

**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 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 .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

Smith McCabe, Ltd.  
230 Park Avenue, Suite 2415  
New York, NY 10169

Name of Foreign Principal

Government of Indonesia

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.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding:  
The communications program will help improve underatnading for Indonesia by addressing issues and taking advantage of international opportunities to communicate Indonesia's economic development record.

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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.

Consultants will conduct research on issues facing Indonesia, develop case materials, conduct targeted distribution of case materials, train and support spokespersons, monitor issues on an ongoing basis and provide strategic responses to issues surfaced by monitoring.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?  
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 necessary aspect of the program for the government of Indonesia is to assist in generating support for Indonesia in the international community. Success would be reflected in the attitudes of trade officials towards Indonesia, as well as segments of the general public, including potential trade partners, investors and others related to business in Indonesia.

Date of Exhibit B

8/31/92

Name and Title

IAN MCCABE  
PARTNER

Signature

\*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.

Burson-Marsteller  
230 Park Avenue South  
New York, New York 10003

March 31, 1992

Drs. Soegito Sastromidjojo, MA.Sc.  
Secretary General  
Department of Finance  
Jl. Lapangan Banteng Timur No. 2-4  
Jakarta 10710

Dear Drs. Sastromidjojo:

We are pleased to submit this letter outlining the terms under which Burson-Marsteller (hereinafter "B-M") and Smith McCabe, Ltd. (hereinafter "SML") will provide public affairs counsel and support to the Government of Indonesia, (hereinafter "GOI"). It is understood that the public relations, public affairs program for the GOI has been developed by B-M and SML and that all work to be carried out under this program will be done cooperatively by B-M and SML. For purposes of this agreement, however, and to facilitate payment B-M will serve as the agency.

1. This agreement will cover work to be carried out during the nine-month period from April 1, 1992 to December 31, 1992. The agreed program of activities to be carried out during this period is described in the attached document labelled "appendix 1" and incorporated hereto by reference.

2. It is understood that the GOI has made available a budget of US\$950,000 for this program. This budget is to cover professional fees for staff, consultants, and associates of B-M and SML and reimbursement of any out-of-pocket expenses incurred in carrying out the program. The GOI agrees to pay B-M US\$450,000 when this agreement is signed and work commences. Another payment of US\$250,000 will be made on July 1, 1992, and a third payment of US\$250,000 on September 1, 1992.

3. GOI agrees to pay B-M for all costs incurred by B-M and/or SML in providing services requested by GOI. B-M will keep accurate records of all staff time and expenses and will provide GOI with a detailed activity and financial report on a quarterly basis. The final report, to be submitted after December 31, 1992, will summarize all staff time and expenses and indicate whether any balance is due from GOI to B-M or whether a refund is due from B-M to GOI. If a refund is due, GOI may elect to have it applied against future work. To the extent actual costs exceed the payments of estimated costs, B-M will invoice GOI for the amount due B-M and GOI will pay that amount by the 15th day of the month following the month the reconciliation is issued.

4. It is understood that B-M and SML cannot undertake to verify the facts supplied to them by GOI or factual matters included in material prepared by B-M and/or SML which will be GOI's responsibility. GOI will be responsible for reviewing all

publicity or other materials prepared by B-M and/or SML to confirm that all representations, direct or implied, are supportable by objective data then possessed by GOI and to confirm the accuracy and legality of the descriptions and depictions of GOI, its associated agencies. GOI will indemnify and hold harmless B-M and SML from and against any and all losses, claims, damages, expenses, liabilities, lawsuits and expenses (including reasonable attorney's fees) which B-M and/or SML may incur based upon information, representations, reports, data, or releases furnished or approved by GOI or its representatives for use or release by us, whether or not B-M and/or SML prepared or participated in the preparation of such materials, or in connection with any publicity or other materials prepared or placed by B-M and/or SML for GOI. GOI agrees also to reimburse B-M and/or SML for any expenses incurred by B-M and/or SML in connection with any litigation, governmental inquiry or other action, commenced or threatened against GOI.

5. In purchasing materials or services on GOI's behalf, B-M and SML act as GOI's agent and may state this relationship in contracts and orders.

6. It is agreed that any disputes regarding this agreement will be subject to the laws and courts of the State of New York.

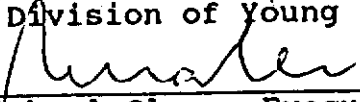
7. This agreement covers a nine-month period, beginning April 1, 1992 and ending December 31, 1992. Either party may terminate the agreement by giving 60 days written notice. GOI will pay B-M all charges, including out-of-pocket and internal expenses, under this agreement incurred up to the effective date of termination. The agreement may also be extended beyond December 31, 1992 by mutual consent.

8. This agreement constitutes the entire agreement with respect to the matters it contains. It can be modified or amended only by a written document which is enforceable only if signed by the party against whom enforcement is sought.

B-M and GOI indicate their acceptance of this agreement by having their respective duly authorized representatives sign in the spaces provided below.

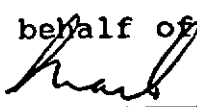
Sincerely yours,

Agreed on behalf of Burson-Marsteller  
A Division of Young & Rubicam L.P.

  
\_\_\_\_\_  
Michael Claes, Executive Vice President

date: 31 March 1992.

