



## CONTRACT

1. This contract is made between The Ministry of Foreign Affairs of The Republic of Turkey, hereinafter called (MFA) and Counsellor Jay L. Kriegel on behalf of The Abernathy MacGregor Group New York/U.S.A., hereinafter called (AMG).
2. The Ministry of Foreign Affairs (MFA) retains the Abernathy MacGregor Group (AMG) to provide strategic advice and counsel regarding communications issues and programs and to assist with the development of overall communications plans and specific communications project in the United States and Europe. AMG will also assist the MFA in coordinating ongoing worldwide communications activities as conducted by the various consulting firms working for the government.

Work under this contract will include:

- a. **European Union Relations**: support of Turkey's efforts to implement the Customs Union agreement and to strengthen relations with the European Union and its member countries, including support for Turkey's application for full EU membership and advocating Turkey's interests during the Intergovernment Conference (IGC);
- b. **Pipeline**: generating support for multiple pipeline routes to transport Caspian Sea oil and the specific proposals submitted by Turkey to the AIOC, its member companies and interested governments for the Western route to Supsa for early oil and the major Ceyhan pipeline;
- c. **Trade and Investment**: efforts to improve international trade and private investment in Turkey by European and American companies, including promoting opportunities in Turkey and Turkey's competitive advantages to target markets and industries;
- d. **Terrorism**: support of Turkey's fight against the PKK and Turkey's campaign to win international support of efforts to combat terrorism and to deny support to the PKK;

e. **Human Rights**: presenting the fundamental strengths and elements of individual rights and basic freedoms (press, religion) and open political and legal systems, Turkey's historic record in support of human rights and the ongoing efforts to improve human rights.

3. We will assist in the preparation of various materials, including press releases and speeches, and the use of various media techniques, including videos, brochures, research projects and White Papers, as requested. The video, brochure and computer simulation study for the pipeline project are examples.
4. We will work with the MFA and appropriate consultants to design and strengthen programs to bring leading journalists, businessmen and legislators from the United States and Europe to visit Turkey on an ongoing basis.
5. The term of this engagement is January 1, 1997 through December 31, 1997.
6. This engagement may be terminated with 30 day written notice by MFA or AMG.
7. During the period of this engagement, we will take our instructions from you or from whoever else the MFA designates.
8. We will treat all information received from you or from the MFA or other government officials and agencies as privileged and confidential. AMG acknowledges its responsibilities, both during and after the term of its appointment, to use all reasonable and legally permissible efforts to preserve the confidentiality of any proprietary or confidential information developed by AMG on behalf of MFA or disclosed by MFA or any other agencies or representatives of the government of Turkey to AMG.
9. AMG will be responsible for ordinary and predictable administrative, travel and other out-of-pocket expenses incurred under this contract. Should MFA request that AMG undertake additional travel beyond that envisioned in our proposal, AMG shall submit to MFA itemized expenses and MFA will remit payment to AMG for such expenses within thirty days.
10. AMG will provide regular reports to MFA detailing its work at least on a quarterly basis.
11. AMG will remain cognizant of the interests and concerns of MFA, thereby striving at all times to prevent conflicts of interests. Specifically, there can be no conflicts of interests between AMG's work for other clients and the interests of the government of Turkey.

In the event of any merger or combination of AMG with any other company, the successor entity will be bound by this Agreement. The parties agree that the participation of Jay L. Kriegel in overseeing and supervising their work for AMG is critical and should he no longer be involved, MFA will have the right to cancel the contract. Should he move

to another firm, the parties agree in advance that the contract can be assigned to that firm so long as it agrees to be bound by this Agreement.

12. The Laws of the Republic of Turkey shall govern in any interpretation or litigation concerning this Agreement.

13. In the event that either party should become the subject of legal action, arising from or related to the performance of this Agreement, in connection with the infringement of the rights of any third party, the infringing party agrees to indemnify and hold harmless the other party against any losses, claims, damages or liabilities for which the infringing party is directly responsible. In applying this provision, MFA shall be responsible only for claims arising from materials provided or prepared by it, or for information on which AMG relied which was provided to it by the Government of Turkey. The infringing party shall also reimburse the non-infringing party for any legal or other expenses incurred (including court costs) in connection with any pending or threatened investigation or litigation arising from or related to the performance of this Agreement.

Should both parties be jointly responsible for the infringement, they agree to share the costs of defending against any such actual, pending, or threatened investigation or litigation in direct proportion of their percentage of responsibility for the infringement.

14. All materials produced at MFA's expense by AMG shall be the property of MFA upon receipt of payment in full for all fees and expenses due.

15. MFA may inspect all correspondence, contracts, books, accounts and other materials prepared or held by AMG at the AMG office that are directly related to its performance of this Contract. Inspections may be made during normal business hours on five (5) business days prior written notice to AMG.

16. AMG shall not retain any third parties in connection with the performance of this contract without the prior written approval of MFA, AMG shall not assign, transfer or make any other disposition of this Agreement or any other disposition of this Agreement or any part of the rights or obligations under the Agreement without prior written authorization, except as provided in paragraph 11.

17. Paragraphs 10, 11, 12 and 13 shall survive the termination of the Contract.

18. AMG will be responsible for and bear the cost of fees for any legally required filings, including those under the Foreign Agents Registration Act.

19. The total amount is \$540,000, including AMG's fee and all administrative and other out of pocket expenses.

20. MFA shall remit to AMG via wire transfer payments according to the following schedule:

I. For the period January 1 through March 31, 1997 - \$135,000;  
payment to be made on: February 28, 1997

II. For the period April 1 through June 30, 1997 - \$135,000;  
payment to be made on: May 30, 1997

III. For the period July 1 through September 30, 1997 - \$135,000;  
payment to be made on: August 29, 1997

IV. For the period October 1 through December 31, 1997 - \$135,000;  
payment to be made on: November 26, 1997

21. All wire transfers shall be made directly to the account of AMG as follows:

Bank: The Bank of New York  
360 Park Avenue  
New York, NY 10022

ABA No.: 021-000-18  
Account No.: 18-8425  
Contact: Ann Minski  
Telephone: 212-371-5999

For the Ministry of Foreign Affairs

For The Abernathy MacGregor Group

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