

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	Name of Foreign Principal
Pearson & Pipkin, Inc. #3727	Embassy of South Africa

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.

See attached copy of contract

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

See attached copy of contract

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.

See attached copy of Part V of original Registration Statement

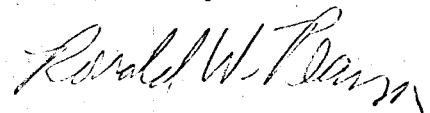
Date of Exhibit B

Name and Title

Signature

September 15, 1989

Ronald W. Pearson, President



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.

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ENTERED INTO BY AND BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA, HEREINAFTER REFERRED TO AS THE "GOVERNMENT", DULY REPRESENTED BY THE AMBASSADOR OF SOUTH AFRICA, PIETER GERHARDUS JACOBUS KOORNHOF, HE BEING DULY AUTHORISED THERETO,

AND

PEARSON AND PIPKIN INC, 422 FIRST STREET, SE, WASHINGTON DC SUITE 208, WASHINGTON DC 20003 HEREINAFTER REFERRED TO AS THE "CONTRACTOR" : REPRESENTED BY RONALD PEARSON AND ROBERT PIPKIN.

WHEREAS the Government is desirous of engaging the services of a consulting firm in the United States of America on behalf of the Republic of South Africa to provide the Government with general consulting services, including guidance, counselling and representation; and

WHEREAS the Contractor has agreed to assist the Government in aforementioned capacities;

NOW THEREFORE the parties agree as follows:

1. The Contractor is hereby retained and appointed to assist the Embassy of the Republic of South Africa in Washington D.C., in carrying out political, economic and cultural programmes in the United States of America subject to the terms and conditions of this Agreement.
2. The principal focus of the Contractor's counselling and representation shall be to foster better political, economic and cultural relationships between the Governments of South Africa and the United States of America, and more particularly:
 - 2.1 to lobby, represent, advise and assist in the promotion of the political, economic and cultural objectives of the Government in the United States of America;

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- 2.2 to improve the image of the Government in the United States in order to strengthen the longstanding friendship between the two countries;
 - 2.3 to assist in arranging contacts with United States Government officials, Members of Congress and other opinion makers in the United States of America;
 - 2.4 to advise and counsel the Government on matters of the United States foreign and domestic policy which could affect United States/South African relations;
 - 2.5 to perform such other services as deemed necessary, appropriate and practicable by the Government, and
 - 2.6 to be available to assist the Ambassador in Washington with any and all of his responsibilities.
3. The Contractor shall be remunerated for his aforementioned services for \$60 000 for the first quarter and \$80 000 for the remaining four months, payable in advance to the Contractor on the first day of every quarter with effect from 1 September 1989. Following payments will only be made after submission of a report to the Ambassador for the work done during the foregoing term.
- 3.1 It is expressly agreed that the sum designated above includes all costs normally incurred in the conduct of the activities set forth, including fees and salaries of any additional personnel whose services the Contractor may engage in the furtherance of activities.
 - 3.2 The Contractor will further be reimbursed for such expenses not within the scope of this contract as may be authorised in advance by the Government and on submission of appropriate receipts. Such disbursements shall not exceed the sum of \$23 300,00 per contract period.
 - 3.3 This agreement shall be effective as from 1 September 1989 until 31 March 1990. Either party may terminate this Agreement upon two months written notice to the other.

Handwritten signatures and initials:
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4. The Contractor shall indemnify and hold the Government harmless from and against -
 - a. any and all claims arising from contracts concluded between the Contractor and third parties in order to give effect to the objectives of this Agreement; and
 - b. any and all claims, liabilities or damages arising from the preparation or presentation of any programmes covered by this Agreement including costs of litigation and counsel's fees.
5. The validity, interpretation and performance of this Agreement shall be governed by the laws of the Republic of South Africa.
6. Any controversy or claim arising out of or relating to this Agreement or breach thereof shall be settled by arbitration in the City of Pretoria, Republic of South Africa, in accordance with the laws of the Republic of South Africa.
7. This document contains the entire Agreement between the parties and it is recorded that no representations were made by either party other than those that are expressly set forth. No agent, employee or other representative of either party is empowered to alter any of the terms and conditions hereof. No variation of any of the terms and conditions of this Agreement shall be valid and binding unless reduced to writing and signed by the parties or their representatives duly authorised to sign such variation on their behalf.
8. Should the Contractor fail to comply with any of the conditions of this Agreement, the Government shall be entitled to cancel this Agreement forthwith.
9. Any notices intended for the Government shall be delivered to the Embassy for the time being at -

Embassy of South Africa
 3051 Massachusetts Ave NW
 Washington DC 20008
 United States of America

Plc
RWJ
RRP
CHB
[Signature]
[Signature]

10. All notices for the Contractor shall be delivered to him at -

Pearson and Pipkin Inc
422 First Street, SE
Suite 208
Washington DC 20003

SIGNED on this the *14th* day of *SEPTEMBER* 1989
at Washington, D.C., USA

FOR THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA:

..... *Pleunhof*

WITNESSES: 1. *13 de 16ville*

2. *St. Payers*

FOR THE CONTRACTOR:

..... *Ronald W. Pearson* *Robert R. Pipkin*

WITNESSES: 1. *St. Payers*

2. *St. Payers*

V- POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

10. Will the activities of the registrant on behalf of any foreign principal include the preparation or dissemination of political propaganda as defined above? Yes No

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

11. Identify each such foreign principal.

Embassy of South Africa

12. Has a budget been established or a specified sum of money allocated to finance your activities in preparing or disseminating political propaganda? Yes No

If yes, identify each such foreign principal, specify amount and for what period of time.

13. Will any public relations firms or publicity agents participate in the preparation or dissemination of such political propaganda material? Yes No *

If yes, furnish the names and addresses of such persons or firms.

* Except for Pearson & Pipkin, Inc.

14. Will your activities in preparing or disseminating political propaganda include the use of any of the following:

- Radio or TV broadcasts
- Advertising campaigns
- Magazine or Newspaper articles
- Press releases
- Other (specify) _____
- Motion picture films
- Pamphlets or other publications
- Letters or telegrams
- Lectures or speeches

15. Will the political propaganda be disseminated among any of the following groups:

- Public Officials
- Legislators
- Government agencies
- Newspapers
- Editors
- Civic groups or associations
- Libraries
- Educational institutions
- Nationality groups
- Other (specify) _____

16. Indicate language to be used in political propaganda:

- English
- Other (specify) _____