

Budget Bureau No. 43-R216.7
Approval expires Oct. 31, 1971
COMMUNICATIONS SECTION
OCT 11 1971

EXHIBIT A
TO REGISTRATION STATEMENT

Under the Foreign Agents Registration Act of 1938, as amended

*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 DGA International, Inc. 1225 Nineteenth Street NW Washington, D.C. 20036	2. Registration No. 2621
3. Name of foreign principal Krauss-Maffei AG	4. Principal address of foreign principal 8000 Munchen 50 Krauss-Maffei-Strasse 2 Federal Republic of Germany

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

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

- a) Principal address
- b) Name and title of official with whom the registrant deals.
- 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
Manufacturer and assembler of components for military tanks and other tracked vehicles.

TERMINATED
DATE 7-5-79

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.)

The foreign principal is a major German defense contractor. In the normal course of its business as a defense contractor a portion of its research and development work is reimbursed by the German defense establishment in a manner quite similar to the practices followed in the United States. This is true with respect to the Leopard Tank program on which the registrant is engaged.

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.

The foreign principal is a corporation, the stock of which is owned by private persons.

Date of Exhibit A January 26, 1976	Name and Title Donald G. Agger, President	Signature <i>Donald G. Agger</i>
---------------------------------------	--	-------------------------------------

UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C. 20530

EXHIBIT B

TO REGISTRATION STATEMENT
Under the Foreign Agents Registration Act
of 1938, as amended

RECEIVED
JUN 20 4 12 PM '76
RECORDS MANAGEMENT UNIT
INTERNAL SECURITY
CRIMINAL DIVISION

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 duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant DGA International, Inc.	Name of Foreign Principal Krauss-Maffel AG
---	---

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
 - 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 two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
 - The agreement or understanding between the registrant and 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.
4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The registrant fulfills his obligations to the foreign principal primarily through conversations and correspondence with the foreign principal and through conversations with appropriate U.S. industrial partners and agencies of the United States Government, and the preparation of memoranda, etc., concerning the Leopard II tank being offered for sale by the foreign principal.

TERMINATED

DATE 7-5-78


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

The registrant is engaged principally in advising and assisting the foreign principal with respect to commercial opportunities in the United States for the Leopard II tank. The registrant keeps the foreign principal informed of U.S. attitudes and developments which might affect the commercial potential for the Leopard II. The registrant maintains contact with U.S. governmental organizations concerned with U.S. military tank programs and with U.S. corporations which might act as industrial partners to 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.

A minor portion of the registrant's activities includes contacts with representatives of the United States Congress and their staffs with respect to legislation and prospective legislation affecting military tank programs. Contact may be made with members of the Executive Branch for the purpose of marketing the Leopard II tank. The means employed may be the writing of letters, submission of memoranda and personal conferences.

Date of Exhibit B	Name and Title	Signature
January 26, 1976	Donald G. Agger, President	

^{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.

RECEIVED
DEPARTMENT OF JUSTICE
MAR 22 2 56 PM '76
REGISTRATION UNIT
CRIMINAL DIVISION

AGREEMENT

Mr. Safe Deposit

between

Krauss-Maffei Aktiengesellschaft

8 München - Allach, Krauss-Maffei-Strasse 2

Federal Republic of Germany

- hereinafter called KM -

and

DGA International, Inc.

1225 Nineteenth Street, N.W.,

Washington, D.C. 20036, U S A

- Hereinafter called DGA -

1. KM is the industrial leader in the German Leopard II program. KM is investigating the U.S. market for Leopard II with the objective of selling the Leopard II combat tank or a modified version thereof through a U.S. industrial partner or another approach. In this effort, DGA shall support KM and represent the interests of KM.

In particular, the DGA responsibilities under this contract include :

- 1.1 Investigation and evaluation of the U.S. market to sell the Leopard II or a modified Leopard II.
- 1.2 Conceptualization of alternative industrial policies and strategies available to KM for a successful penetration of the U.S. market and consultation of KM in choosing among these alternatives.

