

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 General 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 Finmeccanica North America	4. Principal address of foreign principal 425 Park Avenue New York, New York, 10022	

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
 - Corporation
 - Association
 - Individual—State his nationality _____

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 REGISTRATION UNIT
 FOREIGN AGENTS
 COMMITTEE
 VOLUNTARY GROUP
 OTHER SPECIFIC

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.

N/A

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

- a) Principal address
- b) Name and title of official with whom registrant deals.
- c) Principal aim

N/A

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

Finmeccanica is a financial holding company of the IRI Group in Italy and controls four major companies -- two have recently merged to become Alenia. Alenia has its main activities in aeronautics, space, defense electronics, industrial and commercial systems.

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.

Mr. Alberto De Benedictis, Director

Date of Exhibit A

1/23/91

Name and Title

**Patricia Q. Barbis
Vice President**

Signature

Patricia Q. Barbis

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.

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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.	Finmeccanica North America

Check Appropriate Boxes:

1. 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.

INTERNAL SECURITY SECTION REGISTRATION UNIT
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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.

Organize press briefings and/or conferences. Organize and coordinate social events to introduce newly merged company, Alenia, to Washington, D.C. business, community and government officials.

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.

Date of Exhibit B	Name and Title	Signature
1/23/91	Patricia Q. Barbis Vice President	<i>Patricia Q. Barbis</i>

¹Political 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.

Hill and Knowlton
Public Affairs Worldwide Co.
Washington Harbour
901 31st Street, N.W.
Washington, D.C. 20007-3838
202-333-7400
Telecopy 202-333-1638
Telex 440143 HKDC

December 14, 1990

Mr. Alberto De Benedictis
Director
Finmeccanica North America
425 Park Avenue
New York, New York, 10022

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SECTION
REGISTRATION

Dear Mr. Benedictis:

This will serve as the agreement between Hill and Knowlton, Inc. ("H&K") and Finmeccanica North America (Client) pursuant to which H&K will serve Client as public relations counsel.

1. As counsel, H&K will:

See attached proposal.

2. Charges

Charges for the services of H&K will be made at H&K's standard hourly staff rates for participating executives and staff as the same are required to carry out the programs and activities approved by Client.

(a) Upon signing this agreement, Client will pay H&K the sum of \$38,750 (Thirty Eight Thousand Seven Hundred and Fifty Dollars) based on the estimate provided for in the proposal. This estimate excludes the cost of the room for the reception.

(b) In addition to staff time charges, Client will pay H&K the net cost of all materials, services and rights obtained by H&K from third party suppliers on Client's behalf, plus a 15% handling and administration fee on all such disbursements. In obtaining such materials, services and rights, H&K will act as agent for Client as disclosed principal.

(c) Client will reimburse H&K for the net cost of all routine out-of-pocket disbursements such as travel, local messengers, in-house photocopying and ordinary communications (telephone, telex and postage).



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- (d) In the rare event H&K may be called upon to respond to or assist Client in connection with litigation commenced or threatened against Client (for example, in responding to a document subpoena), it is understood that H&K will be entitled to staff time charges and reimbursement of expenses for services rendered to Client or time spent by H&K in connection with such matters. This provision shall survive the expiration or earlier termination of this agreement.
- (e) From time to time, H&K may be called upon to render services that do not fall within the scope of this agreement, such as, in the case of a "crisis" or extraordinary situation requiring an unusual expenditure of time and/or effort by H&K personnel. If such a situation arises, a separate letter of agreement will be prepared and H&K, in conjunction with the Client, will take into consideration such extraordinary factors in determining the rates or fee to be charged.
- (f) Client will reimburse H&K for staff time and expenses incurred in order to comply on Client's behalf with the Foreign Agents Registration Act. It is understood that pursuant to such Act, H&K may be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.

