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Public Reporting Burden. Public reporting burden for this collection of information is estimated to average 1.5 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.

| | |
|--|---------------------------------|
| 1. Name of Registrant Hill and Knowlton, Inc. | 2. Registration No. 3301 |
|--|---------------------------------|

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- To correct a deficiency in
- Initial Statement
- Supplemental Statement for _____
- To give notice of change in an exhibit previously filed.
- To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- Other purpose (specify) _____

4. If this amendment requires the filing of a document or documents, please list-

formal written contract

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

Registrant's formal written contract with its foreign principal, State of Israel, Ministry of Industry & Trade, ended August 31, 1992. After a period of negotiations a new formal written contract was signed and is attached.

93
AUG 15 10 51

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this amendment and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief. The undersigned each declare under penalty of perjury that the foregoing is true and correct. Executed on 1/12/93, 1993.

Kenneth F. [Signature]

Barbara A. Walkley

(All copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at _____

this _____ day of _____, 19 _____

(Notary or other officer)

My commission expires _____

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

December 1, 1992

Mr. Zohar Peri
Deputy Director General & Director,
Foreign Trade Administration

Mr. Gad Soen
Director,
Business Promotion Administration
Ministry of Industry and Trade
30 Agron Street
Jerusalem, Israel

Mr. Memi Buber
Trade Commissioner
Israel Trade Commission
350 Fifth Avenue
New York, New York 10118

Dear Zohar, Gad and Memi:

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 Government of Israel ("the Ministry") for a period extending from September 1, 1992 to August 31, 1993. The terms of the Agreement are as follows:

1. H&K has developed for approval and implementation, a public relations and economic development plan 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 within the suggested plan 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 Trade Commissioner in the United States (hereinafter "the Coordinator"), prioritize assignments requested.

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 2

- H&K shall have the right to assign employees other than the core team members to work on projects or to hire specific outside consultants for projects of a specialized nature. In this event, funding for these activities will come from the miscellaneous category of the budget. H&K is required to consult with either the person in charge of the implementation of the Plan in the Ministry (hereinafter "the Director, Business Promotion Administration"), or the Coordinator, in order to hire specific outside consultants. The amount paid, in this event, shall not exceed \$50,000, unless prior written agreement to exceed that amount is given by the Ministry and a Representative of the Ministry of Finance.
2. The public relations Plan submitted by H&K in August, 1992, now codified as the Plan, amended and approved by the Ministry in its final form in September, 1992, shall serve as the basis for this Agreement. However the Plan is subject to modification and additions during the term of this Agreement, mutually agreeable to both parties. In the case that the modification and/or additions exceed the agreed budget as appears in Attachment B, such additional amounts will have to be approved in writing by the Director, Business Promotion Administration and a Representative of the Ministry of Finance, except for additional Plan activities approved by the Director, Business Promotion Administration prior to November 30, 1992 (see Attachment C). Those approvals already granted prior to November 30, 1992 shall be deemed to be acceptable.
 3. The Ministry agrees to make available to H&K an actual budget of U.S. \$827,000 for its services and expenses incurred in the execution of this Plan. The breakdown of staff time and out-of-pocket expenses is as follows: \$480,000 for New York staff time; \$84,000 for Jerusalem staff; and \$263,000 for estimated out-of-pocket expenses, which includes \$50,000 for miscellaneous expenses which will principally be used to purchase other H&K services. H&K shall allocate the miscellaneous funds after receiving approval in

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 3

writing from the Coordinator, or his designee, except for projects undertaken prior to November 30, 1992 and for the routine use of proofreaders needed to review various publications (See Attachment D).

