be payable to the Consultant in favour of Ballyhoo:

- a) if there has been nil Media Buy expenditure throughout the life of the campaign, then the fixed planning fee will be \$192,250.00.
- b) if there has been some Media Buy expenditure by PML, then the planning fee will be a pro rata of \$192,250.00 based on the total amount of Media Buy spend by PML throughout the life of the campaign as based on a percentage of \$5,493,000.

This payment would be in consideration for the work undertaken by Ballyhoo in the research and design phase, and is calculated as approximately 3.5% of projected media investment in the first stage of the campaign.

If PML has undertaken a Media Buy of more than \$5,493,000 throughout the entire life of the campaign, then no payment is made to Ballyhoo pursuant to this process.

Any payments paid to the Contractor pursuant to this process will be made strictly in accordance with the payment conditions referred to in Item 2 of Schedule 2.

Schedule 3

Key Performance Indicators

Refer to Item 3, under Schedule 1.

Schedule 4

Foreign Corrupt Practices Act

REPRESENTATIONS AND WARRANTIES

Consultant represents and warrants that:

it does not have, and will not have during the term of this Agreement, any conflict of interest that would compromise Consultant's ability to provide the Services or would create an appearance of impropriety in regard to Consultant's performance of the Services.

Neither it, nor any officer, director, employee, owner or partner, nor any agent, representative or subcontractor who will perform services under this Agreement on behalf of Consultant, is a Government Official (which for purposes of this Agreement shall mean an officer or employee of a government, an entity owned or controlled by a government or a public international organisation; a political party or official thereof; a candidate for political office; or a person acting in an official capacity for on behalf of any of the foregoing) or close relative of a Government Official in a position to influence the award of business or other advantages to PMI, nor will become, during the term of this Agreement, a Government Official, without Consultant providing advance notice to and obtaining written approval from PML in its sole discretion.

It shall not offer, promise or give any payments or anything else of value, directly, indirectly, or through any other means whatsoever, to any Government Official or to any other person while knowing that all or any portion of the money or value will be offered, promised or given to a Government Official for the purpose of influencing official action to obtain or retain business or secure any improper advantage. Consultant further warrants that it shall not make a gift or political contribution in cash or in kind to, nor shall it entertain, any Government Official or any other persons on behalf of PML without the prior written approval of PML, and that all such approved gifts, entertainment and contributions will be accurately recorded in its books and records and will not be reimbursed by PML without having received the necessary approvals from PML.

No part of any payments by PML to Consultant will be used, directly, indirectly, or through any other means whatsoever, (i) for any purpose that would constitute a violation of the laws of the country where the Services shall be rendered, the countries where PML and Consultant are organised, or any other country whose laws may apply to either of the parties or to their respective Affiliates, including without limitation the U.S. Foreign Corrupt Practices Act; or (ii) in order to procure any improper benefit from any Government Official on behalf of PML; or (iii) for any illegal, unethical, or improper purpose, whether or not in connection with this Agreement.

Each employee, agent, representative or subcontractor of Consultant performing services in connection with this Agreement will review and comply with the standards of conduct set in this Schedule 4, and Consultant will comply with, and will cause each such employee, agent, representative and subcontractor to comply with such policies and codes of conduct of which PML has given Consultant express notice, including the PML Code of Conduct and Policies C-14 and C-17.

It shall secure and maintain all licences, certifications and registrations which may be required

under applicable law or regulation in order to perform the Services.

It shall (i) file all reports with governmental authorities as required by applicable law in connection with Consultant's activities on behalf of PML hereunder, (ii) file such reports in an accurate and timely manner at its own expense and shall forward copies of all such reports to PML immediately upon their filing, and (iii) further provide all necessary information and assistance to PML in a timely and accurate manner to enable PML to comply with any registration or filing requirements that may apply to PML.

It shall not create or maintain any secret or unrecorded funds or assets for any purpose in connection with this Agreement or the performance of Services hereunder.

The preceding representations, warranties and obligations are material terms of this Agreement and Consultant's full compliance in all respects with such terms is an essential component of Consultant's obligations under this Agreement. Consultant acknowledges that its breach of any of the foregoing will constitute grounds for termination under section 4. PML shall not be obligated under this Agreement to take any action or omit to take any action (including making any payment hereunder) that it believes, in good faith, would cause it to be in violation of the laws of any jurisdiction.