

U.S. Department of Justice
Washington, DC 20530

**Exhibit B to Registration Statement
Pursuant to the Foreign Agents Registration Act of
1938, as amended**

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. Compliance is accomplished by filing an electronic Exhibit B form at <http://www.fara.gov>.

Privacy Act Statement. The filing of this document is required for the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.*, for the purposes of registration under the Act and public disclosure. Provision of the information requested is mandatory, and failure to provide the information is subject to the penalty and enforcement provisions established in Section 8 of the Act. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials 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, DC. Statements are also available online at the Registration Unit's webpage: <http://www.fara.gov>. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public in print and online at: <http://www.fara.gov>.

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, Counterespionage Section, National Security Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant Podesta Group, Inc.	2. Registration No. 5926
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3. Name of Foreign Principal National Security Council of Georgia
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Check Appropriate Box:

- 4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
- 5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 6. 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 expenses, if any, to be received.
- 7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Research and analyze issues of concern to the principal; counsel the principal on U.S. policies of concern, activities in Congress and the Executive branch and developments on the U.S. political scene generally; and maintain contact, as necessary, with Members of Congress and their staff, Executive branch officials, members of the press, and non-governmental organizations.

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

Registrant will provide strategic counsel to the foreign principal on communicating priority issues in the United States-Georgia bilateral relationship to relevant U.S. audiences, including the U.S. Congress, administration, media, and policy community.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? 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.

The activities listed in Item 8 will be undertaken in order to communicate information to the principal, as well as to communicate information about the principal to interested persons in the public sector. At the request of the principal, meetings may be arranged with Members of Congress and their staff, as well as Executive branch officials.

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EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swears or affirms under penalty of perjury that he/she has read the information set forth in this Exhibit B to the registration statement and that he/she is familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her knowledge and belief.

Date of Exhibit B	Name and Title	Signature
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any 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.

February 1, 2012

Giorgi Bokeria
National Security Council of Georgia
Ingorokva St. 7
Tbilisi, Georgia

Dear Giorgi:

I am writing to confirm the arrangements with regard to the work the Podesta Group will perform on behalf of the National Security Council of Georgia. The Podesta Group agrees to provide lobbying, government relations, public relations, and media management services to Georgia, consistent with those services ordinarily and customarily provided in representing a foreign sovereign before the United States Congress, the Executive Branch, and the media.

Summary and Terms of Representation

1. The term of this agreement is February 1, 2012, through December 31, 2012. This agreement will automatically renew for the period January 1, 2013 through June 30, 2013, with both parties agreeing to meet during November 2012 to discuss scope of work and fees.
2. For all services rendered by the firm, the Podesta Group will be paid a fee of \$600,000, which amount does not include any applicable Georgian taxes and any such taxes will be the responsibility of the National Security Council of Georgia. Fees will be billed no later than the twentieth day of the month, one month ahead, and are due on the fifteenth day of the following month.
3. Additional expenses, including international and domestic travel (economy class tickets, standard room accommodation, etc.), require the prior approval of the National Security Council of Georgia. The NSC shall reimburse these expenses at cost; they are payable by wire transfer within thirty (30) days of receipt of an invoice accompanied by appropriate receipts.
4. Any dispute arising out of this agreement shall be governed by the laws of the District of Columbia and the United States, without regard to principles of law that would require the application of the laws of another jurisdiction.
5. As permitted by other applicable United States laws and regulations, the Podesta Group shall provide the National Security Council of Georgia with government affairs representation before the federal government of the United States and the United States Congress, and such other services as the parties mutually agree shall be provided under this agreement.
6. The Podesta Group shall use its best efforts to avoid any and all behavior which might damage the Government of Georgia's reputation or which in any way might adversely affect the interests, reputation or assets of the Government of Georgia.



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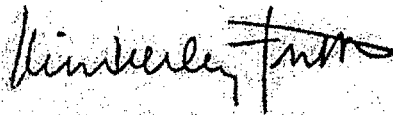
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7. The Podesta Group will use all permissible efforts to protect privileged communications or other confidential information developed by the Podesta Group or provided to the Podesta Group during the course of the Podesta Group's provision of services described above. This obligation will survive the termination of this agreement. However, nothing in this provision is intended to prevent the Podesta Group from complying with all applicable laws and regulations of the United States.
8. The Agreement may be terminated by either party in writing by observing a notice period of one month. Should this Agreement terminate prior to its natural expiration, any fees paid to the Podesta Group by the National Security Council of Georgia that exceed the pro-rata share of earned fees apportioned on a daily basis up to the date of termination shall be refunded by the Podesta Group to the National Security Council of Georgia.
9. The Podesta Group shall deliver the National Security Council of Georgia monthly reports of its activities.
10. The Podesta Group shall comply with any and all restrictions and requirements of the Foreign Agents Registration Act, and other applicable laws and regulations of the United States.
11. The Podesta Group and Podesta Group employees shall not be liable to the National Security Council of Georgia for any loss incurred by the National Security Council of Georgia in connection with this agreement, except a loss resulting from willful misconduct or gross negligence by the Podesta Group or by Podesta Group employees. The Podesta Group shall not be liable to the National Security Council of Georgia for any special, incidental, indirect, punitive, or consequential loss or damage of any nature, arising at any time or from any cause.
12. The National Security Council of Georgia shall indemnify the Podesta Group and Podesta Group employees against liabilities, losses, damages, claims, causes of action and expenses (including reasonable attorneys' fees) to which the Podesta Group may become subject to arising out of this agreement. The National Security Council of Georgia shall not indemnify the Podesta Group to the extent any liability, loss, damage, claim, cause of action, or expense results solely from the Podesta Group's or the Podesta Group's employees' willful misconduct or gross negligence.
13. The National Security Council of Georgia recognizes that the Podesta Group brings to this agreement pre-existing know-how, skill, techniques, trade secrets, knowledge, methods, forms, designs, and other intellectual property and materials (the "Pre-Existing Materials") to assist the Podesta Group in the performance of the services under this agreement. The National Security Council of Georgia agrees and acknowledges that these Pre-Existing Materials are and shall remain the sole and exclusive property of the Podesta Group.
14. During the life of this agreement and for six (6) months after termination of this agreement, the National Security Council of Georgia agrees not to hire or solicit for hire as employee or independent contractor, any person currently employed or engaged by the Podesta Group who provides any services to the National Security Council of Georgia during the life of this agreement, without the prior written consent of the Podesta Group.

15. During the life of this agreement and for six (6) months after termination of this agreement, the Podesta Group agrees not to represent or work for any Georgian political party, movement, or association - or any entity seeking to influence Georgian politics - without the prior written consent of the National Security Council.
16. If any provision of this agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect.

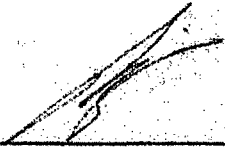
If this agreement is satisfactory to you, please sign below, retain a copy for your files and return a copy to us. If you have any questions, please do not hesitate to call. We look forward to working with you.

Sincerely,



Kimberley Fritts
CEO

AGREED TO:



On behalf of the National Security Council of Georgia

1 February 2012

Date

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