- 1.3** Under KM's direction, DGA will assist KM in implementing its policies and strategies in the United States as regards both the activities of the U.S. Government and of private U.S. firms.

In this connection, DGA will :

- 1.3.1** monitor the developments in the U.S. Department of Defense;
 - 1.3.2** assist KM in selecting and negotiating with U.S. industrial partners and assure that KM interests are recognized and protected in the execution of contracts with these partners;
 - 1.3.3** make efforts to obtain contracts from the U.S. Government and the U.S. industry via U.S. industrial partners or other approaches and assure that KM interests are recognized and protected in the execution of these contracts;
 - 1.3.4** assist KM in preparing and prosecuting applications for patents and maintaining or defending patents in the United States in connection with the Leopard II technology.
- 1.4** DGA shall report continuously to KM on the results of its activities.
- 1.5.** As far as necessary, DGA shall assign only its own qualified personnel to perform its contractual responsibilities.

2. Compensation

- 2.1** Effective 1 October 1972, at the beginning of each quarter, DGA shall receive an amount of \$ 9.000. - (Nine thousand U.S. Dollars) as an advance payment for the expected DGA manpower effort in matters concerning Leopard II.

Activities exceeding 20 % of the quarterly advance payments shall not be performed by DGA without the prior consent of KM.

At the end of each quarter, DGA shall report to KM whether the quarterly KM advance payment exceeds or falls below compensation actually due for effort expended based on a rate of U.S. \$ 60 / man hour. Adjustments will be made accordingly, promptly after submission of DGA invoices to KM.

2.2 Subject to KM's approval, DGA will also be reimbursed for reasonable out-of-pocket expenses, such as for domestic and international long-distance travel and communications and entertainment in support of the objectives of this agreement. DGA will submit its vouchers for payment monthly to KM.

2.3 The payments from KM to DGA as agreed under paras 2.1 and 2.2 above will be discontinued when the total payments received by DGA under paras 2.4 and 2.5 below are equal to the total payments received by DGA under paras 2.1 and 2.2. In the event that the aforementioned discontinuation of payments is made by KM and if the payments made to DGA after that date under paras 2.4 and 2.5 are not adequate to cover current DGA costs for manpower and out-of-pocket expenses, KM and DGA will immediately make an agreement on the resumption of KM payments to cover DGA manpower costs and out-of-pocket expenses considering the applicable provisions of this agreement.

2.4 Subject to para 2.4.1, DGA shall be entitled to receive a commission for all contracts obtained by KM in the United States on the Leopard II. This commission shall amount to

6 % of the net contract value, i. e. value of the contract less commissions, sales taxes in the U.S. as well as R & D cost reimbursements required to be made by KM to the FRG on the first US \$ 5 million contract value;

Handwritten signature

- 5 % of the net contract value
on the next US \$ 5 million of the contract value;
- 4 % of the net contract value of additional
contracts.

2.4.1 In the events that the above commission rates have a prohibitive effect on the award of contracts to KM, DGA and KM will agree on new reduced rates which shall not fall below an amount of 3.5 %.

2.4.2 The commission shall become payable when KM receives its payments due under the individual contract.

2.5. For all protective cash payments, license entrance fees and/or other royalties which KM receives from any source for United States license rights on the subject of Leopard II, DGA shall receive

- a commission in the amount of 3 % up to a total amount of US \$ 2 million of the aforementioned payments to KM;
- a commission in the amount of 12 % on payments received by KM in excess of said US \$ 2 million.

2.6. In case of a joint venture or other arrangement in lieu of a traditional license, DGA will receive a percentage share of consideration received, whether money or otherwise (e.g., equity stock), by KM in lieu of license payments, at a level to reflect the principles of para 2.5.