PAYMENT TERMS

4. There will be twelve (12) equal payments of \$47,000 for staff time. The miscellaneous expenses will be billed at the end of the month in which they are incurred and are payable within 30 days of receipt. The invoice will specify in detail the activities undertaken by H&K for the period covered by the invoice. Payment for the period September 1, 1992 through November 30, 1992 is due upon execution of this Agreement. Out-of-pocket expenses will be billed after the end of the month in which they are incurred and are payable within 30 days of receipt. All subsequent payments for staff expenses shall be made on the last business day of each month from December, 1992 through August, 1993. Invoices covering staff time charges for December, 1992 through August, 1993 are attached so that payment may be made on a timely basis in accordance with the terms of this Agreement. 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 \$213,000, unless prior written 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 both the H&K Managing Director, and the Director, Business Promotion Administration. If any change in the Plan will require additional budget, such additional sums will have to be approved in writing by the Director, Business Promotion Administration and a Representative of the Ministry of Finance.

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 4

6. Requests for supplemental services (e.g., video or brochure production), will be payable either within 30 days of receipt of H&K's invoice, or on such other schedule as is mutually agreed between the parties. The additional amounts for the supplemental services will have to be approved in writing, prior to the execution of such services, by a Representative of the Ministry of Finance.
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 the Government of Israel auditors.

H&K will provide to the Ministry two (2) comprehensive reports on the progress of the Plan. The first such report will be presented on or about six months into the Plan. A senior H&K executive will be available to travel to Jerusalem to present the mid-term report. The second such report will be presented during July or August, 1993. A senior H&K executive will be available to travel to Jerusalem to present the final report.

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 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 Plan H&K has agreed to undertake on behalf of the Ministry over the period of a one year Plan extending into 1993.

9. Air travel within the United States will be booked in "coach" class. International travel will have to be approved by the Coordinator. Only the full-time

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 5

executives, Mr. Altman or other H&K employees the Ministry asks to travel to Israel, will be entitled to be booked in "business" class during international travel as long as the cost of the airline ticket will not exceed the airline tickets of a flight from New York to Tel Aviv on El Al "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 traveling to Israel.

10. The Ministry shall retain the right to eliminate one of the 1,000-hour positions from the Plan at any time after December 31, 1992, 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 Plan, or subsequently requested by the Ministry to replace elements of the original Plan, and that the identification of such projects will be mutually decided upon within 30 days after the elimination of the position.

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 Coordinator approves the replacement candidate presented by H&K. It is understood that during the period of time while the position is not occupied, H&K will adjust its monthly billing to a level that reflects the absence of a position.

ISRAEL-BASED PROFESSIONAL

11. 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

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 6

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 service, 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.

ADDITIONAL PROJECTS

12. It is also understood that from time to time H&K might be required to handle assignments beyond the scope of the agreed upon Plan. 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 percent (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 percent (20%) discount for additional staff added to the team for periods of more than four (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 additional projects, H&K will also make an initial estimate of the anticipated out-of-pocket expenses concomitant with the additional staff time

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 7

estimated and present it to the Ministry for prior approval.

H&K INDEMNITY

13. 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 the 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 Government of Israel that involves H&K as public relations/economic development counsel.

14. H&K shall indemnify and hold the Ministry harmless from any and all liabilities, damages, claims, judgments, and expenses (including reasonable attorneys' 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.

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 8

TERMINATION

15. Kenneth Altman will be required to spend a minimum of 250 hours servicing the Economic Development Plan 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.
16. H&K's appointment under this Agreement shall be effective as of September 1, 1992 through and including August 31, 1993.

Each party has the right to cancel the contract at any time and the cancellation will be effective after 45 days notice.

CONFIDENTIALITY

17. Half-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 any projects for any government, investment authority or company whose interests represent a conflict to the aims of the Ministry Plan.

The two full-time executive 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.

18. 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

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 9

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.

19. All rights to pamphlets, brochures, videos, letterheads and other collateral materials developed as part of the Plan shall be deemed as the Ministry's property as long as all financial obligations to H&K have been fulfilled, except to the extent that H&K may retain copies of items produced to be used by H&K as examples of work completed.

