U.S. Department of Justice
Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0003

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

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

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

1. Name and address of registrant
Hill and Knowlton, Inc.
901 31st St., N.W. Washington, D.C. 20007

2. Registration No.
3301

3. Name of foreign principal
State of Israel, Ministry of Industry and Trade

4. Principal address of foreign principal
30 Agron Street
Jerusalem, Israel

5. Indicate whether your foreign principal is one of the following type:

☒ Foreign government

☐ Foreign political party

☐ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

☐ Corporation ☐ Voluntary group

☐ Association ☐ Other (specify)

☐ Individual—State his nationality

RECEIVED
OCT 19 4 49

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.
Ministry of Industry and Trade

b) Name and title of official with whom registrant deals.
Mr. Zohar Peri
Deputy Director General & Director
Foreign Trade Administration
Mr. Gad Soen
Director, Business Promotion Administration

7. If the foreign principal is a foreign political party, state:

a) Principal address

b) Name and title of official with whom registrant deals.
N/A

c) Principal aim

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

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

N/A

b) Is this foreign principal

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

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

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

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

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

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

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

N/A

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

N/A

Date of Exhibit A	Name and Title	Signature
10/21/91	Jeffrey Trammell Senior Vice Pressdent	

U.S. Department of Justice
Washington, DC 20530

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Nov. 30, 1993

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

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

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

Name of Registrant	Name of Foreign Principal
Hill and Knowlton, Inc.	State of Israel, Ministry of Industry and Trade

Check Appropriate Boxes:

1. [X] The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.

2. [ ] There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. [ ] The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

RECEIVED
'91 OCT 21 P
REGISTRATION UNIT

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant will undertake an economic development plan in the United States on behalf of the Ministry of Industry and Trade. This plan will involve public relations, trade and investment seminars and similar activities aimed at encouraging economic development.

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

Same as above.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☐ No ☒

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

HILL AND KNOWLTON

Hill and Knowlton, Inc.
International Public Relations Counsel
420 Lexington Avenue
New York, New York 10017
212-697-5600

Kenneth L. Altman
Executive Vice President
Hill and Knowlton USA

October 11, 1991

Mr. Zohar Peri
Deputy Director General & Director,
Foreign Trade Administration
and
Mr. Gad Soen
Director,
Business Promotion Administration

Ministry of Industry & Trade
30 Agron Street
Jerusalem, ISRAEL

'91 OCT 21 P4:49

Dear Zohar and Gad:

We have the honor of submitting this Letter of Agreement under which Hill and Knowlton, Inc., ("H&K") will serve as public relations counsel in the United States, to the Ministry of Industry and Trade of the State of Israel ("the Ministry") for a period extending from September 1, 1991 to August 31, 1992. The terms of the Agreement are as follows:

1. H&K has developed for approval and implementation a public relations and economic development program to be undertaken in the United States of America ("the Plan"). The Plan (attachment A) is incorporated as part of this contract.

   It is understood that H&K will undertake activities covered within the suggested program and others requested by authorized Ministry officials only to the degree that such work can be completed by the H&K staff provided for in the attached budget sheet (Attachment B). Whenever more work is requested than can be reasonably completed during normal business hours H&K will require that the coordinator assigned by the Ministry prioritize assignments requested.

   H&K shall have the right to assign its employees to work on projects covered in staff budget categories other than the core team or to hire specific outside consultants for projects of a specialized nature. H&K is required to consult with the person in charge of the implementation of the Plan in the Ministry in order to hire specific outside consultants. In this event, the funding for this

activity will come from that portion of the budget **outside** of the core team, defined as follows — Managing Director, Account Director, Media Specialist, Company Contact Specialist, and Account Executive.

2. The public relations program submitted by H&K in April, 1991, now codified as the Plan, amended and approved by the Ministry in its final form in June/July, 1991, shall serve as the basis for this Agreement. However, the program is subject to modification and additions during the term of this Agreement, mutually agreeable to both parties.

3. The Ministry agrees to make available to H&K an actual budget of U.S.$1,056,010.00 for its services and expenses incurred in the execution of this program. The breakdown of staff time and out-of-pocket expenses is as follows: $641,750.00 for staff time, $364,260.00 for estimated out-of-pocket expenses, and $50,000.00 for contingency fund. The Government of Israel shall not levy any taxes or other encumbrances against the $1,056,010 being paid to H&K under this agreement.

