HILL AND KNOWLTON

Hill and Knowlton, Inc.
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August 5, 1987

Mr. R. W. Bulmer
President
Fisheries Council of Canada
#505-77 Metcalfe Street
Ottawa, Ontario K1P 5L6
Canada

Dear Mr. Bulmer:

This is to summarize the arrangement under which Hill and Knowlton, Inc. ("H&K") will serve the Fisheries Council of Canada ("FCC") as public affairs and public relations counsel.

As counsel, H&K will:

(a) Advise the management of the Fisheries Council of Canada on public affairs and public relations aspects of the sealworm/seal/fish and fish inspection issues;

(b) Develop, for approval and implementation a program designed to achieve the Council's public affairs and public relations objectives; and

(c) Provide professional staff services as may be required to help the Council carry out its communications program.

The financial arrangements will be as follows:

Charges for the services of H&K will be made at standard hourly rates for participating officers and staff assistants as they are required to carry out the programs and activities approved. For the initial 45-day period of this agreement, FCC will pay H&K a minimum of ~~Canadian $30,000~~ $21,750 U.S. for services rendered, including out-of-pocket disbursements made in the performance of its duties under this arrangement. All disbursements for materials, services and rights will be made by H&K as agent for the Fisheries Council of Canada.

Subsequent to the 45-day period, invoices for the actual staff time, out-of-pocket expenses and handling fees will be submitted with specified due dates, and FCC will pay each invoice on or before its due date. In the event payment is not made in a timely manner, H&K will charge FCC a late payment penalty of two percent (2%) per month on any overdue and unpaid balance from the previous month(s). In addition, H&K will have the right to suspend all work on FCC's account in the event that any invoice remains outstanding for a period of more than thirty (30) days. FCC agrees to reimburse H&K for all expenses (including reasonable attorneys' fees) incurred in the collection of any overdue and unpaid balance. FCC will reimburse H&K for all out-of-pocket disbursements made in the performance of its duties under this arrangement. FCC will pay H&K a 15% handling and administration fee on all such disbursements except for "routine" disbursements. Routine disbursements will be limited to disbursements for travel, local messengers, in-house photocopying and ordinary communications (telephone, telex and postage).

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H&K will maintain accurate records of all staff time work and all out of pocket expenditures incurred on behalf of the firm and, during the term of this agreement and for one year thereafter, FCC may examine such records upon reasonable notice and during normal business hours. It is understood that the foregoing does not include H&K salary data, overhead and other internal H&K costs or non-billable expenses.

H&K acknowledges its responsibility, both during and after the term of its appointment, to use all reasonable efforts to preserve the confidentiality of any proprietary information or data developed by H&K on behalf of FCC or disclosed by FCC to H&K.

Hill and Knowlton's activities hereunder on behalf of the Fisheries Council of Canada shall be subject to all applicable U.S. laws, including the Foreign Agents Registration Act and the Foreign Corrupt Practices Act. As applicable and pursuant to such laws, it is understood Hill and Knowlton may be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.

It is understood that H&K cannot undertake to verify facts supplied to it by you or factual matters included in material prepared by us and approved by you. You agree to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses (including reasonable legal expenses) or liabilities which H&K may incur (a) based upon information, representations, reports, data or releases furnished or approved by you or your representatives for use or release by H&K and/or (b) resulting from disputes between H&K and third parties related to and/or within the scope of this agreement except where attributable to H&K's failure to use due care.

You also agree to reimburse H&K for time of staff and expenses (including legal expenses) reasonably incurred by us in connection with any litigation commenced or threatened against you (for example, in responding to a document subpoena).

H&K's appointment under this arrangement is effective beginning August 5, 1987 to August 4, 1988, with an automatic renewal after which it will continue indefinitely unless either party gives 60 days' advance written notice of its desire to terminate or modify the agreement.

This agreement represents the entire agreement of the parties and may be amended only by a writing signed by all parties. It shall be governed by and construed in accordance with the laws of the District of Columbia.

Sincerely yours,

HILL AND KNOWLTON, INC.

John F. Hussey
Executive Vice President &
Managing Director/H&K Washington

AGREED AND ACCEPTED:

FISHERIES COUNCIL OF CANADA

By: R. W. Bulmer
R. W. Bulmer
President

Date: Aug 7 '87

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