2.7 All claims of DGA arising in connection with the present agreement will end at the latest twenty (20) years after termination of the present agreement.

3. Duration and Termination

3.1 The present agreement takes effect retroactively on 1 October 1972 and may be terminated by either party on 60 days advance written notice. In the event of termination under this paragraph, DGA shall be entitled to commissions as specified in paras 2.4, 2.5, 2.6 and 2.7 above as follows:

3.1.1 on any R&D and production contracts and extensions thereof awarded to KM from the United States on the Leopard II prior to the termination of this agreement;

on all R&D and production contracts awarded to KM from the United States on the subject of Leopard II within 6 (six) years after the termination of this agreement;

3.1.2 on all protective cash payments, license entrance fees and other royalties which KM receives as a result of contracts concluded before the termination of this agreement and on extensions of such contracts on the subject of Leopard II;

on the aforementioned payments received by KM as determined in contracts concluded within 6 (six) years after termination of this agreement.

4. Secrecy

4.1 DGA agrees to maintain confidential the existence and contents of this agreement and all information, knowledge, experience, business facts and proceedings supplied to it by KM, which is designated as "confidential", "proprietary" or which should reasonably understood to be of such character. DGA will use all information, etc. for the implementation of the present agreement only.

DGA agrees that it will not disclose such information to any persons outside its organization, except in the normal course of rendering the services required of DGA hereunder. Any such disclosures will be made to the minimum extent necessary to the performance of such services. DGA will disclose confidential information only to those key employees necessary in connection with the implementation of this agreement.

All drawings, designs, drafts, data sheets, lists of customers or suppliers, and other material with respect to this agreement supplied to DGA by KM, including all copies thereof, shall be and remain to be the exclusive property of KM and shall be returned to KM at KM's desire or, at the least, upon termination of this agreement.

After termination of this agreement, DGA will maintain confidential all information, knowledge, experience, business facts and proceedings supplied to it by KM during the term of this agreement.

- 4.2 Unless reasonable precautions have been taken by DGA to protect proprietary KM information entrusted to it, DGA shall pay a penalty of US \$ 10.000. - for each case of violation of the above secrecy regulations. In this case, KM shall not be obliged to prove to have been damaged. The penalty will, however, exclude further compensation claims of KM.
- 4.3 DGA further agrees to abide by all necessary instructions KM may hereafter provide with respect to the handling of its confidential or proprietary information or any particular item thereof.

5. Exclusivity

- 5.1 DGA confirms not to be bound by any commitment, representation, agreement, understanding or undertaking, either oral or written, which in any way con-

flicts with the undertakings set forth in the previous paragraphs or which in any way restricts DGA from fully engaging in the accomplishment of this agreement.

- 5.2 DGA agrees that, during the term of this agreement, it will not engage in any activities in competition with Leopard II on its own behalf or for third parties. Neither will DGA, during this period of time, enter any joint venture with third parties or found or acquire enterprises directly or indirectly competing with Leopard II.
- 5.3 KM agrees it will not engage any other person or enterprise during the term of this agreement to perform services in the United States as described in paragraph 1 of this agreement without prior written consent of DGA.

6. Miscellaneous

- 6.1 All disputes arising in connection with the present agreement shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules. The arbitration shall take place in Paris, France.
- 6.2 The interpretation of this agreement shall be controlled by the laws of the Federal Republic of Germany.
- 6.3 Should at any time the performance of this agreement be prevented or come in contradiction with published legal or governmental regulations, the parties to this agreement shall endeavor, notwithstanding their rights of termination, to continue this contractual collaboration in such a manner as is corresponding to the meaning and purpose of this agreement. The invalidity of any individual clause of this agreement shall not result in the voiding of the entire agreement.

- 6.4 Changes of or amendments to this agreement shall be binding only if written, and signed by DGA and KM.
- 6.5 This agreement is executed in the English and German languages; the English version shall be legally binding.