PAYMENT TERMS

4. There will be twelve equal payments of $57,645.83 ($53,479.17 for staff time and $4,166.66 for contingencies) over the course of the contract. The first payment is due on the signing of the contract. In addition, there shall be twelve payments for out-of-pocket expenses, not to exceed the total amount of $364,260.00. The basis for such payment will be a $30,355.00 monthly payment, with the first payment for out-of-pocket expenses due upon the signing of the contract. However, out-of-pocket expenses will be reconciled against payments made by the Ministry on a monthly basis. All subsequent payments for staff and out-of-pocket expenses shall be made on the last business day of each month from October, 1991 through August, 1992. Trailing out-of-pocket expenses shall be reimbursed to H&K even after the expiration of the contract except that the amount paid shall not exceed $364,260, unless prior agreement to exceed that amount is given by the Ministry and a representative of the Ministry of Finance.

5. Modification of the Plan and modification of the budget, including transfer of funds from one budgetary item to a different item will have to be approved in writing by the person in charge of the Plan at the Ministry. If any change in the Plan will require additional budget, such additional sums will have to be approved in writing by the person in charge of the Plan in the Ministry and a representative of the Ministry of Finance.

6. All staff time and out-of-pocket expenses incurred in each month will be debited against the payments. Out-of-pocket expenses will be reconciled against payments made by the Ministry on a monthly basis.

7. H&K will maintain accurate records of all staff time work and all out-of-pocket expenses incurred on behalf of the Ministry and will be prepared to supply any supporting detail required by Ministry auditors.

   H&K will submit monthly statements to the Ministry showing expenses incurred in the conduct of the program. At six months into and at the conclusion of the program the Ministry will also be provided with a comprehensive report on the program. A senior H&K executive will be available to travel to Jerusalem to present the mid-term and final reports.

OUT OF POCKET EXPENSES

8. H&K shall have the right to apply out-of-pocket costs budgeted to one category to cover overruns in other categories with the prior approval of the Ministry-appointed project coordinator. Such approval shall not be unreasonably withheld by the Ministry.

   It is understood that H&K has made good faith estimates of the likely out-of-pocket charges related to the projects we have agreed to undertake on behalf of the Ministry over the period of a one year program extending into 1992. Detailed estimates were provided as part of the document entitled " Estimated Out of Pocket Expenses for Communications Activities."

9. Air travel within the U.S. will be booked in "coach" class. International travel will be booked in "business" class. Hotel accommodations will be made in business hotels such as Marriott, Hyatt or Sheraton whenever available and not in luxury accommodations. Hotel arrangements in Israel may be made by the Ministry on behalf of H&K executives travelling to Israel.

ELIMINATION OF STAFF

10. The Ministry shall retain the right to eliminate one of the 1000 hour positions from the program at any time after December 31, 1991, upon 30 days advance notice to H&K. If such notice is given, H&K will adjust its monthly pre-billing to a level that reflects the elimination of the position selected. It is recognized by both H&K and the Ministry that the elimination of a position would cause a reduction in activities stated either in the original program, or subsequently requested by the Ministry to replace elements of the original

program, and that the identification of such projects will be mutually decided upon within thirty days after the elimination of the position.

11. The Ministry and the Trade Center shall have the right to interview and approve the two senior H&K people in New York and the Israel-based professional.

If during the course of work, the Ministry requests the replacement of a member of the H&K team, such replacement will be made immediately after the Ministry's representative approves the replacement candidate presented by H&K.

ISRAEL-BASED PROFESSIONAL

12. The provision in the budget to cover an H&K person in Israel has been budgeted at a fixed amount and this staff person will be a Hill and Knowlton employee or paid consultant. The Ministry will provide an office and necessary office-related equipment to H&K's staff person in order to enable him to function in a normal business environment. Office-related expenses including charges for telephone and facsimile services, supplies, etc., shall be the responsibility of the Ministry.

The secretary to be hired will provide services to the H&K person in Israel as well as to the whole project of business promotion in Israel, except to the extent that the secretary shall not be required to work overtime.

