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 Street, NW
Washington, DC 20007

2. Registration No.
3301

3. Name of foreign principal
Varig S.A.

4. Principal address of foreign principal
Avenida Almirante Silvio De Noronha, 365
Aeroporto Santos Dumont
Rio de Janeiro, Brazil

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 _____

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

a) Branch or agency represented by the registrant. N/A

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

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

a) Principal address N/A

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

c) Principal aim

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

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

Airlines

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.

Employees of the Corporation

| Date of Exhibit A | Name and Title | Signature |
|---|---|---|
| April 22, 1994 | Gary Hymel<br>Vice Chairman | Gary B. Hymel |

*U.S. Government Printing Office: 1993 — 342-487/72127

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. | Varig, S.A. |

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.

*Activities undertaken on behalf of the foreign principal prior to April 22, 1994 were solely exempt in nature.

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

Registrant will provide public relations/public affairs services and counsel.

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

Registrant will provide staff services to develop and implement public relations/public affairs programs for the foreign principal.

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.

Registrant may contact by telephone, written correspondence, or other personal visits to appropriate Executive Branch Officials or Congressional members and their staffs in representing the public relations/public affairs interests of the foreign principal.

| Date of Exhibit B | Name and Title | Signature |
|---|---|---|
| April 22, 1994 | Gary Hymel<br>Vice Chairman | |

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

*U.S. GPO: 1992-312-332/61638

HILL AND KNOWLTON

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

March 9, 1994

Mr. Osvaldo D. Ribeiro
Contracts Director
Varig, S.A.
Avenida Almirante Silvio De Noronha, 365
Aeroporto Santos Dumont
Rio de Janeiro, Brazil

Dear Mr. Ribeiro:

This is to summarize the arrangement under which Hill and Knowlton, Inc. ("H&K") will serve Varig, S.A. as public relations counsel.

As counsel, H&K will:

(a) Advise the management of Varig on public relations aspects of the company's policies and problems.

(b) Develop for approval and implementation a plan designed to achieve the company's public relations objectives.

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

The financial arrangements will be as follows:

A. Varig will make a $US35,000 deposit, in advance, against staff time charges incurred in this assignment.

B. 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. Such staff charges will be applied against the $US35,000 deposit. If staff time charges reach $US25,000, Varig will make an additional advance payment of a mutually agreed amount.

C. Varig will reimburse H&K for all out-of-pocket disbursements made in the performance of its duties under this arrangement. Varig 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). All disbursements for materials, services and rights will be made by H&K as agent for Varig.

D. At the end of the assignment, H&K will submit an invoice for actual staff time, with credit for the deposit and any additional advance payments. If staff time charges exceed the deposits, Varig will promptly pay the excess. H&K will also submit a statement for out-of-pocket disbursements and handling charges, if any, which Varig will promptly pay.

E. If, at the end of the assignment, Varig deposits are more than staff time expenditures, H&K will refund the excess amount of the deposit.

F. In the event payment of moneys due H&K is not made in a timely manner, H&K will charge Varig a late payment penalty of 1 1/2% per month on any overdue and unpaid balance. Varig agrees to reimburse H&K for all expenses (including reasonable attorneys' fees) incurred in the collection of any overdue and unpaid balance.

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 Varig or disclosed by Varig to H&K.

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).

This arrangement is to begin on March 9, 1994. Varig has the right to terminate this agreement on 30 days' advance notice, paying the fee, staff time and out-of-pocket charges incurred to the date of termination.

Sincerely yours,

Hill and Knowlton, Inc.

Donna C. Peterman

Donna C. Peterman
Executive Vice President

March 9, 1994
Date

Accepted by:

Osvaldo D. Ribeiro
Contracts Director

Date MARCH 10, 1994