Donald S. G. *W. M. Krauss* *M. Maffei*

DGA International, Inc.

Krauss-Maffei AG

Dated: 2.3.73.

lin *pl.*

Special Translation

CONTRACT

RECEIVED
DEPARTMENT OF JUSTICE
MAR 22 2 58 PM '18
THOMAS M. SWANWICK
GENERAL COUNSEL

B e t w e e n

the Krauss-Maffei AG Company
8 Munich-Allach, Krauss-Maffey-Strasse 2,
represented by

Client -

a n d

DGA International, Inc.
1225 Nineteenth Street, N. W., Washington
represented by

- Contractor -

The following contract has been reached concerning assistance within the scope of the Leopard 2 project in the United-States.

Subject of Services

- (1) The Contractor agrees to perform the services described in Att. No. 1, paragraphs 1 and 2, beginning with the period of July 1st, 1975 to June 30, 1977.

The Contractor will, on request from the German Government, provide the same services for an additional period of six months, in return for an additional fee which is yet to be determined.

- (2) The Contractor moreover agrees to report to the German Government on a quarterly basis as to services rendered. This report should especially enable the German Government to evaluate the chances for success of the NATO-Standardization of main battle tanks. The Contractor will send a copy of each report to the Client.

Moreover, the Contractor agrees to forward one copy of each report mentioned in Section 2.3.1 of Attachment No.1 to the German Government.

- (3) The Contractor agrees to conduct his Leopard 2 activities in close coordination with the Client, particularly in the following cases:
 - a) All important plans for sales promotion and marketing vis-a-vis the United-States Government must be discussed ahead of time with the Client.
 - b) The Contractor will provide the Client with sufficient information concerning the relations between the German

and American firms in which the Contractor is involved to permit him from Germany, to coordinate the operations of the team and provide the Contractor with prompt and effective instructions, thus fulfilling his managerial function as Chief Contractor.

This arrangement, however, does not in any way oblige the Contractor to divulge any confidential information concerning other Leopard 2 members of the industrial team.

PRICES

(1) The following prices are agreed upon for services rendered in accordance with Section # 1:

- a) For all services rendered in accordance with Attachment No. 1 - with the exception of costs covered by b) - a fixed net price of

US \$ 675,234.00

(In words: Six hundred and seventy-five thousand, two hundred and thirty-four U.S. dollars).

This amount covers the costs for services to be rendered for the period from July 1st, 1975 to June 30, 1977.

- b) For cash disbursements (such as travel expenses, telephone and telex fees, etc.), a fixed cost reimbursement price of

US \$ 9,000.00

(In words: Nine thousand U.S. dollars).

per quartely period should not be exceeded.

Should it become necessary to exceed the cash disbursement mentioned in b), the prior approval of the German Government will be required and is to be obtained from the German Government through the client. In the case where the pre-

viously mentioned maximum limit is exceeded, the contracting parties will have to modify this agreement in accordance with # 5, Paragraph (3).

- (3) For the price quoted under Paragraph (1), a), it is assumed that the personnel, based on the categories mentioned in Attachment No. 1, Paragraph 3, will be retained on a continuous basis for the entire period of service, but not necessarily for the time period and the number of hours given in Attachment No. 1, Paragraph 3. The Contractor agrees to secure the utilization of the personnel listed in Attachment No. 1, Paragraph 3, and to immediately inform the Client and the German Government, in writing, of any important personnel changes or interruptions.

Payments

- (1) Payments for the prices agreed upon in # 2, Paragraph (1), a), will be made as follows:

U.S. \$	229,422.00	Following signing of the agreement
U.S. \$	184,524.00	On January 17, 1976,
U.S. \$	184,524.00	On July 16, 1976,
U.S. \$	76,764.00	On January 17, 1977.

- (2) Payment of the prices agreed upon in # 2, Paragraph (1), b), will be done on a quarterly basis against evidence of expenses incurred in the form of vouchers.