ADDITIONAL PROJECTS

13. It is also understood that from time to time H&K might be required to handle assignments beyond the scope of the agreed upon program. If a specific request is made by the Ministry for additional staff to handle projects beyond those referred to in the budget table, staff charges for such additional staff will be billed in the following manner:

(a) at full rates for daily projects;

(b) full rates for projects of up to one month in duration;

(c) a 10% discount from normal H&K staff time rates for additional full time people put on the account for a period of between 1-4 months; and

(d) a 20% discount for additional staff added to the team for periods of more than 4 months. These discounted rates apply only to staff working out of the H&K/New York office. Staff provided by offices other than H&K/New York shall be billed at the full rate except when other arrangements are made in advance.

For such said additional projects, H&K will also make an initial estimate of the anticipated out-of-pocket expenses concomitant with the additional staff time estimated and present it to the Ministry for prior approval.

H&K INDEMNITY

14. It is understood that H&K cannot undertake to verify facts supplied to it by the Ministry and shall not be responsible for errors in factual matter included in the materials prepared by H&K and approved by the Ministry except if caused by the wrongful, negligent acts of H&K. Except with respect to any negligence on part of H&K, the Ministry agrees to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses or liabilities, including reasonable attorneys' fees and disbursements, that H&K may incur as the result of the dissemination of such facts or material by H&K or the Ministry.

Such exposure to H&K may arise based upon reports, information, representation, data or releases furnished or approved by the Ministry or its representatives for use or release by H&K, whether or not H&K prepared or participated in the preparation of such materials. The Ministry also agrees to reimburse H&K for expenses reasonably incurred by H&K in connection with any litigation commenced or threatened against the Ministry or the State of Israel that involves H&K as public relations/economic development counsel.

15. H&K shall indemnify and hold the Ministry harmless from any and all liabilities, damages, claims, judgments, and expenses (including reasonable attorney's fees and disbursements) suffered or incurred by the Ministry as a result of a breach by H&K of any representation or warranty made hereunder in the performance of this Agreement and claims relating to libel, slander, defamation, invasion of privacy, piracy, plagiarism, idea misappropriation and infringement of copyright.

TERMINATION

16. Kenneth Altman will be required to spend a minimum of 250 hours servicing the Economic Development Program over the course of the contract. If for

any reason Mr. Altman is unwilling or unable to meet this responsibility the Ministry reserves the right to terminate the contract.

17. H&K appointment under this Agreement shall be effective as of September 1, 1991 through and including August 31, 1992.

Except for modifications to the Plan discussed in paragraphs 10 and 16, the Agreement will not be cancelable until December 31, 1991, after which either party may give 60 days notice to cancel the contract, and if such a notice is given after the last day of February 1992, 45 days of notice will suffice for termination purposes.

CONFIDENTIALITY

18. Part-time members of the core team shall not work on investment programs for other governments where the principal emphasis of the program is directed at attracting "high technology" investment to that other country. The two full-time executive members of the core team shall not work on billable projects for any government, investment authority or company whose interests represent a conflict to the aims of the Ministry program.

The two full-time members of the core team will not work on any additional project on a full-time or part-time basis, except that they may participate from time to time in different activities of H&K and its clientele.

19. 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 or confidential information or data developed by H&K on behalf of the Ministry or disclosed by the Ministry to H&K. Notwithstanding the above, H&K's obligation to maintain the confidentiality of any such information that it maintains in its possession or control, shall cease on the third anniversary of the termination of this Agreement.

20. All rights to pamphlets, brochures, videos, letterheads and other collateral materials developed as part of the program shall be deemed as the Ministry's property as long as all financial obligations to H&K have been fulfilled.

GOVERNING LAW, JURISDICTION, ARBITRATION, SERVICE OF PROCESS

21. This Agreement will be governed and construed in accordance with the laws of the State of New York. H&K and the Ministry agree that any dispute

hereunder will be adjudicated by binding arbitration in New York, New York subject to the rules of the American Arbitration Association. H&K and the Ministry agree that judgment upon the award rendered by the arbitrators may be entered in a court of competent jurisdiction located in the State of New York.

May we ask you to signify your approval for this Letter of Agreement by affixing your signature to the copy enclosed.

Sincerely,

Hill and Knowlton, Inc.

Kenneth L. Altman

OCTOBER 11, 1991

date

For The Ministry of Trade and Industry
of the State of Israel:

M. Barkan J. Inbari Rogen

October 11 1991

date

KLA:htc
Enclosures: 2