3. Billing

- (a) Attached is a proposed budget for public relations services to be provided by H&K to Client during the period between December 12, 1990 and ~~February 29, 1991~~ ^{MARCH 31, 1991}. Upon signing this agreement, Client will pay H&K an advance payment in the amount of \$38,750 (Thirty Eight Thousand Seven Hundred and Fifty Dollars) to be applied against staff time charges, and charges as outlined in Paragraphs 2(b) and (c) to be incurred by Client during the term of this agreement. An additional payment in the amount of \$38,750 (Thirty Eight Thousand Seven Hundred and Fifty Dollars) will be paid on or before January 31, 1991.

* March 31, 1991



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- (b) Following the conclusion of each calendar month, H&K will provide Client with a statement of staff time and out-of-pocket charges actually incurred during such month. To the extent that actual staff time and out-of-pocket charges shall exceed the Advance paid by Client, such additional charges will be promptly paid over to H&K by Client. Should actual staff time and out-of-pocket charges for such month be less than the Advance paid, the amount of such shortfall that shall be applied against the subsequent months' charges. At the termination of this agreement, H&K will provide Client with a reconciliation statement of actual staff time and out-of-pocket charges incurred and the monies paid by Client and any overpayment or underpayment shall be promptly adjusted between the parties.

4. Records

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- (a) H&K will maintain accurate records of all staff time work and out-of-pocket expenditures incurred on behalf of Client and, during the term of this agreement and for one year thereafter, Client may examine such records upon reasonable notice and during normal business hours. It is understood that the foregoing does not include H&K's salary data, overhead and other internal H&K costs or non-billable items.
- (b) If requested, copies of supplier invoices and other back-up materials in support of H&K's out-of-pocket charges of \$100 or more will be included with H&K's end-of-month invoices for an additional handling fee of \$100 per month. Client shall give H&K's financial accounting department at least one full month's prior notice of desire to receive such supporting documentation.

5. Confidentiality

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 Client or disclosed by Client to H&K. Notwithstanding the above, H&K's



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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.

6. Indemnity

It is acknowledged that H&K cannot undertake to verify facts supplied to it by Client or factual matters included in material prepared by H&K and approved by Client. Accordingly, Client agrees to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses (including reasonable attorneys' fees and disbursements) or liabilities ("damages") which H&K may incur (i) as a result of any materials, releases, reports or information supplied to H&K by or on behalf of Client or prepared by H&K and approved by Client prior to its dissemination or broadcast; and (ii) except when attributable to H&K's failure to use due care, resulting from disputes between H&K and third parties related to and or within the scope of this agreement. Client shall similarly indemnify and hold H&K harmless in respect to any damages arising out of the nature or use of Client's products or services. This provision shall survive the expiration or earlier termination of this agreement.

7. Termination

H&K's appointment under this agreement shall be effective as of December 12, 1990 and continue thereafter until ~~February 28, 1991~~ unless extended by agreement of both parties.

Upon termination of this agreement, provided that there is no outstanding indebtedness then owing by Client to H&K, H&K shall transfer, assign and make available to Client all property and materials in its possession or control belonging to Client.

8. Governing Law

This agreement will be governed and construed in accordance with the laws of the State of New York for contracts made and to be performed entirely in New York.

* March 31, 1991

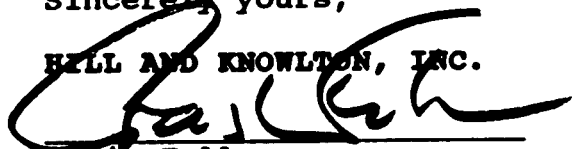


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If you are in agreement with the above, would you kindly sign both copies of this letter in the space provided for that purpose below and return one copy to Hill and Knowlton for our records.

Sincerely yours,

HILL AND KNOWLTON, INC.



Craig Fuller
President and Chief Operating
Officer

Date: 12/15/90

AGREED:

Finmeccanica North America

By: Alberto De Ditis

Title: DIRECTOR

Date: 12/18/1990