The Contractor will enter Order Number 461 500/1 on each of these invoices.

- (3) The Client will make payments in accordance with Paragraph (2) within a period of 60 days from the date the invoices are received together with the necessary documentation according to Paragraph (2).

Extraordinary Termination

- (1) The Client has the right to terminate the conditions of this agreement based on a prior notice of 90 calendar days:
- If the German Government no longer desires to continue with the main battle tank Leopard 2 AV project,
 - if the U.S.A. or the German Government give official notice that they are no longer interested in pursuing their mutual cooperative endeavor with regard to the Leopard 2 AV project,
 - If Messrs. D. G. Agger, Scambos or Gownley can no longer provide the services listed in Attachment 1, Sections 1 and 2, nor provide any other persons having equal professional and technical training, experience, knowledge, reputation and standing in the U.S.A. for fulfilling the tasks listed in Attachment No. 1, Sections 1 and 2.
- (2) Should there be termination of the present agreement, the Contractor agrees to reimburse a proportionate amount of the sum already paid for the period of time beyond the effective date of the termination.

The Contractor is entitled to receive partial compensation for payment of the services rendered in accordance with ‡ 2 of the present agreement, up to the time mentioned in Sentence No. 1.

Other Contractual Conditions

- (1) The Contractor agrees not to inform any third party as to the contents of the present agreement, unless this becomes necessary for fulfillment of same.
- (2) Exclusive jurisdiction is Munich, West Germany. The German Law applies.
- (3) All additions and changes to this agreement require a paper signed by both parties to the agreement, in order to be legally valid, and the certificate must be expressly designated as a "Change of Agreement".
- (4) General terms of business on the part of the Contractor are excluded.
- (5) Attachment No. 1 is a component of the present agreement.

CONTRACT

Between

Krauss-Maffel AG
8 Muenchen-Allach, Krauss-Maffel-Strasse 2,
represented by

- customer -

and

DGA International, Inc.
1225 Nineteenth Street NW, Washington, DC
represented by

- contractor -

The following contract is executed to cover support services within the scope of the Leopard 2 project in the United States.

SECTION 1

Subject of Services

1. The Contractor shall perform the services listed in Attachment 1, paragraphs 1 and 2, for an initial period from 1 July 1975 to 30 June 1977.

Upon request of the German Government, the Contractor shall perform the same services for an additional six months subject to an additional payment to be negotiated.

2. In addition, the Contractor agrees to submit to the German Government quarterly reports on the services performed by him. The purpose of these reports is to particularly enable the Government to evaluate the prospects of success for NATO standardization of main battle tanks. The Contractor shall send one copy of each report to the Customer.

Furthermore the Contractor agrees to send one copy of each report under paragraph 2.3.1 of Attachment 1 to the Government.

3. The Contractor shall perform his activities for Leopard 2 in close coordination with the Customer, particularly
 - a. all major sales promotion and marketing plans vis-a-vis the U.S. Government shall require prior coordination with the Customer,
 - b. the Contractor will keep the Customer informed of relations between German and U.S. companies in which the Contractor is involved, to the extent necessary to allow the Customer to arrange in Germany intra-team coordination and assuring timely and effective instructions to the Contractor and thereby exercise its leadership functions as Prime Contractor.

This arrangement, however, does not force the Contractor to disclose confidential information of other members of the Leopard Industrial team to the Customer.

SECTION 2

Prices

1. For the services under section 1 the following prices are agreed:

a. For the services under Attachment 1 - except for costs under paragraph b - a net cost fixed price of

US \$ 675,234.00

(in words: six hundred and seventy five thousand and two hundred and thirty four US dollars)

The above amount covers the cost of the services to be performed during the period from 1 July 1975 to 30 June 1977.

b. For out-of-pocket expenses (such as travel expenses, telephone and telex fees, etc.), a cost reimbursement price which shall not exceed an amount of

US \$ 9,000.00

(in words: nine thousand US dollars)

per quarter.