Agreed on behalf of the Government of Indonesia:

  
\_\_\_\_\_  
Drs. Soegito Sastramidjojo, MA.Sc.  
Secretary General

date: 31 March 1992.

# Burson-Marsteller

230 Park Avenue South  
New York, NY 10003-1566  
212 611-4000

## Letter of Agreement Between Smith McCabe, Ltd. and Burson-Marsteller

April 20, 1992

Smith McCabe, Ltd. ("SML") and Burson-Marsteller ("B-M") have agreed to cooperatively develop business opportunities in Indonesia, and to share in any work and fees that may result. The potential client base for these opportunities includes government agencies, state-owned corporations, and trade associations.

An initial program has been approved by the Government of Indonesia ("Client") with a total budget ("Budget") of \$950,000. Work on this project commenced April 1, 1992 and shall be completed by December 31, 1992. However, it is anticipated that this project may be extended or expanded beyond December 31, 1992. If the project is extended or expanded, the terms of this Agreement shall be amended in writing by SML and B-M.

Of the Budget, it is estimated that out-of-pocket expenses will not exceed \$300,000. Out-of-pocket expenses shall include, but not be limited to, those expenses specified in the attached Exhibit A, incorporated herein by reference. No individual out-of-pocket expense in excess of \$5,000 may be applied to this budget without prior written approval of both SML and B-M. The remaining \$650,000 shall be allocated between B-M and SML as set forth in the attached Exhibit A, incorporated herein by reference.

For this project, Client has agreed to pay B-M \$450,000 immediately, \$250,000 on July 01, 1992 and \$250,000 on September 01, 1992. Upon receipt of the first installment of \$450,000 from Client, B-M has remitted to SML \$100,000, which SML hereby acknowledges receipt of. A second and third installment of \$75,000 each will be made to SML respectively, when B-M receives payment from Client. In addition to the fee amounts listed above, reasonable out-of-pocket expenses will be charged. At the end of each month, SML will send B-M an invoice for all expenses incurred for the month. B-M shall pay SML within 30 days of B-M's receipt of any invoices and any and all documentation requested.

In the event that the actual out-of-pocket expenses incurred in carrying out this program total less than the \$300,000 estimated above, the difference may be applied to any time charges in excess of the budgets allocated to SML and B-M based on a percentage of the total time overages incurred by SML and B-M.

SML will indemnify and hold B-M harmless from and against all losses, damages, liabilities, claims, demands, lawsuits and expenses, including reasonable attorney's fee, that B-M may incur or be liable for as a result of, or in connection with, the services provided by SML under this Agreement and the breach of any warranties made by SML hereunder.

B-M will indemnify and hold SML harmless from and against all losses, damages, liabilities, claims, demands, lawsuits and expenses, including reasonable attorney's fee, that SML may incur or be liable for as a result of, or in connection with, the services provided by B-M under this Agreement and the breach of any warranties made by SML hereunder.

It is understood and agreed that in addition to the terms and conditions of this Agreement, SML shall be bound to the terms and conditions of the Agreement between Burson-Marsteller and the Government of Indonesia dated March 31, 1992 which is attached as Exhibit B to this Agreement and incorporated herein by reference.

SML warrants that it has entered into this Agreement as an independent contractor, not as an employee of B-M, and therefore will not be eligible for any of B-M's employee benefits. In no event is B-M or Client a joint venturer or partner with SML.

SML agrees to discharge all obligations imposed by any applicable union code or by any orders now or hereafter in force, including without limitation, those relating to federal, state, and local income taxes, unemployment taxes and workmen's compensation, liability insurance, and including the filing of all returns and reports and the payment of all assessments, taxes and other sums required of independent contractors.

SML represents and warrants that it has insurance in amounts listed in Exhibit C attached hereto and incorporated herein by reference.

SML shall be solely responsible for the work performed by its employees, agents and subcontractors, under whose exclusive direction and control they shall serve, and their payment therefor.

B-M and SML represent and warrant that they did not and will not pay, and B-M and SML did not or will not permit or suffer any of their agents or employees to pay, directly or indirectly, any money or anything of value, to any official of the Government of Indonesia, or any of its agencies, instrumentalities, corporations or ventures, or to any other person with knowledge or expectation that some or all such payment will be paid to or for the benefit of such an official, for the purpose of influencing such official's acts in his official capacity or to induce him to use his influence for the benefit of, or to retain any business for SML or B-M. SML has read the conduct of business policies attached hereto as Exhibit D and represents and warrants that it is in compliance with them.

This Agreement shall be governed by and construed according to the laws of the State of New York as if it were to be performed wholly therein.

If and to the extent that any court of competent jurisdiction holds any provision of this Agreement to be invalid or unenforceable in a final non appealable order, such holding shall in no way affect the validity of the remainder of this Agreement.

This Agreement may not be assigned by either party hereto without the express written consent of the other party hereto.

This Agreement and its Exhibits constitute the entire understanding between SML and B-M with respect to the subject matter herein. Any waiver, modification, or addition to this Agreement shall not be valid unless in writing and signed by SML and B-M.

B-M and SML indicate their acceptance of this Agreement by signing in the space provided below.

AGREED:

SMITH MCCABE, LTD.

BURSON-MARSTELLER

By: Allen W. Smith

By: James E. Murphy

Title: President

James E. Murphy  
Chairman/Chief Executive Officer  
Burson-Marsteller/New York

Date: 21 April 1992

Date: April 20, 1992