GOVERNING LAW, JURISDICTION, SERVICE OF PROCESS

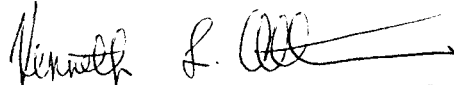
20. This Agreement will be governed and construed in accordance with the laws of the State of Israel. H&K and the Ministry agree that any dispute hereunder will be adjudicated by a court of competent jurisdiction located in the State of Israel.

Letter of Agreement
Ministry of Industry and Trade of the Government of Israel
Page 10

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.

By: 
Kenneth L. Altman

12-11-92
Date

The Government of Israel
on behalf of the Ministry
of Trade and Industry and
the Ministry of Finance

By:  
12-24-92 12.28.92 12/28/92
Date

ATTACHMENT B

HILL AND KNOWLTON -- ISRAEL ECONOMIC DEVELOPMENT CORE PROGRAM

December 1, 1992

Core Program Account Team

| Professional Level | H&K Billing Rate | Total Annual Time Spent on Israel Account | Israel Account Rate | Percentage Discount | Cost to Client |
|--|------------------|---|---------------------|---------------------|------------------|
| Managing Director | \$325 | 250 hrs. | --- | --- | -0- |
| Account Director* | \$170 | 2000 hrs. | \$100 | 41% | \$200,000 |
| Print Media Specialist* | \$105 | 2000 hrs. | \$60 | 43% | 120,000 |
| Company Contact Specialist | \$150 | Sept. 1 - Dec. 31 | \$60 | 60% | 20,000 |
| Account Executive | \$160 | 1000 hrs. | \$50 | 69% | 50,000 |
| Broadcast Specialist or other H&K Services | standard rates | 291 hrs. | standard rates | | |
| Secretary* | \$37 | 2000 hrs. | \$15 | 59% | 30,000 |
| Trade Media Specialist | \$145 | 1000 hrs. | \$60 | 59% | 60,000 |
| Total Core Account Team Staff Time | | | | | \$480,000 |
| Funds Allocated for Other Hill and Knowlton Resources | | | | | |
| Israel-Based Executive | | | | | \$60,000 |
| Israel-Based Secretary | | | | | 24,000 |
| Out-of-Pocket Expenses: | | | | | |
| -- Administration | | | | | |
| -- Atid E.D.I. | | | | | |
| -- Travel and Expenses | | | | | |
| -- Media Clipping Service | | | | | |
| -- Newsletter "InformedDecisions" (10 issues) | | | | | |
| -- MediaCom/Presentation Training | | | | | |
| -- News and Feature Leads/MAT Release | | | | | |
| Miscellaneous | | | | | 50,000 |
| Total Budget -- Year Two** | | | | | \$827,000 |

* Fully committed Hill and Knowlton Account Team.

**DOES NOT INCLUDE video and production; printing of industry brochures; photo library; slides and/or overheads; extensive local support for special events, etc.

ATTACHMENT CHill and Knowlton
Israel Economic Development Plan

PROJECTS APPROVED -- SEPTEMBER 1, 1992 TO NOVEMBER 30, 1992

| Project Name | Cost |
|---|---|
| 1. Creation of Photo Library (approved by Gad Soen) | To date, billed for half (\$13,200); approximately \$12,000 yet to be billed. |
| 2. Production of 10, industry-specific brochures (approved by Gad Soen) | \$25,000 per brochure; have submitted invoices for brochures 1 through 6. |
| 3. Creation/production of a high-tech, investment video (approved by Gad Soen) | Approximately \$100,000 (subject to additional costs for unanticipated edits and additional video elements) |
| 4. Advantage Israel Reprinting (approved by Gad Soen) | \$12,600 |

ATTACHMENT D

Hill and Knowlton
Israel Economic Development Plan

PROJECTS UNDERTAKEN
SEPTEMBER 1, 1992 TO NOVEMBER 30, 1992

| Project Name | Cost |
|--|--|
| San Francisco Software Program, COMDEX, AI-Tech (American-Israel Chamber of Commerce, Baltimore), Professional proofreading services | To date charges received total \$17,138.75 |