2. Should it become necessary to exceed the out-of-pocket expenses under paragraph b above, the prior approval of the Government shall be required. This prior approval shall be obtained from the Government through the Customer. In the event that the above ceiling is exceeded, the parties will amend this contract in the form agreed under section 5, paragraph 3.

3. The price stated in paragraph 1a above is based on the assumption that the manpower of the categories listed in Attachment 1, paragraph 3, will be utilized continuously and during the entire period of contractual services - but not necessarily during the time and the number of hours stated in Attachment 1, paragraph 3. The Contractor agrees to ensure the utilization of the manpower identified in Attachment 1, paragraph 3, and to immediately advise the Customer and Government in writing of any essential changes or interruption of manpower utilization.

SECTION 3

Payments

1. Payments towards the price agreed under section 2, paragraph 1a, shall be made as follows:

US \$	229,422.00	upon contract execution
US \$	184,524.00	on 17 January 1976
US \$	184,524.00	on 16 July 1976
US \$	76,764.00	on 17 January 1977

2. Payment of the price agreed under section 2, paragraph 1b, shall be made quarterly against furnishing evidence of the costs incurred by means of appropriate vouchers.

The Contractor shall indicate the contract No. 461 500/1 on these invoices.

3. The Customer shall make payments under paragraph 2 within 60 days of receipt of invoice together with the data agreed under paragraph 2.

SECTION 4

Extraordinary Termination

1. The Customer shall be entitled to terminate the contract at a notice of 90 calender days
- if the Government discontinues the Leopard 2 AV project,
 - if the Government officially states that it is no longer interested in a joint continuation of the Leopard 2 AV project,
 - if Mr. D. G. Agger, Mr. Scambos or Mr. Gownley no longer perform the contractual services in accordance with Attachment 1, paragraphs 1 and 2, and if no other persons of the same training, expertise, experience, knowledge and reputation in the United States can be used for the tasks to be performed under Attachment 1, paragraphs 1 and 2.

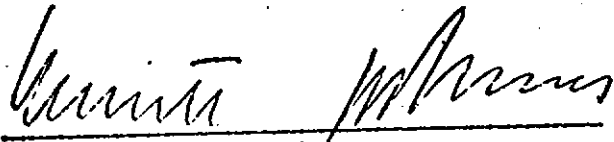
2. In the event of termination, the Contractor shall be obliged to repay on a prorata basis any amounts paid beyond the time of effectiveness of the termination.

The Contractor shall be entitled to claim prorata payment of the compensation under Section 2 payable for the contractual services performed until the point in time according to sentence 1.

SECTION 5

Other Contractual Terms

1. The Contractor agrees to disclose the contents of the contract to third parties only if and to the extent required for the fulfillment of the contract.
2. The exclusive place of jurisdiction shall be Munich, Germany. German law shall apply.
3. All supplements and amendments to this contract, in order to become legally effective, shall require an instrument signed by both parties and shall expressly be identified as contractual amendments.
4. The general terms of business of the Contractor shall be excluded.
5. Attachment 1 is an integral part of the contract.
6. This contract will become effective upon the signing of the contract between the Federal Office for Military Technology and Procurement and Krauss-Maffei AG. The German language version of this contract will govern.


KRAUSS-MAFFEI AG

Date: Oct. 23rd 1975


DGA INTERNATIONAL, INC.

Date: 23 October 1975

Description of the Services

1. D.G.A. International, Inc. agrees to provide support to the Krauss-Maffei AG Company and other German firms (including MTU, Renk and Wegmann - hereinafter referred to as "Leopard 2 Industrial Team" = Leopard 2 Group of Manufacturers) for:
 - Establishing appropriate relations with competent American firms,
 - performing the necessary market studies,
 - performing coordination and liaison services with the industry, and
 - acting in a consultant and advisory function for providing top management advice leading the success of governmental negotiations in the scope of the Leopard 2 project.

2. This specifically includes the following tasks:
 - 2.1 Market tests and results Analysis within the United-States with regard to the sale of the Leopard 2 or of a modified version of same.

 - 2.2 Within the scope of the Leopard 2 Industrial Team, to suggest alternatives with regard to the industrial procedures and strategies in order to ensure the success of their participation in the U.S. Tank program.

 - 2.3 To provide assistance and support to the Leopard 2 Industrial Team in the execution of their business endeavors and strategies within the United-States, both with the U.S. Government and with private American industries.

These can be broken down into the following individual tasks:

- 2.3.1 Monitoring the progress in the U.S. Department of Defense, and issue of reports to the Leopard 2 Industrial Team.
- 2.3.2 Providing assistance to the Leopard 2 Industrial Team and the individual firms involved in choosing the most appropriate partner firms by performing the necessary industrial research and observations within the United-States.
- 2.3.3 Providing assistance to the Leopard 2 Industrial Team and the individual firms involved in dealing with the American firms chosen as partner firms with regard to ensuring the success of licence negotiations or other agreements regarding production by U.S. firms.
- 2.3.4 Contributing as much as possible to ensuring that the interests of the Leopard 2 Industrial Team are recognized and protected while fulfilling the agreements made with American partner firms or governmental agencies.
- 2.3.5 Providing assistance and counselling to the Leopard 2 Industrial Team with regard to policies concerning coordination among the different firms, and the necessary and appropriate measures taken in order to carry out these dealings with the American firms and the governmental agencies.

- 2.3.6 Contributing their best efforts to ensuring that contracts concerning war material and services from American governmental agencies and firms are obtained and that the interests of the Leopard 2 Industrial Team, during the execution of these contracts are recognized and defended.
 - 2.3.7 Following the conclusion of the respective agreements with the American partner firms, ensuring close supervision and reporting on the interests of the Leopard 2 Industrial Team within the scope of the American "Leopard 2" project, and keeping the Industrial Team informed as to whatever steps or measures should be taken with regard to U.S. partner firms or related American governmental agencies.
 - 2.3.8 On request from members of the Leopard 2 Industrial Team, procurement of services through technical personnel involved with the legal aspects, price control, tax and patent matters, at the cost of the requesting firm.
 - 2.3.9 Providing assistance to the Leopard 2 Industrial Team in applying for patents, and in protecting or defending patent rights in the United-States, in connection with Leopard 2 technology. When services must be requested from a third party, this will occur at the cost of the requesting member of the Leopard 2 Industrial Team.
3. In order to perform the tasks listed under Section 2, the following DGA presonnel will be required for the

calendar years 1975, 1976 and 1977. These are listed in order of salary:

Calendar Year 1975

Salary Range I: Hours to be contributed by the President or Chairman of the Board of Directors of DGA International, Inc : 40 Hours/Month

Salary Range II: Hours to be contributed by the Vice-President and Project Manager of DGA International, Inc.: 90 Hours/Month

Salary Range III: Hours to be contributed by the Executive personnel DGA International, Inc.: 250 Hours/Month

Calendar Year 1976

Salary Range I: 30 Hours/Month
Salary Range II: 70 Hours/Month
Salary Range III: 180 Hours/Month

Calendar Year 1977 (First six months)

Salary Range I: 20 Hours/Month
Salary Range II: 40 Hours/Month
Salary Range III: 25 Hours/Month

Statement of Work

1. The DGA International, Inc. agrees to assist the company of Krauss-Maffei AG and other German companies (including MTU, Renk and Wegmann - hereinafter called "LEOPARD 2 Industrial Team" - LEOPARD 2 - group of manufacturers) in the following areas:

- establishment of appropriate industrial relations with competent US companies
- necessary marketing
- industrial coordination and liaison

and

- top management advice leading to successful adoption of the Leopard 2 tank by the US Government.

2. In particular, the above activities involve the following tasks:

2.1 Test the US market to determine the sales potential of the Leopard 2 tank or a modified version thereof.

2.2 Point up to the Krauss-Maffei industrial team alternatives with respect to industrial procedures and strategies so as to enable it to successfully participate in the US tank program.

2.3 Support the Krauss-Maffei industrial team in the execution of its business procedures and strategies in the United States, both with the US Government and with US industry. This, in particular, will comprise the following:

2.3.1 Monitor and report to the Krauss-Maffei industrial team on developments in the US Department of Defense.

2.3.2 Support the Krauss-Maffei industrial team and its constituent companies in selecting the best-suited partner firm by way of conducting the requisite industrial observations and investigations in the United States.

- 2.3.3 Support the Krauss-Maffei Industrial team and its constituent companies in negotiations with selected US partner firms with respect to developing good starting positions for license agreements or other agreements relative to production by US companies.
- 2.3.4 Use its best efforts to ensure that the interests of the Krauss-Maffei industrial team are recognized and protected during the implementation of agreements with US partner firms or government agencies.
- 2.3.5 Support and advise the Krauss-Maffei industrial team with respect to procedures of company coordination and take requisite and suitable measures to ensure implementation of those procedures by US companies and government agencies.
- 2.3.6 Use its best efforts to the end that contracts for materiel and services are obtained from US government agencies and US companies and that it is ensured that the interests of the Krauss-Maffei industrial team are recognized and protected while these contracts are being performed.
- 2.3.7 After corresponding agreements with US partner firms have been entered into, continue to watch over and report on the interests of the Krauss-Maffei industrial team in the US Leopard 2 program and advise the Krauss-Maffei industrial team on appropriate measures to be initiated with its US partner firms or the competent US government agencies.
- 2.3.8 Upon request, and for the account of each firm of the Krauss-Maffei industrial team secure for the Krauss-Maffei industrial team the consultative services of experts in the fields of law, auditing, taxes and patents, as required by the Krauss-Maffei industrial team.
- 2.3.9 Support the Krauss-Maffei industrial team in making patent applications and in prosecuting or defending patent rights in the United States in connection with Leopard 2 technology. If outside services are required, these shall be for the account of each firm of the Krauss-Maffei industrial team.

3. In order to perform the tasks outlined in paragraph 2 above, the following DGA manpower, by categories, may be required for calendar years 1975, 1976 and 1977:

Calendar year 1975

Category I:	The President or the Chairman of the Board of DGA International, Inc.	40 hours/month
Category II:	The Vice President and Project Manager of DGA International, Inc.	90 hours/month
Category III:	Executive personnel of DGA International, Inc.	250 hours/month

Calendar year 1976

Category I:		30 hours/month
Category II:		70 hours/month
Category III:		180 hours/month

Calendar year 1977 during the first six months

Category I:		20 hours/month
Category II:		40 hours/month
Category III:		25 hours/month

DGA INTERNATIONAL, INC.
1225 Nineteenth Street NW, Washington, D.C. 20036

19 January 1976

Dear Mr. von Bernuth :

Confirming our conversations in Munich today this letter will constitute the irrevocable cancellation of the agreement between KM and DGA dated 2 March 1973. It is further understood that no payments to DGA in connection with its Leopard 2 activities have been or will be contingent in whole or in part upon the success of DGA's activities.

Your agreement with the above is indicated by your signature in the space provided below.

Sincerely,

Donald E. G.

Agreed : KRAUSS - MAFFEI AG

[Handwritten signatures]

TERMINATED

DATE 2-5-79

RECEIVED
DGA INTERNATIONAL, INC.
1225 NINETEENTH STREET NW
WASHINGTON, D.C. 20036
JAN 20 11 11 AM '76